

# Norva24 Group AB Annual Report & Sustainability Report 2021







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Pages 6, 12-15, 18-20 and 38-52 constitute the statutory sustainability report for Norva24 Group AB (559226-2553), headquartered in Stockholm, Sweden. The report summarises the sustainability work conducted during the period 1 January - 31 December 2021 and is based on the material sustainability issues identified in 2021.

This is an English translation of the Swedish Annual report. In case of discrepancies between the English translation and the Swedish report, the Swedish report shall prevail.



## Vision

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

Improve digital integration and capabilities

Improve flexibility and fleet utilisation

Expand local service offerings

Drive revenue amongst largest customers

Geographic expansion with rich M&A pipeline in a total market of NOK 140 billion

## Strategies

## Values and Guiding Principles

Let these values be guiding for our business:

### Trust

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

### Passion

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

## Sustainability and Corporate Responsibility

- Norva24 have set two strategic focus targets:
  - Increase the share of its green services to its clients
  - Reduce the relative energy consumption (kWh/revenue)
- A whistle blower system was implemented in December 2021. Incidents violating for example the Norva24 zero tolerance of any form of discrimination, harassment or

corruption can be reported to an external part, also anonymously.

- Norva24 entered into a three-year collaboration agreement with the Norwegian Foundation Sunnaasstiftelsen, that helps people who have been exposed to serious illness or injury, and have rehabilitation need, to master their new life situation.





## 2021 in figures

Total operating  
revenue  
NOK **2,025** million  
Growth **+33%**

Aquired growth  
**+32%**

Currency  
adjusted organic growth  
**+3.3%**

EBITA  
NOK **222** million  
Growth **+13%**

Adjusted EBITA  
NOK **258** million  
Growth **+22%**

Adjusted EBITA margin  
**12.7%**

Completed acquisitions  
**7**  
Added annual revenues  
NOK **+350** million

Net debt/  
adjusted EBITDA LTM  
**1.7x**

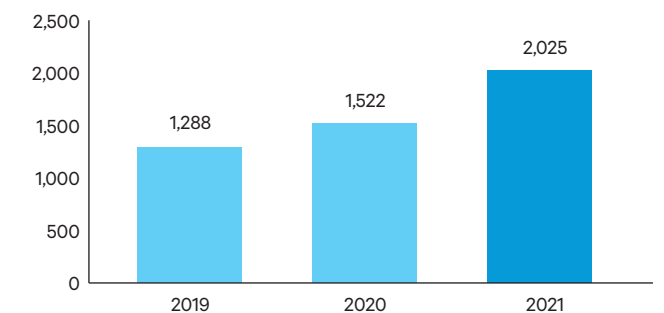
SEK **920** million  
Gross proceeds from IPO



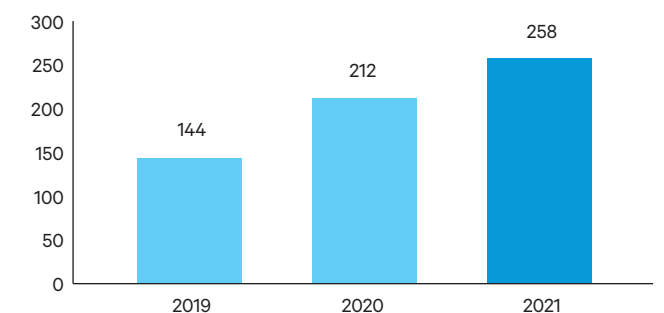
## Overview of Group

- **Leading UIM operator in Northern Europe**  
Providing critical Underground Infrastructure Maintenance services to municipalities, businesses and households
- **Non-cyclical and resilient industry**
- **Proven consolidation engine with European vision**
- **ESG early mover**
- **Digital disruptor**
- **Good organic and M&A growth and margins**
- **More than 50,000 customers**

**Total operating revenue**  
NOK million



**Adjusted EBITA**  
NOK million



### FINANCIAL OVERVIEW

NOK million

	Full year 2021	Full year 2020
Total operating revenue	2 025.2	1 522.5
Growth – total revenue, %	33.0	18.3
Adjusted EBITA	257.7	211.9
Adjusted EBITA margin, %	12.7	13.9
Adjusted EBITA growth, %	21.6	47.6
EBIT	193.5	179.2
Cash flows from operating activities	337.4	353.8
Cash conversion, %	73.1	99.0
Net debt (at period end)	763.6	1 245.6
Net debt (at period end)/adjusted EBITDA LTM	1.7	3.5
Earnings per share (basic and diluted), NOK	0.81	1.87



## This is Norva24

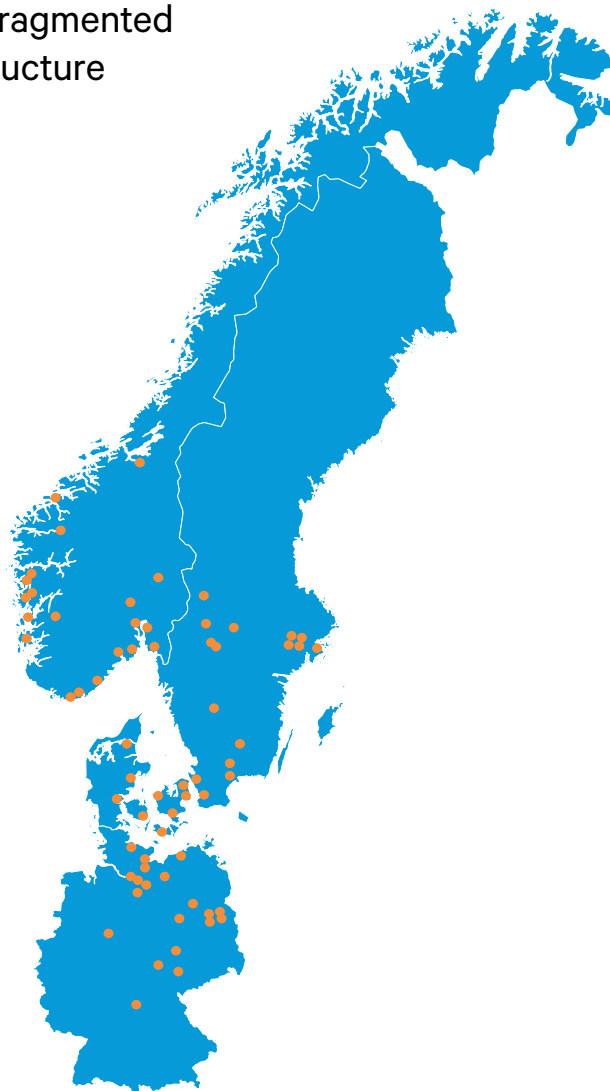
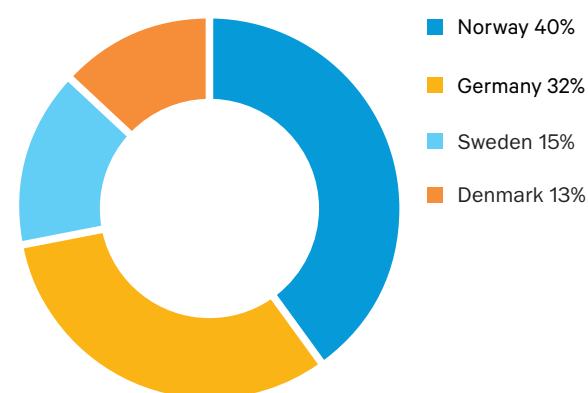
Norva24 is the market leader within the fragmented Northern European Underground Infrastructure Maintenance (UIM) services market.

### WHAT WE DO

We aim to become the leading European operator and be a true inspiration to others in the UIM industry.

We continue to operate through a route-based and decentralised branch model which has been key to our success. Norva24 has long-standing relationships with local SMEs and regional customers and is one of the few operators able to serve national and international customers.

### Geographical distribution 2021



### NORVA24'S UIM SERVICES MAINLY CONTRIBUTE TO:



#### SDG 6: Ensure availability and sustainable management of water and sanitation for all

- UIM-driven goal
- Contributing to access to clean water



#### SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable

- UIM-driven goal
- Large contributor for sustainable settlements



#### SDG 13: Climate change

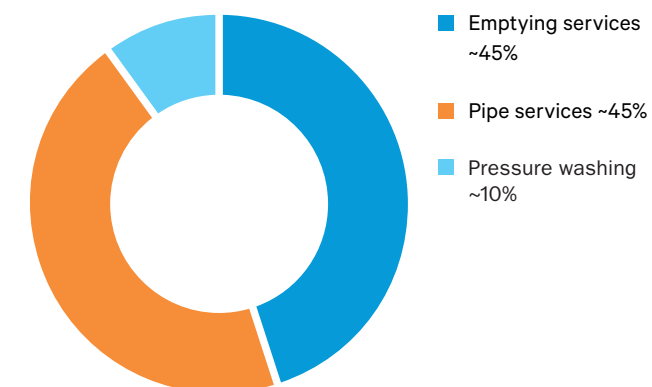
- Strengthening resilience and adaptive capacity to climate-related hazards
- Norva24 a front-runner in reducing own climate impact



### HOW WE HELP OUR CUSTOMERS

UIM services are essential for society, as the underground infrastructure needs to be continuously maintained in order to enable a sustainable and functioning society. Using Norway as an illustrative example, current underground infrastructure networks are on average approximately 40 years old, and in some instances they are almost two times past their life expectancy, meaning that more maintenance and services are required in order to maintain functionality.

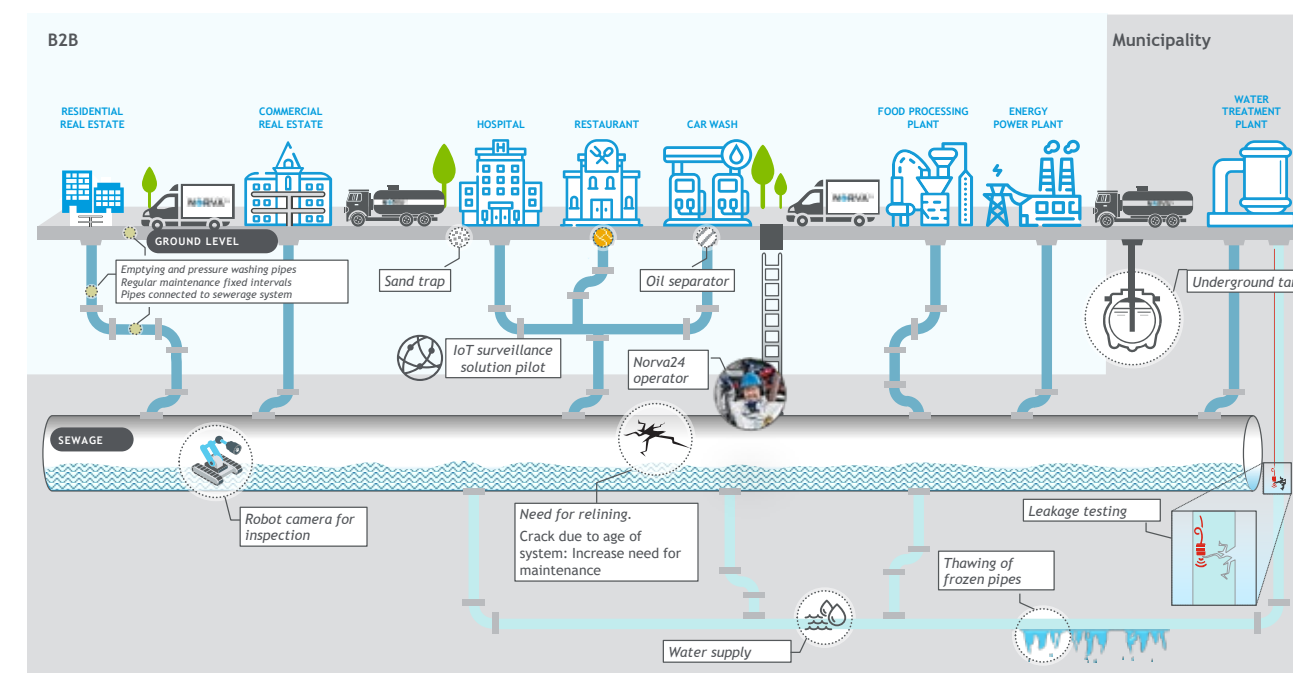
### Intertwined service offering



More than **50,000**  
customers

**24/7**  
365 days a year

The illustration shows how the society is connected through the underground infrastructure and how Norva24's mission critical and non-discretionary maintenance services are provided







## On track to deliver on our targets and capital raised secures our next phase as a successful compounder

Our listing in December 2021 marked an important milestone on our journey building a European Lighthouse and market leader in Underground Infrastructure Maintenance. With the listing we raised around NOK 900 millions of new capital, enabling us to increase our pace in acquisition activities. With the capital, we have the financial capacity to deliver on our acquisition strategy and our financial development in 2021 confirms that we are on the right track.

Norva24 is a serial acquirer in the compounder space within an attractive, fragmented and non-cyclical market, with an expected annual average organic market growth of 5.5% from 2022 driven by solid underlying drivers.

Norva24 has an established M&A model and successful track record of continuously acquiring companies in the fragmented UIM market over the last 7 years. We are the first to consolidate the UIM industry and have a solid #1 market position in Northern Europe. With an experienced organization and proven track record of integrating companies and realizing synergies, we are confident in the compelling value creation opportunities from continuing the growth journey towards our mid-term revenue target of NOK 4.5 billion by 2025.

I am particularly pleased with our ability to deliver on acquisitions before we according to plan, temporally paused closing of acquisition in the latter part of 2021 due to the IPO process. We acquired two companies in the beginning of 2021, Kjelsberg Transport AS in Norway and GJ & Son AB in Sweden.

Later in the year we closed acquisition of GR Avloppsrensning and Malmberg Miljöhantering in Sweden.

Our acquisition of Mayer Kanalmanagement in April 2021 strengthened our market position in Berlin. Following that acquisition, Decker Group in Hamburg was acquired in June 2021, which has secured our leading position in Northern Germany. The trend in Germany is very satisfying and also evidence of our ability to implement our acquisition strategy in Northern Europe. Adjusted EBITA in Germany in 2021 amounted to NOK 119 million compared with NOK 58 million in 2020.

Finally, we acquired Ulvsby Miljö in Sweden. Together with the other acquisitions in Sweden in 2021 we have significantly broadened the geographical and operational reach of our Swedish business.

During 2021, our business operations displayed continued good growth with 3.3% currency adjusted organic growth in a market that has been flat in 2020/2021 due to some customer sectors having been impacted by Covid-19. In the fourth quarter we saw a strong growth of 9% validating our expectations of the growth coming back to pre-Covid growth from 2022. We also saw 32% acquired growth due to our recent acquisitions in Germany, Norway and Sweden. Total operating revenue passed NOK 2 billion for the first time, an increase of 33% compared with last year.

Adjusted EBITA was NOK 258 million for the year, an increase of 22% compared with last year, and the adjusted EBITA margin was 12.7% during 2021.

It was also positive to see that the signs of improvements we have seen in the Danish operations during 2021 materialized in improved performance in the fourth quarter. The adjusted EBITA margin increased to 5%, compared to negative profitability in Q4 2020. The clear improvement is a result of the initiatives implemented and confirms our belief that Denmark is improving the adjusted EBITA from 2022.

As from January 1st, 2022, we have implemented contractual price increases in line with various transportation linked indices



for most of the public contracts in Norway and Sweden. Higher transportation costs mainly from increased fuel and energy prices affected costs in 2021 and the beginning of 2022; and our customer price increases are expected to compensate for these cost increases in 2022 as we on the private contracts and for customers without a contract do this on an ongoing basis. We therefore claim to have good protection from possible rising inflation.

To summarize, we have at year-end acquired a total of eleven companies in the past year and a half, adding revenues of close to MNOK 600. Following a pause in acquisitions in the second half of 2021 due to the IPO process, our current pipeline of acquisition candidates is strong, and we expect strong acquisition activity level in 2022 with two acquisitions already closed. In Germany, we acquired the company Zimmerbeutel in Rhein/Ruhr area and in Sweden we acquired the company IRG in Göteborg. Besides having a strong offering of regular UIM services, IRG is a strategic acquisition as IRG works with advanced digital sensor solutions and digital surveillance.

Our vision is clear: We want to be the market leader in UIM in Europe. We continue to strengthen our position through both acquisitions and organic growth to fully live up to our slogan: "We always help!"

The geopolitical situation is uncertain, but we know that our services are critical to the functioning of society. Due to the



continuous demand for Norva24's services, and the non-cyclical nature of our business, the Norva24 teams serviced our customers around the clock throughout the pandemic years of 2020 and 2021. We will continue to do so this year as well and we expect market growth in 2022 to return to pre-pandemic levels. Our core values are trust & passion, and in the pandemic years our employees truly showed how strongly these values stand in the organization. No matter what circumstances or restrictions our teams met, they managed to find solutions and help our customers. I would like to thank our employees for having carried out tremendous work for our customers.

We operate in a non-cyclical and a mission critical industry with market growth driven by, amongst many factors ageing underground infrastructure, increased regulation and increased extreme weather due to climate change. We have a clear and proven acquisition strategy, with 34 acquisitions completed since Norva24 was established. We operate in the European UIM market, with a total addressable market of NOK 140 billion. With a large pipeline of potential acquisition candidates, several ongoing dialogues and with significantly higher capital capacity following the IPO, we are on track towards achieving our financial target of NOK 4.5 billion in total revenue in 2025.

This Annual Report also includes our first group CSR report, and we are proud to see progress in most of our key areas. We have strategic focus on improving our performance on two KPIs. One is the relative energy consumption measured as kWh/revenue where all energy consumption is calculated into kWh equivalent. Second is percentage of sales coming from green services. Further information on our work with these KPIs can be seen under each country and under the CSR section.

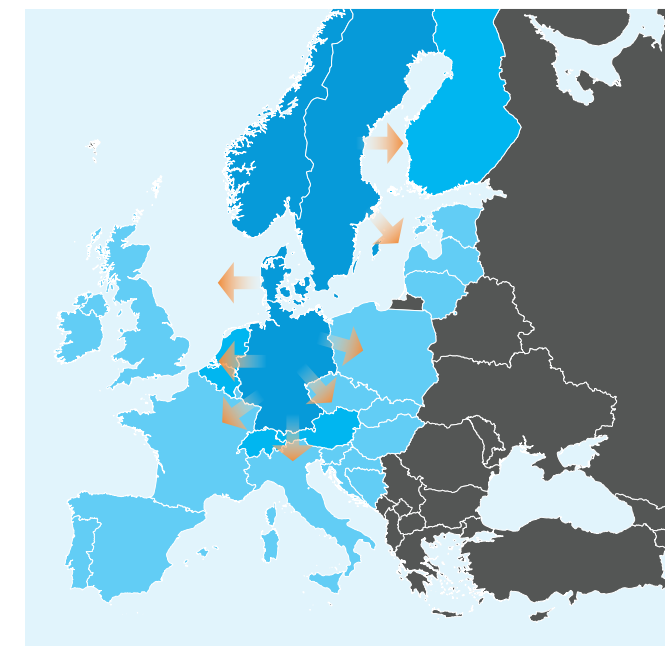
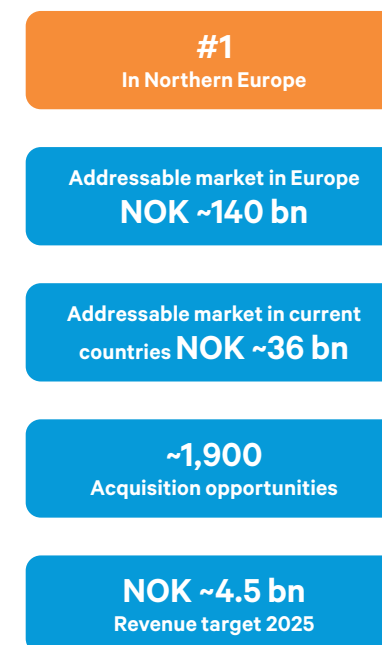
Our maintenance of the underground infrastructure is a key part of a sustainable future due to the climate change with more severe

**"The European UIM market has a total addressable market of NOK 140 billion. With a large pipeline of potential acquisition candidates, and many ongoing dialogues with significantly higher acquisition capacity following the IPO, we are well on our way to achieving our financial target of NOK 4.5 billion in total revenue in 2025."**

weather. The need for and importance of Norva24's services are increasing. We work continuously to develop Norva24's sustainability work and to secure the position as the leading player in our industry based on the UN Global Sustainable Development Goals for clean water, sanitation, sustainable cities and clean energy.

Henrik Damgaard  
Chief Executive Officer  
Stockholm, April 2022

### Clear Northern European market leader



- Existing markets
- Future target markets
- Most likely future target markets





## Our financial targets and target achievement

In line with the Group's strategy, the Group has adopted the below financial targets to achieve in the medium-term.

During 2021 Norva24 achieved important milestones in line with set financial targets.

### Well capitalized – on track to deliver on medium term financial targets

		2021	Q4, 2021	Medium term financial targets
Operating revenue growth	Organic growth	3.3%	9.4%	Target to achieve revenue of around <b>NOK 4.5 bn by 2025</b> while achieving an average organic growth per annum of at least in line with market growth
	Total growth	33.0%	32.1%	
Profitability		12.7%	13.9%	Target to achieve an adjusted EBITA margin of <b>14-15% in the medium term</b>
Capital structure		1.7x	1.7x	Norva24's capital structure shall enable a high degree of financial flexibility and allow for acquisitions. Target steady state net debt ratio (including IFRS16 liabilities) of <b>1.7x adjusted EBITDA</b> for the last 12 months, temporary increase for M&A
Dividend policy		–	–	As a part of Norva24's vision and strategy, it intends to <b>reinvest cash flows into growth</b> and expansion initiatives, including acquisitions, and as such does not expect to pay annual dividends to its shareholders in the medium term





# Our business model

## NORVA24'S DECENTRALIZED OPERATING MODEL

Norva24 operates a decentralized operating model with a branch-based set up that largely delegates business decisions to individual branches. This operating model combined with the acquisition strategy aims to achieve the benefits of scale to support the local branches, while promoting local entrepreneurial leadership.

The set-up is designed to provide a decentralized decision-making, centralized support, a performance-oriented culture, and growth. Decentralized decision-making means that operational decisions are made by those individuals at the branch-level who have local relationships, expertise, and knowledge. Centralized support is provided so overall scale, corporate IT support, as well as capital and institutionalized best practices are achieved. A performance-oriented culture is monitored through monthly league table benchmarking across branches of margin levels and quarterly with respect to revenue growth, as well as training, measuring, and reviewing local branch managers and business units based on such benchmarking.

Growth is encouraged with financial and business plan responsibility throughout the organization, specifically through full profit and loss accountability across all levels. This drives top and bottom-line growth, as well as sourcing and evaluating new potential M&A targets through local positioning and communication.

Three simple levels of organization are set: Group level, country level and branch level.

Group comprise of Norva24's executive group management, IT/digitalization team and Group finance team. Group level sets financial targets and provides overall strategy and support, approves and executes M&A transactions, performs country-level reviews of the Group's procurement orders and tenders above a set materiality threshold, and follows-up on sick leave and leave due to injuries. Group is also responsible for group accounting, Investor Relation and financing including bank agreements.

At the country level, four Country CEOs are responsible for P/L within each country, management and support of the country operations, implementation of Group strategies, monitoring of local performance and approving new customer accounts, and procurement orders and tenders within a set materiality threshold.

At the branch level, Norva24 has approximately 60 branch managers, who are responsible for daily business operations, marketing and sales, density of local networks, local branch financial performance and management and approve new accounts, procurement orders and tenders below a set materiality threshold.

The Norva24 operating model is based on the key principle that branch managers have the best knowledge of the local market, including customers and competitive and other market dynamics, and are therefore best placed to respond to customers' requirements.

Norva24 believes in autonomy given to local management as a key driver for strong local performance. Autonomy is also an important aspect of Norva24's proven M&A model, as it attracts



well-established independent UIM service companies that are founded and managed by entrepreneurs who may wish to retain operational ownership over the local branches after the acquisition. The group provides a proven "playbook" and established set of tools to enable the branch managers to succeed.

The Norva24 operating model is designed to also drive performance of branch managers by applying a strategy of overview and guidance. In the strategy, the performance of each branch is internally measured according to an agreed set of universal key performance indicators ("KPIs").

The KPIs to help branch managers to step up efficiency and transparency, to achieve specific goals. KPIs measured include EBITA margin levels as well as sales growth. In the event of unsatisfactory KPIs within a branch, the management initially entrusts branch managers with addressing the underlying causes of the underperformance. Branch managers then work with Country CEOs and central support functions to devise a plan to improve the branch's performance.

## BRANCH NETWORK AND DENSITY

Norva24's branch network and local density allow Norva24 to serve customers more effectively due to close geographic proximity to customers providing quick response time to serve mission-critical customer emergencies and assignments.

In the setup Norva24 can develop close local relationships with its clients, believed to be an important purchasing consideration for local customers.

Norva24's density and network are key drivers of service proactivity and route planning, and supports increased visibility and the ability to capture commercial opportunities. The ability to optimize and leverage the branch network and local density functions as a key driver of performance and efficiency for branches, and, in turn, increasing density generally leads to increased profitability.

## MARKETING AND SALES CHANNELS

Consistent with Norva24 operating model, the Group's sales activities are decentralized. Most decisions are made at the branch level, with support provided at the national and Group Management levels specifically as they relate to key customer accounts and public tender processes. Marketing activities are also decentralized, with a greater emphasis on the role of branches in local branding and marketing strategies.

On a country level, the Norva24 manages various marketing and sales functions and processes. The country level organization

is responsible for onboarding and delivering key national accounts, whereby key account managers are tasked with ensuring that large clients receive standardized services and care across.

Norva24 value proposition to repeat customers is focused on: providing a comprehensive service offering, becoming a partner of choice by offering rapid response time service with superior quality, ensuring adequate documentation and high ESG standards are in place and offering disruptive and innovative solutions, such as IoT surveillance solutions.

Norva24's initiatives for winning new customers focus on: targeted marketing through digital and traditional channels, incentivization schemes for local operators to onboard new customers, quality service to ensure referrals via satisfied customers, and tender process support at the country level to support local branches. New customers are also often won by the local branch managers.

The Group's marketing strategy has a strong digital focus, which is primarily pursued at the country level. Marketing efforts are focused on both traditional as well as digital platforms, such as Facebook, Google Ads, email and Norva24's blog. Norva24 also has a modern website that drives traffic and delivers a positive and efficient customer experience. After services are completed, Norva24 automatically sends an email follow-up, and its internal system reorganizes leads and opportunities and sends them to the relevant department or local branch accordingly.

The Group is focused on a density-driven approach, targeting a large number of customers in key areas of focus. As such, the Group is not dependent on revenue from a select number of key customers, but rather has a diverse customer base comprised of businesses of varying size as well as residential customers. This helps to reduce price sensitivity, increase gross profit margin and reduce customer dependency.

## REVENUE MODEL AND CUSTOMER CONTRACTS

Norva24 has revenue from contracted arrangements for ongoing UIM services typically for municipalities as well as medium- and large-sized corporate customers. Contracts mostly have a multi-year duration of four to six years for municipalities and framework agreements for corporate customers,

Corporate customers, who typically do not have multi-year contracts in place, are often longstanding customers with recurring purchases.

The Group provides its UIM services to customers under one of the following three models: contracted, repeat/recurring and ad hoc and emergency services.

## The branch managers are key to success

### The Norva24 model





TENDER PROCESSES

Norva24 assesses that public tender processes are an attractive area for organic growth, particularly as municipal pooling of tenders increases the size of tender contracts. Municipals amount to 30% of total revenues, but within this group it is highly fragmented. Norva24 has a strong track record for winning municipal tenders.

PERMITS AND CERTIFICATIONS

Operations and facilities are subject to water, waste, environmental, health and safety laws and regulations, including those governing: water supply, use and discharges; the use, handling, treatment, recycling, release, management, storage and disposal of and exposure to hazardous substances; air emissions, greenhouse gas emissions and energy efficiency; and safety of workers, plants, sites, and products.

VEHICLE FLEET

Norva24’s leasing model is well functioning for the vehicle fleet and benefits the Group in several ways such as lower capital expenditure obligations which are spread over a long period of time. Norva24 leases its vehicles from approximately ten counterparties.

As of end of 2021, Norva24 had approximately 865 operating vehicles in its fleet, with approximately 270 in Norway, 190 in Sweden, 115 in Denmark and 290 in Germany. Norva24’s vehicle fleet comprises 165 combi trucks, 130 sludge suction trucks, 35 super suction trucks, 30 mobile dewatering trucks, 185 flushing units, 10 vacuum trucks and 15 high pressure unit trucks. The vehicles in the fleet utilize a wide range of specialist equipment, and each type of vehicle is used for a variety of specified tasks. Approximately 80 percent of Norva24’s operating fleet is younger than 10 years.

EQUIPMENT

Norva24 uses machinery and equipment provided by external suppliers for its services. IT and telecommunications services and products are provided by third parties, as are UIM vehicles, equipment, and products.

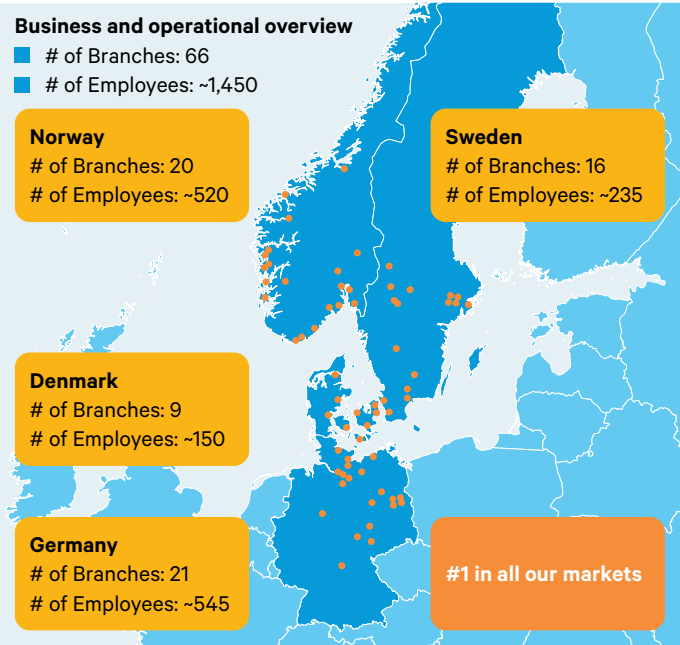
Highly sophisticated and advanced fleet

Norva24 has a breadth and depth of fleet able to provide a prompt response to different customers’ needs.

SELECT OVERVIEW OF THE MAIN OPERATING FLEET

Type of vehicle	# of vehicles	Description	Type of jobs/services
Combi trucks	~165	Highly versatile vehicles	<ul style="list-style-type: none"><li>Flushing and cleaning pipes</li><li>Emptying sand traps/pump stations</li><li>Road maintenance</li><li>Sewerage maintenance</li></ul>
Flushing units	~185	Used primarily in cities	<ul style="list-style-type: none"><li>Clogged pipes</li><li>Pipe relining/search</li><li>Documentation/mapping of drains</li><li>Thaw of frozen pipes and drains</li></ul>
Sludge suction trucks	~130	Used for tasks requiring low suction	<ul style="list-style-type: none"><li>Sewage emptying</li><li>Fat separators</li><li>Sewage handling for water treatment plants</li></ul>
Super suction trucks	~35	Vary in specification and equipment	<ul style="list-style-type: none"><li>Suction of dry material</li><li>Suction of dust, cement, powder etc.</li></ul>
Mobile dewatering trucks	~30	Primarily for rural areas	<ul style="list-style-type: none"><li>Emptying septic tanks</li><li>Sewerage maintenance</li></ul>
Vacuum trucks	~10	Used in places where normal excavators cannot dig	<ul style="list-style-type: none"><li>Digging cables, pipes etc.</li></ul>
High pressure unit trucks	~15	Used in industry	<ul style="list-style-type: none"><li>Cleaning of industrial ovens</li><li>Surface cleaning</li><li>Concrete cutting</li></ul>
Camera trucks	~70	Used for underground inspections	<ul style="list-style-type: none"><li>TV inspection of pipes and tanks, normally used in conjunction with other services</li></ul>
Relining trucks	~35	Involves inserting a plastic mold into the pipe	<ul style="list-style-type: none"><li>Relining damaged pipes</li></ul>
Other	~190	Other vehicles such as vans, hook vehicles, machinery, recycling units, etc.	<ul style="list-style-type: none"><li>Miscellaneous</li></ul>

Our route-based and decentralised branch model



- Customer proximity**
- Quick response time
  - Local relationships are important purchasing criteria
  - A key driver of proactivity and route planning
  - Increased visibility

An international scope, combined with dense local presence and the Norva24 decentralised business model, is key to winning customers and gaining operational efficiencies

Central support for branch managers enabling them to outperform competition







## Our strategy

Norva24's long-term vision is to build a European market leader and a lighthouse in the UIM industry. Norva24's aim is to become the leading European operator in the industry and an inspiration to the UIM industry's development in Europe. The Company's growth and development strategy is founded on five pillars: geographic expansion with solid M&A pipeline, drive sales among largest customers, expand local service offerings, improve flexibility and fleet utilization, and improve digital integration and capabilities.

### GEOGRAPHIC EXPANSION WITH SOLID M&A PIPELINE

Norva24 believes that there are further expansion opportunities in its existing markets and new markets. In existing markets, the Company intends to continue to increase its network density with a particular focus on Germany. In the medium term, Norva24 expects to expand into new adjacent geographies, e.g., DACH and Benelux and in the long-term other geographic markets in Europe. The Company has a history of successfully completing acquisitions, integrating acquisitions into its existing organization and extracting synergies.

### DRIVE SALES AMONG LARGEST CUSTOMERS

The Company has identified six criteria that are of importance for large customers when choosing UIM service providers. These include quality and competencies across geographies, aligned reporting, access to a national account manager, efficient service, price, and high quality fleet & equipment combined with ESG security best practices & reporting. In order to succeed in these areas, the Company has developed key initiatives such as adopting certifications used by large customers (e.g., ISO 9001, ISO 14001), appointing key account managers, standardizing offering and product structure across markets and implementing value based pricing.

### EXPAND WITHIN THE SERVICES THAT NORVA24 OFFERS

As a step to improve the ability to service large customers across regions and be more efficient in general, Norva24 aims to provide a complete UIM service offering across all geographies and branches in the group including emptying services, pressure washing and pipe services along with expanded green service offering. As a first step in this strategy, the Company plans to share equipment across branches and gradually make sure all branches have the equipment to offer the complete range of the Group's service offering.

### IMPROVE FLEXIBILITY AND FLEET UTILIZATION

Norva24 sees great value in improving flexibility and fleet utilization across all branches. Because of this, the Group is monitoring the performance of all its branches and has identified a number of initiatives to improve both flexibility and fleet utilization across all branches. Identified initiatives include the introduction of an improved pricing model, launch of improved and more dynamic planning tools and further best practice sharing.

### IMPROVE DIGITAL INTEGRATION AND CAPABILITIES

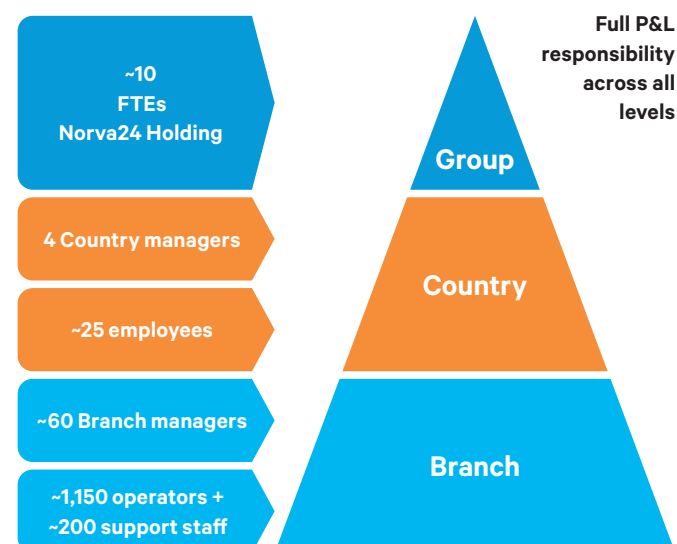
The Company is focused on increasing profitability and efficiency as well as further improving quality of service. In order to achieve this, Norva24 is aiming to improve its digital integration and capabilities through three initiatives that include expanding its common infrastructure, improving analytics and rolling-out an enhanced digital offering. The Company intends to continue to on-board branches and newly acquired companies on a common IT platform and expects all branches in Norway, Sweden and Denmark to be on the same platform in 2022. Given the acquisitive nature of Norva24 the degree of implementation will fluctuate over time. The overall aim is to create a uniform IT strategy with harmonized systems across the Group, which is expected to make operations more efficient.

## Flat organisation with only three levels

### Flexible structure balancing innovation and the institutionalisation of best practices

#### Flat organisation with only three levels with decentralised responsibilities and narrow top

- Sets targets (KPIs) and provides overall strategy and support
- Digitalization and IoT coordination through inhouse R&D team
- M&A execution in coherence with the Norva24 model
- Business reviews of countries
- Approval of new accounts, orders and tenders above a set threshold
- Responsible for region P&L
- Country management and support roles
- Implement group strategies and monitor local performance
- Approval of new accounts, orders and tenders within set threshold
- Responsible for local P&L
- Local customer management, marketing and sales
- Local day-to-day operations; and density of local network
- Approval of new accounts, orders and tenders below a set threshold



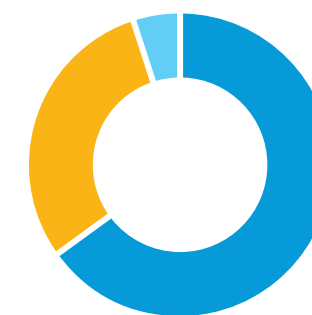
## Highly fragmented revenue base with more than 50,000 customers

### High visibility



- Contracted ~40%
- Repeat ~35%
- Other ~25%
- Recurring revenues ~75%

### Customer diversity



- Corporates ~65%
- Municipalities ~30%
- Households ~5%

### Diversified end-market exposure



- Municipalities ~30%
- Real estate maintenance ~15%
- Construction ~10%
- Industrial ~10%
- UIM and environmental services ~5%
- Households ~5%
- Transportation infrastructure ~5%
- Energy maintenance ~5%
- HoReCa ~5%
- Other ~10%

The Group also aims to increase use of data to help analyze current and future efficiency of operations to allow for improved route planning, proactive customer support and automatic documentation.

In addition to the above, Norva24 is about to launch an IoT solution to its offering and has recently conducted a number of pilot tests with larger customers. The solution benefits both the customer and Norva24 as it proactively informs Norva24 when it needs to carry out a job.

## Attractive, large and non-cyclical growth market with increasingly high barriers to entry

Key areas	Local competition	Norva24 vs. new entrants
Scale and density	Serves few local locations	Norva24 has an established customer base across all segments creating network density benefits
Operating fleet	Constrained by capital	Norva24 has an extensive fleet Minimum entry investment level: NOK 10m+ per location Long fleet lead time for first delivery: up to ~12 months
Full service offering	Narrow service offering	A majority of the municipalities and corporates purchase and require several of the services available
Domain expertise	Limited breadth and depth of industry knowledge	>1 year on avg. to develop domain expertise per service for the easier jobs, with significantly longer time needed for more complex tasks
Documentation and certification	Limited certificates and documentation capabilities	Numerous, localised and non-standardised certificates required for Quality, Health, Safety and Environment Management
Digitalisation	Limited digital capabilities	Proprietary digital and software solutions Superior route planning
ESG	Behind on ESG standards	ESG has become an important criterion in both public and private tender process, introducing e.g. 30% environmental weighting





## Drivers and trends

### DRIVERS AND TRENDS FOR NORVA24'S MARKETS

Norva24's markets are expected to be driven by several factors and market trends. These include, for example, ageing underground infrastructure, climate change, regulative efforts as well as more capacity outsourcing.

#### Ageing underground infrastructure

The conditions in the underground infrastructure in Norva24's current markets are generally poor because of underinvestments and delayed renovations resulting in a general investment backlog within the systems. In Norva24's current markets, the average age of the underground infrastructure is approximately 40 years and, in some cases, as old as 150 years leading to damages in the sewers and increased leakage rates. This has an impact on the reliability and quality of the overall underground infrastructure which impacts the entire society. In Norway, Germany, and Sweden, approximately 0.5 to 1.2 percent of sewers will currently

be renewed every year. Even though the quality varies, smaller municipalities normally have a less systematic approach to the maintenance of the underground infrastructure. However, they are on the other hand usually of a lower age. The poor state of the underground infrastructure is an important growth driver for the UIM industry, as the need for maintenance and renovation increases. Other European markets, which Norva24 currently does not operate in, are characterized by similar problems with ageing underground infrastructure.

#### Condition of the underground infrastructure in Norva24 current markets

In Denmark, the underground infrastructure are generally in relatively good condition as annual investments of approximately NOK 11 billion have been made since 2012. As a result, the average system is of a younger age and has a significantly lower leakage rate compared to Norway, Germany and Sweden.

### The systems are overall old and in need of constant maintenance

	Average age of sewers	Share of sewers to be renewed	Overall condition of the sewage system	Planned investments in the underground infrastructure
Norway NOK ~3.0bn TAM	~32 years	~1.0% p.a. from 2017 to 2040	Overall bad condition with ~30% leakage	NOK ~4.8bn p.a. from 2021 to 2040
Germany NOK ~24.6bn TAM	~40 years on average ~30% older than 50 years	0.8-1.2%	Overall bad condition with ~19% of sewers with medium to strong damages	Investments are significantly lower than the needed investment estimated EUR 13.5bn p.a.
Sweden NOK ~3.0bn TAM	~40-50 years	~0.5% p.a. from 2002 to 2017	Overall bad condition with ~15% leakage	NOK ~4.0bn p.a. from 2017 to 2047
Denmark NOK ~4.0bn TAM	~35 years	n.a.	Overall good condition with ~6% leakage	NOK ~11.0bn p.a. since 2012

**Total current addressable market<sup>1</sup> (TAM)**  
NOK ~36 bn

**Potential European UIM market**  
NOK ~140 bn

<sup>1</sup> Norway, Germany, Sweden and Denmark  
Source: Norva24 Offering Memorandum, 2021



## Drivers and trends in the underground infrastructure maintenance market

### Increased extreme weather adds load to system

<b>Ageing underground infrastructure</b>	<ul style="list-style-type: none"> <li>Poor state of the underground infrastructure requiring significant maintenance and renovation</li> <li>Ageing underground infrastructure</li> </ul>	~40 Years old on average
<b>Climate change</b>	<ul style="list-style-type: none"> <li>Increased extreme weather increases the load on the underground infrastructure networks and requiring more maintenance and higher quality pipes</li> <li>Temperature and rainfall increase set to strain underground infrastructure</li> </ul>	12% increase in rainfall
<b>Regulation</b>	<ul style="list-style-type: none"> <li>Existing regulations expected to drive higher investment</li> <li>Regulations increase the frequency of maintenance intervals</li> <li>Increasing standards and reporting requirements</li> </ul>	1 Per month fat separators emptying interval
<b>Capacity needed</b>	<ul style="list-style-type: none"> <li>Urbanisation placing extra pressure on the outdated underground infrastructure in urban areas, which increases maintenance need</li> </ul>	13% increase in ppl per km sewer
<b>Outsourcing</b>	<ul style="list-style-type: none"> <li>Sizeable outsourced UIM market with only ~24% of the services currently insourced</li> <li>No expected change in outsourcing degree in Nordic markets</li> <li>Further outsourcing potential in Germany (e.g. municipalities)</li> </ul>	~24% of market insourced
<b>ESG</b>	<ul style="list-style-type: none"> <li>Increasing trend for customers to weight ESG criteria</li> <li>Reporting requirements also increasing</li> </ul>	~30% weighting in certain tenders

Source: Norva24 Offering Memorandum, 2021

#### Climate change

Climate change has and will likely continue to increase the frequency of more extreme weather conditions, which has multiple effects on the underground infrastructure. UIM services offer solutions for handling the pressures placed on underground infrastructure caused by climate change, as a well-maintained underground infrastructure is essential to cope with increased precipitation and to reduce the risk of flooding.

The increase in extreme weather events due to climate change mean that capacity requirements of the day water systems must increase. More precipitation will lead to the water systems having problems handling higher water levels, which can lead to sewer

flooding. It is not only high precipitation that strain the underground infrastructure, but extraordinary dry weather also may result in increased need for cleaning services such as underground infrastructure and water pipes, since the flow through the system from normal weather conditions result in self-cleaning. An expected increase in average temperatures may also lead to sanitation problems occurring in the drinking water supply system, due to possible bacteria contamination. Local weather conditions vary significantly with regards to precipitation intensity, topography as well as self-drainage capacity. Investments in the underground infrastructure can lead to better handling of extreme weather conditions, by increasing the retention capacity, both through





more access points to the underground infrastructure and through higher storage volumes in the retention basins. Such investments in underground infrastructure, however, do not constitute a lasting solution, and municipalities will need to continue to address problems resulting from climate change. As a result, UIM services are essential for countries with extreme weather events as a result of climate change. In addition, climate change and an increased environmental awareness among customers have increased the importance of ESG as a scoring criterion, especially in public procurement processes, which further drives scale advantages within the industry and creates opportunities for premium pricing.

#### Regulative changes

Most regulations are set at the municipal level. Regulations in general have in the past been in the form of higher investments on renovation to address environmental concerns, again due to more severe weather conditions. As local regulations are implemented, the frequency of maintenance intervals have increased in order to extend the life length and quality of underground infrastructure. One key takeaway from past regulations has been that requirements on reporting and documentation have increased significantly. Large, multinational and municipal customers require more stringent permits and certifications, as well as higher standards of documentation to meet QHSE regulations. All this combined with several other factors have resulted in higher scale advantages for large, focused UIM companies as smaller UIM companies cannot comply with the new requirements due to a lack of sufficient resources and expertise.

#### Increasing capacity

Sweden is currently one of the fastest growing countries in Europe in terms of inhabitants. During 2016, Sweden's population exceeded 10 million, and by 2070 the population is expected to be approximately 12.7 million, according to Statistics. Similarly, the population in Norway was 5.4 million in 2020, and is expected to be approximately 6.1 million in 2060, according to Statistics Norway. This growth will result in greater demands on underground infrastructure and other underground infrastructure that is already today ignored maintenance wise. Population growth will also increase pressure on the existing infrastructure as it was generally built several decades ago and for a significantly smaller population size, leading to a disproportion of capacity.

Other consequences of population increases are growing demand of new connections to the underground infrastructure grid, which will grow by approximately 1.9 percent per annum in

Norva24's current markets and consequently also drives the industry market growth. The increased preferences for separate systems for sewage, rainwater and abandonment of mixed solutions further contributes to the general UIM market growth. The urbanization that is currently taking place is expected to accelerate with the current and ongoing population growth. Population growth and urbanization, combined with climate change, such as higher average temperatures and more severe rain and extreme weather, place additional pressure on the outdated underground infrastructure, especially in urban areas. The need for a functioning underground infrastructure is essential for all members of society, and well-managed and maintained underground infrastructure are essential to cope with increasing urbanization and capacity demand. Therefore, significant investments are required to accommodate the expected increased pressure on the underground infrastructure as well as achieving a sustainable management of the systems.

#### Outsourcing

Over the course of several decades, the UIM industry, especially in the Nordic countries, has experienced an outsourcing trend. This trend has been a consequence of several factors, including a general privatization trend in Western countries and demand for greater efficiency combined with reduced workforce, within the public sector. As of 2020, a majority of the UIM markets in Norva24's current markets are outsourced, with Denmark having a comparatively higher share of outsourced services at 90-95 percent compared to 70-80 percent in Norway and Germany, and 60-80 percent in Sweden. A sizeable share of the total UIM market is in the geographical regions where Norva24 operates. The outsourcing share of the UIM industry is also generally higher for renovation services than for inspection and cleaning services. Smaller and mid-sized municipalities also outsource inspection and cleaning services as well, while larger municipalities often have in-house capacity for planned jobs and contract supplementary providers in peak-demand situations and for short term interventions. Although, public in-house providers have in recent years experienced serious challenges to attract and retain younger employees, which in certain cases have forced them to buy UIM services in the open market, even if in-house may have been the preferred modus of operation.

The remaining share of the market is still insourced, primarily by larger public utilities. Norva24's view is that if further outsourcing is realized it is most likely to be driven by municipalities in Germany, with additional potential in Sweden and Norway within areas such as housing associations and public utilities entities.







# Our service offering and key customer segments

## OVERVIEW

Underground infrastructure maintenance services are essential for society, as the underground infrastructure needs to be continuously maintained to enable a sustainable well-functioning society. The current underground infrastructure networks are on average around 40 years old in Norway, and in some cases almost twice past their life expectancy. This implies that more maintenance and services are required to maintain the systems functionality. Simultaneously one percent of the underground infrastructure are renewed annually in Norway, which means that these issues are not likely to be resolved soon. Consequently, additional level of service is required to maintain the current infrastructure. For example, in Norway there is an average leakage rate of nearly 30 percent. On top of this, increasing severe weather events due to climate change serve to add to the strain on Norway's aging underground infrastructure.

The Group offers its UIM services to municipal, commercial, B2B and residential customers, which are categorized as contracted, repeat/recurring, and ad hoc and emergency. The Group's service offering covers emptying services, pressure washing and pipe services. The Group's operations are organized by geographical location and consist of four market segments: Norway, Germany, Sweden and Denmark

The Group offers both preventive and reactive services, including the inspection of premises, customer advice on preventive measures and methods of treatment, emptying, pressure washing

and pipe services, and reporting to customers on all inspections to detail the issues identified and the methods and means used to resolve the problem.

## CUSTOMERS

The Group's 50,000 customers broadly fall into three categories: public, corporate and private.

### Public customers (about 30% of revenues)

This includes municipal customers, smaller as well as larger towns and cities. Norva24 works with individual, standalone municipalities, as well as municipalities working in cooperation and other publicly owned companies. These customers need Norva24's services to maintain public infrastructure.

Norva24 participate in public tender processes with municipal customer contracts and other public contracts and has a strong track record of success in public tenders. Tender processes are often more complex in recent years as public customers evaluate criteria, such as service quality, speed and price in selecting the winning tender, and significant regional differences exist in the weighing of these metrics. In addition, increased ESG considerations (such as the use of electric or low-emission vehicles by the service provider), increased demand for documentation processes, significant capacity flexibility requirements, and increased IT solutions (such as digital tools and route-tracking) have all become additional criteria for evaluating offers.

## Comprehensive, mission critical and non-discretionary service offering



A normal job typically encompasses more than one service, leveraging similar capabilities and equipment  
Local- and EU-level regulations require most services be conducted at regular intervals during the year



## Corporate Customers (about 65% of revenues)

Norva24 also has many corporate customers, including in the real estate maintenance (about 15 percent of revenue in 2021), construction sector (about 10 percent of revenue in 2021), industrial sector (about 10 percent of revenue in 2021), transportation infrastructure (about 5 percent of revenue in 2021), UIM and environmental services (representing approximately 5 percent of revenue in 2021), energy maintenance (representing less than 5 percent of revenue in 2021), and HoReCa industries (representing less than 5 percent of revenue in 2021).

## Private customers (about 5% of revenues)

Private customers include residential homeowners. Private customers generated approximately 5 percent of the Group's revenue in 2021. UIM services are necessary to maintain a healthy and safe home environment and to prevent property losses and are typically needed in response to an immediate problem at their premises. Residential private customers comprise only a small portion of Norva24's customer base, and are served when Norva24 has spare capacity.

## NORVA24'S SERVICES

Norva24 broadly categorizes its services into (i) emptying services; (ii) pressure washing; and (iii) pipe services, though there is often overlap between the services and many job assignments involve more than one service being performed.

### Emptying services

Emptying services are provided across all of the Group's markets of operation and accounted for approximately 45 percent of the Group's revenue.

Norva24 performs many types of emptying services and has long experience emptying septic tanks, grease separators, oil separators and sand traps. Strict regulatory requirements exist for the emptying services, and Norva24 has acquired knowledge regarding the local requirements and regulations in each of the jurisdictions in which it operates. As example, there are strict requirements for emptying grease separator and no grease must enter the water or sewage system. Norva24 empties grease separators, removes the grease and transports it to approved treatment plants. As another example, to avoid flooding or broken pipes, it is necessary to empty sand traps regularly, providing the Group with a predictable flow of revenue. Norva24 has a modern fleet with specialized equipment, including machines fitting most needs and assignment types.

Norva24's emptying services:

### Emptying septic tanks

Norva24 provides septic tank emptying services. There are strict regulatory requirements in place regarding the emptying of septic tanks, for example, to ensure that all tanks are emptied on a regular basis to avoid sewage seeping into the surrounding environment and nature. Norva24 empties septic tanks according to local requirements.

There are mainly two types of septic tanks: tight tanks and sludge separators. In a tight tank, septic is collected into a single chamber. A tight tank has no outlet, hence there is no need for water cleaning or more chambers in such a tank.

### Emptying sand traps

Norva24 provides sand trap emptying services. Sand traps are mainly used to protect waste pipes that receive storm water from roads and streets to prevent sludge and clogging. Storm water and washing water flows into manholes and then into the sand traps contained within. Therefore, these must be emptied regularly to avoid flooding or pipe damage. Manholes and gratings are everywhere in public and private infrastructure, such as in the streets, residential areas, petrol stations or washing halls. When gravel and sand flow into a sand trap, the solid debris sinks to the bottom, while the water continues into the relevant pipe system.

### Emptying of other wet or dry masses

Norva24 provides super suction trucks and vacuum excavator services in connection with emptying of other wet or dry masses using specialized super suction trucks and vacuum excavators. These vehicles are efficient at removing dry and liquid masses, such as clay, gravel, sand, hydro granules, dirt, dust, grain or water. A common service is to vacuum out gravel and stone. About 90 percent of assignments are 'dry vacuuming', but the same vehicle may also be used for liquid masses.

### Emptying oil

To prevent oil spill from leaking into the public sewage system, companies like car washing facilities and workshops are required to have an oil separator. When wastewater containing oil is flushed down the drain, it must flow into an oil separation facility preventing the oil from reaching the public sewage systems or the water systems. Oil separators are used to treat water that is polluted with small amounts of oil in eg. washing halls or workshops. The enterprise is responsible to make sure that oil, sludge and sand is collected, emptied and delivered to an approved treatment plant.

Oil is considered hazardous waste, and strict requirements apply. Oil separators need regular supervision and should be emptied when a maximum of 80 percent of the collection capacity is reached. Oil separators should still be emptied at least once a year. There are also specific requirement on the output from oil separators. For example, the oil content in outgoing water must be lower than 50mg per liter of water in Norway. Some municipalities in Norway have their own regulations that may differ from and be stricter than national requirements. Consequently, testing must also be performed to ensure compliance.

### Emptying grease separators

Norva24 provides grease trap emptying services, which are used in large kitchens, such as those in restaurants. A grease trap separates grease from water before the water flows out in the drain. Since grease is lighter than water, it floats to the top in the grease trap and is accumulated there. A grease trap must therefore be emptied frequently. If not, there is a risk of noxious odors and grease spills, which again can lead to clogged drains and flooding.

### Pressure washing

Norva24 offers a wide range of pressure washing services, among others, tank cleaning as well as high pressure and ultra-high pressure washing. Pressure washing is necessary in situations where regular cleaning is insufficient. Norva24 performs, for example, pressure washing related to factories, premises, equipment and tanks and ships typically for corporate customers. Pressure washing are





provided across all of the Group's markets of operation, and account for approximately 10 percent of the Group's revenue.

#### **Tank cleaning**

Clean tanks ensure good fuel quality, and as such, all fuel and oil storage tanks must be cleaned regularly. If cleaning is not taken seriously, there is a risk of diesel bugs, sludge, water and bacteria in the tank, which will reduce fuel quality. Norva24 performs tank cleaning professionally, which ensures safety and environmental consciousness. In connection with tank cleaning, a condition control might also be performed on the tank. If the tank is approved, approvals lasting 5 to 10 years may be issued. It is the tank owner's responsibility that the tank is approved.

#### **High pressure and ultra-high pressure (washing/cleaning)**

Norva24 offers pressure washing from 0 to 3,000 bar in several types of tasks. When washing and cleaning for industrial purposes, Norva24 usually uses high pressures from 400 to 3,000 bar. This type of high-pressure washing can also be used in non-industrial assignments such as high-pressure cleaning of tanks, pipes, construction sites (in industrial buildings, areas, and facades), facades, buildings, steel cutting and surface treatment of steel structures (such as removing rust and paint), concrete removal, flushing pipes and public pipe systems. When regular pressure is not enough, pipes and tanks can become clogged or overflow, for example, in instances of hardening industrial materials, such as epoxy, sulfur or rubber high pressure becomes necessary to remove the material, ultra-high pressure washing, however, has a much more powerful pressure than in regular pressure washing with a water pressure of up to 1,050 bar. Ultra-high pressure washing therefore cleans away most of what cannot be removed normally for example to remove or cut away old concrete, strip rebars, clean tanks or

blow away rust from metal. The equipment is essential, and Norva24 has specially designed flushing vehicles for ultra-high pressure.

#### **Pipe services**

Pipes have a limited life span. By performing a pipe inspection, Norva24 finds the cause of any pipe-related problems. Norva24 also performs pressure testing, tightness checks and leak detection to prevent leaks in and out of pipelines. If water pipes freeze, Norva24 provides services to thaw these with water and pressure. Norva24 delivers a wide range of piping services and have solutions for most problems. Sometimes only small parts of the pipe need repair, and, in that case, point repair may be the solution, whereas other times new pipes might be necessary. In many cases, pipe renewal is a viable alternative. Pipe renewal entails establishing new pipes inside old ones, rather than substituting the pipes. Pressure washing are provided across all the Group's markets of operation and accounted for approximately 45 percent of the Group's revenue.

#### **Pipe inspection**

Norva24 provides pipe inspection services. Old pipes have a limited life, and if there are problems with piping, an investigation may be performed to check the inside of the pipes thoroughly for structural quality and integrity.

Since pipes are often covered or buried, filming the inside is an efficient way to inspect them. An inspection is done with a specially built, remotely controlled pipe inspection camera, which is introduced into the drainpipe. The video is transferred directly to the screen and is analyzed afterwards. When the problem has been identified, Norva24 delivers a report with a professional opinion on the state of the pipes and a recommendation regarding the repair of any damage.



Norva24 can determine pipe routing or the point of damage with a probe. The probe is introduced into the pipe with a camera, and any points of damage may be marked and improved in the same spot. Accurate localization of pipes is also used in renovation and construction, when it is necessary to know the exact pipe routing. To find issues with water pipes/drinking water pipelines, Norva24 performs a leak inspection.

#### **Relining**

##### *Pipe renewal*

Norva24 provides pipe renewal services. Most pipe and cable systems undergo pipe renewal, including bottom pipes, water pipes, wastewater pipes or common wiring. To get inside the pipes, Norva24 uses the existing access points, for example, stake hatches, septic tanks, stake manholes or external manholes. The process always starts with a preliminary pipe inspection to determine the state of the pipes, enabling the Group to price the job accurately. The service pipes are opened to ensure that the new pipe is functioning correctly by means of another pipe inspection with a pipe inspection camera. Norva24 records "the entire journey" through the pipe, and this recording is part of the finishing documentation that the Group delivers to the municipal mapping authority together with proof of warranty and surveying documents.

##### *Point repair*

Norva24 provides point repair services for pipes. Point repair is a method used when only parts of the pipe need repair. Sometimes pipes experience cracks, due to penetrating roots or movements in joints, which can lead to leakage. If the rest of the pipe is functional and sound, there is no need to replace the entire pipe, and it will usually suffice to repair the leakage area through a so-called "point repair."

#### **Pressure testing, leak detection, tightness checks**

##### *Pressure testing*

Norva24 test the pressure of drinking water pipes in new constructions and in renovations, it is important to prevent leaks into and out of drinking water pipes to avoid contamination. Water must be clean and safe, out of concern for health, the environment and security. Water is pumped into the water pipe to create a constant pressure. Over a thirty-minute period, constant pressure is maintained, and if there is a fall in pressure further tests are performed to determine the specific issue. All data is logged and monitored, and after the pressure test is performed and any issues resolved, an extensive disinfection is performed to ensure the quality and safety of the drinking water conform to the relevant requirements.

##### *Leak detection*

Norva24 perform leak detection services for pipes. Leakage may occur in a home pipe, or other pressure water pipes may become defective and cause leakage. Since the pipe is usually buried or covered, it becomes necessary to search for the leak through leak detection.

The pipe route is detected through pressure testing. The first step is to perform a pressure test to find out whether the leak is located.

##### *Tightness checks*

Norva24 provides tightness checks for pipes to make sure newly laid or existing pipes do not contain hidden leaks. With modern

equipment, Norva24 has the capability to perform the tightness check quickly and efficiently. A tightness check includes measuring via pressure. The pipe is blocked in both ends and then a constant air or water pressure is applied, and if the pressure falls, it indicates a leak.

#### **Pipe cleaning**

Norva24 do pipe cleaning services to remove clogs and waste from the pipes. A clogged toilet, drain or shower can make houses or premises smell unpleasant, but it can also lead to water damage in the surroundings of the clogged drain and therefore be costly. Collections of dirt, soap remnants, fat, rust and/or hair can stop the pipes from working. Norva24 then does pipe flushing, where it cleans the pipe system with a pressure washer to open clogged pipes. In most cases this will dissolve fat and coating from the pipes, thus clearing the clog and cleaning the pipe.

Pipe flushing is done using a pressure washer, and is usually done through a stake hatch, drain or a disassembled water lock underneath a sink.







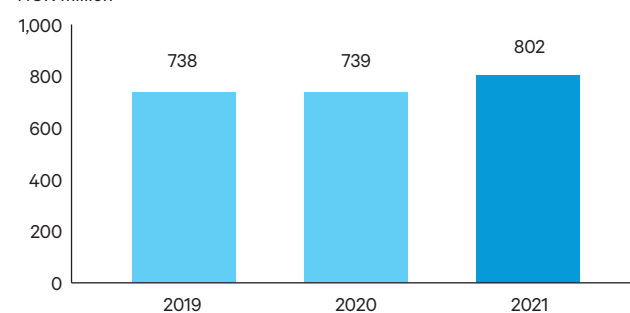
# Norway

40%  
Group revenue

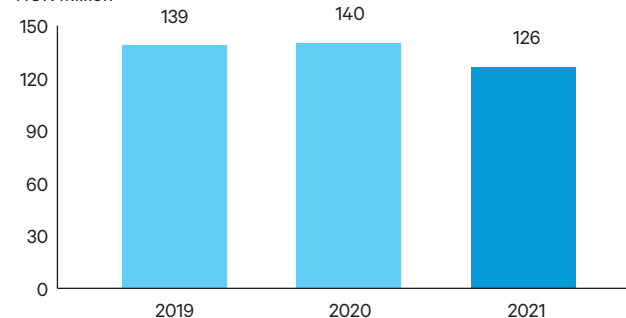


The Group's Norwegian operations history dates back to 1919 in Sandefjord, Norway, when Norva24's oldest subsidiary was established. In 2015, Norva24 in its current form was established through a merger of five smaller Norwegian UIM companies. Since then, Norva24 has expanded and now has a leading market position in Norway.

**Total operating revenue**  
NOK million



**Adjusted EBITA**  
NOK million



## FINANCIAL DEVELOPMENT 2021

Total operating revenue for 2021 amounted to NOK 801.5 million, compared with NOK 738.6 million during the same period of 2020, corresponding to growth of 8.5% in total operating revenue for the period. Organic growth was 3.4% compared with the preceding year. Acquisition growth was 5.1%, due to the most recent addition, Kjelsberg Transport.

## TOTAL OPERATING REVENUE GROWTH

%	Jan-Dec 2021	Jan-Dec 2020
Growth – total operating revenue	8.5	–0.1
Organic growth	3.4	–2.0
Acquisition growth	5.1	1.9

## ADJUSTED EBITA 2021

Adjusted EBITA amounted to NOK 126.2 million for 2021, compared to NOK 140.1 million in the same period of 2020. The adjusted EBITA margin was 15.3% in 2021. The margin decline is primarily attributable to a number of maintenance assignments being postponed by customers after the lockdown due to Covid-19 and a lag in price effect in public contracts due to fuel cost increases.

## KEY PERFORMANCE INDICATORS

NOK million	Jan-Dec 2021	Jan-Dec 2020	Change, %
Total operating revenue	801.5	738.6	8.5
EBITA	122.4	139.2	–12.1
EBITA margin, %	15.3	18.9	
Adjusted EBITA	126.2	140.1	–9.9
Adjusted EBITA margin, %	15.7	19.0	



## HIGHLIGHTS OF THE YEAR

During the second half of 2021, the relocation to Norva24's new base in Drøbak, south of Oslo, was completed. Concentrating all units in the greater Oslo area into one common and highly modern facility will enhance efficiency and improve the use of the vehicle fleet. Norva24 has also established a new shared base in Drammen, which will strengthen effectiveness and response time in the Drammen area. Following the strategic focus of developing the large national account sales, Norva24 has in 2021 seen a strong growth in this customer segment.

## CORPORATE SOCIAL RESPONSIBILITY DEVELOPMENT 2021

Norva24's long-term vision is to build a European market leader and a lighthouse, which means that we want to serve as an inspiration, also around sustainability, to the UIM industry's development in Europe. The goal of the group is to be ahead on quality, health, environment and security, and all employees in the Group shall participate in the process of constant improvement of both work environment, work processes, environmental work, and social responsibility. The sustainability work, including processes and systems, already in place in Norway, is being implemented across the Group. During 2021, the Group also set two new strategic targets. One is to increase the share of green services, which already in 2021 amounted to 20 percent in Norway, and the other is to reduce the relative consumption in our operations.

## CORPORATE SOCIAL RESPONSIBILITY KEY PERFORMANCE INDICATORS

	Full year 2021
Total number of employees	512
Number of days sick-leave	8,727
Total days possible	104,283
Sick leave (short-term)	2.8%
Sick leave (long-term)	5.6%
<b>Sick leave (total)</b>	<b>8.4%</b>
<b>Relative energy consumption x100</b>	<b>4.90</b>

## GREEN SERVICES

	Full year 2021
<b>Share green services</b>	<b>20.0%</b>



*The robust growth in Norway of 8.5%, of which 3.5% organically, proves Norva24's ability to gain market share in the non-cyclical UIM market. Despite increased sick-leave due to Covid-19 also in 2021, we managed to increase the fleet utilization and productivity on the back of the initiatives implemented, synergies extracted and competitive advantages due to benefits of scale on the back of e.g., superior density. In 2021, we have also established new bases in Drøbak and Drammen that is expected to further increase efficiency and the response time.*

Tore Hansen, CEO Norway.







# Germany

**32%**  
Group revenue



Norva24 entered Germany in 2019 through the acquisition of Ex-Rohr. Since then, Norva24 has grown and secured a leading market position in Germany. The Group's oldest subsidiary in the country was established in Gochsheim in 1964.

## FINANCIAL DEVELOPMENT 2021

Total operating revenue for 2021 amounted to NOK 646.3 million, compared with NOK 285.2 million during the same period of 2020, corresponding to growth of 126.6% for the period. The growth was primarily attributable to the acquisitions of the Kanal-Türpe Group during the fourth quarter of 2020 and Mayer Kanalmanagement during the second quarter of 2021. The growth was supported by both strong organic growth of 18.9% (currency adjusted) combined with 113.8% growth from acquisitions.

### TOTAL OPERATING REVENUE GROWTH

%	Jan-Dec 2021	Jan-Dec 2020
Growth – total operating revenue	126.6	62.1
Organic growth	12.8	10.0
Organic growth – currency adjusted	18.9	–0.1
Acquisition growth	113.8	52.1

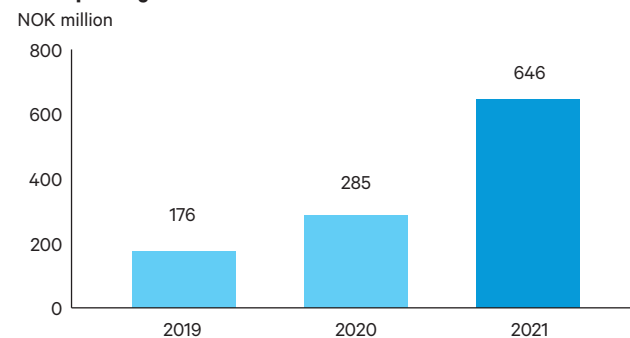
### ADJUSTED EBITA 2021

Adjusted EBITA amounted to NOK 119.1 million for 2021, compared to NOK 58.4 million in the same period of 2020. The adjusted EBITA margin declined from 20.5% last year to 18.4% in 2021. The margin decrease was primarily because the most recently acquired companies had a lower margin than the average for the segment.

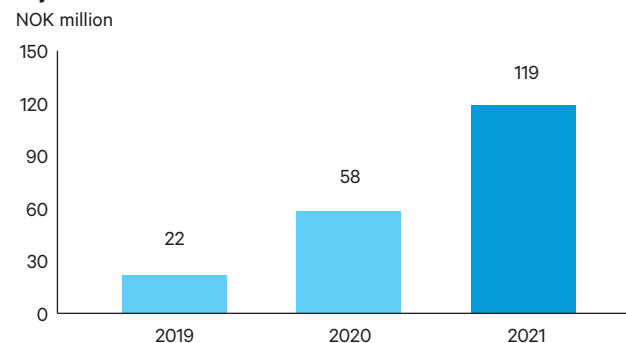
### KEY PERFORMANCE INDICATORS

NOK million	Full year 2021	Full year 2020	Change, %
Total operating revenue	646.3	285.2	126.6
EBITA	108.2	47.8	126.3
EBITA margin, %	16.7	16.8	
Adjusted EBITA	119.1	58.4	103.9
Adjusted EBITA margin, %	18.4	20.5	

#### Total operating revenue



#### Adjusted EBITA



## HIGHLIGHTS OF THE YEAR

The integration of Mayer Kanalmanagement and Decker Group proceeded according to plan. In 2021 Norva24 have strengthened the Group's geographical coverage in Germany significantly. A national key account management set-up is in place, developing and offering the market service contracts across the German branches.

## CORPORATE SOCIAL RESPONSIBILITY DEVELOPMENT 2021

Additional CSR data will be reported as from 2022.

### CORPORATE SOCIAL RESPONSIBILITY KEY PERFORMANCE INDICATORS

	Full year 2021
Number of employees	546
Number of days sick-leave	7,622
Total days possible	118,360
Sick leave (short-term)	4.6%
Sick leave (long-term)	1.8%
<b>Sick leave (total)</b>	<b>6.4%</b>



*I am very happy to deliver a strong revenue growth of 126% in 2021, supported by several acquisitions as well as a very strong organic growth of 19% during the year. This strong development demonstrates the benefits of our market leading position in Germany. In addition to the growth initiatives in 2021, we have also integrated Mayer Kanalmanagement and Decker Group and we expect that this will significantly strengthen our position in many parts of Germany and yield scale benefits and synergies going forward.*

Bertolt Gärtner, CEO Germany.

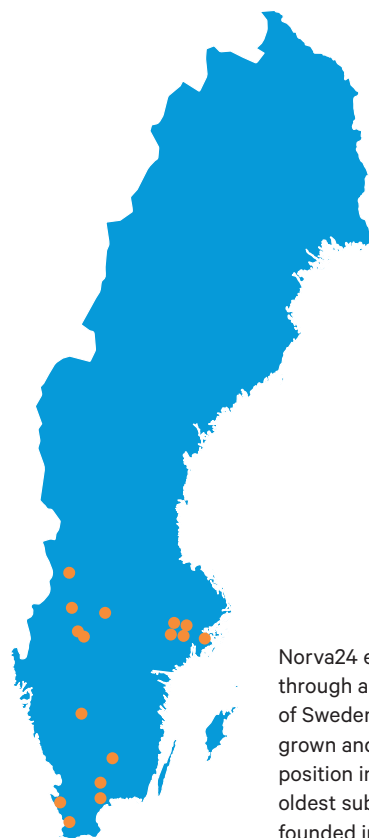






# Sweden

15%  
Group revenue



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

## FINANCIAL DEVELOPMENT 2021

Total operating revenue was NOK 306.6 million for 2021 compared with NOK 192.2 million during the same period of 2020, corresponding to an increase of 59.5% for the period. The growth was driven by the acquisitions. Currency adjusted organic growth was negative at -4.0% for 2021. The negative growth was primarily attributable to weak development in one of the units.

## TOTAL OPERATING REVENUE GROWTH

%	Full year 2021	Full year 2020
Growth – total operating revenue	59.5	136.4
Organic growth	-6.5	4.9
Organic growth – currency adjusted	-4.0	-4.4
Acquisition growth	66.0	131.5

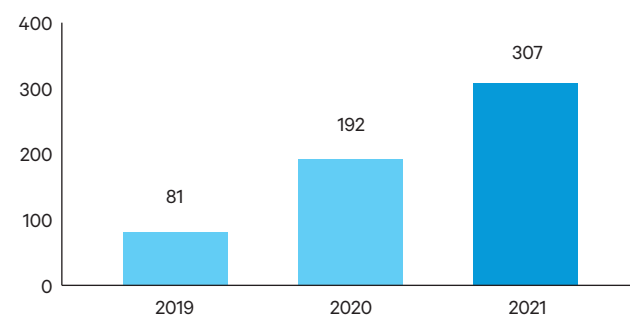
## ADJUSTED EBITA 2021

Adjusted EBITA amounted to NOK 39.6 million for 2021, compared to NOK 40.7 million in the same period of 2020. The development was mainly driven by weak development in one of the units and increased transportation costs.

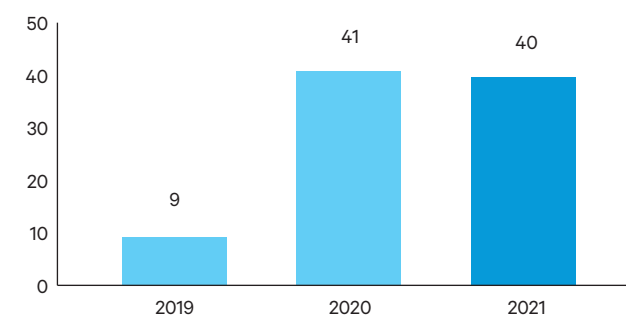
## KEY PERFORMANCE INDICATORS

NOK million	Full year 2021	Full year 2020	Change, %
Total operating revenue	306.6	192.2	59.5
EBITA	36.3	39.8	-8.6
EBITA margin, %	11.9	20.7	
Adjusted EBITA	39.6	40.7	-2.6
Adjusted EBITA margin, %	12.9	21.2	

**Total operating revenue**  
NOK million



**Adjusted EBITA**  
NOK million



## HIGHLIGHTS OF THE YEAR

The integration of the most recently acquired GR Avloppsrensning, Malmberg Miljöhantering and Ulvsby Miljö proceeded according to plan. During the third quarter 2021, the operation in Malmö established a new base, which strengthens the presence in Sweden's third largest city. A new base was also established in December east of Stockholm generating economies of scale and higher density in key markets. In a collaboration between the Stockholm branches, Norva24 recently expanded our activities in Stockholm to include the two UIM services TV inspection and water recycling solutions. These services are a well-integrated part of modern UIM services that are also offered in many other Norva24 branches.

## CORPORATE SOCIAL RESPONSIBILITY DEVELOPMENT 2021

Additional CSR data will be reported as from 2022.

## CORPORATE SOCIAL RESPONSIBILITY KEY PERFORMANCE INDICATORS

	Full year 2021
Number of employees	232
Number of days sick-leave	3,429
Total days possible	50,544
Sick leave (short-term)	4.3%
Sick leave (long-term)	2.5%
<b>Sick leave (total)</b>	<b>6.8%</b>



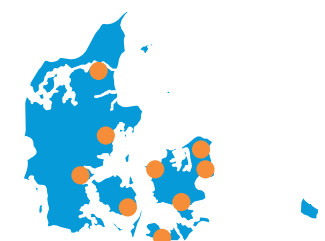
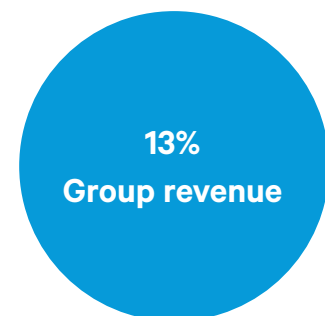
2021 was a busy year for us on the acquisition side as we expanded geographically and established a presence in Western and Southern Sweden and fortified the positions in Stockholm and Skåne. Four companies joined Norva24 Sweden during the year; GJ & Son, GR Avloppsrensning, Malmberg-Miljöhantering and Ulfsby miljö. All these companies are now well integrated and a total revenue growth of 60% was achieved in Sweden. Håkan Wessel, CEO Sweden.







# Denmark



The Group entered Denmark in 2017 through the acquisition of a player with national market presence. The Group's first subsidiary in the country was founded in the 1970s in Albertslund. Norva24 has a leading position in the Danish market.

## FINANCIAL DEVELOPMENT 2021

Total operating revenue for 2021 amounted to NOK 270.8 million, compared with NOK 306.4 million for the same period of 2020. The currency adjusted organic growth was -6.8% for the period mainly due to challenges with contracts with unsatisfactory operations. Improving profitability is now a prime focus for the organization.

## TOTAL OPERATING REVENUE GROWTH

%	Jan-Dec 2021	Jan-Dec 2020
Growth – total operating revenue	-11.6	4.8
Organic growth	-11.6	4.8
Organic growth – currency adjusted	-6.8	-3.8
Acquisition growth	0.0	-0.0

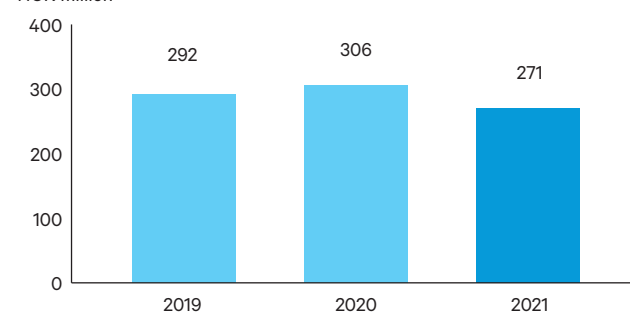
## ADJUSTED EBITA 2021

Adjusted EBITA amounted to NOK -6.3 million for 2021, compared to NOK -1.5 million in the same period of 2020. This development is due to factors as contracts with low profitability and challenges in capacity utilization of personnel, fleet and other resources.

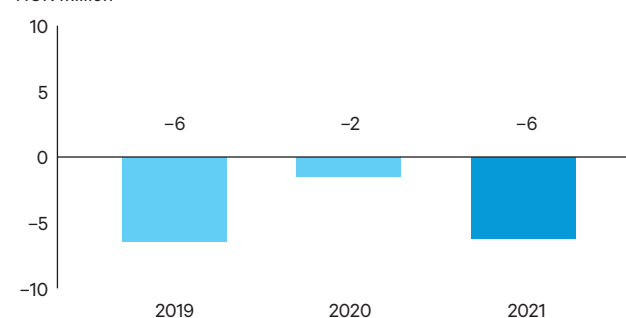
## KEY PERFORMANCE INDICATORS

NOK million	Jan-Dec 2021	Jan-Dec 2020	Change, %
Total operating revenue	270.8	306.4	-11.6
EBITA	32.3	-1.5	n.m.
EBITA margin, %	11.9	-0.5	
Adjusted EBITA	-6.3	-1.5	n.m.
Adjusted EBITA margin, %	-2.3	-0.5	

**Total operating revenue**  
NOK million



**Adjusted EBITA**  
NOK million



## HIGHLIGHTS OF THE YEAR

Denmark is currently in a transition phase where several improvement initiatives have been implemented or are under implementation to increase the performance. The action plan is proceeding according to plan, with, for example, termination of contracts with unsatisfactory profitability and strong focus on operation and degree of utilization of vehicles and personnel. The development in the west part of Denmark has however been strong. Zealand is the part of the Danish business that impacted growth and the margins most negatively and a new manager has now been appointed in this region to reverse the trend. Denmark's profitability is lower than average for the Group, but several branches, particularly in the western part, reported profitability in line with the Group's average profitability. Norva24 has implemented and will implement a series of changes in the Danish business and Norva24 anticipates that these changes will result in a positive profitability trend in the Danish operations from 2022. The Group have received a settlement relating to acquisition of business in Denmark prior to 2020. The amount is net of legal cost and recognized in other gains as a non-recurring item.

## CORPORATE SOCIAL RESPONSIBILITY DEVELOPMENT 2021

During the year, Denmark implemented the strategic sustainability targets of the Norva24 Group. A priority is to increase the share of green services, that already in 2021 reached 13.9 percent of the revenues. Denmark also strives to reduce the relative energy consumption in its operations. Further, Denmark continues to focus on preventing accidents and other work-related illnesses among its employees as well as keeping high ethical standard to be a trusted partner.

## CORPORATE SOCIAL RESPONSIBILITY KEY PERFORMANCE INDICATORS

	Full year 2021
Number of employees	149
Number of days sick-leave	1,988
Total days possible	26,977
Sick leave (short-term)	5.0%
Sick leave (long-term)	2.3%
<b>Sick leave (total)</b>	<b>7.4%</b>
<b>Relative energy consumption x100</b>	<b>6.22</b>

## GREEN SERVICES

	Full year 2021
<b>Share green services</b>	<b>13.9%</b>



*We are pleased to see that our improvement initiatives are providing results particularly in the latter part of 2021.*

*We anticipate that all these changes will lead to a positive profitability trend in 2022.*

Tim Normann, CEO Denmark.







# How we work with mergers and acquisitions

Norva24 has a strong track record of acquisitions, with 32 acquisitions completed since 2015. Acquisitions are performed both to enter new markets and to further strengthen the position in Norva24's current markets. In 2016 Norva24 entered Denmark, Sweden the following year, and in 2019 Norva24 entered the German market through the acquisition of ExRohr.


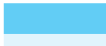








































Norva24's goal is to become the "partner of choice" within the highly fragmented European UIM market. The focus of Norva24's M&A strategy is to increase network density, expand the geographic footprint and add complementary offerings. Norva24 has an institutionalized approach to sourcing, and integrating targets, including identifying suitable acquisition targets through a selective process, covering the acquisition of the selected targets, and integration and evaluation of the executed acquisitions as a "buy and build" strategy. Through its acquisition and integration of M&A targets, Norva24 is able to realize synergies with respect

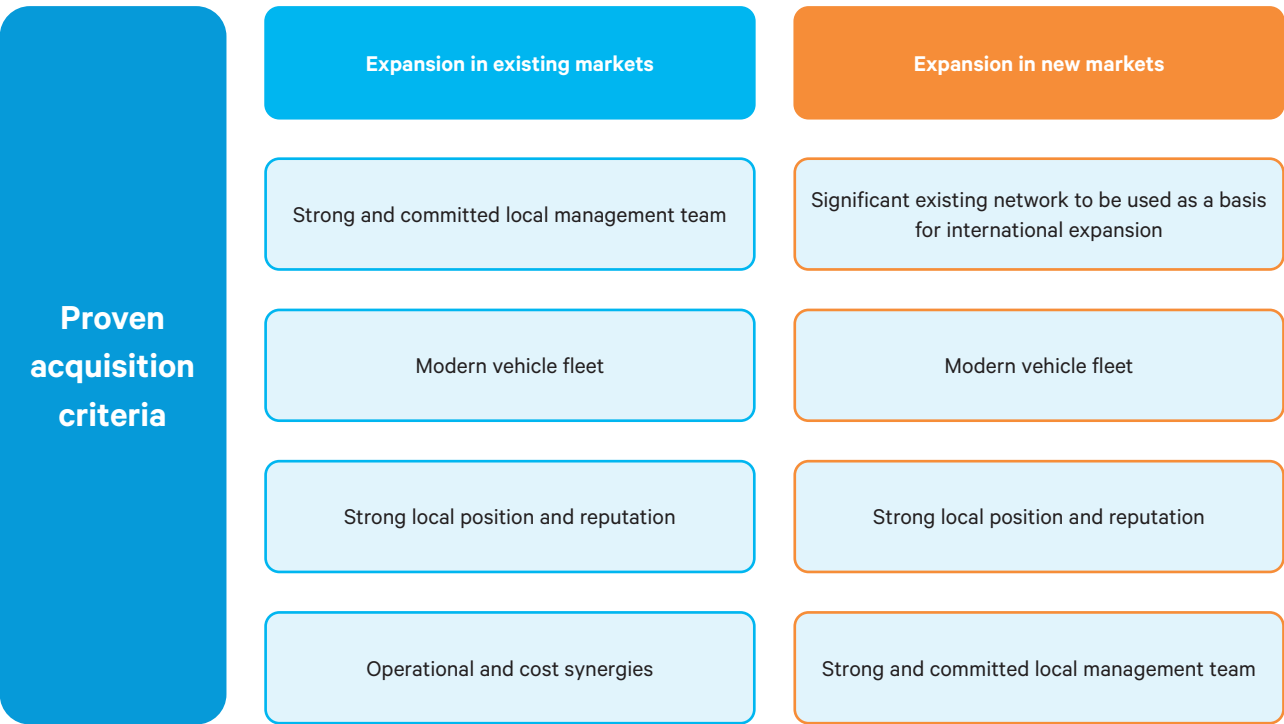
to costs, IT, common procurement, increasing utilization, centralized support functions and homogenizing services offerings. Financially, realized synergies result in revenue growth, margin expansion and cost savings.

Norva24's ambition is to apply a tailored approach for each acquisition, based on the local market and culture as well as the acquired company's individual performance and size, particularly as it pertains to integration and post-acquisition processes. By tailoring the approach to integration and post-acquisition processes, Norva24 hopes to achieve the benefits of scale through a larger organization while encouraging the benefits of local entrepreneurship.

**NORVA24'S M&A MODEL**

Norva24's M&A model is based on five key pillars: (1) clear strategic objectives; (2) Norva24's track record of acquisitions and integration;

ACQUISITIONS						
Acquisition year	32 acquisitions	Geography	Strategic rationale	Sourcing		
2021	Ulvby Miljö (including subsidiaries)		Local add-on		<div>Consolidator of choice: Earn-outs and re-invest- ments standard</div>	
	Decker Group		Local add-on			
	Malmberg Miljöhantering		Local add-on			
	GR Avloppsrensning		Local add-on			
	GJ & Son AB		Regional platform			
2020	Kjelsberg Transport AS		Local add-on		<div>Entrepreneurial home for future branch managers</div>	
	Mayer Kanalmanagement		Regional platform			
	Solna Högtrycksspolning AB		Local add-on			
	Behne Entsorgungs-Service		Local add-on			
	Rohrreinigung Falkenhagen GmbH		Local add-on			
2019	Kanal-Türpe Gochsheim GmbH & Co. KG		Regional platform		<div>29 bilateral deals</div>	
	LGT		Local add-on			
	BRI		Local add-on			
	Miljövision		Regional platform			
	Ex-Rohr		National platform			
2018	Jysk Kloak Service		Local add-on		<div>Avg. exclusivity period of ~5 months</div>	
2017	A Söderlindhs AB		National platform			
	Risskov		Regional platform			
	Sørmiljø		Regional platform			
Søgne rørservice		Local add-on				<div>Limited competition for targets</div>
2016	ISS Kloak Service (Norva24 Danmark)			National platform		
	Vann og Rørservice AS			Specialist competence		
	Ringerike Septikservice AS					
2015	Flagstad AS			Local add-on		
	Septik24 AS		Regional platform			
	Østfold Høytrykk AS		Local add-on			
	2015	Septik og Miljøservice AS		Local add-on		<div>Average acquisition pre-synergies multiple: ~3-7x EBITDA ~6-9x EBITA</div>
		Norsk Vacuumgraving AS		Initial platform		
		Spyleteknikk AS		Initial platform		
		AquaPower Vest		Initial platform		
		Aqua Power AS		Initial platform		
		Sandnes Transport AS		Initial platform		
<div> Bilateral</div> <div> Pre-emptive auction</div> <div> Auction</div>						



(3) the fragmented UIM market with significant opportunity for consolidation; (4) Norva24's robust M&A process and team in place; and (5) a pipeline with clear strategy and criteria. Norva24 follows clear strategic objectives in its approach to M&A, specifically with regards to: increase local network density, increase geographical reach, expand local service offering, unlock synergies in existing markets, acquire platform companies, acquire expertise and depth in existing services and solutions, and unlock synergies in new markets. Norva24 has a strong track record of acquisitions and integrations and the UIM market remains highly fragmented, presenting significant and attractive opportunities for further consolidation. Moreover, Norva24 has a robust M&A and integration process in place and leverages its local branches to identify attractive acquisition targets and build a steady pipeline of acquisition opportunities and targets.

The acquisition table on the previous page presents a comprehensive list of Norva24's acquisitions until end of 2021, including related details such as geography, rationale, and sourcing. 29 of Norva24's 32 acquisitions were sourced by Norva24.

**IDENTIFYING ACQUISITION TARGETS**

Norva24 does acquisitions both to enter new geographies, and to strengthen its position in existing geographies. Norva24 believes that, in the near term, the primary strategic focus will be on expanding and densifying the operations in the current four countries where Norva24 has operations.

When evaluating acquisition targets in order to enter new geographies, Norva24's priority is on platform targets with a significant existing network that can be used as a basis for geographical expansion, a good local reputation in the new market, a modern vehicle

fleet, a strong local position and reputation in the new market, and a strong and committed local management team. In doing so, Norva24 aims to identify market leading UIM businesses with solid reputations for delivering high quality services, with a diverse portfolio of customers and stable track record of growth, well-invested asset base, professionalized service offering, strong leadership, and entrepreneurial culture. Additional goals when acquiring platform companies in new geographies are to establish significant presence in the new market, acquire expertise and depth in existing services as well as new solutions and competencies, and achieve synergies. Norva24 aims to identify new market acquisition targets with a certain minimum level of UIM service revenue and EBITDA margin.

When identifying bolt-on acquisition targets, Norva24 looks for targets that support the strategic priorities of each specific existing platform, such as to increase local network density in each area, expand the geographic footprint to a new area or optimizing its product portfolio or customer mix in a specific market, while also achieving synergies. In doing so, Norva24 aims to identify bolt-on acquisition targets with a certain minimum level of UIM service revenue and EBITDA margin. Norva24 also looks for bolt-on acquisition targets with a strong, committed local management team, a modern vehicle fleet, a strong local position and local brand awareness, and operational and cost synergies.

Norva24's acquisition strategy is developed by the Management team.

Identifying acquisition targets involves both a top-down and bottom-up screening process whereby local branch managers and Country CEOs identify and propose potential acquisition targets. Norva24 thoroughly analyzes strategic decisions regarding acquisition planning and sources potential targets based on its





strategic criteria. Centralized screening and selection are generally based on the following considerations: rationale and strategic fit, the target's management team, financial targets, the age of the target's vehicle fleet, ESG considerations, profitability, and reputation. Furthermore, local branches play an important role in the generation of acquisition targets.

The lists split the screening into the following categories:

- **Identified opportunities:** as of the date of this annual report, a list of approximately 1,900 UIM companies identified in Norva24's current four geographic markets.
- **Engaged in discussion:** as of the date of this annual report, a list of approximately [62] priority targets, that meet Norva24's acquisition objectives and criteria in the relevant platform, with which the company has an ongoing discussion; and
- **Advanced Discussions:** as of the date of this annual report, approximately [14] priority targets for which Norva24 has executed a NDA, a letter of intent or is undertaking due diligence typically under exclusivity arrangements.

The relevant Country CEO proactively approaches targets on the identified acquisition opportunities list to either initiate the acquisition process or to maintain a close dialogue with the owners of the respective UIM companies to develop a good relationship and become the acquirer of choice in case they decide to sell in the future.

#### ACQUISITION PROCESS

Though each process is unique, and tailored on a case-by-case basis to the specifics of the targets such as size, geography, and the acquisition target's particular systems and operations, Norva24 generally proceed with its acquisitions and subsequent integration through a standardized process. This process has been optimized over the past and tailored towards Norva24's needs. Due to this standardization, Norva24 can provide a high quality, swift decision making on targets and subsequent execution of transactions. During the acquisition process, Norva24 works to build a relationship with the target management and owners, secure best terms for the transaction, and complete a thorough due diligence. The transparent process helps to facilitate this as well and allows for clear communication throughout the process, which is particularly important, as targets' management remains within Norva24 group after the transaction.

#### INTEGRATION OF ACQUIRED COMPANIES, WITH VALUE CREATION AND EXTRACTION OF SYNERGIES

Following the completion of the acquisition, Norva24 has an established framework for integration. The approach to integrate newly acquired targets is supported by Norva24's IT network within Norway, Denmark, and Sweden. Generally, Norva24 attempts to integrate bolt-on acquisitions over a three-month timeframe, and new platform acquisitions over a six-month timeframe. Concurrently and following the integration process, Norva24 works to realize synergies in areas such as increasing utilization, sharing best practices, expanding services, shared IT-platform, bid management support and centralizing relevant procurement. Financially, these synergies are realized in revenue growth, margin expansion and cost saving.

The integration process of an acquired target typically starts after the completion of the acquisition process. For Norva24, the

### Significant recent acquisitions

In 2021, Norva24 acquired Mayer Kanalmanagement and Decker Group in Germany, GJ & Son, GR Avloppsrensning, Malmberg Miljöhantering and Ulvsby Miljö in Sweden and Kjelsberg in Norway to further expand its position in Germany, Sweden and Norway.

In 2020, Norva24 acquired Kanal-Türpe, Behne and Falkenhagen in Germany, which strengthened Norva24's service offering and geographic reach in Germany. In the same year, Norva24 also acquired Solna Högtrycksspolning and LGT: s Högtryck in Sweden to expand Norva24's Swedish operations. In addition, also Bergen Rørinspeksjon in Norway has been acquired, which strengthened Norva24's service offering and geographic reach in Norway

In 2019, Norva24 acquired ExRohr in Germany, which facilitated Norva24's expansion into the market in Germany by providing a strong German platform. In the same year, Norva24 also acquired Miljövision which strengthened Norva24's service offering and geographic reach in Sweden.

primary objective of acquisitions is to achieve value creation through geographical diversification and expansion, leveraging Norva24's best practices, introducing certain functions and processes coordinated at Norva24 or country level, and obtaining economies of scale and realizing synergies while at the same time preserving the local entrepreneurial spirit of the target.



## Established and proven integration model

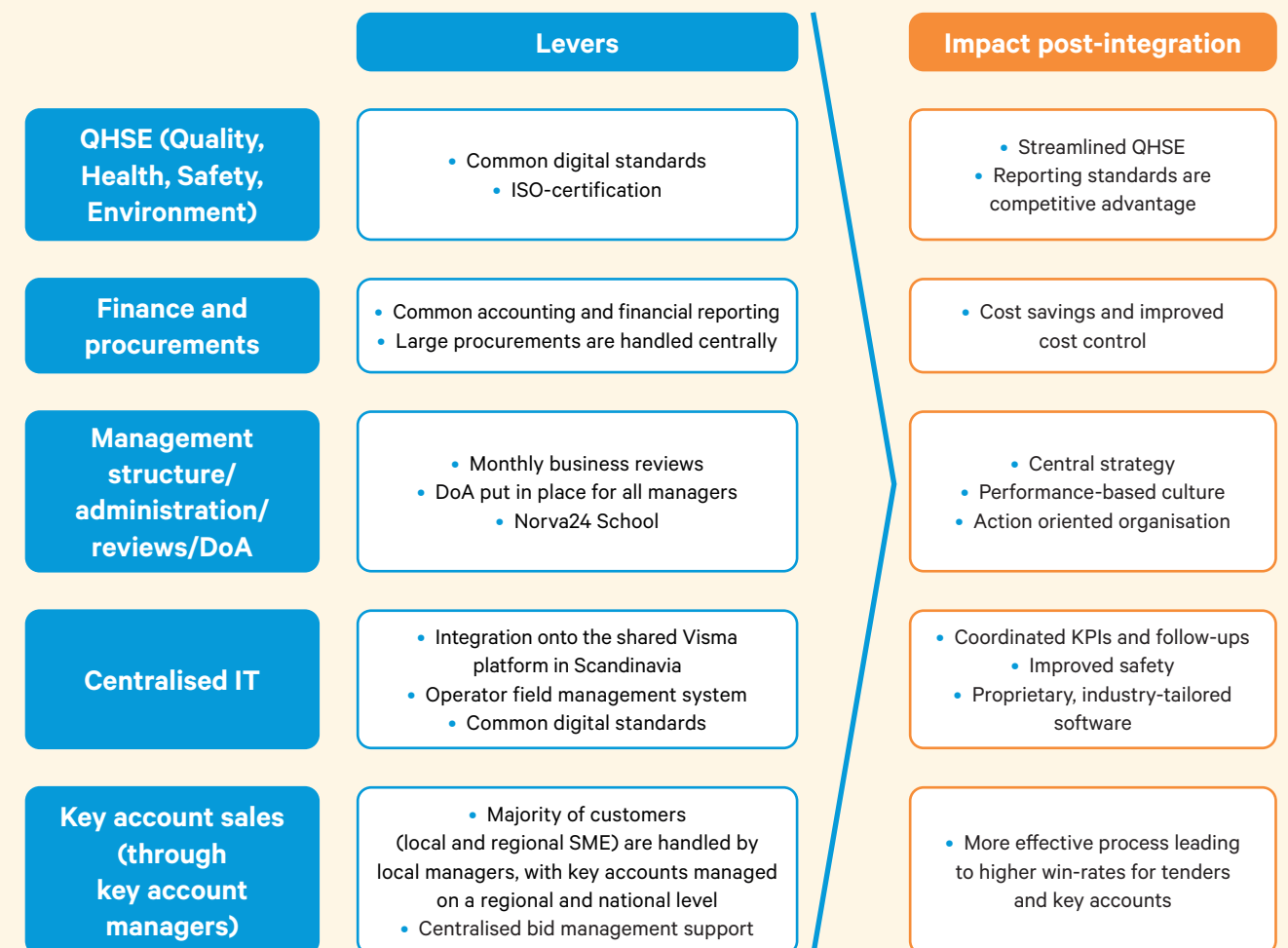
Growing organically is a key focus for Norva24, but equally important is acquisitions, which is also an important component of Norva24's growth strategy going forward. Norva24 has a strategy of continuing to supplement its organic growth with acquisition-driven growth and

considers itself to have a strong offering to entrepreneurs who wish to partner with Norva24, since the selling entrepreneur or owner has the possibility to remain in the company post the transaction. Norva24 has a structured process for identifying and completing acquisitions.

In addition, Norva24 has an established process for integration of acquisitions and realization of potential synergies through, for example, sales, implementation of best practice, local economies of scale and access to capital as described below.

### Post-merger integration model

Our decentralized model facilitates and derisks the integration of our acquisitions.







# Sustainability is part of our purpose

## SERVICES FOR A SUSTAINABLE SOCIETY

The Underground Infrastructure Management industry and its service providers plays an essential role in society. Underground infrastructure are vital parts of any society, and their performance are crucial for society to function. Access to clean water and sanitation are central to human rights and disruptions risk affecting people and society greatly in a negative way. Continuous maintenance of underground infrastructure and pipes is therefore a critical process in keeping the operational effectiveness and increasing service life. It also serves to prevent various adverse events, such as flooding, the spread of water-borne diseases and blocks in proper drainage. The UIM industry is also critical for various institutions and infrastructure, such as utilities and hospitals.

Norva24's maintenance of the underground infrastructure is a key factor for a sustainable future and our services contribute to the UN Sustainable Development Goals (SDG). We contribute directly to SDG 6 – *Clean water and sanitation*, and our services are also important for SDG 11 – *Sustainable cities and communities* as well as SDG 13 – *Climate action*. A strategic focus for the Group is to promote energy efficiency in line with SDG 7 – *affordable and clean energy*.

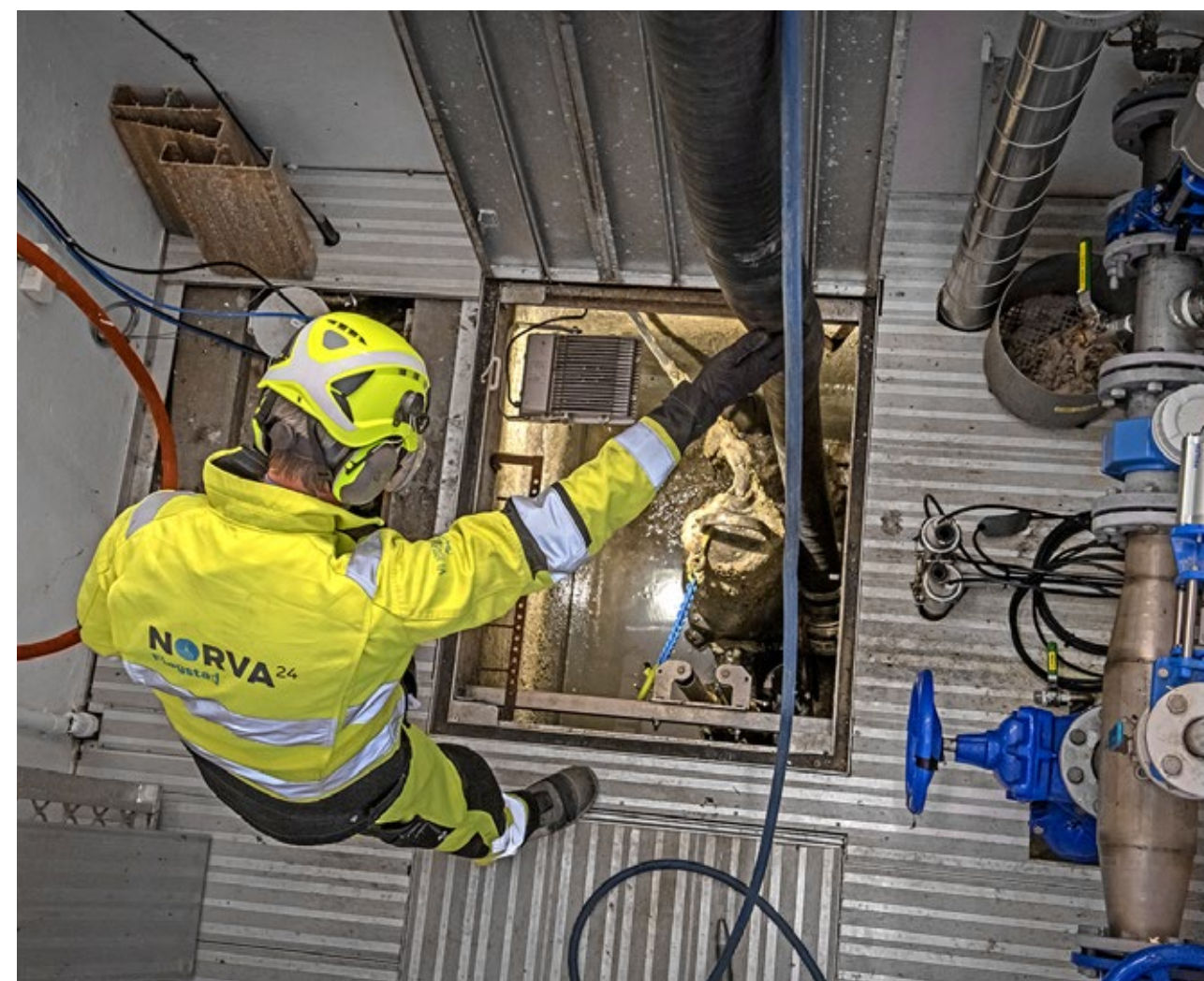
Sustainability is therefore at the very core of Norva24 and what we do. It is part of our purpose. Norva24's long-term vision is to build a European market leader and a lighthouse, which means that we want to serve as an inspiration, also around sustainability, to the UIM industry's development in Europe. The goal of the group is to be ahead on quality, health, environment and security, and all employees in the group shall participate in the process of constant improvement of both work environment, work processes, environmental work, and social responsibility. Our commitment and promise "We always help!" is made possible by this culture, rooted at the core of the Group.

Norva24 defines sustainable development as a development that meets the needs of the present without compromising the ability of future generations to meet their own needs. We shall always act as a responsible company promoting environmentally and socially sustainable practices. To contribute even further to a more environmentally sustainable society, we have a strategic focus on increasing the share of our green services to our clients. Green services means services which contribute to a more environmentally sustainable society.

We have also identified health, safety and work environment, reduced energy consumption and CO<sub>2</sub> emissions, ethical business and responsible supply chain as important areas for our sustain-

## SUMMARY OF SUSTAINABILITY TOPICS, TARGETS/KPIs AND CONTRIBUTION TO THE SDGs

Topic	Strategic focus/target	Result 2021	Contribution to the SDGs
Greener services for maintenance of the underground infrastructure (sewerage systems) to ensure water quality, cope with increasing urbanization and capacity demand, and adapting to extreme weather events created by climate change.	Increase the share of its green services to its clients (revenue of green services/operating revenue). Base year 2021 for Norway and Denmark. Base year 2022 for Germany and Sweden.	Share Norway 20.0% Denmark 13.9%	<b>SDG 6:</b> Ensure availability, and sustainable management of water and sanitation for all. <b>SDG 11:</b> Make cities and human settlements inclusive, safe, resilient, and sustainable. <b>SDG 13:</b> Take urgent action to combat climate change and its impacts.
Actively to reduce the energy consumption from own operations.	Reduce the relative energy consumption (kWh/revenue x 100). Base year 2021 for Norway and Denmark. Base year 2022 for Germany and Sweden.	Norway 4.90 Denmark 6.22.	<b>SDG 7.3:</b> Double the global rate of improvement in energy efficiency.
Prevent accidents and other work-related illness.	Accidents resulted in a leave of absence. Zero harm.	34 accidents (49 2020) resulted in a leave of absence.	<b>SDG 8:</b> Decent work for all.
Promote diversity, inclusion, and equal opportunities in workplace.	Zero tolerance against any form of discrimination or harassment. A whistle blower system was implemented in the beginning of 2022. Norva24 will follow up and report in 2022.		<b>SDG 5:</b> Gender equality and <b>SDG 10:</b> Inclusion of all.
Trusted partner to our customers, business partners, suppliers, and the communities where Norva24 operates.	Zero tolerance against any form of corruption. A whistle blower system was implemented in the beginning of 2022. Norva24 will follow up and report in 2022.		<b>SDG 16:</b> Accountability and actions against any form of corruption.



ability work. For us at Norva24, quality, health, environment and safety work (QHSE) are the very foundation of our business. We work continuously to develop Norva24's sustainability agenda and to secure the position as the leading player in our industry. When establishing our agenda, we considered several principles, regulations, standards, and guidelines, including for example the principles of the United Nations Global Compact,

The Group track performance at branch level in Scandinavia and is being implemented in Germany, in line with our strategic focus areas:

- increase the share of green services (revenue of green services/operating revenue)
- reduce the relative energy consumption from own operations (kWh/operating revenue\*100)



## STAKEHOLDERS

In steering our sustainability work effectively, we engage in dialogues with our stakeholders. The stakeholder groups have been identified as the groups that are affected by our operations most and which have a major impact on our ability to reach our goals.

## Customers

The Group's customers broadly fall into three categories: public, corporate and private. The majority of Norva24's customers, approximately 95 percent of revenue, are municipalities and corporate customers. Private customers include residential homeowners.

The most important factors among customers in the public sector when assessing bids in public tenders are competence of employees and quality of work, fast response time, documentation adherence to standards and requirements, and good customer service and personal relations. Our experience is that the results are similar to what we experience in private tender processes as well.

## Employees

Safety, health and well-being at work as well as good working conditions are core factors regarding employees.





## UIM services are essential for society



Almost all private and public organizations, institutions and private households are connected to the public underground infrastructure (or wastewater collection system). The underground infrastructure is a society-wide network of pipelines and channels with associated pumping capacity that routes liquid waste to its treatment destination, i.e., from its points of origin to a point of treatment and disposal. Underground infrastructure deterioration, damage or malfunction may cause severe structural damage to private customers' premises and homes and, on a greater scale, interrupt the function of society.

Underground infrastructure need to be continuously maintained to enable a sustainable functioning society. There is generally a low tolerance and high sensitivity for disturbances within the underground infrastructure and swift maintenance services are necessary to ensure the level of continuity that is expected and upon which society relies. Norva24 offers both preventive and reactive services. This includes the inspection of infrastructure, customer advice on preventive measures and methods of treatment, emptying, pressure washing and pipe services. On all inspections, customers receive reports that detail the issues identified and the methods and means used to resolve the problem. There is often overlap between the services, and many job assignments involve more than one service being performed.

### Aging underground infrastructure

Underground infrastructure in Norva24's current markets are generally in poor condition after decades of delayed renovations

resulting in a general investment backlog within the underground infrastructure. Across the current markets, the average age of the underground infrastructure is approximately 40 years and, in some cases, as old as 150 years. This leads to an increase of damages in the sewers and leakage rates, which affect the reliability and quality of the overall underground infrastructure and affects the whole society in a negative way. The poor state of the underground infrastructure, increase the need for maintenance and renovation.

### Climate change

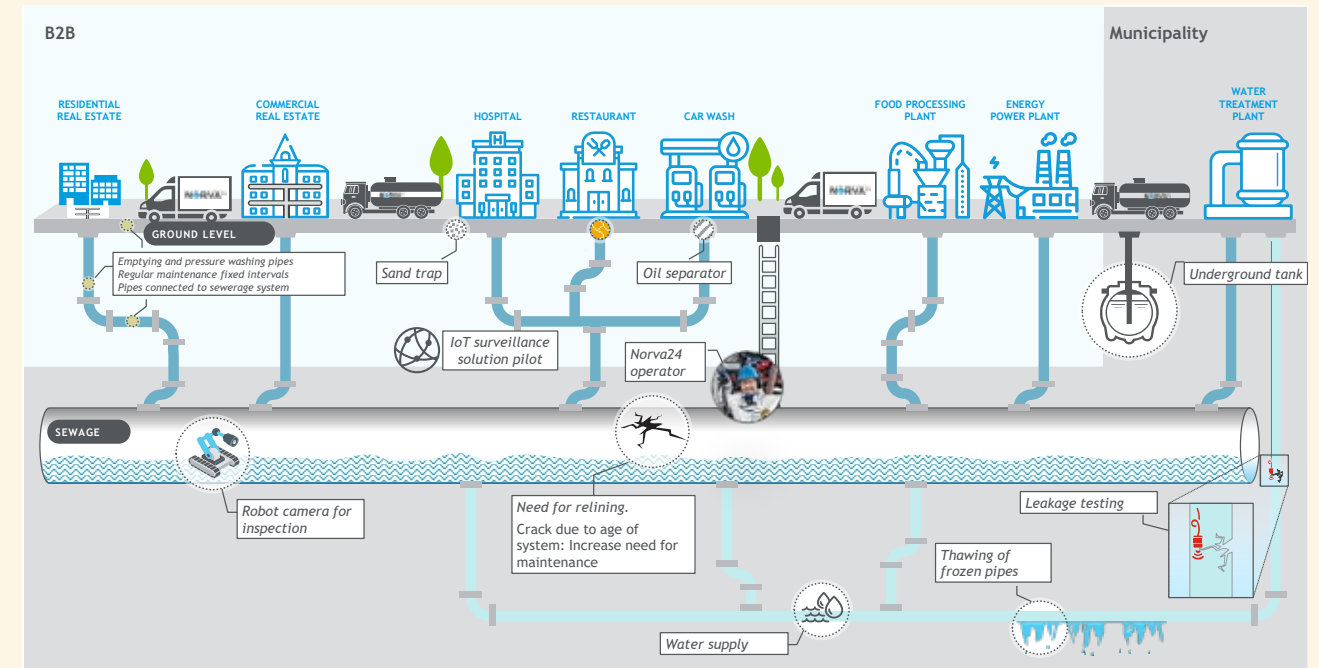
Climate change has and will continue to increase the frequency of more extreme weather conditions, which, depending on local weather conditions that vary significantly, has multiple effects on municipal and private infrastructure. Because of higher levels of precipitation, the day water systems cannot accommodate the higher water levels, which can lead to sewer flooding. Also extraordinary dry weather often results in increased need for cleaning of underground infrastructure and water pipes, since the flow through the system in normal weather conditions results in self-cleaning. An increase in average temperatures may lead to hygiene problems occurring in the drinking water supply system, since the prevalence of bacteria is increasing.

UIM services are crucial for countries adapting to extreme weather events created by climate change.



## Our services contributes to several of the global goals

The illustration shows how the society is connected through the underground infrastructure and how Norva24's mission critical and non-discretionary maintenance services are provided



### UIM SERVICES CONTRIBUTES TO:



#### SDG 6.5: Improving water quality

UIM services play an essential role in improving water quality through pipe maintenance and the treatment and removal of polluted water and sludge. Through infrastructural maintenance and repair, UIM services actively prevent pipe leakages and spills, reducing pollution and the release of untreated wastewater and waste.



#### SDG 6.3: Implementing integrated water resource management

UIM supports governmental water policy through maintenance of underground infrastructure, ensuring safe and clean water and better management of water resources. Innovation and technological improvements in the UIM services industry enable more efficient usage of water resources and monitoring of underground infrastructure.



#### SDG 11.3: Inclusive and sustainable urbanization

Well-managed and maintained underground infrastructure are essential to cope with increasing urbanization and capacity demand. To that end, UIM services offer sustainable, long-term solutions to address the pressures placed on underground infrastructure caused by increasing urban development and climate change.



#### SDG 11.6: Reducing adverse per capita environmental impact of cities

Proper maintenance and prevention of leakage in underground infrastructure is crucial to reducing the environmental impact from cities on the wider environment. UIM services enable cities to properly manage and adapt to the increasing environmental impact of cities by boosting the capacity of existing underground infrastructure systems and preventing damage through monitoring and regular maintenance.



#### SDG 13: Strengthening resilience and adaptive capacity to climate-related hazards

UIM services are crucial for countries adapting to the increased extreme weather conditions created by climate change. Well-maintained underground infrastructure are essential to cope with increased precipitation and reduce the risk of flooding.





## Reduced environmental footprint through economies of scale

The environment is in focus in our everyday lives. Our services make a positive contribution to a more sustainable and greener society. However, our operations also carry an ecological footprint. Our work is based on a vision of causing zero harm to the external environment and QHSE (quality, health, environment and safety work) are the very foundation of our business. Our QHSE-policy and management system steers and supports us. Many of our tools and equipment require a lot of energy, but we can make a difference by changing routines and mindsets. For us it means that we constantly look for more environmentally friendly solutions and alternatives. We also invest considerable resources in our environmental work, in part by dedicating employees time to work on potential environmental improvements, surveys, measurements and ambitions.

Norva24 strives to reduce its environmental and climate impact by directing its efforts towards areas with the biggest impact. We focus on reducing our energy consumption by for example turning off equipment, computers, compressors, lights and other systems when not in use. We perform preventive maintenance to ensure the longevity of our machines and equipment and we sort and recycle our waste. Norva24 also focuses on reducing its fuel consumption. We use fleet management and optimization of driving routes, we drive carefully and environmentally efficiently and we strive to ensure that we have the right capacity on the car to reduce the number of trips. This work will greatly impact how we navigate on the road to the future.

Since 2021 we follow our strategic focus on reducing the relative energy consumption from own operations (kWh/operating

revenue x 100). In 2021, our relative energy consumption x 100 was 4,90 for our operations in Norway and 6,22 in Denmark. Additional data from Germany and Sweden will be reported as from 2022.

### Route planning

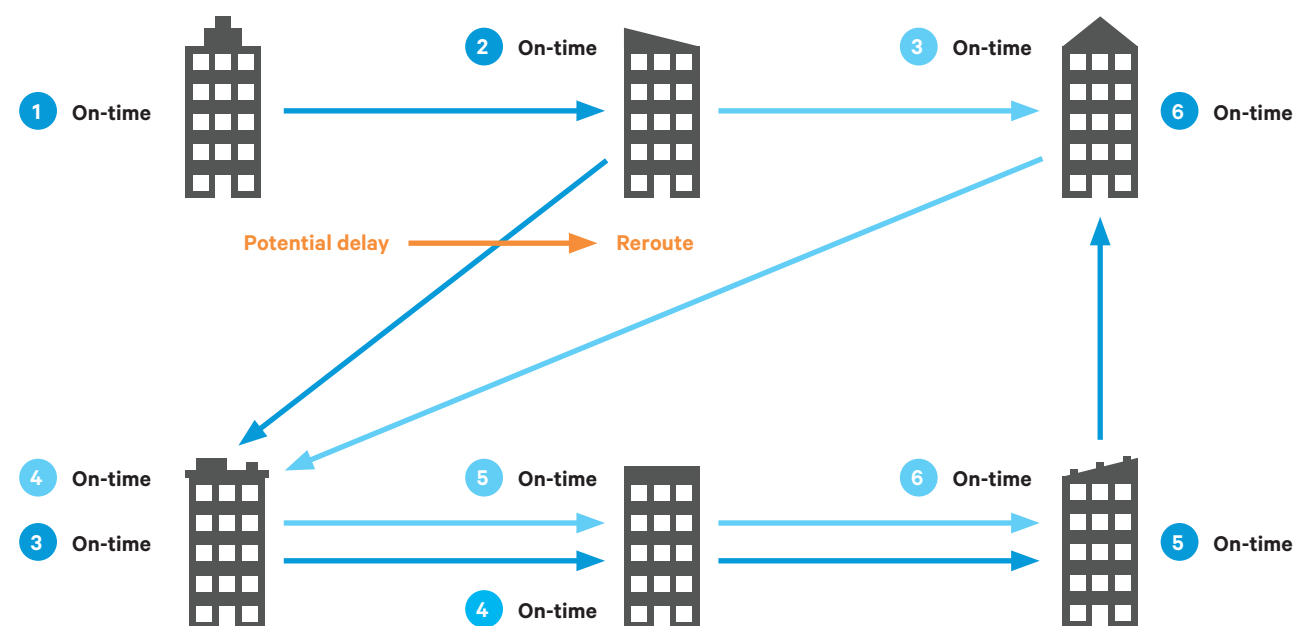
Norva24 constantly works to improve and optimize our vehicle routing. Due to our high network density and digitized processes, we have efficient route planning systems that enable us to complete more jobs, spend more time working on assignments, rather than inefficient traveling, and help us to reduce the use of energy and fuel as well as lowering emissions.

### Vehicle fleet

Norva24 has invested in a modern and environmentally classified fleets of vehicles, which supports our environmental ambitions and increases operational efficiency. Our vehicle fleet is relatively young, with approximately 80 percent of the operating fleet being younger than 10 years. All vehicles in the Group's fleet utilize a wide range of specialist equipment, and each type of vehicle is used for a variety of specified tasks.

In 2021, we had just over 860 operating vehicles in our fleet, of which just over 50 percent were classified as Euro 6 emission standard. Norva24's vehicle fleet comprises approximately 165 combi trucks, 130 sludge suction trucks, 35 super suction trucks, 30 mobile dewatering trucks, 185 flushing units, 10 vacuum trucks and 15 high pressure unit trucks.

### Effective redirection in case of potential delay



Norva24's branch network, density and digitized systems allow for efficient route planning. This enables the Group to complete more jobs while at the same time reduce resource use and emissions. When a potential delay occurs (3 in the illustration above), our digitized fleet management system assists in rerouting our services in order to optimize an alternative time- and resource efficient route.



A fully electric flushing car

### Handling of oil and oil-contaminated waste

Although it is a very minor part of its operations, Norva24 performs some services where handling of hazardous waste is part of the job being performed. Typically, Norva24's hazardous waste services relate to the removal of oil or oil-contaminated liquids or masses, from tanks, separators etc. The oil separated by an oil separator, and that which remains in the associated sand trap, is hazardous waste, and accordingly, oil and sludge must be submitted to an approved site for hazardous waste.

Our operations and services regarding these hazardous materials are compliant with environmental laws and regulations, as well as local health and safety and environmental regulations in relation to hazardous waste in all countries in which it operates.

### INNOVATIVE GREEN SERVICES

Norva24 strives to make it easy for its customers to make green choices, by supporting them in making more environmentally friendly decisions. A central part is our ambition to continually develop new green services, which we define as services that are more environmentally sustainable than current alternatives on the market. We start by involving our customers in order to better understand their need for services. Then we invest in developing

and testing new solutions, often in collaboration with students and the research community. We aspire to always keep up to date on the latest technology and how it can create environmental benefits.

Our objective is to increase the share of our green services to our clients every year.

Norva24 is a leader in creating and developing more "green" services, such as mobile dewatering technology, and re-lining pipes instead of performing a full excavation. Norva24 is pilot testing its IoT surveillance solutions, as a proactive on-site monitoring solution together with 16 customers in three countries, a couple of suppliers and with Innovation Norway as a supporting partner. Norva24's IoT surveillance solutions entail i) customer value as it prevents and ii) minimizes the need of disturbances for the society and/or the business, value for Norva24 as it makes the UIM service more predictable and proactive, and consequently more efficient. Furthermore, the IoT solution is a clear competitive advantage in the fragmented market due to Norva24's economies of scale, as Norva24 can further leverage its superior density and inhouse digitalization resources. IoT sensors will also have important effects for the environment, for example, by creating a better surveillance system for UIM, hence reducing risk of prospective leakages.





## Mobile dewatering



Drainage of septic tank sludge is an important part of the drainage services Norva24 offers. This applies to both conventional sludge drainage and mobile dewatering. Mobile dewatering refers to a procedure through which water is removed from the waste sludge to create a more solid sludge mass with less liquid. This process significantly reduces the amount of water transported with the sludge to the relevant

point of central reception. For example, by dewatering to 20 percent dry matter, the amount of water being transported will be reduced by about 90 percent compared to conventional sludge drainage. Further, reduced transport needs involve reduced fuel consumption and thus reduced greenhouse gas emissions and NO<sub>x</sub> emissions. Mobile dewatering can therefore potentially provide both economic and environmental

benefits compared to conventional drainage. Mobile dewatering also results in lower load to the treatment plants that receive the sludge, which is beneficial in areas where treatment plants have limited capacity. There will also be a significant reduction in the number of kilometers of transport. Also, in more central and densely populated areas, mobile dewatering will be beneficial.



## Our people

Norva24's employee philosophy is based on our values; trust and passion. We believe that when employees learn and cooperate, the organization can deliver higher results and create a positive work environment. Employees with team spirit and a shared goal, share information and knowledge and utilize each other's strengths to benefit Norva24's business and serve its customers, as well as the society at large. When it comes to leaders within the organization, Norva24 expects them to always act as role models and live the Group's values.

### VALUES AND GUIDING PRINCIPLES

Let these values be guiding for our business:

#### Trust

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

#### Passion

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

### EMPLOYEES OF THE GROUP

In 2021, Norva24 had approximately 1,450 employees across its 66 branches. Approximately 34 percent work in Norway, 39 percent in Germany, 17 percent in Sweden and 10 percent in Denmark. By function, 78 percent our employees are operational, and 22 percent are administrative in their roles, who are responsible for daily business operations, marketing and sales, density of local networks, local branch financial performance and management and approval of new accounts, procurement orders and tenders below a set materiality threshold.

Health, wellness, and safety in the workplace is important for Norva24. Our employees' commitment is crucial, and we will continue our efforts to create an attractive workplace where our employees can grow and thrive. As a larger company in the UIM industry, Norva24 can facilitate many possibilities for training and development for all employees. Our service offerings require skilled operator, and we strive to have a culture of learning from each other and encourages rotation to try new tasks. All employees in the group must go through a buddy system, as well as take part in the Norva24 School upon employment, where they receive targeted training and education until the employee feels safe at work.

The Group offers apprenticeship programmes for young people and in 2021 we had three apprentices in Denmark. We are also committed to facilitate for persons with disabilities and special needs to work for us. An example is the complete rebuild truck that makes it possible for one of our employees to working for Norva24 and delivering services to our clients.

### QHSE AND WORK SAFETY

Norva24 has a clear focus on health and safety practices within the workplace. We work to prevent accidents and other work-related illness. The basis is to always comply with international conventions on human rights and labor rights.

Norva24 is exposed to occupational health- and safety-related risks. We conduct operations in potentially hazardous environments and situations that expose risks to our employees' health and safety. The main risk areas are traffic accidents, working with and handling waste products – both fluids and materials, and working with complex equipment in work environments with inherent risks. Any incidents could lead to personal injury, and illness.

Since Norva24 carries out many of its engagements at customers' premises and facilities, there is also a risk that shortcomings in the customers' work environment efforts may adversely impact Norva24, irrespective of Norva24's own endeavors to achieve a safe work environment.

Quality, health, safety and environment form a core part of employee culture at Norva24. QHSE processes are organized and coordinated primarily at the country and local branch levels. Norva24 has internal quality control measures in place and works to ensure that employees have the necessary knowledge of QHSE and related processes, maintains routines and high health and safety standards to avoid breaching QHSE regulations at the country or local levels.

Norva24's development organization has developed Norva24's own web-based QHSE management system, beginning in Norway, with content, structure and documentation that satisfies require-

### QHSE and work safety



Norva24's portal and mobile application gives employees access to up-to-date information around QHSE and work safety that includes procedures, ethical rules, risk analysis tool, service information and breaches reports. The documentation is secured (used on phones).





ments from the Internal Control Regulations, ISO 9001 and ISO 14001 standards. The system provides available and updated information on topics such as procedures, breaches, ethical rules, risk analysis, and service information at all times for all employees. Further, in Norway, Norva24 has a trust-and-safety delegate system as well as a work environment council that holds regular QHSE meetings and feedback on QHSE systems and procedures is supported and received through the online portal. During 2021, work started to implement these QHSE standards also in Sweden.

In 2021, 34 (49 in 2020) accidents resulted in a leave of absence.

#### ATTRACTIVE WORKPLACE

We are actively and continuously working towards creating an attractive workplace. This is reflected in the Group's human resources strategy, which is aimed at ensuring that we can attract, retain, and incentivize the personnel required to best serve the business. Approximately 10 percent of employees also have an ownership interest in Norva24, which encourages and motivates employees in their jobs and careers.

We promote employee engagement so that every employee feels involved and can influence the work. The Group also promotes diversity, inclusion, and equal opportunities in our workplace. Norva24 have a zero tolerance against any forms of discrimination or harassment.

The Group's human resource functions are performed locally or branch-level, which contribute towards a better understanding for local market conditions. We work with performance management to steer and lead the business towards set overall goals. It is focused on ensuring that each employee and team contributes in the best way to what is most important for our success. The purpose is to drive development in the organization that in line with our strategy, clarify priorities and create commitment among employees. We appreciate the importance of feedback, since it helps us to grow personally and professionally as individuals as well as a business.

Certain employees are covered by collective bargaining agreements and other arrangements with trade unions. Such agreements are renegotiated from time to time.



## Opportunities for all at Norva24



Norva24 believes there are opportunities for everyone to do a good job regardless of background. We are looking for unique people who want to live up to our motto: "We always help" and we want diversity to create a good workplace that generates value. As a part of this intention, Norva24 has entered into a collaboration agreement with the Norwegian Foundation Sunnaas-stiftelsen. The foundation helps people

who have been exposed to serious illness or injury, and have rehabilitation need, to master their new life situation.

It started with Sven-Erik Fonnes, who 20 years back was exposed to a tragic accident that paralyzed him from the waist down. Before the accident, Sven-Erik Fonnes had a dream of becoming a truck driver, and despite that paralysis, that dream has become a reality.

Today he drives a lorry for Norva24 branch Birkeland in Norway. Most of the time is spent driving soil, wet organic sludge and woodchips linked with the branch UIM activities. During 2021, Sven-Erik got a brand new specially built Scania. This is an adapted lorry with lift and gas and brake on hand control. Everything is operated with the arms, and the car can also be used by regular pedals.





## Ethical business

It is important that Norva24 is a trusted partner to our customers, business partners, suppliers and the communities where we operate. We handle all our business relationships with integrity and professionalism. All employees and other partners must comply with laws and regulations, as well as internal governance documents and policies. The Group's Code of conduct provides a framework for work ethics and competitive issues within the business for all employees. Norva24 has zero tolerance against corruption and other unlawful and illegal practices. Corruption is a major risk of counteracting sustainable development and it also poses risks for the company, e.g. risk for reputation or trust. We support a correct and comprehensive competition through professional follow-up of tenders, offers and purchases. No form of price fixing or abuse of our market position

Norva24's has a whistle-blower function that enables employees and individuals outside the company to report suspected misconduct anonymously via the internet, or by phone. The system is run by an independent external service provider, 2Secure, that acts as an intermediary between the whistleblower and the company to increase independence and confidence in the solution. Administrators at 2Secure receive the observation and have a dialogue with the whistleblower throughout the process. All incoming cases are handled by specially appointed staff at 2Secure with solid investigative experience, to ensure correct and efficient handling. Norva24 receives a recommendation for further action in each whistleblower case.

### SOURCING AND PROCUREMENT

Norva24 cooperates with many subcontractors and suppliers. We rely upon third parties for deliveries of diesel fuel, disposal of waste, and certain septic sludge collections as well as in relation to the purchase of UIM service materials, personal protective equipment and vehicle financing or purchasing. We also invest in and deploys more technical equipment as part of its offering, such as cameras, robots, and sensors.

The Group's largest suppliers relate to Norva24's vehicles for its business operations, which are leased. Norva24 also uses external third-party IT software and platforms to support its service offering.

Consistent with the Norva24 Model, the Group follows a decentralized approach in sourcing supplies. Supplies are generally sourced at the national or branch levels, which diversifies the base of the Group's suppliers and reduces reliance on specific suppliers for the Group's operations. Some Group-wide procurement are arranged through a formalized process through country and Group-level management, including select shared software platforms, insurance, vehicles, and fuel, which benefits the Group by decreasing costs, and increasing efficiency.

All suppliers must comply with Norva24's guidelines, local legislation and other industry standards as regards, for example, the environment, work environment, anti-corruption, human rights, and business ethics.

### DATA PROTECTION AND PRIVACY

Data privacy and data protection are of the utmost importance to Norva24. To operate its business, Norva24 processes and stores a variety of personal data. We recognize that data privacy and data protection is an ongoing project that demands continuous improvement. Our processes have been designed to safeguard confidentiality, privacy and access to information and data. We are continuously striving to maintain the high standards of security and put resources to comply with all applicable legislations and rules, including GDPR.

### IT- AND CYBER-SECURITY

IT and digitalisation within Norva24 shall support Norva24's business strategy, directly or indirectly, in managing information and be an integrated part to meet the business goals. Norva24 maintains and operates an information technology platform to ensure business continuity, operational effectiveness, and business development.

The Group's IT department is centralized and provides IT services to most subsidiaries and branches to ensure the IT environment is developed and maintained according to group-specific IT policies and guidelines. Solutions are developed with data integrity, confidentiality based on industry standards ensuring applicable protection against cyber threats.



## Governance

The Group operates through a decentralized local branch-based business model. The Group has three levels of organization: Group level, country level and branch level. At the Group level, Norva24 Group Management provides strategic direction, coordination and goals and targets for all local branches and national subsidiaries.

The responsibility for managing the day-to-day operations of each branch lies with the local branch managers. While branch managers are given relative autonomy over decision making at the local level, every branch follows an agreed set of common KPIs which apply consistently across the Group. The Norva24 Model allows for decisions to be made in proximity to customers and employees, while maintaining consistency through Group-wide corporate governance and management systems.

Norva24 Code of Conduct clarifies the values and principles that govern our relationships with our employees, suppliers, customers business partners, investors and other relevant stakeholders such as public authorities. It serves as a starting point for all of the Group's relevant policies and rules. A number of policies are summarised in the Code, including Corporate governance, IT, Information security, Data protection, HR, Information, Finance, Insider and Sustainability.

### REGULATORY LANDSCAPE

Norva24 operates within a complex regulatory network that includes EU-level, national law and national technical standards, with regulations largely being set at the municipal level, rather than at the national or European level.

The EU regulations with the most impact on UIM service providers' daily operations is the "EU Water Framework Directive 2000/60/EC" which stipulates the quest for continual improvement and ban on water deterioration and the "EU Drinking Water Directive (98/83/EC)" which is a corresponding directive for drinking water. These directives are to a large extent supplemented by national legislation as well as technical standards and recommendations giving more detailed directions to service providers.

### PERMITS AND CERTIFICATIONS

The Group and its operations and facilities are subject to water, waste, environmental, health and safety laws and regulations, including those governing: water supply, use and discharges; the use, handling, treatment, recycling, release, management, storage and disposal of and exposure to hazardous substances; air emissions, greenhouse gas emissions and energy efficiency; and safety of workers, plants, sites and products.

Norva24 obtains the appropriate and necessary permits and certifications required to provide services within the UIM services industry. Most of the Group's entities are certified according to ISO standards, specifically ISO 9001:2015 and ISO 14001:2015, including all entities in Norway.





Risks

RISK MATRIX	
Risk description	Risk management
EXTERNAL RISKS	
Norva24 is exposed to macroeconomic and geopolitical risks. The UIM industry is affected by global and domestic macroeconomic, environment and geopolitical factors, which are subject to uncertainty and volatility. Ageing sewerage systems, climate change, increasing regulation, increasing outsourcing and increasing system capacity needs due to urbanization and population growth are important factors driving demand for UIM services	Norva24 analyses the UIM market continuously, internally as well together with external experts to anticipate changes in customer demand and market conditions as early as possible.
Norva24 is exposed to risks relating to seasonal weather conditions and climate change. To a large extent, Norva24’s work is conducted outdoors, meaning it can be affected by adverse weather conditions. In the long term, work may be affected by extreme weather caused by global climate change.	Norva24 is coping with extreme weather that imposes demands on workplace safety, among other things, weather protection. Extreme weather may increase the need for services provided by Norva24.
OPERATIONAL AND INDUSTRY RELATED RISKS	
Norva24 is exposed to risks related to the execution and integration of acquisitions. An important element of Norva24’s business and growth strategy is to carry out acquisitions to expand Norva24’s density and geographic footprint. The Group is therefore exposed to risks associated with opportunities to identify and implement acquisitions, and to integrate them following implementation. Integration is the most significant risk in connection with acquisitions.	Norva24 has completed with 34 acquisitions since Norva24 was established, and is continuously developing its acquisition strategy. Once a company has been acquired, integration commences immediately, focusing on efficient processes, without exposing the day-to-day operations to disruptions.
Norva24 is exposed to occupational health- and safety-related risks. Norva24 conducts operations in potentially hazardous environments and situations and the work is, accordingly, associated with certain risks, such as working with complex equipment in work environments with inherent risks. Such risks can result in personal injuries and fatalities, as well as in serious damage to properties, equipment and the environment.	Norva24 is subject to extensive laws and regulations aiming at keeping a safe working environment. Norva24 also has policies and other measures in place to reduce the risk of workplace accidents. The zero harm vision has the ultimate goal that no injuries or work-related illness will occur. Norva24 has established a common structured approach in the organization to guide and follow up the health and safety work carried out in the group. Common routines and systems that include reporting and warnings if serious accidents or incidents occur are in place within the Group.
Norva24 is dependent on attracting and retaining key employees throughout its organization. The Group’s service offerings require skilled operators (employees who deliver day-to-day services for Norva24). These employees must be able to perform maintenance services as well as occasionally safely handle potentially hazardous materials. Norva24’s ability to retain key employees of any acquired business is key. During the integration process, dissatisfaction may arise among personnel of the acquired business, which could ultimately result in key employees leaving Norva24.	Norva24 acknowledge the great importance of having a good reputation as an employer. Norva24 offers competitive employment conditions, opportunities for trainings and personal development, competent managers, and safe and secure workplaces. Norva24 also works to attract future operators to the profession by offering apprenticeship programmes.
Norva24 is exposed to risks related to suppliers and other third parties. Norva24 collaborates with several suppliers, subcontractors and other third parties within the scope of its daily operations, in particular in relation to the purchase of UIM service materials, personal protective equipment and vehicle financing or purchasing.	Consistent with the Norva24 Model, the Group follows a decentralized approach in sourcing supplies. Supplies are generally sourced at the national or branch levels, which diversifies the base of the Group’s suppliers and reduces reliance on specific suppliers for the Group’s operations. Some Group-wide procurement are arranged through a formalized process through country and Group-level management. All suppliers must comply with Norva24’s guidelines, local legislation and other industry standards as regards, for example, the environment, work environment, anti-corruption, human rights, and business ethics.

RISK MATRIX	
Risk description	Risk management
Norva24 is exposed to risks related to IT and cyber-security as well as risks related to processing of personal data. Norva24 needs to maintain a well-functioning information technology infrastructure to ensure business continuity and ensure the effectiveness of its operations and to interface with its customers, as well as to maintain financial accuracy and efficiency.	Norva24 maintains and operates an information technology platform to ensure business continuity, operational effectiveness, and business development. The Group’s IT department is centralized and provides IT services to most subsidiaries and branches to ensure the IT environment is developed and maintained according to group-specific IT policies and guidelines. Solutions are developed with data integrity, confidentiality based on industry standards ensuring applicable protection against cyber threats.
Norva24 is exposed to risks relating to product and service development, innovation, and the adaptation of its services to take account of market trends and legislative changes. Norva24 needs to continuously adapt its UIM services to an evolving market landscape and legislative environment.	Norva24 strives to make it easy for its customers to make green choices, by supporting them in making more environmentally friendly decisions. A central part is to continually develop new green services, which is defined as services that are more environmentally sustainable than current alternatives on the market. Norva24 invests in developing and testing new solutions, often in collaboration with students and the research community, and aspires to always keep up to date with the latest technology.
LEGAL AND REGULATORY RISKS	
Norva24 is exposed to risks related to compliance with laws and regulations. Norva24 must comply and is dependent on the compliance by its employees and other partners with laws and regulations, as well as internal governance documents and policies. Breaches of, or non-compliance with applicable laws and regulations, may adversely affect Norva24’s business and reputation.	Norva24 follows changes regarding laws, ordinances and other rules. When significant changes occur, Norva24 continuously adapts its processes. Business management for each individual market ensures compliance with national and local requirements.





# Reporting on the EU green investment taxonomy

## ECONOMIC ACTIVITIES

The Group has assessed which economic activities in the Taxonomy Regulation that are applicable for the group. The activities included in the Taxonomy Regulation that seemingly would be relevant to Norva24 are found within sector 5 *Water supply, sewerage, waste management and remediation*, since these most closely resembles the economic activity of the group which is to perform maintenance services of wastewater systems.

After careful analysis of the requirements in the taxonomy, the group have concluded that maintenance services of such systems fall outside the strict definition of the economic activities in sector 5 at the present time, thus Norva24 is not itself conducting any activities in the scope of the Taxonomy. The EU Taxonomy Regulation is still being developed and it is important to remember that the current legislation does not cover all sustainable activities in the market.

In the following section, we present an analysis of the share of our group turnover, capital expenditure (Capex) and operating expenditure (Opex), the Taxonomy KPIs, for the reporting period 2021, which are associated with Taxonomy-eligible economic activities related to the first two environmental objectives (climate change mitigation and climate change adaptation).

## KPI TURNOVER

Total turnover, as defined by the Taxonomy, is described in note 5 and 6 of the consolidated financial statements for the group. The total number can be found in row Total operating revenue in our income statement presented in the annual report for 2021. Since Norva24 has no eligible economic activities under the Taxonomy the share of eligible turnover is 0%.

## KPI CAPEX AND OPEX

These KPIs are defined as Taxonomy-eligible Capex/Opex (numerator) divided by our total Capex/Opex (denominator). Total Capex consists of additions to tangible and intangible fixed assets during the financial year. It includes additions to fixed assets (IAS 16), intangible assets except goodwill (IAS 38) and right-of-use assets (IFRS 16). Additions resulting from business combinations are also included. Total investments for the group are reported in note 10, 11 and 12 (refer to line items Acquired in business combinations and Additions) of the consolidated financial statements for the group.

The total operating expenditure (Opex) covers direct non-capitalised costs relating to, short-term lease and maintenance, and other direct expenditures relating to the day-to-day servicing of the groups relevant assets.

As the groups business activities fall outside the strict definition of eligible economic activities in the taxonomy, the investments also fall outside. Thus, we do not record any Capex/Opex related to assets or processes that are associated with Taxonomy-eligible economic activities in the numerator of the Capex KPI and the Opex KPI.

Only Capex and Opex related to the purchase of output from Taxonomy-eligible economic activities and individual measures enabling the target activities (our non-eligible activities) to become low-carbon or to lead to greenhouse gas reductions could therefore qualify as Taxonomy-eligible on their own. Norva24 has analysed whether any such Capex/Opex is identified within the group. Norva24 has had no investments that are of such a nature that they are taxonomy-eligible in themselves. Norva24 has had no other maintenance during 2021 that is of such a nature that it is taxonomy-eligible in its own right. When it comes to any eligible Capex and Opex of Norva24's suppliers, guidance within this area was published by the European Commission as recently as 2nd February 2022, and we have therefore not had a chance to evaluate said suppliers accordingly.

Norva24 will continue to follow the development of the taxonomy closely and adapt reporting as needed.

## 2021 EU TAXONOMY REPORT

	Total in NOK million	Share of non- taxonomy eligible activities in %	Share of taxonomy-eligible economic activities in %
Turnover	2,025.2	100%	0%
Capex	562.2	100%	0%
Opex	33.5	100%	0%

# Why invest in Norva24?

From its Norwegian base in 2015 Norva24 has the last 6 years evolved from a local player with three branches and NOK 150 million in revenues to a clear market leader in Northern Europe with 66 branches and NOK 2 billion in revenues through successful consolidation of smaller players in a very fragmented market.

With Northern Europe as a base "Norva's long-term vision is to build a European market leader and lighthouse in Underground Infrastructure Maintenance (UIM) through continued consolidation in a market worth approx. NOK 140 billion

The pipeline is rich with approx. 1,900 players in the Industry in our current four countries.

The services from Norva24 are mission critical and essential for society and are considered to be non-cyclical and part of general base infrastructure. The revenues from its operations are to a high degree recurring with good stable margin and high cash conversion. The groups decentralized setup and branch-based business model also provide a loyal customer base and relatively high barriers to entry due to the nature of the tenders.

The services of Norva24 is distributed between emptying services, pressure washing and pipe services and is to higher and higher degree based on high technology and digital solutions as well as a focused approach on ESG. Norva24 is targeting an organic growth in line with market and a total growth to at least NOK 4.5 billion by 2025. The EBITA margin is targeted to be around 14-15% in the medium term.

Come join us in our journey to become a leader in the European market for UIM!

- 1

Attractive, large and non-cyclical growth market (UIM)
- 2

Category leader in Northern Europe benefiting from barriers to entry
- 3

Attractive combination of strong growth, expanding margins and high cash conversion
- 4

Decentralised route and branch-based business model serving a fragmented and loyal customer base with recurring revenues
- 5

Proven consolidation engine with rich M&A pipeline
- 6

ESG early mover and digital disruptor







# Share price information and ownership

## DEVELOPMENT OF THE SHARE

Norva24's share was listed on 9 December 2021 at an introductory price of SEK 36 per share. The market capitalisation at the time of listing amounted to approximately SEK 6.9 billion. The share has had a negative development since its introduction due to weak market sentiment and, by the end of the year, it had fallen by 5.1 percent. On the final trading day on 30 December, the year's closing price of SEK 34,175 was noted.

## TRADING AND TURNOVER

Norva24's share trades on the Nasdaq Stockholm exchange's Mid Cap under the ticker NORVA. From the stock exchange listing on 9 December 2021 until the end of the year, approximately 29 million shares were traded at a value of approximately SEK 945 million. The average turnover per trading day amounted to approximately SEK 56 million.

## SHARE CAPITAL

According to the articles of association, the share capital shall be not less than SEK 608,246 and not more than SEK 2,432,984. The number of shares shall be not less than 182,474,021 and not more than 729,896,084. On 31 December 2021, the share capital amounted to SEK 608,246.74, divided on 182,474,021 shares.

## DIVIDEND AND DIVIDEND POLICY

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

## LOCK-UP COMMITMENT AND SHAREHOLDER AGREEMENT

On the date of the prospectus, 30 November 2021, all shareholders in Norva24 have undertaken not to sell their shares for a certain period after trading in the Company's share has commenced. The so-called lock-up period is 360 days for Board Members and senior executives and 360 days for shareholders prior to IPO. The lock-up commitments are subject to certain customary exceptions.

As far as the Board is aware, there are no shareholder agreements between the shareholders in Norva24.

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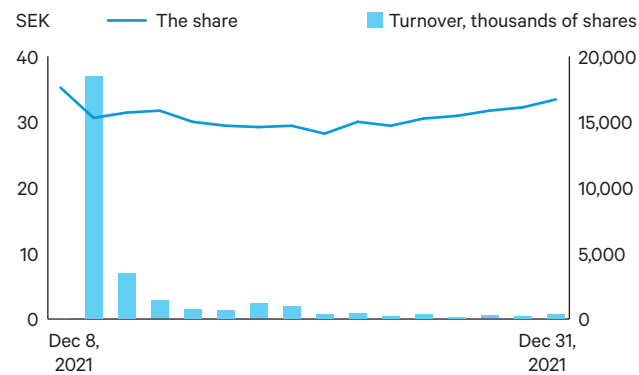
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## Share price performance



## TOP 10 OWNERSHIP STRUCTURE DECEMBER 31, 2021

Shareholder	Total shares	Ownership, %
Valedo Partners Fund II AB	60,346,567	33.07
Swedbank Robur Fonder	18,055,555	9.89
Invest24 AS	12,519,326	6.86
DNB Fonder	5,552,181	3.04
Carnegie Fonder	4,050,000	2.22
Tredje AP-fonden	3,857,324	2.11
AQP Holding AS	3,446,536	1.89
Livförsäkringsbolaget Skandia	3,439,194	1.88
Voß, Andreas	3,409,851	1.87
JKT Birkeland Invest AS	3,140,574	1.72
Other		35.44
<b>Total</b>	<b>182,474,021</b>	<b>100.0</b>

## CONCENTRATION OF OWNERSHIP

Concentration	Capital, %	Votes, %
The 10 largest owners	64.57	64.57
The 25 largest owners	79.25	79.25
The 30 largest owners	81.63	81.63



## OWNER DISTRIBUTION BY HOLDINGS

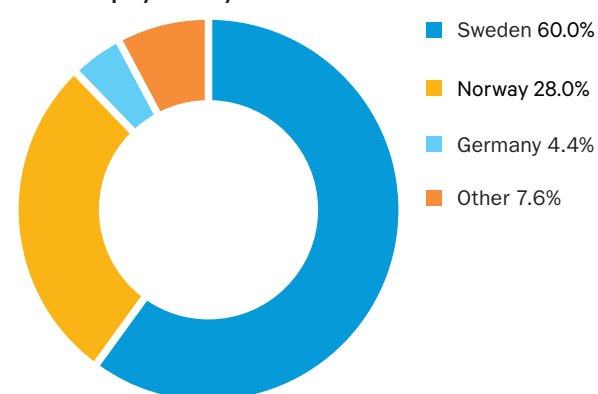
Owner distribution by holdings	Number of shares	Capital, %	Votes, %	Number of known owners	Share of known owners, %
1-1,000	653,362	0.37	0.37	1,978	76.55
1,001-2,000	218,872	0.12	0.12	153	5.92
2,001-5,000	480,688	0.26	0.26	144	5.57
5,001-10,000	530,149	0.29	0.29	74	2.86
10,001-20,000	761,671	0.42	0.42	50	1.93
20,001-50,000	2,241,040	1.23	1.23	67	2.59
50,001-100,000	2,598,056	1.42	1.42	37	1.43
100,001-500,000	8,449,700	4.63	4.63	40	1.55
500,001-1,000,000	12,658,000	6.94	6.94	17	0.66
1,000,001-5,000,000	47,177,497	25.85	25.85	20	0.77
5,000,001-10,000,000	5,552,181	3.04	3.04	1	0.04
10,000,001-50,000,000	30,574,881	16.76	16.76	2	0.08
50,000,001 -	60,346,567	33.07	33.07	1	0.04
Anonymous ownership	10,231,357	5.61	5.61	N/A	N/A
<b>Total</b>	<b>182,474,021</b>	<b>100.0</b>	<b>100.0</b>	<b>2,584</b>	<b>100.0</b>

## SHARE CAPITAL DEVELOPMENT

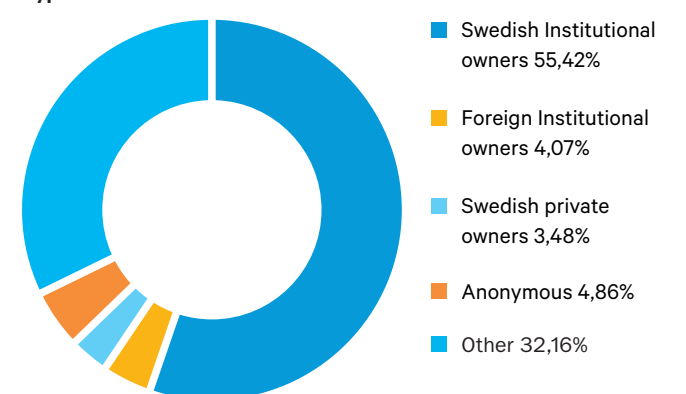
The following table sets forth the changes in the share capital during the period from the incorporation of the group up until today.

Time	Action	Change			Total	
		Ordinary shares	Preference shares	Share capital (SEK)	Shares (ordinary and preference shares)	Share capital (SEK)
11/11 2019	Incorporation of parent company	50,000	–	50,000	50,000	50,000
1/1 2020	Start of the year	–	–	–	50,000	50,000
1/1 2021	Start of the year	–	–	–	50,000	50,000
8/9 2021	Offset issue	10,915	32,743	43,658	93,658	93,658
8/9 2021	Issue in kind	2,679,509	7,738,064	10,417,573	10,511,231	10,511,231
8/9 2021	Reduction	(50,000)	–	(50,000)	10,461,231	10,461,231
8/9 2021	Reduction	–	–	9,938,169.4	10,461,231	523,061.55
25/10 2021	Share split	37,665,936	108,791,298	–	156,918,465	523,061.55
19/11 2021	Conversion	116,562,105	(116,562,105)	–	156,918,465	523,061.55
10/11 2021	New share issue, as part of the offering	25,555,556	–	85,185	182,474,021	608,246.74

## Ownership by country



## Type of owners







## Norva24 by the numbers







# Board of Directors' report

The Board of Directors and CEO of Norva24 Group AB (publ), company registration number 559226-2553, hereby present the Annual Report and consolidated financial statements for the financial year 1 January 2021– 31 December 2021. Unless otherwise stated, the information refers to the Group (the "Group" or "Norva24").

## THE GROUP'S OPERATIONS

Norva24 is a leading Northern European player in the UIM industry as measured by revenue as well as by market share. The history of the Group dates to 1919, although Norva24 was established in its current form in 2015 and has grown its business both organically and through acquisitions over the years since. As of 31 December 2021, the Group operated 66 branches across four European countries, Norway, Germany, Sweden and Denmark, through a clear strategy of consolidation and geographical expansion. The Group provides a wide range of UIM route-based services, which it broadly categorizes into (i) emptying services; (ii) pressure washing; and (iii) pipe services, though there is a significant overlap between the services as assignments in general involve more than one service.

The vision to build a European market leader and lighthouse in Underground Infrastructure Maintenance industry.

Norva24 has a decentralized operating model with a branch-based structure that delegates decision-making to individual branches. Through its operating model and acquisition strategy, Norva24 aims to achieve the benefits of scale to support its local branches, while promoting local entrepreneurial leadership.

This system is designed to achieve decentralized decision-making with centralized support, a performance-oriented culture and increased growth. Decentralized decision-making means that operational decisions are made by those individuals at the branch-level who have local relationships, expertise, and knowledge. Centralized support is provided through the benefits of the Group's overall scale, large corporate IT support, capital and institutionalized best practices. The performance-oriented culture is affected through league table benchmarking across branches of margin levels and revenue growth, as well as training, measuring, and reviewing local branch managers and business units based on such benchmarking. Growth is promoted through financial and business plan responsibility throughout the organization, specifically through full profit and loss account responsibility across all levels of the Group, which drives top and bottom-line growth, as well as sourcing and evaluating new potential M&A targets through local positioning and communication.

As of 31 December 2021, the Group had approximately 1,450 employees and a fleet of about 860 operating vehicles. In 2021, Norva24 completed approximately 300,000 job assignments. Since Norva24's inception, the Group's sales have multiplied several times over, driven by acquisitions and organic growth. During the last 18 months Norva24 has completed a total of eleven acquisitions. Acquisitions are an important part of the Group's growth strategy and candidates are carefully chosen based on selected criteria with requirements for, among other things, favorable profitability, geographical locations and long-term management. These acquisitions have strengthened the Group's sales by an estimated NOK 600 million in 2021.

Furthermore, several positive effects as a result of the ongoing consolidation of the market have been observed. Such effects

consist of both commercial synergies and cost synergies. As examples on such effects derived by Norva24 are reduced purchasing costs for newly acquired companies benefiting from the Group's purchasing agreements, common IT platform across the group's branches, centralized support functions such as Key account management, bid management, finance & controlling, IT etc.

Norva24 Group comprises the Parent Company and its subsidiaries, all of which have a solid local awareness and geographical responsibility.

## SUMMARY OF KEY DEVELOPMENT OF THE BUSINESSES IN 2021

### First quarter

During the first quarter, Norva24 acquired two companies: Kjelsberg Transport AS (Norway) and GJ & Son AB (Sweden). Both acquisitions were closed in late January and consolidated from February 2021.

### Second quarter

Five acquisitions were completed during the second quarter. In April 2021, Mayer and Krüger (Germany) was acquired. The acquisitions of GR Avloppsrensning AB (Sweden) and Malmberg Miljöhantering AB (Sweden) were closed in June and consolidated from June 2021. The acquisitions of Decker Group (Germany), consisting of 7 entities, and Ulvsby Miljö AB (Sweden), including two subsidiaries, were closed and consolidated at the end of June. In the second quarter, the Swedish company Norva24 Group AB (publ) also became the Parent Company of Norva24 Group. This was an intercompany restructuring that is described in Notes 1 and 3.

### Third quarter

Tim Norman was appointed the new CEO of Norva24 Denmark in August 2021.

### Fourth quarter

On December 9, the shares of Norva24 Group were listed on Nasdaq Stockholm Main List. The proceeds of NOK 896.5 million will facilitate Norva24's continued acquisitive growth.

## FINANCIAL DEVELOPMENT

### Total operating revenue (January-December)

Total operating revenue amounted to NOK 2,025.2 million (1,522.5), an increase of 33.0%, mainly due to acquisitions. Currency adjusted organic growth amounted to 3.3%. As a result of Covid-19 the market has been flat during 2020 and 2021 as Covid-19 resulted in e.g. the postponement of planned maintenance assignments and by emptying of grease separators being impacted by lower activity within the HoReCa sector. Sweden and Germany delivered the strongest increase in total revenue, with growth of 60% and 127% respectively.

### Adjusted EBITA (January-December)

Adjusted EBITA increased by 21.6% to NOK 257.7 million (211.9), with an adjusted EBITA margin of 12.7% (13.9). The EBITA development is mainly driven by the latest acquisitions in Norway, Germany, and Sweden. The reduction in the adjusted EBITA margin is mainly attributable to certain acquisitions having a somewhat lower margin than the Group average. The margin is also affected by higher



depreciation of vehicles and equipment due to the acquisition of right-of-use assets and property, plant and equipment through acquired companies. In addition to this, higher fuel prices impacted the Group's costs.

### Depreciation, amortization and impairment (January-December)

Depreciation and amortization of tangible and intangible assets amounted to NOK 237.5 million (162.6) for the period. The increase is due to the acquired companies' tangible and intangible assets. There have been no impairments in the period.

### Financial items (January-December)

Net financial items amounted to NOK -113.4 million (-33.9) and consist primarily of interest expenses on loans and currency effects.

### Earnings (January-December)

Profit before income tax was NOK 80.2 million (145.3). Profit for the period was NOK 86.0 million (112.0). Basic and diluted earnings per share was NOK 0.81 (1.87) per share.

### Income tax expense (January-December)

Income tax expense for the period amounted to NOK 5.8 million (-33.3). The tax expense is positive due to large permanent differences in relation to the IPO and other gains.

### Cash flow and capital expenditures (January-December)

Cash flow from operating activities amounted to NOK 337.4 million (353.8) and was negatively impacted by costs related to preparations for a stock exchange listing and acquisitions. Changes in net working capital contributed to improved cash flow of NOK 57.8 million (-14.2). In addition to cash and cash equivalents, the Group has a new revolving credit facility amounting to NOK 1,100 million, of which NOK 856 million was unutilized on December 31.

Cash flow from investing activities was NOK -272.3 million (-345.2), of which acquisitions of subsidiaries and operations amounted to NOK -214.1 million (-292.2).

Cash flow from financing activities amounted to NOK 19.1 million (-0.7) and was attributable to the net change in borrowing and repayment of lease liabilities.

Cash conversion was 73.1% during the 12-month period January 2021 to December 2021, compared with 99.0% for the full-year 2020.

### Financial position and liquidity (January-December)

Norva24's net debt amounted to NOK 763.6 million (1,245.6), corresponding to a net debt/adjusted EBITDA LTM of 1.7 (3.5). The reduction is attributable to the NOK 896.5 million raised in the IPO used to repay debt. The Group's cash and cash equivalents amounted to NOK 260.4 million (180.9).

Non-current and current interest-bearing liabilities amounted to NOK 1,024.0 million (1,426.5), of which NOK 325.3 million (870.2) was loans and NOK 698.7 million (556.4) was lease liabilities. The loans have customary terms and conditions. During the period, the Group repaid NOK 1,235.3 million of its existing loans.

The change of Parent Company had no impact on the Group's financial position.

At the end of the period, equity amounted to NOK 1,619.6 million (688.0). The equity/assets ratio was 50.2% (27.0).

## Acquisitions

Seven acquisitions were completed during 2021. Due to the IPO process no acquisitions were completed in the second half of 2021. The acquired companies operate in Norway, Germany and Sweden and strengthen the Group's market position in these markets. The acquisitions were conducted in line with the Group's strategy of growth through business combinations. The acquisitions strengthen the Group's position in specific product areas and markets. The acquisitions had an impact on the Group's total operating revenue in an amount of NOK 253.8 million and earnings in an amount of NOK 29.3 million. These acquisitions would have had an impact on total operating revenues of NOK 348 million and profit of NOK 6.8 million in 2021 on an annualized basis.

The total purchase consideration for the acquisitions amounted to NOK 301.9 million, of which NOK 31.0 million was attributable to the respective companies' performance.

## COVID-19

The UIM industry showed strong resilience during the pandemic and did not show negative market growth in 2020 and 2021. As an industry, the UIM market experienced the same challenges and obstacles, with restrictions, higher sickness absence and social distancing, as the rest of the economy and society during this extraordinary period. The UIM industry's tasks are essential to society, which means that the underlying need for UIM services remains unchanged during the pandemic, thereby demonstrating the UIM industry's resilience and non-cyclical nature of the business.

## SEASONAL VARIATIONS

The Group has a certain amount of seasonal variation and historically, the second and fourth quarters have been the strongest, driven by variations in demand due to colder weather and vacation periods. In the short term, seasonal variations are expected to be in line with the way it has been reported historically, but in the long term, they may change somewhat as the Group grows in other parts of Europe where the winter season has less impact.

## RISK AND UNCERTAINTY FACTORS

Norva24 are exposed to a number of risk factors throughout the Groups operations. These risks can affect the group's earnings and financial position and can be controlled to a varying degree. The Chief Executive Officer is responsible for ensuring proper risk management in accordance with instructions and policies from the Board of Directors and Audit Committee. The group assesses the risk and implement monitoring and controls for risk with the greatest impact. When assessing the impact, both likelihood and potential consequences are considered, as well as the effectiveness of internal controls and other measures. Risks are categorized into four categories: Strategic risk, Operational risk, compliance risk and financial risk. Strategic risk are such as macroeconomic trends on the main markets. Operational risk are risks in the day-to-day operations of the group, from capacity utilization to HQMS and employee safety. Compliance risk is related to the Groups ability to abide to all regulatory requirements. Financial risks include foreign exchange risk, interest rate risk, credit risk and liquidity risk. Financial risks are described in note 21 of the annual report.

Further details of the Group's risks are presented on pages 50-51.





### NEW PARENT COMPANY

As described in Note 1, the Parent Company of the Group changed from Norva24 Holding AS to Norva24 Group AB (publ) on 30 June 2021, through a share swap, where the shareholders of the Group remained unchanged. The share swap was classified as a common control reorganization and this transaction was not covered by the IFRS standards.

In these financial statements, all historical figures up to 30 June, when the share swap was performed, comprise of Norva24 Holding AS Group. From this date, Norva24 Holding AS and its subsidiaries are including Norva24 Group AB (publ). The financial statements are combined of the financial information for Norva24 Group AB (publ) and the Norva24 Holding AS Group. The financial statements are presented as if Norva24 Holding AS had been part of the Group in all periods presented, based on the values and periods, since these were integrated in the Norva24 Group. The subsidiaries are included in the consolidated financial statements from the date of their acquisition from an external party.

For this reason, the Group has chosen to recognize the historical consolidated financial statements for the former Parent Company of the Group, Norva24 Holding AS, as an appropriate application in accordance with IAS 8. Accordingly, the assets and liabilities in the former Group were not restated.

### LISTING AND SHAREHOLDERS

Norva24's share was listed on Nasdaq Stockholm's Mid Cap list on 9 December 2021. The listing included a new issue of shares in the company for a gross proceed of SEK 920 million and a sale of shares offered by existing shareholders for a gross proceed of SEK 1,393.3 million. At the end of 2021, the company's three largest shareholders were Valedo Partners, Swedbank Robur funds and Carnegie Fonder.

A detailed description of the offer and its outcome can be found under "IPO" on the Norva24's website, <https://Norva24.com>. A summary of the company's shareholder structure can be found at <https://Norva24.com/en/investors/> under "Stock information".

### SHARES AND SHARE CAPITAL

According to the Articles of Association, the share capital shall be not less than SEK 608,246 and not more than SEK 2,432,984. The number of shares shall be not less than 182,474,021 and not more than 729,896,084.

### SHARE CAPITAL

The Company's registered share capital on the balance sheet date of 31 December 2021 amounted to SEK 182,474,021 shares with a quota value of SEK 0.003333. each. The shares are issued in accordance with Swedish law and are denominated in SEK. The shares are fully paid and freely transferable. There is one class of shares in the company, each share entitles the holder to one vote at the Annual General Meeting and each shareholder is entitled to vote for all shares in the Company held by that shareholder. All shares convey an equal right to dividends and to the Company's assets, as well as to any surpluses in the event of liquidation.

### LONG-TERM INCENTIVE PROGRAM

The Group have a long-term incentive program for selected part of management. The program is equity settled where a maximum

of 6,207,880 new shares can be issued three years after the IPO. The numbers of shares to be issued are calculated as the difference between the share price after three years and the strike of the program that is 44.3 SEK per share, and the share price. The stock options are acquired by management at fair value and the proceeds are included in other paid in capital.

### CORPORATE SUSTAINABILITY

The Board of Directors determines Norva24's sustainability agenda and overarching Group sustainability targets, and presents the Sustainability Report. Sustainability is an integral part of Norva24's operations and strategy and, accordingly, it is also an integral part of the Annual Report. In accordance with Chapter 6, Section 11 of the Annual Accounts Act, the Group has chosen to prepare the Sustainability Report as separate from the Administration Report. The statutory Sustainability Report is integrated into the Annual Report on pages 6, 12-15, 18-20 and 38-52. The risk analysis regarding sustainability issues is included in the overall risk section on pages 50-51. The Diversity Policy is described in the Corporate Governance Report on pages 65-66.

### EMPLOYEES

Norva24 has a decentralized and dedicated organization to drive the business forward. As of 31 December 2021, the Group had 1,450 employees (1,166), of whom 12% were women. The average number of employees for the period January-December 2021 was 1,270 (948).

For further information, see Note 8 Remuneration of employees. Norva24 fosters workplaces that value gender equality and diversity, if possible. The nature of Norva24's business is however male oriented.

The Group's Code of Conduct and Diversity Policy set the framework for the Group's work for inclusion and equal treatment. Employee interviews are conducted to map and safeguard skills and expertise, development and well-being. Norva24 conducts solid health and safety work throughout the organization in accordance with systematic work environment processes.

### GUIDELINES FOR THE REMUNERATION OF SENIOR EXECUTIVES

At the extraordinary general meeting held on 30 June 2021, it was resolved to adopt guidelines for remuneration to senior executives in Norva24. The guidelines also include board members of Norva24, to the extent remuneration is received outside of their board duties. Remuneration to senior executives shall consist of fixed cash salary, variable cash salary, pension, as well as other benefits. The basic principle is that the remuneration and other employment conditions should be in line with market terms and be competitive. The adopted guidelines are included below:

### THE GUIDELINES' PROMOTION OF THE COMPANY'S BUSINESS STRATEGY AND LONG-TERM INTERESTS, INCLUDING SUSTAINABILITY

The purpose of the guidelines is to provide a structure that adapts the remuneration to the Company's business strategy and long-term interests, including sustainability. The Company's business strategy requires that the Company can continue to attract, motivate and retain key employees. The guidelines must therefore enable appropriate and competitive remuneration in line with market terms to senior executives.



For more information about the Company's business strategy, please visit [www.norva24.com](http://www.norva24.com).

### FORMS OF REMUNERATION

The remuneration shall be in accordance with market terms and consist of the following components:

- Fixed cash salary
- Variable cash salary
- Pension
- Other benefits

In addition, the General Meeting may – without regard to the remuneration guidelines – decide on, for example, share- and share-related remuneration.

### Fixed cash salary

Fixed cash salary shall be the basis for the total remuneration. The salary shall reflect the individual's role, experience and contribution to the Company and be based on market terms.

### Variable cash salary

The variable cash salary for the CEO and other senior executives may amount to a maximum of 75 percent of the annual fixed cash salary.

The variable cash salary shall be linked to pre-determined and measurable criteria that may be financial or non-financial. The criteria can vary from year to year, to reflect business priorities, typically with a balance of criteria relating to the Group's financial performance (for example profitability and cash flow) and to non-financial performance (for example important strategic, or other sustainability related measures). By applying pre-determined financial and non-financial performance measures that reflect the Company's business priorities in this manner, the Company believes that it improves its ability to attract, motivate and retain key employees, which contributes to the Company's business strategy and long-term interests, including sustainability.

Fulfilment of criteria for payment of variable cash salary shall be measured during an evaluation period of at least 12 months. At the end of the evaluation period for meeting criteria for payment of variable cash salary, an assessment shall be made to determine to what extent the criteria have been met. The Remuneration Committee is responsible for conducting such assessment with respect to variable cash salary for the CEO and other senior executives.

Before payment of variable remuneration is made, the Remuneration Committee shall determine whether the results of the assessment are reasonable, taking into account the Company's financial results and financial position. The Company reserves the right to reclaim any variable remuneration paid out based on incorrect data and assumptions.

### Pension

For the CEO and other senior executives, pension benefits shall be determined based on a premium. Pension premiums for premium based pension shall amount to a maximum of 30 percent of the fixed cash salary.

### Other benefits

Other benefits can include, among other things, life insurance, health insurance and a company car. For the CEO, such other benefits may not exceed 15 percent of the fixed cash salary and

for other senior executives, other benefits may not exceed 15 percent of the fixed cash salary.

Additional benefits and other types of remuneration can be offered under certain circumstances, e.g., in case of re-location or in connection with assignments in other countries, in which case benefits and remuneration is determined according to local practice.

With regards to conditions for employment concerning pension benefits and other benefits, appropriate adjustments may be made to comply with compulsory rules or local practice, whereupon the overall purposes of the guidelines shall be satisfied to the extent possible.

### Long-term incentive plan

With the aim of aligning the interests of senior executives with those of shareholders, to encourage senior executives' acquisition of equity in the Company, and in addition to the annual variable remuneration described above, the Company has established a long-term incentive programme offered to the Company's senior executives ("LTIP"). The LTIP is approved by the general meeting of shareholders of the Company and, thus, is not covered by these guidelines. Further information about the Company's LTIP is available on the Company's website.

### Notice of termination and severance pay

In case of termination by the Company, the notice period shall not exceed 12 months. In case if termination by the Company, fixed cash salary during the notice period and severance pay shall, combined, not exceed an amount equivalent to 12 months fixed cash salary for the CEO and other senior executives. In case of termination by the employee, the notice period may amount to a maximum of 6 months, with no right to severance payment. The CEO and other senior executives may have a right to accrued variable cash salary, however not for a period exceeding the remainder of the employment.

### Consultancy fees

The Board of Directors may decide that market term consultancy fees shall be paid to members of the Board of Directors performing services for the Company outside the scope of the directorship, provided that such services contribute to the Company's business strategy and long-term interests, including sustainability.

### DECISION-MAKING PROCESS FOR ESTABLISHING, REVIEWING AND APPLYING THE GUIDELINES

The Board of Directors has established a Remuneration Committee consisting of members of the Board of Directors appointed by the General Meeting. The Committee is tasked with the preparation of the Board of Directors' proposal for remuneration guidelines for senior executives. The Board of Directors shall prepare proposals for new remuneration guidelines when material changes are required or, at least, every fourth year and present the guidelines for the General Meeting to resolve on. The guidelines shall apply from the approval by the General Meeting, until new guidelines have been resolved upon by the General Meeting (and for a maximum of four years). The Remuneration Committee may seek approval of new guidelines at an earlier point in time if significant modifications of the guidelines become necessary.

The Remuneration Committee shall also follow up and evaluate programmes for variable remuneration to senior executives, the





application of the remuneration guidelines and current remuneration structures and levels within the Company.

The Remuneration Committee's members are independent in relation to the Company and the Group management.

#### CONSIDERATION OF SALARY AND EMPLOYMENT TERMS FOR EMPLOYEES

In the Remuneration Committee's preparation of the Board of Directors' proposal for remuneration guidelines, information on total remuneration for employees, the components of the remuneration and increases of the remuneration, as well as the rate of increases over time, has been considered and forms a part of the basis for the Remuneration Committee's and the Board of Directors' decisions when preparing and evaluating the fairness of the guidelines and the limitations they impose. The difference between the remuneration for the CEO, and, where applicable, the deputy CEO and the Board of Directors, and the remuneration for other employees will be disclosed in the yearly remuneration report.

#### DEVIATION FROM THE GUIDELINES

The Board of Directors may decide to temporarily, wholly or partially, deviate from the guidelines if there are special circumstances in an individual case and deviation is necessary in order to support the Company's business strategy and long-term interests, including sustainability, or to secure the Company's financial capacity. As stated above, the Remuneration Committee is responsible for preparation of the Board of Directors resolutions on matters relating to remuneration, which includes resolutions on deviation from the remuneration guidelines.

#### Corporate governance report

The Corporate Governance Report is available as a separate part of Norva24's 2021 Annual Report and does not form part of the formal annual report documents. See pages 64-73.

#### Significant events after the end of the year

Significant events after the end of the financial year are shown in Note 27 Events after the balance sheet date.

#### Future projections

Stable underlying needs for Norva24's services are expected to persist in the markets in Northern Europe despite uncertain geopolitical situation. Underlying driving forces such as low renewal levels in the water and sewage systems are expected to provide demand for Norva24's services. The Group has a well-developed acquisition strategy and future acquisition pipeline are assessed as continuing to be favorable. Business operations in the rest of the northern European regions are under development and talks on acquisitions are being held with several candidates. The Group's financial strength creates the stability that aids both investments and acquisitions.

As communicated in the IPO prospectus, Norva24 expects the total market growth to return to pre-covid levels at approximately 5.5% in 2022 onwards.

#### Proposed distribution of profit

The Board's proposal is that no dividend is to be paid in accordance with the dividend policy.



## Internal control

Norva24's internal control framework is governed by the Swedish Companies Act and the Code of Corporate governance. Control activities such as segregation of duties, reconciliations, approvals, safeguarding of assets and control over information systems, Norva24's internal control framework is intended to provide a reasonable assurance that Norva24's objectives are met with respect to effective and efficient operations, reliable and timely internal and external reporting and compliance with applicable laws and regulations.

The board of directors are responsible for Norva24's internal control on an overall level and is formally executed through written rules of procedure which define the responsibilities of the board of directors and the division of these responsibilities between the members of the board of directors, the board committees, and the CEO.

The audit committee has a particular responsibility for the quality and the supervision and control of Norva24's internal control and risk management in relation to matters regarding compliance and financial reporting. For more information on the tasks of the audit committee, see "Corporate governance page 64-73".

#### INTERNAL CONTROL FRAMEWORK

Norva24's internal control procedures oversee management, business, and support processes and is intended to secure awareness and action of the board of directors and management.

The control environment is a defensive model intended to prevent the Company from overlooking risk factors that could ultimately lead to Norva24 not achieving its business objectives. This includes a process for risk assessment. Norva24's risk management work shall follow a defined process, consisting of the three steps below:

- Risk identification and assessment
- Internal control requirements
- Self-assessments and reporting

These steps are to be carried out at an annual basis. The first step in the risk identification and assessment, which shall be initiated annually by the CEO and performed by the management teams, are to ensure that Norva24 is aware of the key risks affecting its business. The purpose is to identify new risks and update Norva24's view on already identified risks. Based on the risk identification and assessment performed, internal controls shall be designed to cover the risks where applicable. The internal controls shall be phrased as requirements to describe the minimum level of efforts expected to establish an effective internal control environment throughout

the different business processes. The effectiveness of the controls is to be assessed by defined persons throughout the organization. The results are to be compiled by the CFO and presented to the audit committee and the Board of Directors annually.

#### INTERNAL CONTROL OVER FINANCIAL AND OTHER REPORTING

Norva24's internal control over financial reporting is designed to promote reliability of internal and external financial and non-financial reporting. This is to ensure timely and reliable external reporting, external non-financial reporting, internal financial reporting, and internal non-financial reporting. Risks relating to financial reporting are evaluated annually.

Underlying risks are documented in a risk and control matrix, which is also used for self-assessment for evaluation of the internal control relating to financial reporting in each country where Norva24 operates. Risks relating to financial reporting are further evaluated by Investor Relations and communications function as part of Norva24's internal control framework. Further, risks relating to financial reporting are also discussed with the Company's external auditors on a regular basis.

#### INFORMATION TECHNOLOGY

Norva24 needs to maintain a well-functioning IT infrastructure to ensure business continuity and ensure the effectiveness of its operations and interface with its customers, as well as to maintain financial accuracy and efficiency. The general controls utilized by Norva24 to achieve this include policies and procedures that relate to critical applications and support the effective functioning of application controls and are intended to ensure the integrity of the data and processes that the systems support. Four domains make up the IT general controls:

- *General entity level IT controls:* To ensure that IT is managed in a structured way to secure the stability and integrity of business processes and their supporting applications.
- *Access to programs and data:* To ensure that only authorized access is granted to systems and data upon authentication of a user's identity.
- *Change management:* To ensure the changes to critical programs and related infrastructure components are requested, authorized, performed, tested and implemented.
- *Computer operations:* To ensure that production systems are processed completely and accurately and that processing problems are identified and resolved completely and accurately to maintain the integrity of financial data.





# Corporate governance report

Norva24 strives to apply strict standards and effective corporate governance processes to ensure that the operations generate long-term value for shareholders and other stakeholders. This includes maintaining an efficient organisational structure, processes for internal control and risk management, and transparent internal and external reporting.

There is only one class of shares in Norva24. The share register of Norva24 is maintained by Euroclear Sweden AB. On 31 December 2021, Norva24 had 2,587 shareholders according to the share register. The largest shareholder on that date was Valedo Partners, with 33 percent of the shares and votes in Norva24. At the extraordinary general meeting held on 30 June 2021, it was resolved to authorize the Board of Directors to decide on issuing shares and warrants on one or more occasions, by no later than the following annual general meeting. Share issue is possible in accordance with, or waiving, shareholders' preferential rights, and in accordance with, or without, decisions on issues in kind, set-off, or subject to other terms & conditions.

### PRINCIPLES OF CORPORATE GOVERNANCE

Norva24 Group AB ("Norva24", the "Group" or the "Company") is a Swedish public limited company whose shares have been listed on Nasdaq Stockholm since December 2021. Norva24's corporate governance is based upon Swedish law, mainly the *Swedish Companies Act* (Sw. *aktiebolagslagen* (2005:551)) and the *Swedish Annual Accounts Act* (Sw. *Årsredovisningslagen* (1995:1554)). As a company listed on Nasdaq Stockholm, the Company must also comply with *Nasdaq Main Market Rulebook for Issuers of Shares* and the *Swedish Code of Corporate Governance* (the "Code") as well as statements by the *Swedish Securities Council* (Sw. *Aktie-marknadsnämnden*) regarding good stock market practice on the Swedish securities market and other applicable laws and regulations. Companies are not obliged to comply with every rule in the Code as the Code itself provides for the possibility to deviate from the rules, provided that any such deviations and the chosen alternative solutions are described, and the reasons therefore are explained in the corporate governance report (the so-called "comply or explain principle"). Central internal control instruments include Norva24's articles of association, the Board of Directors' rules of procedure and other internal policies and instructions.

### Deviations from the Code

The Code establishes a standard for good corporate governance that is more ambitious than the minimum requirements of the *Swedish Companies Act* and other rules. Norva24 does not intend to deviate from any of the rules set out in the Code.

For the 2021 financial year, from the time at which the company was listed on Nasdaq Stockholm there was, however, a deviation from item 2.1 in the Code, requiring the Company to have a Nomination Committee. With Norva24 being listed in December 2021, it had, for practical reasons, been determined to appoint a Nomination Committee ahead of the annual general meeting 2022 based on the share register as per the last banking day in December 2021. The Nomination Committee was subsequently appointed in January 2022. According to the instructions for the Nomination Committee, future committees will be appointed on the last banking day in August. Except for deviations due to the actual time of the Norva24 share's listing, Norva24 did not deviate from the Code in 2021.

### SHARES, SHARE CAPITAL AND SHAREHOLDERS

According to the articles of association, the share capital shall be not less than SEK 608,246 and not more than SEK 2,432,984. The number of shares shall be not less than 182,474,021 and not more than 729,896,084. On 31 December 2021, the share capital amounted to SEK 608,246.74, divided on 182,474,021 shares.

### GENERAL MEETINGS

According to the Swedish Companies Act, the general meeting is the Company's supreme decision-making body and shareholders exercise their voting rights at such meetings.

The annual general meeting must be held within six months of the end of each preceding financial year to consider, among other things, statutory accounts and reports, disposition of profit or loss and discharging the Board of Directors from liability.

The Company's articles of association stipulate those notices convening the annual general meeting shall be published in the *Official Swedish Gazette* (Sw. *Post- och Inrikes Tidningar*) and be made available on the Company's website. In addition, the publication of such notice must be announced in the Swedish daily newspaper Dagens Industri. The notice convening the annual general meeting must be published no earlier than six weeks and no later than four weeks prior to the meeting.

Extraordinary general meetings are held when the Board of Directors considers such meetings appropriate or when either the auditor or shareholders representing at least one-tenth of all issued shares request such meeting in writing for a specified purpose. A notice convening an extraordinary general meeting will be announced in the same manner as the notice to the annual general meeting described above. Pursuant to the *Swedish Companies Act*, a notice convening an extraordinary general meeting must be made no earlier than six weeks and no later than four weeks prior to the date of the extraordinary general meeting if the general meeting will decide on a proposed amendment of the articles of association. To any other extraordinary general meeting the notice convening the meeting must be announced no earlier than six weeks and no later than three weeks prior to the date of the meeting.

Pursuant to the *Swedish Companies Act*, a general meeting may not adopt any resolution that is likely to give undue advantage to a shareholder or a third party to the detriment of the Company or another shareholder of the Company.

### Right to participate in meetings

Shareholders who wish to participate in a general meeting must be included in the share register maintained by Euroclear Sweden as of six banking days prior to the meeting and notify the Company of their participation no later than the date stipulated in the notice convening the meeting.

Shareholders may attend a general meeting in person or by proxy and may be accompanied by a maximum of two assistants. Typically, it is possible for a shareholder to register for the general meeting in several different ways as indicated in the notice of the general meeting.

A shareholder may vote for all shares owned or represented by the shareholder.

### Shareholder initiatives

Shareholders who wish to have a matter brought before the general meeting must submit a written request to the Board of

Directors. Such a request must normally be received by the Board of Directors no later than seven weeks prior to the general meeting.

Notices, communiqués and minutes, as well as other materials associated with general meetings are kept available on Norva24's website.

### NOMINATION COMMITTEE

Pursuant to the Code, the Company must have a Nomination Committee. The purpose of the Nomination Committee is to make proposals in respect of the Chairman at annual general meetings, board member candidates, including the position of Chairman, and other remuneration for each member of the Board of Directors as well as remuneration for committee work, and election of and remuneration for the external auditor.

The Nomination Committee, will be composed of representatives of the four largest shareholders or shareholder groups (this includes directly registered and trustee-registered shareholders) who are registered in the share register maintained by Euroclear Sweden as of 31 August each year and the Chairman of the Board of Directors, with the exception of the Nomination Committee ahead of the 2022 annual general meeting which will be composed of representatives of the four largest shareholders or shareholder groups (this includes directly registered and trustee-registered shareholders) who are registered in the share register maintained by Euroclear Sweden as of 30 December 2021 and the Chairman of the Board of Directors. The member representing the largest shareholder will be appointed Chairman of the Nomination Committee. If a change in the Company's ownership structure occurs after 31 August, but before the date which occurs three months ahead of the next annual general meeting, and if a shareholder that after this change has become one of the four largest shareholders in terms of votes, who are registered in the share register of the Company, makes a request to the Chairman of the Nomination Committee to be part of the Nomination Committee, the shareholder shall have the right, in the discretion of the Nomination Committee, either to appoint an additional

member of the Nomination Committee or to appoint a member who has been appointed by the shareholder who, after the change in the ownership structure, is no longer among the three largest shareholders in the Company in terms of votes. Should a member resign from the Nomination Committee before its work is completed and the Nomination Committee considers it necessary to replace him or her, such substitute member is to represent the same shareholder or, if the shareholder is no longer one of the four largest shareholders, the largest shareholder in turn. Changes to the composition of the Nomination Committee shall be announced as soon as they occur.

The composition of the Nomination Committee will be announced not later than six months prior to the annual general meeting. No remuneration is payable to the members of the Nomination Committee. The Nomination Committee has the right to charge the Company for reasonable expenses that are required for the Nomination Committee to complete its assignment. The mandate period of the Nomination Committee will extend until such time as a new Nomination Committee is announced.

The Nomination Committee for the Annual General Meeting 2022 consists of the following persons:

- Nils Forsberg, elected by Valedo Partners, Chairman of the Nomination Committee
- Björn Elfstrand, elected by Swedbank Robur Fonder
- Arild Bødal, elected by Invest24 AS
- Hans Hedström, elected by Carnegie Fonder
- Vidar Meum, Norva24 Group AB (Chairman of the Board)

The Nomination Committee represents 52 percent of the votes in Norva24 as of 31 December 2021.

### BOARD OF DIRECTORS

Pursuant to the Swedish Companies Act, the Board of Directors is responsible for the organization of the company and the management of the Company's affairs, which means that the Board of Directors is responsible for, among other things, setting targets

### COMPOSITION OF THE BOARD OF DIRECTORS

Elected by the AGM	Elected, year <sup>1</sup>	Independence of shareholders	Independent in relation to the Company and Management	Attendance at Board Meetings	Attendance Audit Committee	Attendance Remuneration Committee
Vidar Meum (Chairman)	2017	Yes	Yes	32/32		4/4
Arild Bødal	2015	Yes	Yes	32/32	9/9	
Terje Bøvlestad	2015	Yes	Yes	32/32		
Allan Engström	2015	No	Yes	32/32		4/4
Linus Lundmark	2015	No	Yes	32/32	9/9	
Mats Lönnqvist	2015	Yes	Yes	32/32	9/9	
Monica Reib	2021	Yes	Yes	27/27		
Ulrika Östlund	2021	Yes	Yes	26/27		4/4
Einar Nornes	2017	Yes	No	32/32		

<sup>1</sup> Refers to year of appointment as member of Board of Directors in Norva24 Holding AS, the former parent company of the Group.





and strategies, securing routines and systems for evaluation of established targets, continuously assessing the financial position and profits, and evaluating the operating management.

According to the Company's articles of association, the Board of Directors shall consist of no less than three ordinary members and no more than ten ordinary members, each of whom is elected at the annual general meeting until the end of the next annual general meeting.

The Chairman of the Board of Directors shall, pursuant to the Code, be appointed by the annual general meeting and has particular responsibility for the management of the work of the Board of Directors and ensuring that such work is well organized and conducted effectively. The Chairman of the Board of Directors does not participate in the operating management of the Company.

The Board's work is regulated in the rules of procedure established by the Board of Directors each year, and by applicable laws and regulations. Every year the Board of Directors decides on instructions for the CEO and for the Board committees, as well as other policy documents. The Board of Directors held 32 meetings in 2021. Ahead of each Board meeting documents are distributed to the Board members.

#### Diversity on the Board of Directors

The Nomination Committee applies Rule 4.1 of the Code as a diversity policy when preparing the proposal to the Board of Directors. This means that the Nomination Committee bases its proposal on ensuring that the composition of the Board of Directors is adapted to the purposes of Norva24, with regard to Norva24's business, its state of development and other circumstances. The Nomination Committee also considered the fact that the composition of the members of the Board of Directors appointed by the Annual General Meeting shall be characterized by diversity and breadth in terms of competence, experience and background.

#### Evaluation of Board of Directors.

Once a year, the Board of Directors carries out an evaluation in which members are given the opportunity to offer their views on working methods, Board material and their own and other members' contributions to the work of the Board. The aim is to develop the work of the Board of Directors and provide the Nomination Committee with a relevant basis for decisions ahead of the annual general meeting. An internal evaluation was conducted in February 2022 through a written questionnaire to Board members. The results of the individual evaluation were reported at the Board meeting in February 2022. The result of the common evaluation was discussed within the Board of Directors. The result of the evaluation was reported to the Nomination Committee.

#### Board committees

To streamline and increase the efficiency of the Board of Directors on remuneration and audit matters, the Board of Directors annually appoints a Remuneration Committee and an Audit Committee. The committees are appointed for a maximum of one year and are appointed among the members of the Board of Directors itself. The primary objective of the committees is to provide preparatory and administrative support to the Board of Directors.

#### Remuneration committee

The Remuneration Committee shall prepare decisions on issues concerning remuneration principles, remuneration and other employment terms for the CEO and the executive management. The Remuneration Committee's tasks are governed by the Company's instructions for the Remuneration Committee. The committee is also tasked with following up and evaluating the Company's remuneration policy, remuneration programs and remuneration structure.

Vidar Meum is the Chairman of the Remuneration Committee and Allan Engström and Ulrika Östlund are members of the Remuneration Committee. The Remuneration Committee held four meetings in 2021.

#### Audit committee

The Audit Committee shall, without affecting the other responsibilities and duties of the board of directors, monitor the Company's financial reporting and make recommendations and proposals to safeguarding the reliability of the reporting in relation to the reporting, monitor the efficiency of the Company's internal controls and risk management, keep itself informed about the audit of the annual report and Group accounts and about the conclusions of the quality controls performed by the competent Inspectorate of Auditors, inform the board of directors about the result of the audit and the way the audit contributed to the reliability of the financial reporting, and also about the function of the Audit Committee, review and monitor the impartiality and independence of the auditor, paying particular attention to whether the auditor provides the Company with services other than auditing services, and assist in preparing draft resolutions for election of auditors to be passed at a general meeting.

Mats Lönnqvist is the Chairman of the Audit Committee and Arild Bødal and Linus Lundmark are members of the Audit Committee. The Audit Committee held nine meetings in 2021.

#### AUDITORS

The Company's auditors are elected at the annual general meeting. At the annual general meeting 2021 Öhrlings Pricewaterhouse-Coopers AB, were re-elected as auditors of the Company for a period until the end of the 2022 annual general meeting, with Nicklas Kullberg as the auditor in charge. Norva24's articles of association does not contain a mandate period for the auditor, meaning that the auditor is elected pursuant to the Swedish Companies Act yearly at the annual general meeting.

#### Board of Directors

The amount of remuneration granted to the Board of Directors, including the Chairman, is determined by resolution at the annual general meeting. For the 2021 financial year, the Chairman of the Board of Directors, Vidar Meum, remuneration was NOK 600,000 and the remuneration for other members of the Board of Directors who were not salaried by Norva24 was NOK 300,000, respectively. Allan Engström and Linus Lundmark did not receive any remuneration for their assignments as members of the Board of Directors.

Furthermore, the remuneration for work in the Audit Committee or in the Remuneration Committee was NOK 100,000 to the Chairman of the Audit Committee and NOK 50,000 to ordinary members of the Audit Committee with the exception of Linus Lundmark. Remuneration was NOK 70,000 to the Chairman of the Remuneration Committee and with NOK 40,000 to ordinary members of the



Remuneration Committee excluding Allan Engström. The members of the Board of Directors are not entitled to any benefits upon ceasing to serve as a member of the Board of Directors.

#### Auditing

The Company's statutory auditor is appointed at the general meeting. The auditor shall review the Company's accounts and consolidated accounts, applied accounting principles as well as the management of the Board of Directors and the CEO. Following each financial year, the auditor shall submit an audit report to the shareholders at the annual general meeting.

Pursuant to the Company's articles of association, the Company shall have not less than one and not more than two auditors, and not more than two deputy auditors.

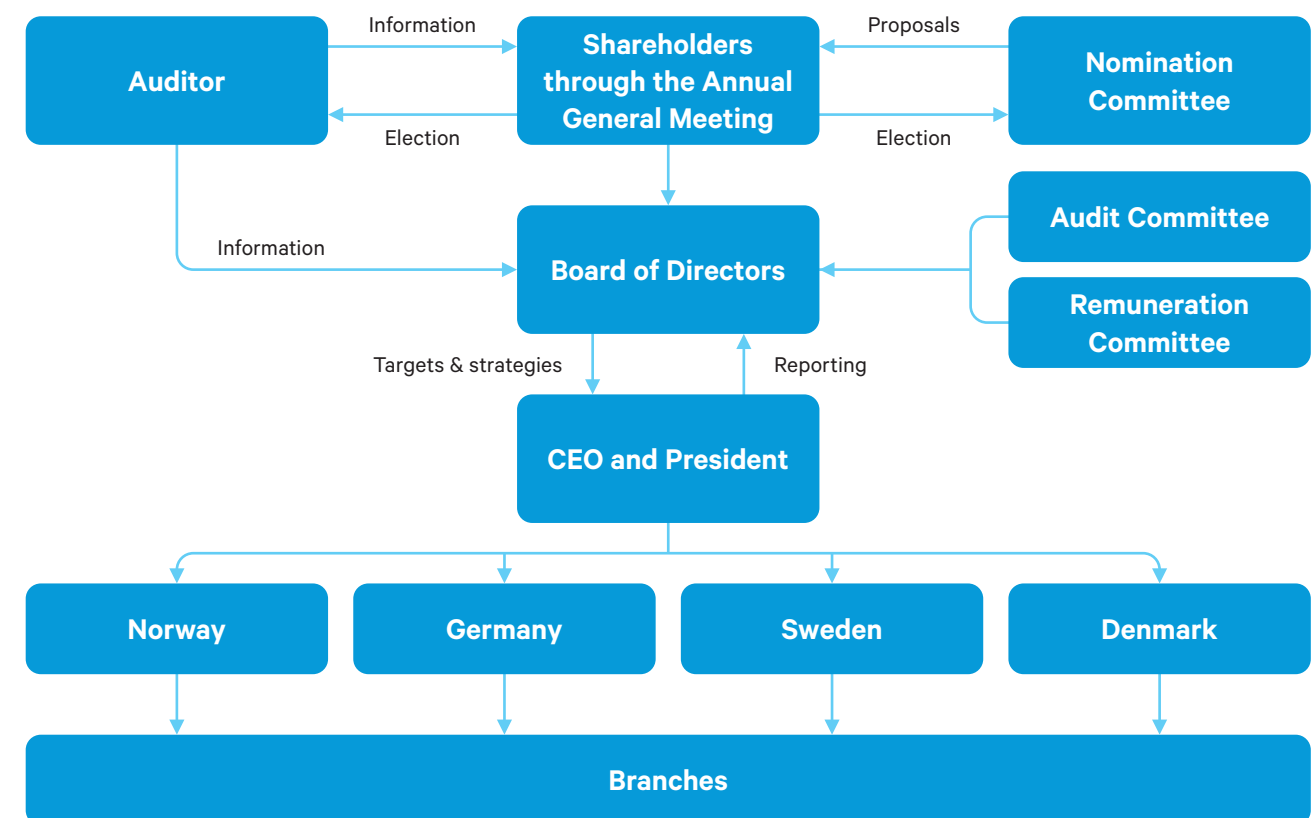
#### REMUNERATION TO AUDITORS

Fees to the auditor for the fiscal year 2021 is included in note 8 in the annual report 2021.

#### INTERNAL CONTROL

Norva24's internal control framework is governed by the Swedish Companies Act and the Code. Utilizing control activities such as segregation of duties, reconciliations, approvals, safeguarding of assets and control over information systems. Internal control framework is intended to provide a reasonable assurance that Norva24's objectives are met with respect to effective and efficient operations, reliable and timely internal and external reporting and compliance with applicable laws and regulations. This is described on page 63.

### Control structure







## Our Board of Directors



### Vidar Meum

*Born:* 1955

*Position:* Chairman of the Board of Directors (since 2017).

*Nationality:* Norwegian.

*Education:* High School Education and different Leadership College educations. *Current engagements:* Owner and Chairman of the board of directors of Giggen AS. Member of the board of directors of Scantrade Holding AS, SEFBO Holding AS, SEFBO AS and Profundo AS.

*Previous engagements/experience:* Partner at Mentor Partner AS, Director Distribution at Posten Norge and CEO and COO at Braathens ASA. Chairman of the board of directors of Sørmiljø Holding AS, Brandsdal Holding AS, Reinhartsen Holding AS and board member of Kristiansands Skruer-fabrikk & Mek Verksted AS.

*Shareholding in the Company:* 933,103 shares.



### Arild Bødal

*Born:* 1965

*Position:* Board member (since 2015).

*Nationality:* Norwegian.

*Education:* Certified Public Accountant, Business Administration degree from Inland Norway University of Applied Sciences, and Part of MBA from Herriot-Watt University. Continuing education from BI Norwegian Business School, Norwegian School of Economics and Norwegian University of Science and Technology.

*Current engagements:* Chairman of the board of directors and chairman of the risk committee, the audit committee and the remuneration committee of Sparebanken Vest. Chairman of the board of directors of Nomek AS, NSM Bygginvet AS, Grandevegen Invest AS, FL Eigendom AS, Ivarhølsen Næringspark AS and Stryvo AS. CEO and chairman of the board of Invest24 AS and AHB Invest AB. Member of the board of directors of Sefbo Holding AS, Eltera Gruppen AS and Eltera Gruppen Norge AS.

*Previous engagements/experience:* Chairman of the board of directors of Grønn Vekst AS and Septik24 Group AS. Member of the board of directors of Sogn og Fjordane Næringsråd, Cordel AS/ Smartcraft, Høst verdien i Avfall AS and Hyperthermics AS. Chairman of the audit committee of Sparebanken Vest. Consultant at Norva24 AS.

*Shareholding in the Company:* 2,079,095 shares.



### Monica Reib

*Born:* 1972

*Position:* Board member (since 2021).

*Nationality:* Danish.

*Education:* Masters of Law (Commercial) from University of California, Davis – School of Law and Masters of Law from Aarhus University.

*Current engagements:* Member of the board of directors of Aller Aqua Group A/S, Rud Pedersen AB, NMS Group A/S, GDV Technology A/S, SMYKBAR ApS, Inviocare ApS, Tons ApS, DBA-ONE ApS, Nordic Medical Solutions ApS and a:gain ApS. CEO at monrei.dk ApS.

*Previous engagements/experience:* Partner and lawyer at Bech-Bruun Law Firm. Vice Chairman of the board of directors of Henning Larsen Architects A/S. Advisory board member of Elements ApS (today Scandinavian Cosmetics Denmark ApS).

*Shareholding in the Company:* 26,030 shares.



### Terje Bøvelstad

*Born:* 1948

*Position:* Board member (since 2015).

*Nationality:* Norwegian.

*Education:* Bachelor's degree in Heating, Ventilation, Air Conditioning and Refrigeration Engineering [Technology/Technician] from Oslo Ingeniør Skole and Bachelor Degree from Bedriftsøkonomisk Institutt, Oslo.

*Current engagements:* CEO and Chairman of the Board of directors of AVAKO AS and Bøvelstad Holding AS. Consultant at Trelleborg Seals GmbH and consulting engineer for municipal and private entities.

*Previous engagements/experience:* CEO at TT-Teknikk AS, Engineer at Lamerud VVS AS, Sales Manager at Termo Teknikk AS and Consulting engineer at Brødrene Dahl AS, Plumbing engineer at Tor Veiteberg AS.

*Shareholding in the Company:* 476,929 shares.



### Allan Engström

*Born:* 1980

*Position:* Board member (since 2015).

*Nationality:* Swedish.

*Education:* Master of Science in Finance from Stockholm School of Economics.

*Current engagements:* Member of the board of directors and member of the remuneration committee in SmartCraft ASA. Member of the board of directors of Sefbo Holding AS, Becksöndergaard ApS and Eltera Gruppen AS. Partner at Valedo.

*Previous engagements/experience:* Member of the board of directors of OJ Holding Sweden AB. Chairman of the board of directors of A Söderlindh I Sverige AB. Previous experience from investment banking at Merrill Lynch.

*Shareholding in the Company:* –.



### Ulrika Östlund

*Born:* 1968

*Position:* Board member (since 2021).

*Nationality:* Swedish.

*Education:* Bachelor of Arts in System Science from Mid Sweden University.

*Current engagements:* Business Area Manager (BAM) of Psychiatry at Cereb AB. Chairman of the board of directors of Tina-mottagningen AB.

*Previous engagements/experience:* Chairman of the board of directors of Vårdföretagarna. Board member and CEO of INOM. Board member of Humana and Qit AB.

*Shareholding in the Company:* 43,018 shares.



**Linus Lundmark***Born:* 1990*Position:* Board member (since 2015).*Nationality:* Swedish.*Education:* BSc in Business and Economics from Stockholm School of Economics.*Current engagements:* Director at Valeo. Member of the board of directors of Palmarium AB. Deputy member of the board of directors of BRP Systems Holding AB and Nordward Seafood Holding AB.*Previous engagements/experience:* Deputy board member of Aditro Logistics Holding AB. Previous experience from investment banking at UBS.*Shareholding in the Company:* –.**Mats Lönnqvist***Born:* 1954*Position:* Board member (since 2015).*Nationality:* Swedish.*Education:* BSc in Business Administration from Stockholm School of Economics.*Current engagements:* CEO of Resolvator AB. Chairman of the board of directors of Hydrosand Group AB, Ovacon AB, Spendrup Holding AB, Thunderful Group AB and Östholmen Bostadsproduktion AB. Member of the board of directors of aylima group AB, BAM Intressenter AB, Bordsjö Skogar AB, Förvaltnings AB Värde Invest, Porall AB, Prosero Security Holding AB, Solhem Property AB and Tagehus Holding AB. Deputy board member of Skerry Crow AB.*Previous engagements/experience:* CFO and Deputy CEO at Biacore, Esselte, SAS and Postnord. CFO at Securum, Eniro, Bisnode and Addtech. Chairman of the board of directors of 21 Grams Holding AB, ECT Holding AB, Spendrups Bryggeri AB and VI-Plast AB. Member of the board of directors of AEVS Sverige 1 AB, Aviator Airport Alliance AB, Best Transport Holding AB, Biolin Scientific Holding AB, Camfil AB, Hydroforming Design Light AB, Polyprojekt Environment AB, Solkompaniet Sverige AB, Sveafastigheter Fund II AB, Sveafastigheter Fund III AB and Uppsala Bostadsproduktion AB.*Shareholding in the Company:* 1,202,962 shares.**Einar Nornes***Born:* 1966*Position:* Board member (since 2017).*Nationality:* Norwegian.*Education:* One year of studies at Business School and Trade Certificates in Logistics.*Current engagements:* Operations Coordinator at Norva24 Grenland.*Previous engagements/experience:* –.*Shareholding in the Company:* 43,282 shares.





## Our Group Management



**Henrik Damgaard**

*Born:* 1977

*Position:* CEO Group.

*Nationality:* Danish.

*Education:* Master of Science in Economics and Business Administration), University of Southern Denmark.

*Current engagements:* Chairman of the board of directors of Twinbody ApS, Denmark.

*Previous engagements/experience:* COO ISS Facility Services A/S, Director at JFM, CEO/Head of division of Nordic, Swedish and Finnish at Nestlé and Market analyst at European Rating Agency.

*Shareholding in the Company:* 798,750 shares in the Company and 100,000 shares in the MipCo.



**Stein Yndestad**

*Born:* 1968

*Position:* CFO Group.

*Nationality:* Norwegian.

*Education:* Master of Science in Economics from BI Norwegian Business School and Authorised Finance Analyst from Norwegian School of Economics.

*Current engagements:* Chairman of the board of directors of CS8 Invest AS.

*Previous engagements/experience:* Senior Project Manager M&A at Schibsted Media Group, Senior Vice President and COO/ CFO at Schibsted Classified Media.

*Shareholding in the Company:* 506,795 shares in the the Company and 50,000 shares in the MipCo.



**Tore Hansen**

*Born:* 1963

*Position:* CEO Norway.

*Nationality:* Norwegian.

*Education:* Studies in Economics at BI Norwegian Business School, Engineer (Electro) from Sofienberg Tekniske Fagskole.

*Current engagements:* –.

*Previous engagements/experience:* Regional Director at Bravida AS and Chief Technician at ISS Facility Services A/S. Chairman of the board of directors of VVS Engineering AS.

*Shareholding in the Company:* 245,432 shares in the Company and 80,000 shares in the MipCo.



**Bertolt Gärtner**

*Born:* 1967

*Position:* CEO Germany.

*Nationality:* German.

*Education:* First legal state exam from University if Tübingen, Doctorate on financing of public companies from University of Tübingen, Second legal state exam from Stuttgart and Master of Business Administration from City University if Seattle.

*Current engagements:* –.

*Previous engagements/experience:* CEO and member of the board of directors of TÜV SÜD ATISAE S.A.U.

*Shareholding in the Company:* 122,381 shares in the the Company and 2,530 shares in the MipCo.



**Håkan Wessel**

*Born:* 1967

*Position:* CEO Sweden.

*Nationality:* Swedish.

*Education:* Studies in Business Administration at Lund University.

*Current engagements:* Board member at Ingenjörfirman Rörkraft AB.

*Previous engagements/experience:* Head of Integration and Managing Director at AFRY. Consultant at Tubedrive Consulting AB. Interim Director at Kiwa Inspectra Sverige and Interim Maintenance Manager at Orkla Foods Sverige AB. COO at SUEZ and Managing Director at Scancontrol AB. Project Manager at Tetra Park.

*Shareholding in the Company:* 49,605 shares in the the Company and 10,000 shares in the MipCo.



**Tim Normann**

*Born:* 1964

*Position:* CEO Denmark.

*Nationality:* Danish.

*Education:* MBA from Henley Business School and Army Captain from Royal Danish Defence College.

*Current engagements:* –.

*Previous engagements/experience:* COO at Danske Frøtmænd A/S and CEO HB-Care A/S.

*Shareholding in the Company:* 51,244 shares in the MipCo.





## Consolidated financial reporting

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

NOK million	Note	Full year 2021	Full year 2020
Revenue from customer contracts	5, 6	2,006.3	1,512.4
Other operating revenue	5	19.0	10.1
<b>Total operating revenue</b>		<b>2,025.2</b>	<b>1,522.5</b>
<b>Operating expenses</b>			
Operational service expenses		-220.4	-173.7
Personnel expenses	7	-879.3	-672.6
Vehicle operating expenses		-288.1	-191.1
Other operating expenses	7	-246.7	-143.3
Other gains/losses	5	40.3	-
<b>Total operating expenses</b>		<b>-1,594.2</b>	<b>-1,180.8</b>
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>		<b>431.0</b>	<b>341.8</b>
Total depreciation	11, 12	-209.6	-145.6
<b>Earnings before interest, taxes and amortization (EBITA)</b>		<b>221.5</b>	<b>196.2</b>
Total amortization	10	-28.0	-17.0
<b>Earnings before interest and taxes (EBIT)</b>		<b>193.5</b>	<b>179.2</b>
<b>Financial items</b>			
Financial income		9.6	23.6
Financial expenses		-123.0	-57.4
<b>Net financial items</b>	9	<b>-113.4</b>	<b>-33.9</b>
<b>Profit before income tax (EBT)</b>		<b>80.2</b>	<b>145.3</b>
Income tax expense	19	5.8	-33.3
<b>Profit for the period</b>		<b>86.0</b>	<b>112.0</b>
<b>Profit attributable to</b>			
Owners of the parent company		86.0	112.0
Non-controlling interests		-	-
<b>Total</b>		<b>86.0</b>	<b>112.0</b>
<b>Earnings per share:</b>			
Basic earnings per share, NOK	22	0.81	1.87
Diluted earnings per share, NOK	22	0.81	1.87
Average numbers of outstanding ordinary shares, before and after dilution	22	64,165,959	39,600,347





## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

NOK million	Full year 2021	Full year 2020
<b>Profit/loss for the period</b>	<b>86.0</b>	<b>112.0</b>
<b>Other comprehensive income: Items that may be reclassified to profit or loss</b>		
Translation differences	-34.6	10.6
<b>Other comprehensive income for the period</b>	<b>-34.6</b>	<b>10.6</b>
<b>Total comprehensive income for the period</b>	<b>51.4</b>	<b>122.6</b>
<b>Total comprehensive income attributable to:</b>		
Owners of the parent company	51.4	122.6
Non-controlling interests	-	-
<b>Total</b>	<b>51.4</b>	<b>122.6</b>



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

NOK million	Note	31-12-2021	31-12-2020
<b>ASSETS</b>			
<i>Non-current assets</i>			
Goodwill	10	1,222.6	1,070.8
Intangible assets	10	120.4	108.9
Right-of-use assets	11	724.3	599.4
Property, plant and equipment	12	429.3	276.5
Investment in shares	17	1.3	1.1
Other non-current receivables		3.5	4.6
<b>Total non-current assets</b>		<b>2,501.3</b>	<b>2,061.3</b>
<i>Current assets</i>			
Inventories		10.8	2.7
Accounts receivable	13	281.4	238.8
Other current receivables	13	171.2	60.8
Cash and cash-equivalents	14	260.4	180.9
<b>Total current assets</b>		<b>723.8</b>	<b>483.3</b>
<b>Total assets</b>		<b>3,225.1</b>	<b>2,544.5</b>
<b>EQUITY AND LIABILITIES</b>			
<i>Equity</i>			
Share capital	15	0.5	10.4
Share capital (not yet registered)		0.1	-
Additional paid in capital		1,432.9	575.9
Other reserves		-24.1	10.5
Retained earnings		210.2	91.2
<b>Total equity</b>		<b>1,619.6</b>	<b>688.0</b>
<i>Non-current liabilities</i>			
Deferred tax liability	19	21.2	48.2
Non-current lease liabilities	11	543.1	425.6
Non-current loans	16	264.1	768.8
Other non-current liabilities	18	12.2	46.7
<b>Total non-current liabilities</b>		<b>840.7</b>	<b>1,289.2</b>
<i>Current liabilities</i>			
Accounts payable	17	144.2	86.5
Taxes payable	19	25.3	31.3
Current portion of lease liabilities	11	155.5	130.8
Current portion of loans	16	61.2	101.3
Other current liabilities	18	378.6	217.3
<b>Total current liabilities</b>		<b>764.8</b>	<b>567.3</b>
<b>Total liabilities</b>		<b>1,605.5</b>	<b>1,856.5</b>
<b>Total equity and liabilities</b>		<b>3,225.1</b>	<b>2,544.5</b>





## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

NOK million	Note	Share capital	Share capital (not yet registered)	Additional paid in capital	Other reserves	Retained earnings	Total equity
<b>Equity at 1 January 2021</b>		<b>10.4</b>	<b>–</b>	<b>575.9</b>	<b>10.5</b>	<b>91.2</b>	<b>688.0</b>
<i>Total comprehensive income for the period:</i>							
Profit/loss for the period		–	–	–	–	86.0	<b>86.0</b>
<i>Other comprehensive income:</i>							
Translation differences		–	–	–	–34.6	–	<b>–34.6</b>
<b>Total comprehensive income for the period</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–34.6</b>	<b>86.0</b>	<b>51.4</b>
<i>Transactions with owners in their capacity as owners:</i>							
New parent company share swap	1, 3	–10.4	0.5	9.9	–	–	<b>–</b>
Capital increase (net of transactions costs)	15	0.5	–0.5	15.4	–	–	<b>15.4</b>
IPO (net of transaction costs)	15	0.0	0.1	817.9	–	–	<b>818.0</b>
Over-allotment option (net of transaction costs)		–	–	–	–	33.1	<b>33.1</b>
Long-term incentive program	8	–	–	13.8	–	–	<b>13.8</b>
<b>Equity at 31 December 2021</b>		<b>0.5</b>	<b>0.1</b>	<b>1,432.9</b>	<b>–24.1</b>	<b>210.2</b>	<b>1,619.6</b>
<b>Equity at 1 January 2020</b>		<b>10.2</b>	<b>–</b>	<b>546.9</b>	<b>–0.1</b>	<b>–20.8</b>	<b>536.1</b>
<i>Total comprehensive income for the period:</i>							
Profit/loss for the period		–	–	–	–	112.0	<b>112.0</b>
<i>Other comprehensive income:</i>							
Translation differences		–	–	–	10.6	–	<b>10.6</b>
<b>Total comprehensive income for the period</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>10.6</b>	<b>112.0</b>	<b>122.6</b>
<i>Transactions with owners in their capacity as owners:</i>							
Capital increase (net of transactions costs)	15	0.2	–	29.0	–	–	<b>29.2</b>
<b>Equity at 31 December 2020</b>		<b>10.4</b>	<b>–</b>	<b>575.9</b>	<b>10.5</b>	<b>91.2</b>	<b>688.0</b>

The Group has no non-controlling interest.



## CONSOLIDATED STATEMENT OF CASH FLOWS

NOK million	Note	Full year 2021	Full year 2020
<b>Cash flows from operating activities</b>			
Profit before income tax		80.2	145.3
<i>Adjustments for:</i>			
Impairment, depreciation and amortization expenses	10, 11, 12	237.5	162.6
Taxes paid		–31.3	–19.9
Net gain/loss on sale of non-current assets		–5.3	0.1
Items included in financing activities	9	113.4	33.9
Change in net working capital		57.8	–14.2
Changes in other items*		–114.8	46.0
<b>Net cash inflow from operating activities</b>		<b>337.4</b>	<b>353.8</b>
<b>Cash flows from investing activities</b>			
Payment for acquisition of subsidiaries, net of cash acquired	24	–214.1	–292.2
Payment for fixed assets	10, 12	–70.8	–61.6
Proceeds from sale of fixed assets		12.6	8.6
<b>Net cash outflow from investing activities</b>		<b>–272.3</b>	<b>–345.2</b>
<b>Cash flows from financing activities</b>			
Proceeds from issuance of shares		914.9	2.0
Proceeds from borrowings	14	547.1	266.9
Repayment of borrowings	14	–1,235.3	–91.5
Principal element of lease payments	11	–134.5	–114.6
Interest paid	9	–50.3	–30.7
Other financial payments		–22.7	–32.7
<b>Cash flows from financing activities</b>		<b>19.1</b>	<b>–0.7</b>
<b>Change in cash and cash equivalents</b>		<b>84.3</b>	<b>7.9</b>
<b>Cash and cash equivalents at the start of the period</b>		<b>180.9</b>	<b>171.8</b>
Effects of exchange rate changes on cash and cash equivalents		–4.8	1.2
<b>Cash and cash equivalents at the end of the period</b>		<b>260.4</b>	<b>180.9</b>

\* Includes changes in other non-current receivables and other non-current liabilities.





# Parent Company financial reporting

## PARENT COMPANY STATEMENT OF PROFIT OR LOSS

SEK million	Note	Full year 2021 Sep 1, 2020- Dec 31, 2021	Full year 2020 Sep 1, 2020- Dec 31, 2021
<b>Total operating revenue</b>		–	–
Other operating expenses		–31.2	–
<b>Earnings before interest and taxes (EBIT)</b>		<b>–31.2</b>	–
<b>Net financial items</b>		<b>0.9</b>	–
<b>Loss before income tax</b>		<b>–30.3</b>	–
Income tax expenses		16.7	–
<b>Loss for the period</b>		<b>–13.6</b>	–

No post impacting comprehensive income. Total comprehensive income for the period is equal to profit for the period.



## PARENT COMPANY BALANCE SHEET

SEK million	Note	Dec 31, 2021	Aug 31, 2020
<b>ASSETS</b>			
<i>Non-current assets</i>			
Investment in subsidiaries		2,881.7	–
Deferred tax asset		16.7	–
Non-current intercompany receivables		879.8	–
<b>Total non-current assets</b>		<b>3,778.2</b>	–
<i>Current assets</i>			
Current receivables		52.3	0.1
Current intercompany receivables		11.3	–
Cash and cash-equivalents		0.1	–
<b>Total current assets</b>		<b>63.7</b>	<b>0.1</b>
<b>Total assets</b>		<b>3,841.9</b>	<b>0.1</b>
<b>EQUITY AND LIABILITIES</b>			
<i>Equity</i>			
Restricted equity		0.6	0.1
Non-restricted equity		3,751.9	–
<b>Total equity</b>		<b>3,752.5</b>	<b>0.1</b>
<i>Current liabilities</i>			
Accounts payable		32.9	–
Other current liabilities		56.5	–
<b>Total current liabilities</b>		<b>89.4</b>	–
<b>Total equity and liabilities</b>		<b>3,841.9</b>	<b>0.1</b>





## PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

SEK million	Note	Restricted equity	Non-restricted equity	Total equity
<b>Equity at 1 September, 2020</b>		<b>0.1</b>	<b>–</b>	<b>0.1</b>
Profit/loss for the period		–	–13.6	<b>–13.6</b>
<b>Total comprehensive income for the period</b>		<b>–</b>	<b>–13.6</b>	<b>–13.6</b>
<i>Transactions with owners in their capacity as owners:</i>				
New parent company share swap		0.4	2,881.3	<b>2,881.7</b>
Capital increase (net of transactions costs)		0.0	11.0	<b>11.1</b>
IPO (net of transaction costs)		0.1	839.3	<b>839.4</b>
Over-allotment option (net of transaction costs)		–	33.9	<b>33.9</b>
<b>Equity at 31 December 2021</b>		<b>0.6</b>	<b>3,751.9</b>	<b>3,752.5</b>
<b>Equity at 11 November 2019</b>		<b>–</b>	<b>–</b>	<b>–</b>
Profit for the period		–	–	<b>–</b>
<b>Total comprehensive income for the period</b>		<b>–</b>	<b>–</b>	<b>–</b>
<i>Transactions with owners in their capacity as owners:</i>				
Capital increase (net of transactions costs)		0.1	–	<b>0.1</b>
<b>Equity at 31 August 2020</b>		<b>0.1</b>	<b>–</b>	<b>0.1</b>



## PARENT COMPANY CASH FLOW STATEMENT

SEK million	Note	Full year 2021 Sep 1, 2020- Dec 31, 2021	Full year 2020 Sep 1, 2020- Dec 31, 2021
<b>Cash flows from operating activities</b>			
Profit before income tax		–30.3	–
<i>Adjustments for:</i>			
Items included in financing activities		–0.9	–
Change in net working capital		25.8	–
<b>Cash flows from operating activities</b>		<b>–5.4</b>	<b>–</b>
<b>Cash flows from investing activities</b>			
Loans to subsidiaries		–879.0	–
<b>Cash flows from investing activities</b>		<b>–879.0</b>	<b>–</b>
<b>Cash flows from financing activities</b>			
Proceeds from issuance of shares		884.4	–
Interest paid		0.0	–
<b>Cash flows from financing activities</b>		<b>884.4</b>	<b>–</b>
<b>Change in cash and cash equivalents</b>		<b>0.1</b>	<b>–</b>
<b>Cash and cash equivalents at the start of the period</b>		<b>–</b>	<b>–</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>0.1</b>	<b>–</b>





# Notes to the consolidated financial statements

## NOTE 1 REPORTING ENTITY

Norva24 Group AB (publ) (company registration number 559226-2553) is a public limited liability company, domiciled in Stockholm, Sweden and listed on Nasdaq Stockholm. The share became publicly traded with the initial public offering December 9 2021. Norva24 Group AB (publ) and its subsidiaries operates in the underground infrastructure industry, and is present in Norway, Germany, Sweden and Denmark.

As of June 30, 2021, the Group completed a re-organization, whereby Norva24 Group AB (publ) acquired all of the shares in Norva24 Holding AS (a company incorporated in Norway) through a share-for-share exchange, pursuant to which all shareholders of Norva24 Holding AS exchanged all of their shares in Norva24 Holding AS for newly issued shares in Norva24 Group AB (publ). Consequently Norva24 Group AB (publ), previously Goldcup 19376 AB, was established as the new parent company of the Group. Prior to June 30, 2021, Norva24 Holding AS was the Parent Company of the Norva24 Group.

## NOTE 2 BASIS OF PREPARATION

The consolidated financial statements of Norva24 Group AB (publ) and its subsidiaries are prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the European Union (EU). Norva24 Group also provides disclosures as specified under the Swedish Annual Accounts Act.

The Parent Company accounts have been prepared in accordance with the Swedish Annual Accounts Act and RFR 2, Accounting for Legal Entities.

The financial statements are prepared on a historical cost basis, except for certain assets, liabilities and financial instruments, which are measured at fair value. Preparation of the financial statements, including the note disclosures, requires management to make estimates and assumptions that affect amounts reported. Actual results may differ.

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

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

## NOTE 3 SIGNIFICANT ACCOUNTING POLICIES

The following descriptions of accounting principles applies to Norva24 Group's 2021 IFRS financial reporting, including all comparative figures. See Note 4 for a discussion related to changes in accounting policies and new pronouncements not yet adopted and Note 20 for a discussion of critical estimates and significant judgements.

### BASIS OF CONSOLIDATION

The consolidated financial statements include Norva24 Group AB (publ) and subsidiaries, which are entities in which Norva24 Group AB (publ) has the power to govern the financial and operating policies of the entity, exposure or rights to variable returns and the ability to use the power to affect the returns (control). Control is normally achieved through ownership, directly or indirectly, of more than 50 percent of the voting power. Subsidiaries are included from the date control commences until the date control ceases.

Intercompany transactions and balances have been eliminated. Profit and loss resulting from intercompany transactions have been eliminated.

### BUSINESS COMBINATIONS

Business combinations are accounted for using the acquisition method in accordance with IFRS 3 Business Combinations. Consideration is the sum of the fair values, as of the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued in exchange for control of the acquiree.

The acquiree's identifiable assets, liabilities and contingent liabilities are recognized separately at the acquisition date at their fair value irrespective of any non-controlling interest, and goodwill recognized to the extent the consideration exceeds identified net assets.

### FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are initially recorded in the functional currency of the transacting entity by applying the rate of exchange as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency of the entity at the rate of exchange at the balance sheet date. Currency gains or losses are included in financial income or financial expense.

### FOREIGN CURRENCY TRANSLATION

For consolidation purposes, the financial statements of subsidiaries with a functional currency other than the presentation currency of the Norwegian krone (NOK) are translated into NOK. Assets and liabilities, including goodwill, are translated using the rate of exchange as of the balance sheet date. Income, expenses and cash flows are translated using the average exchange rate for the reported period. Goodwill is recognized in the predominant functional currencies in the acquired businesses.

Translation adjustments are recognized in other comprehensive income and accumulated in currency translation differences in other reserves. On disposal of such subsidiary the cumulative translation adjustment of the disposed entity is recognized in the Statement of profit or loss as part of the gain or loss on disposal.



## NOTE 3 SIGNIFICANT ACCOUNTING POLICIES, continued.

### STATEMENT OF CASH FLOWS

Norva24 Group uses the indirect method to present cash flows from operating activities. Interest, dividends and other financial items paid or received are included in cash flows from financing activities.

### MEASUREMENT OF FAIR VALUE

Norva24 Group measures certain assets and liabilities at fair value for the purposes of recognition or disclosure. Non-recurring fair value measurement is used for transactions, such as business combinations, contingent consideration and other non-routine transactions.

### REVENUE

Norva24 Group accounts for revenue in accordance with IFRS 15 *Revenue from Contracts with Customers*. IFRS 15 requires the reporting entity, for each contract with a customer, to identify the performance obligations, determine the transaction price, allocate the transaction price to performance obligations to the extent the contract covers more than one performance obligation, determine whether revenue should be recognized over time or at a point in time, and, finally, recognize revenue when or as performance obligations are satisfied.

A performance obligation is satisfied when or as the customer obtains control of the goods or services delivered. The Norva24 Group earns revenue via the delivery of services related to Underground Infrastructure Maintenance. Services include high pressure cleaning, drainage services, pipeline inspections and repairs, tank cleaning as well as other related specialty services. All services are delivered over time. Norva24 Group generally does not have multiple or combined revenue contracts, services are delivered within a short period of time (less than a year) and contracts do not contain volume discounts or similar variable pricing.

See also note 6 *Revenue for additional information*.

### VEHICLE OPERATING EXPENSES

Vehicle operating expenses are recognized as incurred and consist of the direct costs related to operating the service delivery vehicles, for example fuel, maintenance, repairs and cleaning.

### PERSONNEL EXPENSES

Payments to employees, such as wages, salaries, social security contributions, paid annual leave and bonus agreements are accrued in the period in which the associated services are rendered by the employee. Post-employment benefits are recognized in accordance with IAS 19 Employee Benefits. Contributions to defined contribution plans are recognized in the statement of profit or loss in the period in which they accrue.

### FINANCIAL INCOME AND FINANCIAL EXPENSES

Financial income includes interest earned on bank accounts and other interest-bearing financial assets, as well as foreign currency exchange gains. Financial expense includes interest expense related to lease liabilities and interest expense on bank loans. Financial expense also includes foreign currency exchange losses.

### DEPRECIATION AND AMORTIZATION

Depreciation in the statement of profit or loss includes the reporting period's depreciation expense on property, plant and equipment as well as the depreciation for the period on right-of-use assets and any impairment charges that have been recognized on these

asset classes. Amortization in the statement of profit or loss relates only to the definite lived intangible assets.

### EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent company less the annual allocated dividend to the preference shareholders by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent company less the annual allocated dividend to the preference shareholders by the weighted average number of ordinary shares outstanding during the year including any dilutive share effects.

### GOODWILL

Goodwill is recognized as a part of business combinations. Goodwill is initially measured either as the excess of the consideration over Norva24 Group's interest or the fair value of 100 percent of the acquiree in excess of the acquiree's identifiable net assets (full goodwill). Goodwill is not amortized, but is tested for impairment annually, and more frequently if indicators of possible impairment are observed, in accordance with IAS 36 Impairment of Assets. Goodwill is allocated to the cash generating units or groups of cash generating units expected to benefit from the synergies of the combination and that are monitored for internal management purposes.

### INTANGIBLE ASSETS

Intangible assets acquired individually or as a group are recognized at fair value when acquired. Intangible assets acquired in a business combination are recognized at fair value separately from goodwill when they arise from contractual or legal rights or can be separated from the acquired entity and sold or transferred.

At each financial year-end Norva24 Group reviews the residual value and useful life of its assets, with any estimate changes accounted for prospectively over the remaining useful life of the asset.

### PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consists of buildings, vehicles and office equipment and is recognized at acquisition cost. Acquisition cost is the amount of cash paid or the fair value of other consideration given to acquire the asset and includes any import duties less any trade discounts or rebates. The carrying value is comprised of the historical cost less accumulated depreciation and any accumulated impairment losses (if any). Depreciation expenses are measured on a straight-line basis over the estimated useful life of the asset, commencing when the asset is ready for its intended use. At each financial year-end Norva24 Group reviews the residual value and useful life of its assets, with any estimate changes accounted for prospectively over the remaining useful life of the asset.

### INVENTORY

Inventory consists of finished goods used in delivering services to customers, and consists primarily of consumable parts and components for relining (pipe renewal and point repair of old sewer pipes). Inventory is measured at the lower of cost and net realizable value. Net realizable value is the net amount Norva24 Group expects to realize from the sale of the inventory in the ordinary course of business. The cost of inventories includes all



**NOTE 3 SIGNIFICANT ACCOUNTING POLICIES, continued.**

costs of purchase incurred to bring the inventory to its location for use in delivery to customers.

**FINANCIAL INSTRUMENTS**

Financial assets and financial liabilities are recognized and measured in accordance with IFRS 9 Financial Instruments.

**Financial assets**

Financial assets represent a contractual right by Norva24 Group to receive cash or another financial asset in the future. Financial assets include cash and cash equivalents, accounts receivable and other current and non-current receivables as well as investments in shares. On initial recognition, a financial asset is measured at fair value, and classified for subsequent measurement at amortized cost or at fair value through profit or loss (FVTPL). Classification depends on the business model and, for some instruments, the entity's choice. Financial assets are derecognized when the rights to receive cash from the asset have expired or when Norva24 Group has transferred the asset.

**Financial liabilities**

Financial liabilities represent a contractual obligation by Norva24 Group to deliver cash in the future and are classified as either current or non-current. Financial liabilities include the accounts payable, current and non-current loans and current and non-current lease liabilities. Financial liabilities are initially recognized at fair value, including transaction costs directly attributable to the transaction, and are subsequently measured at amortized cost. Financial liabilities are derecognized when the obligation is discharged through payment or when Norva24 Group is legally released from the primary responsibility for the liability.

**ACCOUNTS RECEIVABLE**

Accounts receivable is a financial asset initially recognized at transaction price, subsequently accounted for at amortized cost and are reviewed for impairment on an ongoing basis based on a lifetime expected credit loss model (ECL). Individual accounts are assessed for impairment taking into consideration indicators of financial difficulty and management assessment. Norva24 Group's business model for accounts receivable is to hold the receivables to collect the contractual cash flows.

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents includes cash, bank deposits and all other monetary instruments with a maturity of less than three months from the date of acquisition. Bank deposits earn interest at floating rates based on the different bank agreements. Material balances of restricted cash are deducted from cash and cash equivalents when preparing the statement of cash flows.

**INVESTMENTS IN SHARES**

Investments in shares are originally recognized at fair value at the amount of the purchase price paid to acquire the shares and are subsequently recognized at fair value over profit or loss. Investments in shares is a financial asset comprised of minimal percentage holdings in non-listed inactive entities.

**LEASING**

Leases are contracts that convey the right to control the use of an identified asset for a period of time in exchange for consideration.

Norva24 Group leases various offices, storage facilities, equipment and vehicles.

Short-term and low-value leases are excluded from the lease accounting. When measuring leases, Norva24 Group includes fixed lease payments for extension periods reasonably certain to be used. Judgment is applied in assessing whether renewal options are reasonably certain to be utilized.

Current lease liabilities are the portion of the total lease liability falling due within twelve months of the reporting date. Norva24 Group measures the current portion of the lease liability as the discounted lease payments for the next twelve-month period.

Lease liabilities are a financial liability and include the net present value of the following lease payments: fixed payments (including in-substance fixed payments), less any lease incentives receivable, variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date, amounts expected to be payable by the group under residual value guarantees, the exercise price of a purchase option if the group is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option, and lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments, primarily as related to vehicle leases, are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for non-vehicle leases, Norva24 Group's incremental borrowing rate is used, being the rate that the individual entity would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, Norva24 Group: where possible, uses recent third-party financing received by the entity with the lease as a starting point, adjusted to reflect changes in financing conditions since third party financing was received, uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by Norva24 Group, which does not have recent third-party financing, and makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortizing loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then Norva24 Group entities use that rate as a starting point to determine the incremental borrowing rate.

Norva24 Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. These adjustments are primarily rate increases linked to NIBOR + margin or LIBOR + margin based lease agreements. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are leased assets recognized in the statement of financial position in accordance with IFRS 16, and are primarily vehicles, buildings and personal cars. Right-of-use assets are measured at cost comprising the following: the amount of the initial measurement of the lease liability, any lease payments made

**NOTE 3 SIGNIFICANT ACCOUNTING POLICIES, continued.**

at or before the commencement date less any lease incentives received, any initial direct costs, and restoration costs.

Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. When Norva24 is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life, which is greater than the lease term. Right-of-use assets related to vehicle leases have a useful life based on the expectation that the purchase option will be exercised.

When a right-of-use (leased) asset is purchased during or at the end of the lease term, the asset is transferred from the right-of-use asset classification in the statement of financial position to classification as property, plant and equipment.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Payments associated with low-value leases and short term leases recognized on a straight-line basis as an operating expense in profit or loss.

**DEFERRED TAXES AND TAX EXPENSE**

Taxes payable is based on taxable profit for the year, which excludes items of income or expense that are taxable or deductible in other years. Taxable profit also excludes items that are never taxable or deductible. Norva24 Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted as of the balance sheet date.

Deferred income tax expense is calculated using the liability method in accordance with IAS 12 Income Taxes. Deferred tax assets and liabilities are classified as non-current in the balance sheet and are measured based on the difference between the carrying value of assets and liabilities for financial reporting and their tax basis when such differences are considered temporary in nature. For items recognized as an asset and a liability at inception, such as a lease, temporary differences related to the asset and liability are considered in combination, and deferred tax assets and liabilities are recognized on changes to the temporary differences through the life of the items.

Deferred tax assets are reviewed for recoverability every balance sheet date, and the amount probable of recovery is recognized.

Deferred income tax expense represents the change in deferred tax asset and liability balances during the year, except for the deferred tax related to items recognized in Other comprehensive income or resulting from a business combination or disposal. Changes resulting from amendments and revisions in tax laws and tax rates are recognized when the new tax laws or rates become effective or are substantively enacted. Uncertain tax positions are recognized in the financial statements when probable.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, when they relate to income taxes levied by the same taxation authority, and when the Group intends to settle its current tax assets and liabilities on a net basis. Allowed offsetting of deferred tax asset and liabilities has resulted in a net deferred tax liability position for the Norva24 Group in both 2021 and 2020.

Deferred taxes are not provided on undistributed earnings of subsidiaries when the timing of the reversal of this temporary difference is controlled by Norva24 Group and is not expected to happen in the foreseeable future.

**PROVISIONS**

Provisions are liabilities of uncertain timing or amount. Norva24 Group recognizes provisions in the statement of financial position when there is a present obligation (legal or constructive) as a result of a past event that can be estimated in amount and it is probable that a payment will be required to settle the obligation. When the effect of the time value of money is material, the provision is recognized at the present value of the expected expenditure, using a pre-tax discount rate reflecting the risks specific to the liability. Norva24 Group reviews all provisions at the end of each reporting period and updates the provision to reflect the current best estimate. Provisions are reversed when the obligating event is no longer valid.

**EMPLOYEE BENEFITS****Share-based payments**

Share-based payments relate to employee benefits in accordance with the long-term incentive programmes (LTIP) approved by the AGM. The fair value is established at the date of assignment, i.e. when Norva24 Group and the employees entered into an agreement on the terms and conditions of the program. The program mean that the participants need to purchase and retain shares in Norva24 MipCo AB. At the end of the program period, participants will receive newly issued shares in Norva24 Group AB (publ) as settlement for the sale of shares in Norva24 MipCo AB. The number of shares to be issued is dependet on the share price of Norva24 Group AB at the end of the program period. The stock options is aquired by management at fair value and the proceeds is included in other paid in capital.

**NEW PARENT COMPANY**

As described in Note 1, the Parent Company of the Group was changed from Norva24 Holding AS to Norva24 Group AB (publ) on June 30, 2021, through a share swap, where the shareholders of the Group remained unchanged.

The share swap was classified as a common control reorganization and this transaction was not covered by the IFRS standards.

In these financial statements, all historical figures up to June 30, when the share swap was performed, comprise of Norva24 Holding AS Group. From this date, Norva24 Holding AS and its subsidiaries are including Norva24 Group AB (publ). The financial statements are combined of the financial information for Norva24 Group AB (publ) and the Norva24 Holding AS Group. The financial statements are presented as if Norva24 Holding AS had been part of the Group in all periods presented, based on the values and periods, since these where integrated in the Norva24 Group. The subsidiaries are included in the consolidated financial statements from the date of their acquisition from an external party.

For this reason, the Group has chosen to recognize the historical consolidated financial statements for the former Parent Company of the Group, Norva24 Holding AS, as an appropriate application in accordance with IAS 8. Accordingly, the assets and liabilities in the former Group were not restated.



**NOTE 4 NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED****CHANGES IN ACCOUNTING POLICIES**

The accounting policies applied in the 2021 Norva24 Group's financial statements are the same as those applied in the 2020 Norva24 Group's financial statement with the following exception: In 2021, the Group changed to presenting the currency exchange gains and losses net. Net currency exchange gains and losses are presented in financial income (gains) or financial expense (loss) depending on the net position of the Group.

The Group has applied all relevant IFRS standards that were in effect for the 2021 year-end reporting as of the date of transition to IFRS, 1 January 2019.

**NEW PRONOUNCEMENTS NOT YET ADOPTED**

The following standards and interpretations most relevant for Norva24 have been issued by the IASB but were not mandatory for annual reporting periods ending on 31 December 2021:

- Classification of Liabilities as Current or Non-current – Amendments to IAS 1, effective from 1 January 2022 with possible deferral to 1 January 2023.
- Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16, effective from 1 January 2022.
- Reference to the Conceptual Framework – Amendments to IFRS 3, effective from 1 January 2022.
- Annual Improvements to IFRS Standards 2018–2020, effective from 1 January 2022.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2), effective from 1 January 2023.
- Definition of Accounting Estimates (Amendments to IAS 8), effective from 1 January 2023.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12), effective from 1 January 2023
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37, effective from 1 January 2022.

None of the issued, not yet effective, accounting standards or amendments to such standards are expected to have significant effects for Norva24 Group's financial reporting. Further, none of the recently issued IFRS Interpretations Committee agenda decisions are expected to significantly change Norva24 Group's accounting policies or practices.

**CHANGES IN ACCOUNTING POLICIES**

The 2020 Group financial statements are the first year of the IFRS consolidated reporting, therefore there are no changes in accounting principles. The Group has applied all relevant IFRS standards that were in effect for the 2020 year-end reporting as of the date of transition to IFRS, 1 January 2019.

**NEW PRONOUNCEMENTS NOT YET ADOPTED**

The following standards and interpretations most relevant for Norva24 have been issued by the IASB but were not mandatory for annual reporting periods ending on 31 December 2020:

- Classification of Liabilities as Current or Non-current – Amendments to IAS 1, effective from 1 January 2022 with possible deferral to 1 January 2023.
- Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16, effective from 1 January 2022.
- Reference to the Conceptual Framework – Amendments to IFRS 3, effective from 1 January 2022.
- Annual Improvements to IFRS Standards 2018–2020, effective from 1 January 2022.

None of the issued, not yet effective, accounting standards or amendments to such standards are expected to have significant effects for Norva24 Group's financial reporting. Further, none of the recently issued IFRS Interpretations Committee agenda decisions are expected to significantly change Norva24 Group's accounting policies or practices.

**NOTE 5 SEGMENT INFORMATION****OPERATING SEGMENTS**

Norva24 Group identifies its reportable segments and discloses segment information in accordance with IFRS 8 Operating Segments. Accordingly, the Group identifies its segments consistent with the reporting structure used by management. Operating segments are components of a business that are evaluated regularly by the chief operating decision maker for the purpose of assessing performance and allocating resources. The financial information is disclosed on the same basis as used by the chief operating decision maker.

The CEO for the N24 Group is the chief operating decision maker (CODM) for the entire Group within the framework of the CEO instructions from the Board of Directors and the annual operational budget and investment frames approved by the Board of Directors. The Norva24 Group executive management consist of CEO, CFO and the four country CEOs.

The Norva24 Group CEO and executive management monitor and follow up the business in the four major segments, Norway, Germany, Sweden and Denmark, where each segment is organized as an entity where the country CEO is the local chief operating decision maker enabled to make decisions about resource allocation within the segment and within the framework of the approved budgets and investments for the segment.

The Norva24 Group's operations are delivering emptying services, pressure washing, pipe services, hazardous waste services and industrial services. All these services are related to underground infrastructure maintenance services and are often bundled together. Follow-up and reporting has not been established for each of the different services and the Norva24 Group has therefore not considered such information reportable about it's products and services.

The Norva24 Group will disclose segment information based upon the following reportable segments: Norway, Germany, Sweden, Denmark and Corporate & other. The column Corporate & other includes corporate expenses and eliminations.

**NOTE 5 SEGMENT INFORMATION, continued.****OPERATING SEGMENTS FINANCIALS JANUARY-DECEMBER 2021**

NOK million	Norway	Germany	Sweden	Denmark	Corporate & other	Total
<b>Total operating revenue</b>	<b>801.5</b>	<b>646.3</b>	<b>306.6</b>	<b>270.8</b>	<b>–</b>	<b>2,025.2</b>
<b>Adjusted EBITDA</b>	<b>204.7</b>	<b>174.0</b>	<b>72.2</b>	<b>31.9</b>	<b>–20.9</b>	<b>461.8</b>
Adjusted depreciation	–78.5	–54.9	–32.6	–38.2	–	–204.2
<b>Adjusted EBITA</b>	<b>126.2</b>	<b>119.1</b>	<b>39.6</b>	<b>–6.3</b>	<b>–20.9</b>	<b>257.7</b>
Non-recurring items	–3.8	–10.9	–3.3	38.6	–56.8	–36.2
<b>EBITA</b>	<b>122.4</b>	<b>108.2</b>	<b>36.3</b>	<b>32.3</b>	<b>–77.8</b>	<b>221.5</b>

**OPERATING SEGMENTS FINANCIALS JANUARY-DECEMBER 2020**

NOK million	Norway	Germany	Sweden	Denmark	Corporate & other	Total
<b>Total operating revenue</b>	<b>738.6</b>	<b>285.2</b>	<b>192.2</b>	<b>306.4</b>	<b>–</b>	<b>1,522.5</b>
<b>Adjusted EBITDA</b>	<b>204.7</b>	<b>78.6</b>	<b>58.3</b>	<b>41.8</b>	<b>–25.8</b>	<b>357.4</b>
Depreciation	–64.6	–20.2	–17.6	–43.3	–	–145.6
<b>Adjusted EBITA</b>	<b>140.1</b>	<b>58.4</b>	<b>40.7</b>	<b>–1.5</b>	<b>–25.8</b>	<b>211.9</b>
Non-recurring items	–0.9	–10.6	–0.9	–0.0	–3.4	–15.7
<b>EBITA</b>	<b>139.2</b>	<b>47.8</b>	<b>39.8</b>	<b>–1.5</b>	<b>–29.2</b>	<b>196.2</b>

**OPERATING SEGMENTS – GEOGRAPHICAL AREAS**

The Group's main operational segments are by geographical areas and shown in the financials above.

**OPERATING SEGMENTS – MAJOR CUSTOMERS**

The Group has no single customers accounting for more than 10% of total revenues.

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

NOK million	Jan-Dec 2021	Jan-Dec 2020
<b>EBITA</b>	<b>221.5</b>	<b>196.2</b>
Amortization of intangible assets	–28.0	–17.0
Net financial items	–113.4	–33.9
<b>Profit before income tax</b>	<b>80.2</b>	<b>145.3</b>

**RECONCILIATION OF NON-RECURRING ITEMS JANUARY-DECEMBER 2021**

NOK million	Norway	Germany	Sweden	Denmark	Corporate & other	Total
Settlement	–	–	–	40.2	–	40.2
M&A Cost	–1.3	–4.9	–2.8	–	–	–8.9
IFRS implementation	–	–	–	–	–8.2	–8.2
IPO cost	–	–5.2	–	–	–48.6	–53.8
Depreciation	–2.5	–0.9	–0.5	–1.6	–	–5.4
<b>Non-recurring items</b>	<b>–3.8</b>	<b>–10.9</b>	<b>–3.3</b>	<b>38.6</b>	<b>–56.8</b>	<b>–36.2</b>



**NOTE 5 SEGMENT INFORMATION**, continued.**RECONCILIATION OF NON-RECURRING ITEMS JANUARY-DECEMBER 2020**

NOK million	Norway	Germany	Sweden	Denmark	Corporate & other	Total
M&A Cost	-0.9	-10.6	-0.9	-	-	-12.4
IFRS implementation	-	-	-	-	-3.4	-3.4
<b>Non-recurring items</b>	<b>-0.9</b>	<b>-10.6</b>	<b>-0.9</b>	<b>-</b>	<b>-3.4</b>	<b>-15.7</b>

**NOTE 6 REVENUE FROM CUSTOMER CONTRACTS****ACCOUNTING POLICIES FOR REVENUE RECOGNITION**

Norva24 Group accounts for revenue in accordance with IFRS 15 *Revenue from Contracts with Customers*.

IFRS 15 requires the reporting entity, for each contract with a customer, to identify the performance obligations, determine the transaction price, allocate the transaction price to performance obligations to the extent the contract covers more than one performance obligation, determine whether revenue should be recognized over time or at a point in time, and, finally, recognize revenue when or as performance obligations are satisfied.

A performance obligation is satisfied when or as the customer obtains control of the goods or services delivered.

Revenue from sale of physical products are recognized when control is transferred to the customer, which usually occurs at delivery. See also Note 3 for additional information.

**NORVA24 GROUP'S PRINCIPAL REVENUE GENERATING ACTIVITIES AND PERFORMANCE OBLIGATIONS ARE AS FOLLOWS**

Revenue represents the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled. All revenue in Norva24 Group is considered revenue from contracts with customers in the scope of IFRS 15. Norva24's material revenue streams relates from the sale of services within Underground Infrastructure Maintenance.

Revenue is recognised when a customer obtains control of goods or services in line with identifiable performance obligations.

All revenue in Norva24 is recognised over time, as the customer simultaneously receives and consumes the benefits provided as the services are performed. Each contract for services are considered a performance obligation that is delivered over time. The majority of performance obligations are delivered within a short time period, usually within the same day.

For performance obligations that are satisfied over a longer duration, the input method is used to recognise revenue over time. Using the input method, revenue is recognised based on the total number of work hours used at the reporting period close in fulfilling the performance obligation in relation to the total expected number of work hours to fulfil the performance obligation.

The transaction price for all contracts is the price agreed in each individual contract, and there are no material elements of variable consideration, financing component or non-cash consideration. There are no circumstances where Norva24 is acting as an agent.

The Group disaggregate revenue recognized from customer contracts into categories based on geographical region (country/segment) as this is the revenue information regularly reviewed by the chief operating decision maker. Norva24's operating segments are Norway, Germany, Sweden and Denmark after IFRS 8. Disaggregation of revenue is shown in Note 5 Segment information.

**NOTE 7 PERSONNEL AND OTHER OPERATING EXPENSES**

Specification of personnel expenses NOK million	2021	2020
Wages and salaries	718.0	547.4
Social security tax	103.8	80.5
Pension cost	36.6	23.6
Other employee-related expenses	20.9	21.1
<b>Total</b>	<b>879.3</b>	<b>672.6</b>

At 31 December 2021 the Group had 1,450 employees, while as of 31 December 2020 the number of employees was 1,165.

Norva24 Group has pension plans covering all employees. All group pension plans are in accordance with local laws and regulations.

The majority of the group pension plans are contribution plans, where an amount is deposited annually in the pension contribution fund on behalf of the individual employees. This contribution is expensed as part of personnel expenses. The companies have no further pension obligation after the payment of the pension contribution.

One of the group companies also has a defined-benefit contribution plan, where the net pension liability is measured at the present value of the future payment obligation and recognized in the statement of financial position. Measurement of the pension liability is based on a linear accrual of the service benefit and estimated salary levels at the date of retirement. This plan was considered immaterial and thus not disclosed separately.

**2021**

Average number of employees	Percentage	
	Total	women
Norway	512	7
Germany	546	17
Sweden	232	9
Denmark	149	15
Corporate	11	9
<b>Total</b>	<b>1,450</b>	<b>12</b>
Board of Directors	9	22
Group Management	6	0

**Specification of other operating expenses**

NOK million	2021	2020
Legal, audit and consultancy fees	92.1	41.0
Miscellaneous office expenses	66.9	43.6
Other	87.7	58.7
<b>Total</b>	<b>246.7</b>	<b>143.3</b>



**NOTE 8 REMUNERATION AND FEES TO BOARD OF DIRECTORS, CEO AND AUDITOR**

Specification of fees paid to PWC	2021	2020
NOK million		
Audit	2.6	1.8
Other audit-related services	1.3	0.4
Tax consultancy services	8.3	0.0
Other consultancy services	18.7	0.2
<b>Total</b>	<b>30.9</b>	<b>2.4</b>

Specification of fees paid to other auditors	2021	2020
NOK million		
Audit	1.0	0.3
Other audit-related services	0.0	0.0
Tax consultancy services	0.2	–
Other consultancy services	–	–
<b>Total</b>	<b>1.2</b>	<b>0.3</b>

Remuneration and fees recognized in the Statement of Profit and Loss	2021	2020
NOK thousand		
Total remuneration of the Board of Directors	1,455	450
Base salary to the CEO	4,385	3,376
Bonus to the CEO	591	1,428
Pension costs to the CEO	72	72
Other remuneration to the CEO	5	173
Base salary to other members of Group Management (5 people)	9,763	9,360
Bonus to other members of Group Management	472	1,027
Pension costs to other members of Group Management	560	340
Other remuneration to other members of Group Management	277	253
<b>Total</b>	<b>17,581</b>	<b>16,479</b>

Specification of remuneration to Board of Directors	2021	2020
NOK thousand		
Vidar Meum	410	150
Allan Engström	–	–
Arild Bødal	225	–
Einar Nordnes	–	–
Linus Lundmark	–	–
Mats Lönvist	250	100
Terje Bøvelstad	200	100
Monica Reib	150	–
Ulrika Östlund	170	–
Thorbjørn Graarud	50	100
<b>Total – Board of Directors</b>	<b>1,455</b>	<b>450</b>

Board remuniation includes both board and committe fees. No committee fees were paid in 2020.

**SHARES OWNED BY MANAGEMENT AND BOARD OF DIRECTORS AS AT 31 DECEMBER 2021 AND 31 DECEMBER 2020**

Number of shares owned directly or indirectly through fully or partly owned companies.

2021	Ordinary shares	Shares in MipCo
<b>Board of Directors and CEO</b>		
Vidar Meum, Chairman	933,103	–
Arild Bødal, Board member	2,079,095	–
Terje Bøvelstad, Board member	476,929	–
Mats Lönvist, Board member	1,202,962	–
Einar Nordnes, Board member	43,965	–
Allan Engström, Board member	–	–
Linus Lundmark, Board member	–	–
Monica Reib, Board member	26,030	–
Ulrika Östlund, Board member	43,018	–
Henrik Damgaard, CEO	798,750	100,000
Other members of Group Management	924,213	193,796
<b>Total number of shares</b>	<b>6,528,065</b>	<b>293,796</b>

**NOTE 8 REMUNERATION AND FEES FOR BOARD OF DIRECTORS, CEO AND AUDITOR, continued.****2020****Board of Directors and CEO**

	Ordinary shares	Preference shares	Total number of shares
Vidar Meum, Chairman	21,686	31,662	53,348
Arild Bødal, Board member	141,573	424,018	565,591
Terje Bøvelstad, Board member	10,846	32,095	42,941
Mats Lönvist, Board member	28,432	55,657	84,089
Einar Nordnes, Employee representative	337	1,011	1,348
Allan Engström, Board member	–	–	–
Linus Lundmark, Board member	–	–	–
Monica Reib, Board member	–	–	–
Ulrika Östlund, Board member	–	–	–
Thorbjørn Graarud, Board member	15,502	32,328	47,830
Henrik Damgaard, CEO	15,251	14,975	30,226
Other members of Group Management	111,555	290,134	401,689
<b>Total number of shares</b>	<b>345,182</b>	<b>881,880</b>	<b>1,227,062</b>

**LONG-TERM INCENTIVE PROGRAM**

The Group have a share based long-term incentive program for certain member of the management and key employees in the Group. The purpose of the program is among other to encourage a widespread ownership of shares among the Company's employees, retain competent employees, achieve increased alignment of interests between the employees and the Group, as well as increase the motivation to achieve or exceed the Groups financial targets. The participants have acquired shares in Norva24 MipCo AB at fair value. Three years after the IPO of the Group, December 2024, the participants can sell their shares in Norva24 MipCo to Norva24 Group AB (publ), and shall be setteled with a maximum of 6,207,880 new shares in Norva24 Group AB. Norva24 Group AB

has retained the right to repurchase the shares in Norva24 MipCo AB, e.g. if the Participant's employment in the Company is terminated. The right to obtain full value of the MipCo shares is dependent on for how long the participants have been employed during the three year period as well as the reason for the termination of the employment.

The numbers of shares to be issued is calculated as the difference between the share price after three years and the strike of the program that is 44.3 SEK pr share and the share price. There is 696,356 shares in Norva24 MipCo AB owned by Group management and key employees, with the right to aquire a maximum of 5,849,534 shares in Norva24 Group AB (publ). The rest is owned by Norva24 Group AB (publ).





## NOTE 9 FINANCIAL ITEMS

Specification of financial items NOK million	2021	2020
Interest income	0.6	–
Currency exchange gain	–	10.2
Other financial income	9.0	13.4
<b>Financial income</b>	<b>9.6</b>	<b>23.6</b>
Interest expenses, leases	–28.9	–25.7
Amortized interest expense loans	–71.2	–30.7
Currency exchange loss	–13.8	–
Other financial expenses	–9.1	–1.0
<b>Financial expenses</b>	<b>–123.0</b>	<b>–57.4</b>
<b>Net financial items</b>	<b>–113.4</b>	<b>–33.9</b>

The Group have derecognized NOK 20.9 million as part of amortized interest expense in 2021 due to refinancing of the Group. The effect is the difference between book value of the existing debt measured at amortized cost and nominal value of the debt repaid.

## FINANCIAL ITEMS – CHANGE IN ACCOUNTING PRINCIPLE

In 2021, the Group changed the accounting principle and presents currency exchange gains and losses net. Net currency exchange gains and losses are presented in financial income (gain) or financial expense (loss) depending of the net position of the Group.

NOK million	Annual report 2020	Change	This report 2020
Interest income	0.0	–	0.0
Currency exchange gain	39.9	–29.7	10.2
Other financial income	13.4	–	13.4
<b>Financial income</b>	<b>53.3</b>	<b>–29.7</b>	<b>23.6</b>
Interest expenses, leases	–25.7	–	–25.7
Amortized interest expense loans	–30.7	–	–30.7
Currency exchange loss	–26.8	26.8	–
Other financial expenses	–3.9	2.8	–1.0
<b>Financial expenses</b>	<b>–87.1</b>	<b>29.7</b>	<b>–57.4</b>
<b>Net financial items</b>	<b>–33.9</b>	<b>–</b>	<b>–33.9</b>



## NOTE 10 INTANGIBLE ASSETS AND GOODWILL

NOK million	Goodwill	Brand	Customer relationships	Other intangible assets	Total
Cost	1,252.4	43.3	86.2	6.7	1,388.5
Accumulated amortization	–181.6	–4.9	–20.0	–2.4	–208.8
<b>Net book value at 1 January 2021</b>	<b>1,070.8</b>	<b>38.4</b>	<b>66.2</b>	<b>4.3</b>	<b>1,179.7</b>
Acquisition cost at 1 January 2021	1,252.4	43.3	86.2	6.7	1,388.5
Acquired in business combinations (see Note 24)	190.5	14.4	28.9	1.2	235.0
Additions	–	–	–	0.6	0.6
Disposals accumulated cost	–	–	–	–	–
Translation differences	–40.8	–2.6	–4.7	0.0	–48.1
<b>Acquisition costs at 31 December 2021</b>	<b>1,402.1</b>	<b>55.1</b>	<b>110.4</b>	<b>8.5</b>	<b>1,576.1</b>
Accumulated amortization at 1 January 2021	–181.6	–4.9	–20.0	–2.4	–208.8
Amortization	–	–5.2	–20.9	–1.9	–28.0
Disposals accumulated amortization	–	–	–	–	–
Translation differences	2.1	0.3	1.1	0.1	3.7
<b>Accumulated amortization at 31 December 2021</b>	<b>–179.5</b>	<b>–9.7</b>	<b>–39.7</b>	<b>–4.1</b>	<b>–233.1</b>
Cost	1,402.1	55.1	110.4	8.5	1,576.1
Accumulated amortization	–179.5	–9.7	–39.7	–4.1	–233.1
<b>Net book value at 31 December 2021</b>	<b>1,222.6</b>	<b>45.4</b>	<b>70.6</b>	<b>4.3</b>	<b>1,343.0</b>

NOK million	Goodwill	Brand	Customer relationships	Other intangible assets	Total
Cost	954.2	22.8	45.2	4.6	1,026.7
Accumulated amortization	–178.7	–1.7	–6.7	–1.5	–188.5
<b>Net book value at 1 January 2020</b>	<b>775.5</b>	<b>21.1</b>	<b>38.5</b>	<b>3.1</b>	<b>838.2</b>
Acquisition cost at 1 January 2020	954.2	22.8	45.2	4.6	1,026.7
Acquired in business combinations (see Note 24)	270.0	19.2	38.3	–	327.5
Additions	–	–	–	1.6	1.6
Disposals accumulated cost	–	–	–	–0.0	–0.0
Translation differences	25.3	1.4	2.7	0.5	29.8
<b>Acquisition costs at 31 December 2020</b>	<b>1,249.5</b>	<b>43.3</b>	<b>86.2</b>	<b>6.7</b>	<b>1,385.6</b>
Accumulated amortization at 1 January 2020	–178.7	–1.7	–6.7	–1.5	–188.5
Amortization	–	–3.1	–13.0	–0.9	–17.0
Disposals accumulated amortization	–	–	–	0.0	0.0
Translation differences	–2.9	–0.1	–0.3	–0.0	–3.3
<b>Accumulated amortization at 31 December 2020</b>	<b>–181.6</b>	<b>–4.9</b>	<b>–20.0</b>	<b>–2.4</b>	<b>–208.8</b>
Cost	1,252.4	43.3	86.2	6.7	1,388.5
Accumulated amortization	–181.6	–4.9	–20.0	–2.4	–208.8
<b>Net book value at 31 December 2020</b>	<b>1,070.8</b>	<b>38.4</b>	<b>66.2</b>	<b>4.3</b>	<b>1,179.7</b>
Useful life in years	Indefinite	10	3-5	3-5	
Amortization plan	n.m	Linear	Linear	Linear	



**NOTE 10 INTANGIBLE ASSETS AND GOODWILL, continued.****GOODWILL ALLOCATION AT SEGMENT LEVEL**

NOK million	Dec 31, 2021	Dec 31, 2020
Norway	456.0	421.8
Germany	487.6	428.1
Sweden	256.2	196.9
Denmark	22.8	24.1
<b>Carrying amount</b>	<b>1,222.6</b>	<b>1,070.8</b>

**IMPAIRMENT TEST OF TANGIBLE AND INTANGIBLE ASSETS INCLUDING GOODWILL**

The Group reviews assets for impairment whenever there are indication of impairment and at least at each year end.

The test is performed at the cash-generating unit ("CGU") level for the total of all tangible and intangible assets, including goodwill in each unit. The CGUs have been identified to be each separate country the Group operate which is considered to be the smallest identifiable group of assets that generate cash flow that are largely independent of cash inflows from other assets or group of assets. Acquired intangible assets, including goodwill are allocated to the Group's CGUs based upon the location of the acquired company.

The recoverable amount for a CGU is the higher of the fair value less cost of disposal and its value in use. Value in use is calculated using estimated future cash flows based on five-year financial forecasts that have been approved by Group management. Cash flows beyond the five-year period have been extrapolated using an estimated terminal growth rate.

The calculated recoverable amount exceeds the total assets for each CGU, therefore no impairment has been identified.

**KEY VARIABLES IN FUTURE CASHFLOW**

- Sales: Historic performance, competitiveness of the business, expected market growth, central and local government investment plans, and local market conditions.
- EBITA margin: Historical profitability levels and efficiency in the business, access to key individuals and qualified labour, skills in dealing with customers/customer relationships trends in expenses for salaries, and subcontractors.

- Working capital requirements: Long-term assumption is that working capital will track sales growth.
- Investment needs: Investment needs in the businesses are assessed based on the investments required to achieve the forecast cash flows from the baseline, i.e. without investments for expansion and M&A. Normally, the level of investment has corresponded to the rate of depreciation of vehicles and equipment.

**KEY ASSUMPTIONS IN THE DISCOUNTED CASH FLOW MODELS**

The rate of return was calculated based on the Weighted Average Cost of Capital (WACC) method, derived from the Capital Asset Pricing Model (CAPM) methodology. The input to the WACC was chosen by an individual assessment of each parameter. The WACC was calculated to 4,3%-6,0% (6,9%). The main differences is risk-free interest rate on government bonds between the segments and small stock premium in Denmark. The key parameters were set to reflect the underlying long-term period of the assets and time horizon of the forecast period of the business cases.

**KEY WACC PARAMETERS:**

- Risk-free interest rate: 0% -1.7% (1.0%). Based on 10-year government bonds.
- Equity Beta: 1.0 (1.0) based on industry average, adjusted for the capital structure.
- Market Risk Premium: 5% (post tax) (4.8%). Based on market sources.
- Cost of Debt: Risk-free interest rate plus a margin on group debt.
- Capital structure: equity ratio of 80,5% (79%) based on industry average.
- Small stock premium: 2.0% (2%) on Denmark segment.
- Terminal growth rate: 2.0% (0.96%).
- Tax rate: Nominal tax rate in each segment.

**SENSITIVITY ANALYSIS**

The value in use for the assets depends on the estimated cash flows and discount rate assumptions used in the model. The cash flows will be effected in relation to change in assumptions related to revenue growth and discount rate used. No impairment would be recognized if either of the following changes took place: A discount rate increase of 2 percentage point or a growth rate decrease by 2.

**NOTE 11 LEASING****2021**

<b>Right-of-use assets</b> NOK million	Buildings and property	Vehicles and equipment	Furniture, fixtures & other	Total
<b>Carrying amount at January 1, 2021</b>	<b>181.5</b>	<b>410.1</b>	<b>7.9</b>	<b>599.4</b>
Acquired in business combinations	42.2	41.0	3.3	86.4
Additions	65.1	125.1	2.4	192.6
Depreciation	-37.8	-69.2	-4.7	-111.7
Transfer to property, plant and equipment	-0.1	-28.7	-0.0	-28.8
Adjustments and changes to contracts	6.0	-2.2	0.6	4.3
Translation differences	-5.5	-12.1	-0.4	-18.0
<b>Carrying amount at December 31, 2021</b>	<b>251.3</b>	<b>464.0</b>	<b>9.0</b>	<b>724.3</b>
Useful life in years	3-30	7-10	3-7	
Depreciation plan	Linear	Linear	Linear	

<b>Lease liabilities</b> NOK million	Buildings and property	Vehicles and equipment	Furniture, fixtures & other	Total
<b>Carrying amount at January 1, 2021</b>	<b>186.5</b>	<b>361.9</b>	<b>8.0</b>	<b>556.4</b>
Acquired in business combinations	42.2	41.0	3.3	86.4
Additions	65.1	125.1	2.4	192.6
Lease payments	-48.5	-109.8	-5.0	-163.4
Interest on the lease liability	12.3	16.2	0.4	28.9
Adjustments and changes to contracts	8.7	5.5	0.6	14.8
Translation differences	-5.4	-11.2	-0.4	-17.0
<b>Carrying amount at December 31, 2021</b>	<b>260.9</b>	<b>428.6</b>	<b>9.2</b>	<b>698.7</b>
Current lease liabilities	52.9	98.3	4.3	155.5
Non-current lease liabilities	207.9	330.3	4.9	543.1
Total cash outflows for leases	-48.5	-109.8	-5.0	-163.4

**Undiscounted lease liabilities and maturity of cash outflows**

NOK million	Total
Less than 1 year	160.6
1-2 years	150.4
2-3 years	132.0
3-4 years	109.9
4-5 years	84.4
More than 5 years	186.8
<b>Total undiscounted lease liabilities at 31 December 2021</b>	<b>824.1</b>

**Summary of other lease expenses recognised in profit or loss in 2021**

NOK million	Total
Variable lease payments expensed in the period	-
Operating expenses in the period related to short-term leases	0.2
Operating expenses in the period related to low value assets*	1.0
<b>Total lease expenses included in other operating expenses in 2021</b>	<b>1.2</b>

\* including long-term low value assets

**NOTE 11 LEASING**, continued.

<b>2020</b>				
<b>Right-of-use assets</b>				
NOK million	Buildings and property	Vehicles and equipment	Furniture, fixtures & other	Total
<b>Carrying amount at January 1, 2020</b>	<b>138.4</b>	<b>333.0</b>	<b>6.3</b>	<b>477.6</b>
Acquired in business combinations	36.5	16.3	1.5	54.3
Additions	29.2	126.4	4.0	159.6
Depreciation	-28.4	-56.0	-3.9	-88.3
Transfer to property, plant and equipment	-	-19.5	-0.4	-19.9
Adjustments and changes to contracts	2.7	-1.9	-	0.8
Translation differences	3.1	12.0	0.4	15.5
<b>Carrying amount at December 31, 2020</b>	<b>181.5</b>	<b>410.1</b>	<b>7.9</b>	<b>599.4</b>
Useful life in years	3-30	7-10	3-7	
Depreciation plan	Linear	Linear	Linear	

<b>Lease liabilities</b>				
NOK million	Buildings and property	Vehicles and equipment	Furniture, fixtures & other	Total
<b>Carrying amount at January 1, 2020</b>	<b>141.3</b>	<b>294.9</b>	<b>5.8</b>	<b>442.0</b>
Acquired in business combinations	36.5	16.3	1.5	54.3
Additions	29.2	126.4	4.0	159.6
Lease payments	-35.9	-97.6	-3.9	-137.4
Interest on the lease liability	9.6	12.9	0.3	22.8
Adjustments and changes to contracts	2.7	-1.9	-	0.8
Translation differences	3.2	11.0	0.3	14.5
<b>Carrying amount at December 31, 2020</b>	<b>186.5</b>	<b>361.9</b>	<b>8.0</b>	<b>556.4</b>
Current lease liabilities	37.2	89.9	3.6	130.8
Non-current lease liabilities	149.2	271.9	4.4	425.6
Total cash outflows for leases	-35.9	-97.6	-3.9	-137.4

<b>Undiscounted lease liabilities and maturity of cash outflows</b>	
NOK million	Total
Less than 1 year	134.6
1-2 years	106.9
2-3 years	97.8
3-4 years	84.8
4-5 years	65.4
More than 5 years	152.5
<b>Total undiscounted lease liabilities at 31 December 2020</b>	<b>642.0</b>

<b>Summary of other lease expenses recognised in profit or loss in 2020</b>	
NOK million	Total
Variable lease payments expensed in the period	-
Operating expenses in the period related to short-term leases	-
Operating expenses in the period related to low value assets*	6.6
<b>Total lease expenses included in other operating expenses in 2020</b>	<b>6.6</b>

\* including long-term low value assets

**NOTE 11 LEASING**, continued.

The leases recognised in 2021 and 2020 do not contain any restrictions on the Group's dividend policy or financing. The Group does not have significant residual value guarantees related to its leases to disclose.

**OPTIONS TO EXTEND A LEASE AND PURCHASE OPTIONS**

As of 31 December 2021 and 31 December 2020, there are no significant future potential lease payments that are not included in the lease obligations as a result of extension or purchase options.

**NOTE 12 PROPERTY, PLANT AND EQUIPMENT**

<b>2021</b>				
NOK million	Buildings and property	Vehicles and equipment	Furniture, fixtures & other	Total
Acquisition cost	77.1	509.7	45.0	631.8
Accumulated depreciation	-14.0	-319.9	-21.4	-355.3
<b>Net book value at 1 January 2021</b>	<b>63.2</b>	<b>189.8</b>	<b>23.6</b>	<b>276.5</b>
Acquisition cost at 1 January 2021	77.1	509.7	45.0	631.8
Acquired in business combinations	3.4	161.6	3.4	168.5
Additions	3.6	61.2	4.8	69.5
Transfer from right-of-use assets (see Note 11)	0.1	28.7	0.0	28.8
Disposals accumulated cost	-	-35.4	-1.3	-36.7
Translation differences	-2.1	-23.1	-1.4	-26.7
<b>Acquisition costs at 31 December 2021</b>	<b>82.1</b>	<b>702.7</b>	<b>50.5</b>	<b>835.3</b>
Accumulated depreciation at 1 January 2021	-14.0	-319.9	-21.4	-355.3
Depreciation	-4.8	-80.3	-7.2	-92.3
Opening balance correction*	-	-5.4	-	-5.4
Disposals accumulated depreciation	-	31.2	1.2	32.3
Translation differences	0.6	13.4	0.7	14.7
<b>Accumulated depreciation 31 December 2021</b>	<b>-18.2</b>	<b>-361.0</b>	<b>-26.8</b>	<b>-406.0</b>
Acquisition cost	82.1	702.7	50.5	835.3
Accumulated depreciation	-18.2	-361.0	-26.8	-406.0
<b>Net book value at 31 December 2021</b>	<b>63.9</b>	<b>341.6</b>	<b>23.8</b>	<b>429.3</b>
Useful life in years	3-30	7-10	3-7	
Depreciation plan	Linear	Linear	Linear	

\* The correction of opening balance January 2021 relates to the transfer from leasing to PPE of bought out vehicles. The correction is recognized as depreciation.



**NOTE 12 PROPERTY, PLANT AND EQUIPMENT, continued.**

<b>2020</b>				
NOK million	Buildings and property	Vehicles and equipment	Furniture, fixtures & other	Total
Acquisition cost	68.1	432.3	34.2	534.6
Accumulated depreciation	-9.3	-302.5	-19.6	-331.4
<b>Net book value at 1 January 2020</b>	<b>58.8</b>	<b>129.7</b>	<b>14.7</b>	<b>203.2</b>
Acquisition cost at 1 January 2020	68.1	432.3	34.2	534.6
Acquired in business combinations	7.4	68.9	6.7	83.1
Additions	1.5	16.6	6.0	24.1
Transfer from right-of-use assets (see Note 11)	-	19.5	0.4	20.0
Disposals accumulated cost	-2.1	-38.5	-3.2	-43.8
Translation differences	2.2	10.8	0.8	13.9
<b>Acquisition costs at 31 December 2020</b>	<b>77.1</b>	<b>509.6</b>	<b>45.0</b>	<b>631.8</b>
Accumulated depreciation at 1 January 2020	-9.3	-302.5	-19.6	-331.4
Depreciation	-4.6	-48.1	-4.4	-57.2
Disposals accumulated depreciation	0.3	37.1	3.1	40.5
Translation differences	-0.3	-6.4	-0.5	-7.2
<b>Accumulated depreciation 31 December 2020</b>	<b>-14.0</b>	<b>-319.9</b>	<b>-21.4</b>	<b>-355.3</b>
Acquisition cost	77.1	509.7	45.0	631.8
Accumulated depreciation	-14.0	-319.9	-21.4	-355.3
<b>Net book value at 31 December 2020</b>	<b>63.2</b>	<b>189.8</b>	<b>23.6</b>	<b>276.5</b>

**NOTE 13 TRADE AND OTHER RECEIVABLES**

<b>Specification of trade and other receivables</b>		
NOK million	Dec 31, 2021	Dec 31, 2020
Trade receivables	281.4	238.8
Other short-term receivables	142.8	43.6
<b>Receivables</b>	<b>424.2</b>	<b>282.4</b>
Prepayments	28.4	17.2
<b>Total</b>	<b>452.6</b>	<b>299.6</b>

<b>Trade receivables maturity</b>			
NOK million	Dec 31, 2021	%	Expected credit loss
Not overdue	227.7	80%	1%
Overdue 1-30 days	44.4	16%	1%
Overdue 31-60 days	5.9	2%	1%
Overdue 61-90 days	2.1	1%	1%
Overdue 91-180 days	2.2	1%	15%
Overdue > 180 days	2.9	1%	65%
<b>Gross trade receivables</b>	<b>285.2</b>	<b>100%</b>	
Total provision for bad debt	-3.9		
<b>Net trade receivables</b>	<b>281.4</b>		

<b>Trade receivables maturity</b>			
NOK million	Dec 31, 2020	%	Expected credit loss
Not overdue	198.8	82%	1%
Overdue 1-30 days	31.3	12%	1%
Overdue 31-60 days	4.4	2%	1%
Overdue 61-90 days	2.1	1%	1%
Overdue 91-180 days	1.5	1%	15%
Overdue > 180 days	5.7	2%	62%
<b>Gross trade receivables</b>	<b>244.0</b>	<b>100%</b>	
Total provision for bad debt	-5.2		
<b>Net trade receivables</b>	<b>238.8</b>		

The provision for bad debt has decreased by NOK 1.3 million compared to 31 December 2020. Trade receivables are subject to constant monitoring. Impaired receivables are reflected through provision for bad debt. Monthly assessments of loss risk are performed and corresponding provisions are made on entity level. The provision for bad debt reflects the total loss risk on groups trade receivables. The oldest trade receivables, overdue >100 days, represent the highest risk level. Most of the impaired trade receivables are included in that category. Actual losses on trade receivables were NOK 3.3 million in 2021 (NOK 0.9 million). The risk for losses on other receivables than trade receivables is assessed to be insignificant. For risk management see Note 21.

**NOTE 14 CASH AND CASH EQUIVALENTS**

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following at 31 December:

<b>Specification of trade and other receivables</b>		
NOK million	Dec 31, 2021	Dec 31, 2020
Bank deposits	257.0	178.4
Restricted cash (employee withholding taxes)	3.4	2.5
<b>Total cash and cash equivalents</b>	<b>260.4</b>	<b>180.9</b>

<b>Lease liabilities</b>		
NOK million	2021	2020
Balance at the beginning of the period	556.4	442.0
<i>Cash changes</i>		
Payments to lessor	-163.4	-137.4
<i>Non-cash changes</i>		
Initial recognition	279.0	213.8
Accrued interest	28.9	22.8
Lease modifications	14.8	0.8
Foreign currency translation effect	-17.0	14.5
<b>Balance at the end of the period</b>	<b>698.7</b>	<b>556.4</b>

<b>Borrowings</b>		
NOK million	2021	2020
Balance at the beginning of the period	870.2	638.5
<i>Cash changes</i>		
Cash proceeds received from lender	547.1	266.9
Downpayments	-1,235.3	-91.5
<i>Non-cash changes</i>		
Changes from business combinations	127.3	38.1
Accrued interest	20.4	-5.5
Foreign currency translation effect	-4.3	23.7
<b>Balance at the end of the period</b>	<b>325.3</b>	<b>870.2</b>

**NOTE 15 SHARE INFORMATION****2021**

NOK million	Ordinary shares	Preference shares	Share capital	Additional paid in capital
<b>At January 1, 2021</b>	<b>2,675,710</b>	<b>7,705,656</b>	<b>10.4</b>	<b>575.9</b>
Capital increases	3,799	32,408	0.0	4.2
New parent share swap – Norva24 Holding AS (old parent company)	-2,679,509	-7,738,064	-10.4	9.9
New parent share swap – Norva24 Group AB (new parent company)	2,679,509	7,738,064	10.5	–
Capital reduction	–	–	-10.0	–
Capital increase	10,915	32,743	0.0	11.1
Share split	37,665,936	108,791,298	–	–
Conversion	116,562,105	-116,562,105	–	–
Long-term incentive program	–	–	–	13.8
New shares from IPO*	25,555,556	–	0.1	817.9
<b>At December 31, 2021</b>	<b>182,474,021</b>	<b>–</b>	<b>0.6</b>	<b>1,432.8</b>

\* Pending registration at the Swedish Companies Registration Office.

**2020**

NOK million	Ordinary shares	Preference shares	Share capital	Additional paid in capital
<b>At January 1, 2020</b>	<b>2,633,451</b>	<b>7,578,878</b>	<b>10.2</b>	<b>546.9</b>
Capital increases	42,259	126,778	0.2	29.0
<b>At December 31, 2020</b>	<b>2,675,710</b>	<b>7,705,656</b>	<b>10.4</b>	<b>575.9</b>

**NOTE 16 BORROWINGS**
**Interest-bearing loans as presented in  
the statement of financial position**

NOK million	Dec 31, 2021	Dec 31, 2020
Non-current loans	264.1	768.8
Current portion of loans	61.2	101.3
<b>Total interest-bearing loans</b>	<b>325.3</b>	<b>870.2</b>

**Specification of interest-bearing loans**

NOK million	Dec 31, 2021	Dec 31, 2020
Revolving credit facility	239.9	–
Bank loan facility	–	786.6
Seller's credit	46.1	45.5
Other bank loans	39.3	38.1
<b>Total interest-bearing loans</b>	<b>325.3</b>	<b>870.2</b>

**Specification of interest-bearing loans  
per currency**

NOK million	Dec 31, 2021	Dec 31, 2020
EUR	68.4	447.1
SEK	16.6	158.3
NOK	240.4	264.8
<b>Total interest-bearing loans</b>	<b>325.3</b>	<b>870.2</b>

**REVOLVING CREDIT FACILITY**

The Group have repaid existing loan facilities, replacing it with a new Revolving Facility Agreement securing the Group a total loan facility of NOK million 1,100. The Group are able to draw upon the facility as needed in any of the Groups currencies. The margin of the loan is 1.25% to 2.00% dependent on the leverage ratio. The facility is a three year agreement from the IPO 12 December 2021 with two one year extension options. Of the total facility of NOK million 1,100,244.4 is utilized (0). Unused credit facility cost 35% of the margin of the loan. Included in net finance expense is a derecognition of NOK 20.9 million related to the refinancing of the Groups debt.

The revolving credit facility is secured with a negative pledge that new credit lines must be approved by the existing bank, and that no assets can be used for security in new debt.

The revolving credit facility is subject to financial covenants where the proforma leverage ratio should not exide 4,00:1 adjusted for expetional items.

The Group is in compliance with all the covenants.

**SELLERS CREDIT**

Sellers credit is related to the acquistiotion of ExRohr GmbH. The debt is unsecured, and with a interes of 5%. There are no covenantes on the debt.

**OTHER BANK LOANS**

Other bank loans consist of smaller bank loans and financing agreements not included in the Groups revolving credit facility. In addition, the Group has a overdraft and guarantee facility of NOK 50 millon, where NOK 2.5 million (NOK 46.3 million) was utilized.

**FAIR VALUE**

The fair values are not materially different from their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.



**NOTE 17 FINANCIAL ASSETS AND FINANCIAL LIABILITIES****SPECIFICATION OF FINANCIAL ASSETS AND LIABILITIES**

The specification given below relates to financial statement line items containing financial instruments. Information is classified and measured in accordance with IFRS 9. Financial assets, classified as current and non-current, represent the maximum exposure Norva24 Group has towards credit risk as at the reporting date. All financial assets and financial liabilities measured at amortized cost (FAAC and FLAC) in the table have an amortized cost that approximates fair value at the balance sheet date.

NOK million	Category	Dec 31, 2021	Dec 31, 2020
<i>Financial assets</i>			
Investment in shares	FVTPL	1.3	1.1
Financial assets included in other non-current receivables	FAAC	1.1	2.5
Accounts receivable	FAAC	281.4	238.8
Financial assets included in other current receivables	FAAC	52.0	8.1
Cash and cash-equivalents	FAAC	260.4	180.9
<b>Total financial assets</b>		<b>596.1</b>	<b>431.4</b>

NOK million	Category	Dec 31, 2021	Dec 31, 2020
<i>Financial liabilities</i>			
Non-current lease liabilities	FLAC	543.1	425.6
Non-current loans	FLAC	264.1	768.8
Other non-current liabilities	FLAC	1.9	1.3
Earn-out provisions	FVTPL	60.3	45.4
Accounts payable	FLAC	144.2	86.5
Current portion of lease liabilities	FLAC	155.5	130.8
Current portion of loans	FLAC	61.2	101.3
<b>Total financial liabilities</b>		<b>1,230.4</b>	<b>1,559.7</b>

**CATEGORIES**

FAAC – Financial Assets at Amortized Cost  
FVTPL – Fair Value Through P&L  
FLAC – Financial Liabilities at Amortized Cost

**NOTE 18 OTHER CURRENT AND OTHER NON-CURRENT LIABILITIES****Specification of other current and other non-current liabilities**  
NOK million

	Dec 31, 2021	Dec 31, 2020
<i>Other current liabilities</i>		
Accrued expenses	142.4	68.5
Holiday pay payable	47.9	39.0
VAT payable	43.5	32.6
Employee withholding taxes payable	24.7	32.1
Accrued salaries payable	19.1	20.6
Social security taxes payable	18.9	17.2
Earn-out provisions	50.0	–
Other	32.1	7.4
<b>Total other current liabilities</b>	<b>378.6</b>	<b>217.3</b>

*Other non-current liabilities*

Earn-out provisions	10.4	45.4
Pension liabilities	1.9	1.3
<b>Total other non-current liabilities</b>	<b>12.2</b>	<b>46.7</b>

<b>Total other current and other non-current liabilities</b>	<b>390.8</b>	<b>264.0</b>
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**Specification of earn-out provisions**  
NOK million

	Dec 31, 2021	Dec 31, 2020
Other current liabilities	50.0	–
Other non-current liabilities	10.4	45.4
<b>Total</b>	<b>60.3</b>	<b>45.4</b>

	Dec 31, 2021	Dec 31, 2020
<i>NOK million</i>		
<b>Opening balance</b>	<b>45.4</b>	<b>22.2</b>
Added with business combinations	31.0	33.1
Disbursed	–18.9	–
Change in fair value recognized in profit or loss (other financial income/expense)	6.0	–11.4
Translation effect	–3.2	1.5
<b>Closing balance</b>	<b>60.3</b>	<b>45.4</b>

**NOTE 19 TAXES****Calculation of deferred tax/deferred tax benefit**  
NOK million

	2021	2020
<i>Temporary differences</i>		
Intangible assets	116.0	90.8
Property, plant and equipment	21.7	29.3
Leasing	15.2	11.7
Liabilities	–	67.4
Other differences	–65.7	19.6
<b>Net temporary differences</b>	<b>87.1</b>	<b>218.8</b>
Tax losses carried forward	–2.3	–
<b>Basis for deferred tax (asset)</b>	<b>84.9</b>	<b>218.8</b>
Deferred tax (asset)	21.2	48.2
<b>Deferred tax asset in the balance sheet</b>	<b>–</b>	<b>–</b>
<b>Deferred tax liability in the balance sheet</b>	<b>21.2</b>	<b>48.2</b>

**Basis for income tax expense, changes in deferred tax and tax payable**  
NOK million

	2021	2020
Profit before income tax	80.2	145.3
Permanent differences	–80.7	28.7
<b>Basis for income tax expense</b>	<b>–0.5</b>	<b>174.0</b>
Change in temporary differences	134.0	–71.6
Consolidation effects	–32.4	39.8
Change in tax loss carried forward	–	–
<b>Taxable income (basis for payable taxes in the balance sheet)</b>	<b>101.6</b>	<b>142.2</b>

**Payable taxes in the balance sheet**  
NOK million

	2021	2020
Payable tax in the tax charge	4.0	31.3
Tax payable prior years	21.4	–
<b>Payable tax in the balance sheet</b>	<b>25.4</b>	<b>31.3</b>

**Components of the income tax expense**  
NOK million

	2021	2020
Payable tax on basis for income tax expense	–0.1	31.3
Adjustment in respect of prior year	4.1	–
<b>Total tax payable in income tax expense</b>	<b>4.0</b>	<b>31.3</b>
Change in deferred tax	–27.0	15.8
Change in deferred tax related to business combinations	17.2	–13.8
Change in def. tax (asset) due to tax rate	–	–
<b>Income tax expense</b>	<b>–5.8</b>	<b>33.3</b>

**Reconciliation of income tax expense**  
NOK million

	2021	2020
Profit before income tax	80.2	145.3
Effective tax rate	25%	22%
Calculated tax based on effective tax rate	20.0	32.0
Income tax expense	–5.8	33.3
<b>Difference</b>	<b>–25.8</b>	<b>1.3</b>

**The difference consists of:**  
NOK million

	2021	2020
Tax effect of permanent differences	–20.2	6.3
Other differences, including tax cost recognised in equity	–5.6	–5.0
<b>Sum explained differences</b>	<b>–25.8</b>	<b>1.3</b>

Corporate tax rate in each country: Norway 22% (22%), Germany 30% (30%), Sweden 20.6% (21.40%), Denmark 22% (22%)

**NOTE 20 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of financial statements involves the use of accounting estimates which, by definition, will seldom equal the actual results. Management is required to exercise judgement in applying the Group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong.

**SIGNIFICANT JUDGEMENT IN ACQUISITION FOR BUSINESS COMBINATIONS**

In a business combination, consideration, assets and liabilities are recognized at estimated fair value, and any excess purchase price included in goodwill. In the businesses Norva24 operates, fair values of individual assets and liabilities are normally not readily observable in active markets. Estimation of fair values requires the use of valuation models for acquired assets and liabilities as well as ownership interests. Such valuations are subject to numerous assumptions and are thus uncertain. The quality of fair value estimates may impact periodic depreciation and amortization of fixed assets, and assessment of possible impairment of assets and/or goodwill in future periods. The specific significant judgement for Norva24 during 2020 and 2021 is the identification and fair value of the acquired intangible assets.

The brand and customer relationships have been specifically identified by management as acquired intangible assets for all of the acquisitions conducted in 2020 and 2021. Management places significant value on the Norva24 Brand and on the acquired brand's (e.g. ExRohr and Turpe) existing value in their respective markets where the acquired companies operate.

Business plans and budgets for the next 5-10 years are based on the Group operating with these brands in the local markets. Additionally, management has ascertained a value for the customer relationships that have been developed in these market areas, based on the contractual agreements with customers for ongoing delivery of service, as well as the existing customer base.

The fair value at acquisition date of the brands and customer relationships is based on a value-in-use model and an allocated percentage of the consideration paid less the net assets acquired. Estimates of the useful life of the brands' acquired is based on management's market knowledge and marketing plans. Customer relationship estimated useful life is based on market estimates of customer turnover.

**SIGNIFICANT JUDGMENT IN VALUATION OF GOODWILL**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include acquisition activities that the Group is not yet committed to or

significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant for the valuation of goodwill that is subject to yearly impairment test.

**SIGNIFICANT JUDGEMENT IN EARN-OUT CONSIDERATIONS**

Earn-out is recognized at fair value at time of an acquisition, and contingent of the future performance of the acquired business. The future performance of acquired businesses is in its nature uncertain, and management have to use significant judgement in estimating the probability that an acquired company will achieve its financial goals. The Group monitors the past performance and uses budgets and business plans to follow all subsidiaries with earn-out in their share purchase agreements.

**SIGNIFICANT JUDGEMENT IN LEASING**

The Group leases various offices, warehouses, equipment and vehicles. Rental contracts are typically made for fixed periods of six months to eight years but may have extension options. Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. For vehicles the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

**SIGNIFICANT JUDGEMENTS IPO COST**

Cost incurred in the IPO consist of professional fees to banks, advisors, lawyers, accountants and auditors. IPO cost is split between equity and profit and loss is estimated based on relative size of the primary and secondary offering. The IPO cost also includes estimates on the time spent by advisors impacting the total cost of the IPO.

**NOTE 21 FINANCIAL RISK MANAGEMENT****FINANCIAL RISK MANAGEMENT POLICIES**

The Group's overall financial risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group exploits derivative financial instruments for potential hedging of certain risk exposures; however, the current usage of such instruments is limited.

**FOREIGN EXCHANGE RISK**

Group management is monitoring the currency exposure on a group level. The CFO uses the debt structure and profile to balance some of the net exposure of the cash flow from operations. As the Group reports its financial results in NOK, changes in the relative strength of NOK to the currencies in which the Group conducts business can adversely affect the Group's financial development. The Group's treasury function regularly evaluates the use of hedging instruments but currently has a low usage of such instruments. The Group uses debt to balance the risk related to ownership in operations denominated in SEK, DKK and EUR. This gives a sufficient hedge in relation to balance sheet fluctuations. Given a good balance between assets, debt, and the profitability the currency fluctuations will not have a major impact on interest serving ability of the Group, nor on the NIBD/EBITDA covenant. Currently the Group uses no financial instruments in the risk management related to currency fluctuations. The Group has limited FX risk related to purchases of material etc. for the use in the production. The Group has some risk related to purchase of production equipment denominated in SEK, DKK and EUR. This risk is to a large extent balanced out by the cash generation of the operations in these currencies. Danish and German assets are pooled in this context, as the DKK is for practical purposes pegged to the Euro.

**SENSITIVITY**

For the financial year of 2021, if the currencies EUR, DKK and SEK had weakened/strengthened by 10% against the NOK with all other variables held constant, revenues would vary by around +/-3% or MNOK +/-60 (+/-1% or MNOK +/-30). Operating profit would have been more impacted with a +/- of 5% changed. A change in EUR, DKK and SEK of +/-5% versus the NOK would have influenced the conversion of the assets in Sweden, Denmark and Germany, as well the debt in the related currencies and hence influenced the total assets of the Group by by 3% (3%) on group level.

**OPERATIONAL RISKS**

The Group has a customer base divided in three categories: multi-year contracted revenues, often with public customers, revenues from recurring customers, and other customers who use the services from time to time. The customer base is very large, and no customer accounts for more than 3% of revenues.

There are no business customer segments with a dominant share of revenues, and no industries with such either. This reduces the commercial risk and makes the Group more resilient to economic cycles. This has been apparent in 2021, a year heavily affected by Covid-19 in all of the world in a number of industries. Norva24 has only to a limited extent been affected, and experienced growth year on year.

The Group is not immune to economic cycles, but the long-term growth in the industry support the activity and revenues in situations with lower economic activity in our markets.

**Competition**

The Group has a large number of competitors in each of its business areas and across the geographical markets in which the Group operates. The Group believes that competition in the business areas in which it operates will continue in the future. The Group continuously monitors its competitive environment.

**Volatility in prices of input factors**

The Group's largest cost element is personnel cost, making up close to half of the cost base. Other major cost elements are related to vehicles and machinery, both in purchasing vehicles, fuel and keeping them operative.

**Uninsured losses**

The Group maintains a number of separate insurance policies to protect its core businesses against loss and/or liability to third parties. Risks insured include general liability, business interruption, cyber crime, workers' compensation and employee liability, professional indemnity and material damage.

**INTEREST RATE RISKS**

The Group's interest rate risk arises from long-term borrowings. The Group's debt is drawn up in NOK, SEK, DKK and EUR with the corresponding interest rates. The Group analyzes its interest rate exposure on a running basis in relation to the effect on the total profitability of the group, and the ability to service the debt. Currently no hedging instruments are in use at Norva24.

**Sensitivity**

Based on the simulations performed per 31.12.2021, the impact on pre-tax profit of a +/-1.0 percentage point shift in both the NOK, SEK, DKK and EUR interest would be a maximum increase or decrease of MNOK 3 (MNOK 10).

**CREDIT RISK**

Credit risk is managed on group and entity level. Credit risk arises mainly from trade with customers and outstanding receivables. The level of receivables and overdue are monitored on a monthly basis. The Group has a large number of customers with limited outstanding amounts, limiting the risk. Historically the Group have had limited loss on receivables.

**FUNDING AND LIQUIDITY RISK**

Cash-flow forecasting is performed by country financial organization of the Group in the budget, and updated during the year. The Group keeps track of its liquidity requirements and monitors to ensure there is sufficient cash to meet both operational needs while maintaining financial capacity to continue the M&A activity so important to the Group. Surplus cash held by the operating entities are for most part included in the cash pool system of the Group, thereby reducing the overall working capital needs.



**NOTE 21 FINANCIAL RISK MANAGEMENT**, continued.**CAPITAL RISK MANAGEMENT**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in the interest of customers, employees, shareholders and other stakeholders.

The Group monitors capital on the basis of the gearing ratio and the level of equity. These ratios are calculated as net debt divided by proforma adjusted EBITDA and equity divided by total balance.

**LIQUIDITY RISK****Maturities of financial liabilities 31 December 2021**

NOK million	Less than 6 months	6-12 months	1-5 years	Over 5 years	Total contractual cash flows	Carrying amount liabilities
<i>Contractual maturities of financial liabilities</i>						
Accounts payable	144.2	–	–	–	144.2	144.2
Earn-out provisions	19.0	31.0	10.4	–	60.3	60.3
Other current liabilities	241.4	–	–	–	241.4	241.4
Lease liabilities	83.8	76.8	476.6	186.8	824.1	698.7
Revolving credit facility	–	–	244.4	–	244.4	239.9
Seller's credit	46.1	–	–	–	46.1	46.1
Other bank loans	7.6	7.5	22.7	1.5	39.3	39.3
<b>Total at 31 December 2021</b>	<b>542.1</b>	<b>115.3</b>	<b>754.1</b>	<b>188.3</b>	<b>1,599.8</b>	<b>1,469.9</b>

**LIQUIDITY RISK****Maturities of financial liabilities 31 December 2020**

NOK million	Less than 6 months	6-12 months	1-5 years	Over 5 years	Total contractual cash flows	Carrying amount liabilities
<i>Contractual maturities of financial liabilities</i>						
Accounts payable	86.5	–	–	–	86.5	86.5
Earn-out provisions	–	–	51.4	–	51.4	45.4
Other current liabilities	135.5	–	–	–	135.5	135.5
Lease liabilities	70.2	64.4	354.9	152.5	642.0	556.4
Bank loan facility	40.6	50.3	734.4	–	825.3	786.6
Other bank loans	6.3	5.0	26.8	–	38.1	38.1
Seller's credit	–	–	50.0	–	50.0	45.5
<b>Total at 31 December 2020</b>	<b>339.2</b>	<b>119.7</b>	<b>1,217.4</b>	<b>152.5</b>	<b>1,828.8</b>	<b>1,693.9</b>

**LIQUIDITY RESERVE**

The liquidity reserve of the Group consists of cash and cash equivalents in addition to undrawn credit facilities.

NOK million	2021	2020
Cash and cash equivalents	260.4	180.9
Restricted cash	–3.4	–16.8
Undrawn facility	855.6	–
Unused overdraft facility	47.5	3.7
<b>Liquidity reserve</b>	<b>1,160.1</b>	<b>167.9</b>

The major entities in the Group are members of the international multi-currency cash pool, where cash deficits in one entity are offset with surplus cash in another entity.

**NOTE 22 EARNINGS PER SHARE****Earnings per share**

NOK million (except per share amounts)	2021	2020
Net income	86.0	112.0
Less preference shares annual dividend	31.3	37.9
<b>Net income after preference share allocation</b>	<b>54.7</b>	<b>74.1</b>
Weighted-average ordinary shares outstanding for the period	64,165,959	39,600,347
Basic earnings per share, NOK	0.81	1.87
Diluted earnings per share, NOK	0.81	1.87

As of 31 December 2021, Norva24 Group have one share class with all equal rights. The Group have a Long-term incentive program with potential dilutive effects, but as the program is out of the money at the balance sheet date, it has no dilutive effect.

At 25 October 2021 the Group split their shares in preparation for the IPO, resulting in each ordinary share split into 15 new shares. This split has been implemented so that the proportionate change in numbers of shares outstanding have been adjusted as if the split was performed 1 January 2020.

At 19 November 2021 all preference shares was converted into ordinary shares. The preference shareholders receive a preference right to a 10% straight (no compounding over time) dividend on the subscribed NOK amount. The preference share dividend for 2020 is based on the number of outstanding preference shares as of 1 January and is 10% of the subscribed NOK amount. For 2021 it is calculated up to the conversion, where preference shares were converted into ordinary shares based on their fair value. The preference share dividend is a contingent liability and was therefore not recognized in the statement of financial position.

At 9 December 2021, the Group issued new shares as part of the IPO.

**NOTE 23 RELATED PARTY TRANSACTIONS**

Related parties' relationships are defined to be entities outside the Norva24 Group that are under control (either directly or indirectly), joint control or significant influence by the owners, Board of Directors or management of Norva24 Group. Related parties are in a position to enter into transactions with group companies that would potentially not be undertaken between unrelated parties. The terms and conditions of the transactions with related parties are considered to be on an arm's length basis.

**Annual lease payments**

NOK million	2021	2020
NSM Bygginvest AS (shareholder)	0.6	0.6
Invest 24 Eigedom AS (shareholder)	2.0	2.0
<b>Total</b>	<b>2.7</b>	<b>2.7</b>

**Lease liability**

NOK million	2021	2020
NSM Bygginvest AS (shareholder)	0.6	1.3
Invest 24 Eigedom AS (shareholder)	16.1	17.0
<b>Total</b>	<b>16.7</b>	<b>18.3</b>

Board member A. Bødal is indirect owner and board member of Invest24 Eigedom AS (33.3%) og NSM Bygginvest AS (19.3%) that have entered into building rental agreements with N24 subsidiaries in Norway.

Bødal is also indirectly owner and board member of Nomek AS (32.0%) that have sold vehicles to the N24 Group via leasing arrangements. Total lease investment amount (vehicle purchase price) was NOK 11.3 million in 2021 and NOK 2.3 million in 2020.

**NOTE 24 BUSINESS COMBINATIONS****ACQUISITIONS IN 2020 AND 2021**

During 2020 and 2021 Norva24 Group has acquired respectively six and seven operations. In the overview below the acquisitions are shown jointly as the operations are of such similarities in terms of operations, business models and valuation that a detailed overview is not needed.

All acquired operations are within the Underground Infrastructure Maintenance and play an important role in achieving the strategic goal of Norva24 Group, "Our long-term vision is to build a European market leader and lighthouse in Underground Infrastructure Maintenance (UIM). Norva24 Group's vision is to become the leading European operator in our industry and an inspiration to

the UIM industry development in Europe" Through the acquisitions Norva24 Group is strengthening its presence and position in Germany and Sweden, while giving the Group a presence in business areas and geographies where the Group has an ambition to strengthen its position.

The acquisitions made have been above book value of the relevant entities. Part of the surplus value has been allocated to customer contracts and to brand value. In addition part of the goodwill is related to synergies from operating several entities in a market as well as intangible assets that do not qualify for separate recognition.

Acquired units during 2021	Country	Date	Ownership
Kjelsberg Transport AS	Norway	February 1	100%
GJ & Son AB	Sweden	February 1	100%
Mayer and Krüger (consists of 2 companies)	Germany	April 1	100%
GR Avloppsrensning i Stockholm AB	Sweden	June 1	100%
Malmberg Miljöhantering AB	Sweden	June 1	100%
Ulvby Miljö AB (consists of 3 companies)	Sweden	June 30	100%
Decker Group (consists of 7 companies)	Germany	June 30	100%

Acquired units during 2020	Country	Date	Ownership
Bergen Rørinspeksjon AS	Norway	January 1	100%
LGT:s Högtryck AB	Sweden	January 1	100%
Solna Högtrycksspolning AB	Sweden	September 1	100%
Behne and Falkenhangen (consists of 3 companies)	Germany	September 1	100%
Türpe Group (consists of 8 companies)	Germany	November 1	100%

Purchase consideration	2021	2020
NOK million		
Cash paid	262.5	355.9
Earn-out/Contingent consideration (Fair value estimate at date of acquisition)	31.0	33.1
Seller's credit	–	27.3
Shares issued	8.4	–
<b>Total purchase consideration</b>	<b>301.9</b>	<b>416.2</b>

**NOTE 24 BUSINESS COMBINATIONS, continued.**

Opening balance sheet – Fair value at acquisition date of acquired companies:	2021	2020
NOK million		
Cash	48.4	63.7
Other current assets	59.5	27.1
Other non-current assets	183.2	83.0
Brand	14.4	19.2
Customer relationships	28.9	38.3
<b>Total assets</b>	<b>334.4</b>	<b>231.3</b>
Other current liabilities	78.5	29.7
Other non-current liabilities	127.3	38.9
Deferred tax on excess values	17.2	16.5
<b>Total Liabilities</b>	<b>223.0</b>	<b>85.1</b>
<b>Net identifiable assets</b>	<b>111.4</b>	<b>146.2</b>
Goodwill	190.5	270.0
Cash paid	262.5	355.9
Cash acquired	48.4	63.7
<b>Net cash paid</b>	<b>214.1</b>	<b>292.2</b>

Goodwill consists of synergies from cost savings and the increase in market share. The acquired businesses also include the assembled workforce. These items are not identifiable assets, and are subsumed into goodwill. All purchase price allocations in 2021 are preliminary. Goodwill will not be deductible for tax purposes.

Earn-outs are conditional on the acquired entities reaching certain future financial targets such as revenue, EBITDA and EBITA. The Group accounts for earn-outs at fair value and accrues for based on the likelihood of achieving these targets and the expected future pay-out.

Transaction costs for the year amounted to NOK 8.9 million (NOK 12.4 million), which was recognized under other operating expenses in statement of profit or loss.

**ADDITIONAL FINANCIAL INFORMATION AND PRO-FORMA REVENUE AND PROFIT (LOSS)**

Related to the six acquisitions in 2020 and the seven acquisitions transacted in 2021 presented above, for accounting purposes the Norva24 Group consolidated statements of comprehensive income only include the revenues (and related expenses) as from the date of the acquisition. The first table below presents the revenue and profit (loss) for the acquired companies since their respective acquisition dates in the consolidated accounts for 2020 and 2021. The second table presents the revenue and loss of the combined Norva24 Group for the current reporting period (2021) and (2020) as though the acquisition date for all combinations that occurred during the year had been as of the beginning of the annual reporting period.

Revenue and profit (loss) from acquisition date to 31 December in the acquisition year	2021	2020
NOK million		
Revenue	253.8	112.0
Profit/loss for the period	29.3	15.3
<b>Revenue and profit (loss) from 1 January to 31 december in the acquisition year</b>	<b>2021</b>	<b>2020</b>
NOK million		
Revenue	348.0	354.7
Profit/loss for the period	36.1	55.1



**NOTE 25 SUBSIDIARIES**

Company name	Segment	Corporate ID	Country of Incorporation	Acquisition date	Ownership percentage
Norva24 Group AB (publ)	Corporate	559226-2553	Sweden	2021-06-30	ultimate parent
Norva24 Holding AS	Corporate	914 881 447	Norway	2021-06-30	97%
Norva24 MipCo AB	Corporate	559341-1886	Sweden	2021-12-08	93%
Norva24 AS	Corporate/Norway	914 881 463	Norway	2015-01-09	100%
Spyleteknikk AS	Norway	888 299 092	Norway	2015-04-01	100%
Norva24 Øst AS	Norway	951 141 836	Norway	2015-04-01	100%
Østfold Høytrykk AS	Norway	984 382 286	Norway	2015-09-01	100%
Norva24 Vest AS	Norway	971 057 440	Norway	2015-11-01	100%
Ringerike Septikservice AS	Norway	945 559 705	Norway	2016-05-01	100%
Flagstad AS	Norway	998 326 648	Norway	2016-10-01	100%
Sørmiljø Holding AS	Norway	957 869 513	Norway	2017-06-01	100%
Norva24 Sørmiljø AS	Norway	915 684 092	Norway	2017-06-01	100%
Bergen Rørinspeksjon AS	Norway	989 068 156	Norway	2020-01-01	100%
Kjeldsberg Transport AS	Norway	925 704 458	Norway	2021-02-01	100%
Norva24 Deutschland GmbH	Germany	HRB 153547	Germany	2019-03-01	100%
ExRohr GmbH	Germany	HRB 6052 HL	Germany	2019-03-01	100%
Mertus 642 GmbH	Germany	HRB 119662	Germany	2019-03-01	100%
Mertus 643 GmbH	Germany	HRB 119661	Germany	2019-03-01	100%
Mertus 640 GmbH	Germany		Germany	2019-03-01	100%
Behne Entsorgungsservice GmbH	Germany	HRB 119661	Germany	2020-09-01	100%
Rohrreinigung Falkenhagen GmbH	Germany	HRB 119662	Germany	2020-09-01	100%
Kommunaltechnik Segler GmbH	Germany	HRB 20412 HL	Germany	2020-09-01	100%
Norva24 Erwerbs GmbH	Germany	HRB 119615	Germany	2020-11-01	100%
Kanal-Türpe Gochsheim GmbH & Co. KG	Germany	HRB 895	Germany	2020-11-01	100%
Kanal-Türpe Gochsheim Verwaltungs GmbH	Germany	HRB 5302	Germany	2020-11-01	100%
Kanal-Türpe Blomberg GmbH	Germany	HRB 7822	Germany	2020-11-01	100%
Kanal-Türpe Rohrreinigung GmbH	Germany	HRB 7758	Germany	2020-11-01	100%
Kanal-Türpe Rohrreinigung Kössler Türpe e.K.	Germany	HRA 10085	Germany	2020-11-01	100%
Kanal-Türpe Entsorgung GmbH & Co. KG	Germany	HRB 9850	Germany	2020-11-01	100%
Kanal-Türpe Entsorgung Verwaltungs GmbH	Germany	HRB 7558	Germany	2020-11-01	100%
Kanal-Türpe Koessler GmbH	Germany		Germany	2020-11-01	100%
Mayer Kanalmanagement GmbH	Germany	HRB 7054 FF	Germany	2021-04-01	100%
Krüger Wasserhochdrucktechnik GmbH	Germany	HRB 3274 FF	Germany	2021-04-01	100%
MBR Umwelttechnik + Rohrreinigung GmbH	Germany	HRB 111982	Germany	2021-06-30	100%
AWT Decker Hamburg GmbH	Germany	HRB 112557	Germany	2021-06-30	100%
AWT Decker Berlin GmbH	Germany	HRB 199804 B	Germany	2021-06-30	100%
Norva24 AB	Sweden	559113-9653	Sweden	2017-08-01	100%
A Söderlindhs AB	Sweden	556700-5151	Sweden	2017-08-01	100%
Miljövision Per Göransson AB	Sweden	556360-0484	Sweden	2019-12-01	100%
LGT:s Högtryck AB	Sweden	556335-6285	Sweden	2020-01-01	100%
Solna Högtrycksspolning AB	Sweden	556229-5658	Sweden	2020-09-01	100%
GJ & Son AB	Sweden	556545-1159	Sweden	2021-02-01	100%
G R Avloppsrensning i Stockholm AB	Sweden	556502-5805	Sweden	2021-06-01	100%
Malmberg Miljöhantering AB	Sweden	556292-9322	Sweden	2021-06-01	100%
Ulsby Miljö AB	Sweden	559235-2073	Sweden	2021-06-30	100%
FM Miljö Holding AB	Sweden	559301-9671	Sweden	2021-06-30	100%
Filipstad Miljösanering AB	Sweden	556520-2889	Sweden	2021-06-30	100%
Norva24 Danmark A/S	Denmark	10 206 987	Denmark	2017-01-01	100%

**NOTE 26 GUARANTEES**

The Norva24 Group has operational guarantees related to operational permits, supplier contracts and customer contracts.

Guarantee amounts at 31 December:		
NOK million	2021	2020
Operational guarantees	37.0	28.9
Employee withholding tax guarantees	15.9	15.2
<b>Total</b>	<b>52.8</b>	<b>44.1</b>

**NOTE 27 SUBSEQUENT EVENTS****ACQUISITIONS IN 2022**

- Norva24 has on 5 April 2022, acquired 100 percent of the shares in IRG Rörinspektion AB ("IRG"). The acquisition is strategically important for Norva24's work to develop new technological solutions within IoT, sensor technology and digital monitoring. With IRG, Norva24 gains access to a well-functioning technological solution for monitoring of underground infrastructure, advanced pipe inspection and flow measurement services, as well as inflow and infiltration (I&I) inspections. In 2021, IRG's revenue amounted to SEK 36 million. The company is primarily operative in the Gothenburg region and has around 30 employees, with the Headquarter in Kungsbacka and a branch in Ljungkile. The acquisition is financed with internal funds and through a rights issue of 208,719 shares to the sellers of IRG, corresponding to an amount of SEK 4,500,000.
- Norva24 has on 13 April 2022 acquired 100 percent of the shares in Rohr Frei Schnelldienst Axel Zimmerbeutel GmbH ("Zimmerbeutel"). Zimmerbeutel offers pipe services, emptying services and pressure washing. Zimmerbeutel is based in the city of Wuppertal in the Rhein/Ruhr metropolitan region. The acquisition supports Norva24's strategy to expand its regional coverage. Zimmerbeutel is the first Norva24 company in the Rhein/Ruhr metropolitan region and will serve as a platform for the future development of Norva24 activities in the region. Zimmerbeutel has more than 25 years of experience in the industry and generated sales of more than NOK 40 million (EUR 4 million in 2020).



# Notes to the Parent Company financial statements

## NOTE 1 GENERAL INFORMATION

The reporting entity reflected in these consolidated financial statements comprises Norva24 Group AB (publ), corporate registration number 559226-2553 is a Swedish entity domiciled in Stockholm, Sweden. The financial statements are presented in million Swedish Kronor (SEK million) unless otherwise stated. Information in parentheses refers to the comparison period. During 2021, the company have changed its financial year to harmonate with the rest of the Group, giving a financial year of 16 months from 1.9.2020 to 31.12.2021. Financial year of 2020 runs from the establishment of the company 11.11.2019 until 31.08.2021.

## NOTE 2 SUMMARY OF IMPORTANT ACCOUNTING PRINCIPLES

This note contains a listing of the material accounting principles applied in the preparation of this historical financial information. These principles have been applied consistently for all periods presented, unless otherwise stated. The parent company applies the accounting principles of the group as described in note 3 of the consolidated financial statements. The most important accounting principles applied in the preparation of this historical financial information are listed below. The financial statements of Norva24 Group AB (publ) are prepared in accordance with RFR 2 *Accounting for legal entities* and the *Annual Accounts Act*. The historical information has been prepared according to the acquisition value method.

### SHARES IN SUBSIDIARIES

Shares in subsidiaries are reported at acquisition value after deductions for any impairment. The acquisition value includes acquisition-related costs. When there is an indication that shares in subsidiaries have decreased in value, a calculation is made of the recoverable amount. If this is lower than the carrying amount, an impairment is made. Impairment losses are reported in the item "Profit from shares in Group companies".

### SHARE CAPITAL

Ordinary shares are classified as equity. Transaction costs that can be directly attributed to the issue of new shares or options are reported, net after tax, in equity as a deduction from the issue proceeds.

### PRESENTATION

The income statement and balance sheet follow the format of the *Annual Accounts Act*. The statement of changes in equity follows the presentation format of the Group but must contain the columns specified in the *Annual Accounts Act*. Furthermore, that means a difference in names, compared with the consolidated accounts, mainly regarding financial income, expenses and equity.

### FINANCIAL INSTRUMENTS

IFRS 9 is not applied in Norva24 Group AB (publ). Norva24 Group AB (publ) instead applies the points specified in RFR 2 (*IFRS 9 Financial Instruments*, p. 3-10). Financial instruments are measured

based on acquisition value. In subsequent periods, financial assets acquired with the intention of being held in the short term will be reported at the lower of acquisition value and market value. When calculating the net sales value of receivables that are reported as current assets, the principles for impairment testing and loss risk reserve in IFRS 9 shall be applied. For a receivable that is reported at amortized cost at Group level, this means that the loss risk reserve that is reported in the Group in accordance with IFRS 9 will also be recognized in the Parent company.

## NOTE 3 RELATED PARTY TRANSACTIONS

### Loan to shareholders

SEK million	2021	2020
At the beginning of the period	0.1	0.1
Amortized amounts	–	–
Interest expenses	–	–
Paid interest	–	–
<b>At the end of the period</b>	<b>0.1</b>	<b>0.1</b>

### Non-current loan to subsidiaries

SEK million	2021	2020
At the beginning of the period	–	–
New loan issue	879.1	–
Amortized amounts	–	–
Interest expenses	0.7	–
Paid interest	–	–
<b>At the end of the period</b>	<b>879.8</b>	<b>–</b>

### Current loan to subsidiaries

SEK million	2021	2020
At the beginning of the period	–	–
New loan issue	11.1	–
Amortized amounts	–	–
Interest expenses	0.2	–
Paid interest	–	–
<b>At the end of the period</b>	<b>11.3</b>	<b>–</b>

The Parent company has no provisions for doubtful receivables attributable to related parties. The Parent company did not report any costs regarding doubtful receivables from related parties during the period. No security is provided for the receivables.



## NOTE 4 SUBSIDIARIES

Subsidiaries	Corporate registration number	Domicile and country of registration and operations	Ownership- and voting percentage	Number of shares	Carrying amount 01.09.2020	Carrying amount 31.12.2021
Norva24 Holding AS	914 881 447	Stryn, Norway	97%	1.0	0.0	2,881.7

Shares in Norva24 Holding AS was provided as a contribution of kind as part of new parent company share swap

## NOTE 5 OTHER OPERATING EXPENSES

Specification of other operating expenses SEK million	Full year 2021	Full year 2020
Legal, audit and consultancy fees	30.1	–
Miscellaneous office expenses	1.1	–
Other	0.0	–
<b>Total</b>	<b>31.2</b>	<b>–</b>

Specification of fees paid to auditors SEK million	Full year 2021	Full year 2020
Audit	0.4	–
Other audit-related services	1.1	–
Tax consultancy services	8.1	–
Other consultancy services	9.5	–
<b>Total</b>	<b>19.1</b>	<b>–</b>

## NOTE 6 FINANCIAL ITEMS

Specification of financial items SEK million	2021	2020
Interest income on loans to subsidiaries	0.9	–
Currency exchange gain	–	–
Other financial income	–	–
<b>Financial income</b>	<b>0.9</b>	<b>–</b>
Interest cost on loans from subsidiaries	–0.0	–
Currency exchange loss	–0.0	–
Other financial expenses	–0.0	–
<b>Financial expenses</b>	<b>–0.0</b>	<b>–</b>
<b>Net financial items</b>	<b>0.9</b>	<b>–</b>



**NOTE 7 TAXES**

Calculation of deferred tax/ deferred tax benefit SEK million	Dec 31, 2021	Aug 31, 2020
<i>Temporary differences</i>		
Tax losses carried forward	80.9	–
<b>Basis for deferred tax (asset)</b>	<b>80.9</b>	<b>–</b>
Deferred tax (asset)	16.7	–
Deferred tax asset not recognised in the balance sheet	–	–
<b>Deferred tax asset in the balance sheet</b>	<b>16.7</b>	<b>–</b>
<b>Deferred tax in the balance sheet</b>	<b>16.7</b>	<b>–</b>

Basis for income tax expense, changes in deferred tax and tax payable SEK million	Full year 2021	Full year 2020
Result before taxes	–30.3	–
Permanent differences	111.2	–
<b>Basis for income tax expense</b>	<b>80.9</b>	<b>–</b>
Change in deferred tax (asset)	16.7	–
<b>Tax expense</b>	<b>16.7</b>	<b>–</b>

**NOTE 8 OTHER CURRENT RECEIVABLES**

Specification of other current receivables SEK million	Dec 31, 2021	Aug 31, 2020
Current intercompany receivables	11.3	–
Other current receivables	52.3	0.1
<b>Total</b>	<b>63.6</b>	<b>0.1</b>

**NOTE 9 OTHER CURRENT LIABILITIES**

Specification of other current liabilities SEK million	Dec 31, 2021	Aug 31, 2020
Accrued expenses	42.5	–
Other	13.9	–
<b>Total</b>	<b>56.5</b>	<b>–</b>



# Signatures of the Board of Directors

The Board of Directors and the CEO certify that the consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the EU and provide a true and fair view of the financial position and performance of the Group. The annual report was prepared in accordance with generally accepted accounting principles and provides a true and fair view of the Parent Company's financial position and performance. The Administration Report for the Group and Parent Company gives a true and fair view of the Parent Company's and the Group's operations, financial position and performance, and describes significant risks and uncertainties faced by the Parent Company and the companies in the Group.

Board of Directors and CEO of Norva24 Group AB

Stockholm, April 25, 2022

Vidar Meum  
Chairman

Allan Engström  
Board member

Arild Bødal  
Board member

Einar Nornes  
Board member

Mats Lönnqvist  
Board member

Linus Lundmark  
Board member

Monica Reib  
Board member

Terje Bøvelstad  
Board member

Ulrika Östlund  
Board member

Henrik Damgaard  
CEO

Our audit report was submitted on 25 april 2022

Öhrlings PricewaterhouseCoopers AB

Nicklas Kullberg  
Authorised Public Accountant



## Three-year summary

THREE-YEAR SUMMARY			
NOK million	2021	2020	2019
Revenue from customer contracts	2,006.3	1,512.4	1,279.2
Other operating revenue	19.0	10.1	8.3
<b>Total operating revenue</b>	<b>2,025.2</b>	<b>1,522.5</b>	<b>1,287.5</b>
<b>Operating expenses</b>			
Operational service expenses	-220.4	-173.7	155.4
Personnel expenses	-879.3	-672.6	567.9
Vehicle operating expenses	-288.1	-191.1	189.7
Other operating expenses	-246.7	-143.3	130.4
Other gains	40.3	-	-
<b>Total operating expenses</b>	<b>-1,594.2</b>	<b>-1,180.8</b>	<b>1,043.5</b>
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>	<b>431.0</b>	<b>341.8</b>	<b>244.0</b>
Total depreciation	-209.6	-145.6	-105.5
<b>Earnings before interest, taxes and amortization (EBITA)</b>	<b>221.5</b>	<b>196.2</b>	<b>138.5</b>
Total amortization	-28.0	-17.0	-9.3
<b>Earnings before interest and taxes (EBIT)</b>	<b>193.5</b>	<b>179.2</b>	<b>129.3</b>
<b>Financial items</b>			
Financial income	9.6	23.6	9.4
Financial expenses	-123.0	-57.4	-55.4
<b>Net financial items</b>	<b>-113.4</b>	<b>-33.9</b>	<b>-45.9</b>
<b>Profit before income tax (EBT)</b>	<b>80.2</b>	<b>145.3</b>	<b>83.2</b>
Income tax expense	5.8	-33.3	-25.0
<b>Profit for the period</b>	<b>86.0</b>	<b>112.0</b>	<b>58.2</b>
<b>Profit attributable to Owners of the parent company</b>	<b>257.7</b>	<b>211.9</b>	<b>143.6</b>
	<b>12.7%</b>	<b>13.9%</b>	<b>11.2%</b>



QUARTERLY DATA FOR THE CONSOLIDATED GROUP								
NOK million	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
<b>Total operating revenue</b>	<b>344.8</b>	<b>363.5</b>	<b>368.5</b>	<b>445.7</b>	<b>408.9</b>	<b>486.5</b>	<b>541.0</b>	<b>588.9</b>
<b>EBITDA</b>	<b>64.8</b>	<b>89.0</b>	<b>92.5</b>	<b>95.6</b>	<b>75.3</b>	<b>101.8</b>	<b>117.8</b>	<b>136.2</b>
<b>EBITA</b>	<b>34.1</b>	<b>53.3</b>	<b>56.4</b>	<b>52.4</b>	<b>26.7</b>	<b>50.1</b>	<b>61.8</b>	<b>82.8</b>
<b>EBIT</b>	<b>30.2</b>	<b>49.7</b>	<b>52.4</b>	<b>46.9</b>	<b>20.3</b>	<b>43.0</b>	<b>54.6</b>	<b>75.6</b>
<b>Adjusted EBITA</b>	<b>35.1</b>	<b>55.4</b>	<b>58.5</b>	<b>62.9</b>	<b>33.2</b>	<b>69.9</b>	<b>72.5</b>	<b>82.0</b>
<b>Adjusted EBITA margin</b>	<b>10.2%</b>	<b>15.2%</b>	<b>15.9%</b>	<b>14.1%</b>	<b>8.1%</b>	<b>14.4%</b>	<b>13.4%</b>	<b>13.9%</b>
<b>Total operating revenue</b>								
Norway	170.2	181.2	187.6	199.6	174.6	202.5	203.8	220.5
Germany	58.2	57.6	59.7	109.6	117.4	148.8	182.5	197.7
Sweden	44.0	45.8	41.8	60.7	51.8	67.7	87.3	99.8
Denmark	72.4	78.8	79.3	75.8	66.2	66.3	67.5	70.9
Corporate	-	-	-	0.0	-1.2	1.2	-	-
Group	344.8	363.5	368.5	445.8	408.9	486.5	541.0	588.9
<b>Adjusted EBITA</b>								
Norway	20.8	36.6	40.5	42.1	16.0	47.4	28.6	34.2
Germany	13.3	14.0	14.5	16.6	25.7	22.5	34.9	36.0
Sweden	11.7	10.9	5.7	12.4	3.0	14.9	11.3	10.3
Denmark	-3.8	-1.0	4.3	-1.0	-5.1	-8.3	3.3	3.7
Corporate	-7.0	-5.1	-6.5	-7.3	-6.4	-6.6	-5.6	-2.3
Group	35.0	55.4	58.6	62.8	33.3	69.9	72.5	82.0
<b>Adjusted EBITA margin</b>								
Norway	12.2%	20.2%	21.6%	21.1%	9.2%	23.4%	14.0%	15.5%
Germany	22.9%	24.3%	24.2%	15.1%	21.9%	15.1%	19.1%	18.2%
Sweden	26.7%	23.7%	13.7%	20.4%	5.8%	22.0%	13.0%	10.4%
Denmark	-5.3%	-1.2%	5.5%	-1.4%	-7.6%	-12.5%	4.9%	5.3%
Corporate	n.m	n.m	n.m	n.m	n.m	n.m	n.m	n.m
Group	10.2%	15.3%	15.9%	14.1%	8.1%	14.4%	13.4%	13.9%





# Key performance indicators

## KEY FIGURES TO THE CONSOLIDATED FINANCIAL STATEMENT

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

Line ID	NOK million	Source	Calculation	2021	2020
A	Total operating revenue	P&L		2,025.2	1,522.5
	Profit/(Loss) for the period	P&L		86.0	112.0
	Earnings per share (basic and diluted), NOK	P&L		0.81	1.87
	Average number of ordinary shares outstanding			64,165,959	39,600,347
	Growth in total revenue, %			32.9	18.3
	Organic growth in total operating revenue, %			0.7	1.7
	Acquired growth in total operating revenue, %			32.1	16.6
B	Total operating expenses	P&L		1,594.2	1,180.8
C	EBITDA (earnings before interest, taxes, depreciation, amortization and impairment)		C=A-B	431.0	341.8
	EBITDA margin, %		C/A	21.3	22.4
D	Depreciation of tangible assets (PPE and leasing right-of-use assets)	Note 11 + Note 12		209.6	145.6
E	EBITA		E=C-D	221.5	196.2
	EBITA margin, %		E/A	10.9	12.9
F	Depreciation and amortization of tangible and intangible assets	P&L		237.5	162.6
G	EBIT		G=C-F	193.5	179.2
	EBIT margin, %		G/A	9.6	11.8
H	Non-recurring items, expenses			30.8	15.7
H2	Non-recurring items, depreciation and amortization			5.4	0.0
I	Adjusted EBITDA		I=C+H	461.8	357.5
	Adjusted EBITDA margin, %		I/A	22.8	23.5
J	Adjusted EBITA		J=E+H+H2	257.7	211.9
	Adjusted EBITA margin, %		J/A	12.7	13.9
K	Adjusted EBIT		K=G+H+H2	229.7	194.9
	Adjusted EBIT margin, %		K/A	11.3	12.8
L	Leasing payments	Note 11		163.4	137.4
M	Capital expenditures (additions less disposals)	Note 12		65.2	20.7
N	Cash capital expenditures		N=L+M	228.6	158.1
O	Cash EBITA		O=C-N	202.5	183.7
P	Adjusted cash EBITA		P=I-N	233.2	199.4
	Adjusted cash EBITA margin, %		P/A	11.5	13.1
Q	Net cash inflow from operating activities	Cash flow Statement		337.4	353.8
R	Cash conversion, %		Q/I	73.1	99.0



## Balance sheet key financials

Line ID	NOK million	Source	Calculation	31-12-2021	31-12-2020
AA	Non-current and current loans	Financial position		325.3	870.2
AB	Non-current and current lease liabilities	Financial position		698.7	556.4
AC	Cash and cash equivalents	Financial position		260.4	180.9
AD	Net debt		AD=AA+AB-AC	763.6	1,245.6
AE	Net debt/adjusted EBITDA LTM*		AE=AD/I	1.7	3.5
BA	Inventories	Financial position		10.8	2.7
BB	Accounts receivable	Financial position		281.4	238.8
BC	Other current receivables	Financial position		171.2	60.8
BD	Accounts payable	Financial position		144.2	86.5
BE	Other current payables	Financial position		378.6	217.3
BF	Net working capital		BF= BA+BB+BC-BD-BE	-59.3	-1.5
BG	Net working capital/LTM total revenue, %		BG=BF/A	-2.9	-0.1
CA	Total assets	Financial position		3,225.1	2,544.5
CB	Current liabilities	Financial position		764.8	567.3
CC	Capital employed		CC=CA-CB	2,460.3	1,977.2
CD	Return on capital employed, %		CD=G(LTM)/CC	7.9	9.1

\* LTM – Last twelve months



## Segment key performance indicators

SEGMENT KEY PERFORMANCE INDICATORS		
NOK million	Full year 2021	Full year 2020
<b>Segment total operating revenue</b>		
Norway	801.5	738.6
Germany	646.3	285.2
Sweden	306.6	192.2
Denmark	270.8	306.4
<b>Total operating revenue</b>	<b>2,025.2</b>	<b>1,522.5</b>
<b>Segment EBITDA</b>		
Norway	203.4	203.8
Germany	163.9	68.0
Sweden	69.4	57.4
Denmark	72.1	41.8
Corporate & other	-77.8	-29.2
<b>Total EBITDA</b>	<b>431.0</b>	<b>341.7</b>
<b>Segment EBITDA margin, %</b>		
Norway	25.4	27.6
Germany	25.4	23.8
Sweden	22.6	29.8
Denmark	26.6	13.6
<b>Norva24 Group</b>	<b>21.3</b>	<b>22.4</b>
<b>Segment adjusted EBITDA</b>		
Norway	204.7	204.7
Germany	174.0	78.6
Sweden	72.2	58.3
Denmark	31.9	41.8
Corporate & other	-20.9	-25.8
<b>Total adjusted EBITDA</b>	<b>461.8</b>	<b>357.4</b>
<b>Segment adjusted EBITDA margin, %</b>		
Norway	25.5	27.7
Germany	26.9	27.5
Sweden	23.5	30.3
Denmark	11.8	13.6
<b>Norva24 Group</b>	<b>22.8</b>	<b>23.5</b>



NOK million	Full year 2021	Full year 2020
<b>Segment EBITA</b>		
Norway	122.4	139.2
Germany	108.2	47.8
Sweden	36.3	39.8
Denmark	32.3	-1.5
Corporate & other	-77.8	-29.2
<b>Total EBITA</b>	<b>221.5</b>	<b>196.2</b>
<b>Segment EBITA margin, %</b>		
Norway	15.3	18.9
Germany	16.7	16.8
Sweden	11.9	20.7
Denmark	11.9	-0.5
<b>Norva24 Group</b>	<b>10.9</b>	<b>12.9</b>
<b>Segment adjusted EBITA</b>		
Norway	126.2	140.1
Germany	119.1	58.4
Sweden	39.6	40.7
Denmark	-6.3	-1.5
Corporate & other	-20.9	-25.8
<b>Total adjusted EBITA</b>	<b>257.7</b>	<b>211.9</b>
<b>Segment adjusted EBITA margin, %</b>		
Norway	15.7	19.0
Germany	18.4	20.5
Sweden	12.9	21.2
Denmark	-2.3	-0.5
<b>Norva24 Group</b>	<b>12.7</b>	<b>13.9</b>





# Auditor's report

To the general meeting of the shareholders of Norva24 Group AB (publ), corporate identity number 559226-2553

## REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

### Opinions

We have audited the annual accounts and consolidated accounts of Norva24 Group AB (publ) for the fiscal year 2020-09-01-2021-12-31 regarding the parent company, and 2021-01-01-2021-12-31 regarding the group, except for the corporate governance statement on pages 64-73.

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 31 December 2021 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 31 December 2021 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 Act. Our opinions do not cover the corporate governance statement on pages 64-73. 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 adopt the statement of profit and loss and the financial position for the parent company and the group.

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 Board of Directors 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.

### 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 provide 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.

- *The Group's materiality:* 17.9 MSEK
- *How we determined it:* The materiality was based on approximately 1% of the Group's turnover
- *The reasons for electing the materiality:* We have chosen this methodology to determine the materiality as it, in our opinion, is the most relevant measure according to which the Group's development is most often measured. The level of approximately 1 percent is considered to be an acceptable quantitative materiality threshold in auditing.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above 895 KSEK as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

### 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.

### Revenue recognition:

We refer to notes 3 *Significant accounting principles* and 6 *Revenue from customer contracts*.

The Group's recognized turnover amounted to approximately 2,006 MNOK in 2021. The sales consist of UIM services and are recognized as revenue over time.



The performance obligations are usually fulfilled on the same day as the service is performed. For longer commitments, successive profit recognition calculated on the number of working hours in relation to the total expected number of working hours is applied.

Revenue recognition is considered a key audit matter due to the entry's size and significance to the Group's stakeholders.

The identified risks are that revenue transactions do not exist or are recognized in the correct period in accordance with customer contracts.

In our audit we have mapped the company's routines and processes relating to invoicing and revenue recognition in order to understand how they work and potential errors that might occur. This mapping was done so that we can determine appropriate audit procedures.

Our audit approach includes for example:

- Review compliance with the Group's accounting principles.
- Analysis of revenues and gross profit margins during the year compared to previous year.
- Obtain customer invoices and proof of payments through sample testing to ensure that revenues and accounts receivables exist and are recognized in the correct period.

The result of these procedures has not given rise to any significant observations in the audit.

### Valuation of goodwill regarding Denmark

We refer to notes 3 *Significant accounting principles* and 10 *Intangible assets and goodwill*.

The management has conducted an impairment test on the Group's goodwill divided into the four geographical segments which constitute the cash-generating units as of 2021-12-31. The impairment tests are based on the budgets for year 2022 and a terminal growth rate of 2 %, but with adapted discount rates for each cash-generating unit.

Management has prepared a sensitivity test per cash-generating unit with a -2 % decreased terminal growth rate and a +2 % increased WACC. No need for impairment was identified.

The valuation of goodwill is seen as a key matter since it is based on significant management assumptions.

Identified risks are as follows:

- that there is a need for impairment of goodwill related to the Danish segment if its performance does not correspond to expectations.
- that significant management assumptions and estimates used in the impairment are not reasonable.

When reviewing the assumptions, as presented in note 10, we have performed following audit procedures in order to confirm valuation:

- Involve PwC's valuation specialists to test management's assumptions and calculation of WACC as well as confirm the impairment tests' IFRS compliance.
- Test the sensitivity of the valuation for negative changes to significant parameters.
- Review the budgets in relation to forecasts and with our knowledge regarding Norva24 Group's growth and margins.

The result of these procedures has not given rise to any significant observations in the audit.

## 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 2-57 and 118-123. 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 Norva24 Group AB (publ) for the year 2021 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 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.

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 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.

### THE AUDITOR'S EXAMINATION OF THE ESEF REPORT

#### Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Norva24 Group (publ) for the financial year 2021.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report #[checksum] has been prepared in a format that, in all material respects, enables uniform electronic reporting.

#### Basis for Opinions

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Norva24 Group AB (publ) 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 evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Board of Directors and the Managing Director are responsible for ensuring that the Esef report has been prepared in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

#### Auditor's responsibility

Our responsibility is to form an opinion with reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of



the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The reasonable assurance engagement involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The reasonable assurance engagement also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a technical validation of the Esef report, i.e. if the file containing the Esef report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, statement of financial position, statement of changes in equity and the statement of cash flow.

### The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 64-73 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is 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.

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

Öhrlings PricewaterhouseCoopers AB, Torsgatan 21, 113 97 Stockholm, was appointed auditor of Norva24 Group AB (publ) by the general meeting of the shareholders on 31 May 2021 and has been the company's auditor since that date.

Stockholm 25 April 2022

Öhrlings PricewaterhouseCoopers AB  
Nicklas Kullberg  
Authorized Public Accountant





# Definitions

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



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





## Other information

### ANNUAL GENERAL MEETING

Annual General Meeting to be held on Tuesday, May 31, 2022.

The Board of Directors has decided that the Annual General Meeting should be conducted without the physical presence of shareholders, representatives or third parties and that the shareholders before the meeting should be able to exercise their voting rights only by post. Information on the resolutions passed at the meeting will be disclosed on Tuesday, May 31, 2022, as soon as the outcome of the postal voting has been finally confirmed.

### CONTACT INFORMATION

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### FINANCIAL CALENDAR

Annual report 2021  
Interim report January-March 2022  
Annual General Meeting 2022  
Interim report January-June 2022

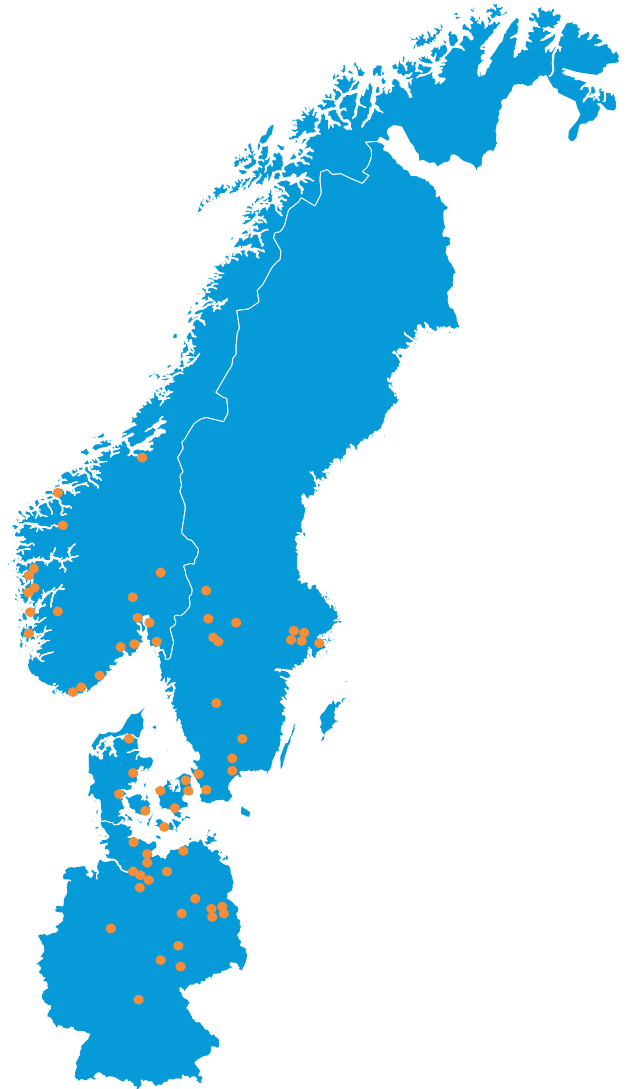
April 25, 2022  
May 31, 2022  
May 31, 2022  
August 24, 2022





ALWAYS HERE  
TO HELP!

**NORVA**<sup>24</sup>



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