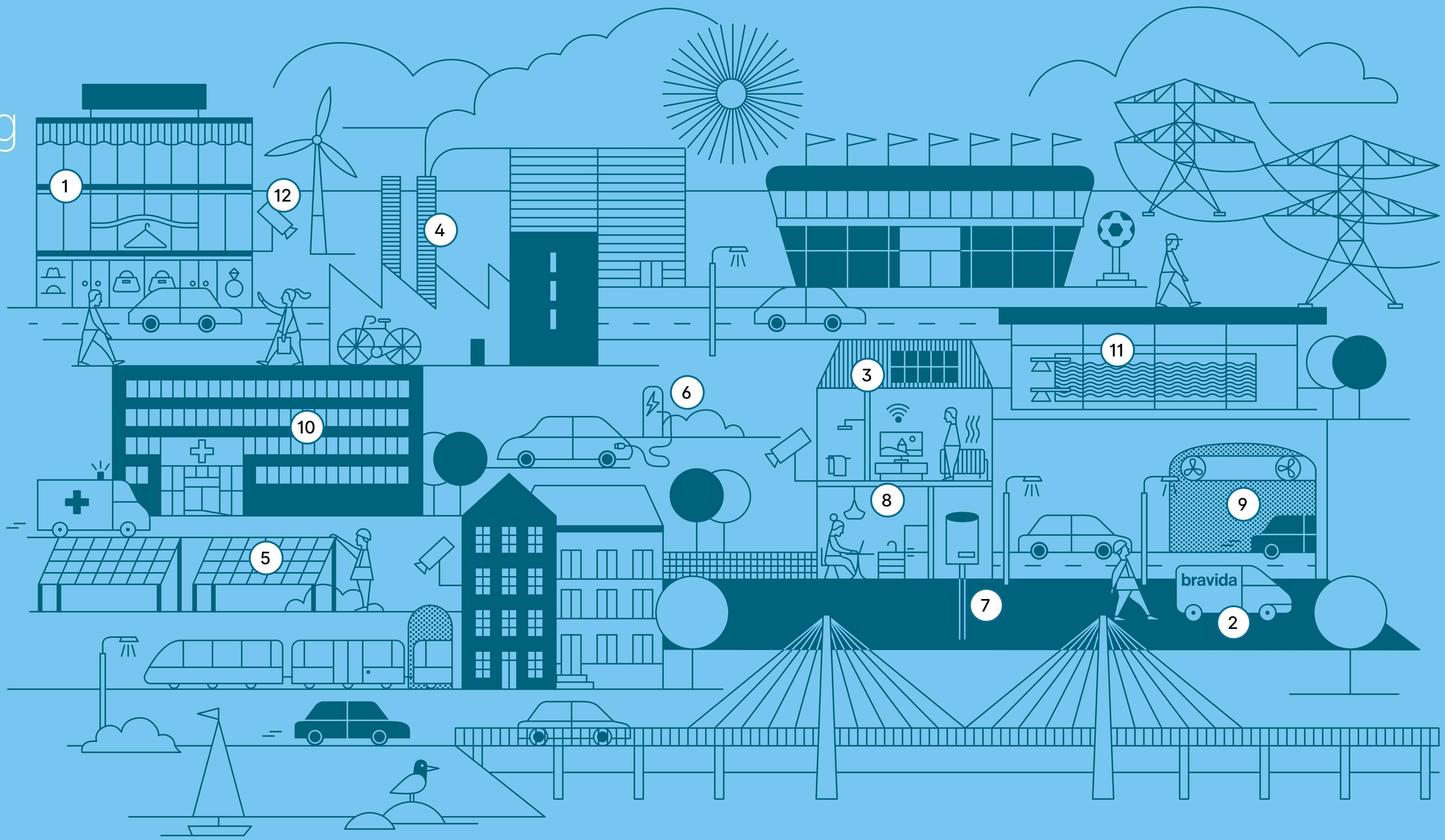
Annual Report and Sustainability Report 2021

We bring buildings to life.

Well-functioning environments where people can live sustainably



Bravida provides all the technical functions that bring buildings to life. Through well-functioning and resource-efficient properties, we want to help our customers make the transition to a more sustainable society. Here are some examples of how we contribute.

1. Automation makes for energy-efficient buildings
With automation, we create efficient control and regulation of technical systems in buildings and industries. The goal is optimal reliability and use of resources.

2. Technical Facility Management – effective property management
A modern building has many installations that need to operate energy efficiently and without interruption. For larger customers, Bravida can take full responsibility for maintenance, with a focus on technical services.

3. Well-functioning housing and facilities where people thrive
Bravida ensures that homes function properly – throughout the entire lifecycle of the property. We take care of electricity, HVAC, but also energy recovery, elevators, computer networks and fire and security systems.

4. Energy efficient industry
Bravida offers technology solutions for industries, including installation, maintenance and energy efficiency. We have extensive experience from installation assignments in industrial environments with ongoing production.

5. Solar panels for everyone
Interest in renewable energy has grown significantly in recent years. Bravida helps both private customers and companies with the installation and service of solar energy systems.

6. Comprehensive solution for electric car charging
Electric cars are growing in number – so good charging facilities are needed. Bravida offers property owners, businesses and private individuals convenient and safe charging solutions for vehicles.

7. Geothermal heating provides energy-efficient heating
We install geothermal heating systems that utilise the stable temperature of groundwater to produce heating and hot water.

8. Simple energy improvements in buildings
Our service technicians will help you, the customer, to identify simple energy-saving measures. For example, replacing old heat pumps, water taps, ventilation units or lighting with new energy-efficient alternatives.

9. Future infrastructure projects
Bravida works with electrical, ventilation and sprinkler systems in large infrastructure projects, including road tunnels and above-ground and underground railway technology.

10. Service-reliable hospitals
Hospitals are examples of buildings with some of the highest concentrations of installations. Bravida ensures that the technical systems interact and meet high standards of security and functionality.

11. Smart energy recovery
Process cooling, for example in an ice rink, generates heat. We help customers reuse heat – for example, to heat swimming pools or homes.

12. Secure security systems
We offer security systems and integrated end-to-end solutions for entry control, video surveillance, burglary and fire protection.

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Peter Cederling (pages 30, 34, 51, 66–67)
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The Annual Report is prepared in Swedish and translated into English. Should differences occur between the Swedish Annual Report and the English translation, the Swedish version shall prevail.

Bravida 2021

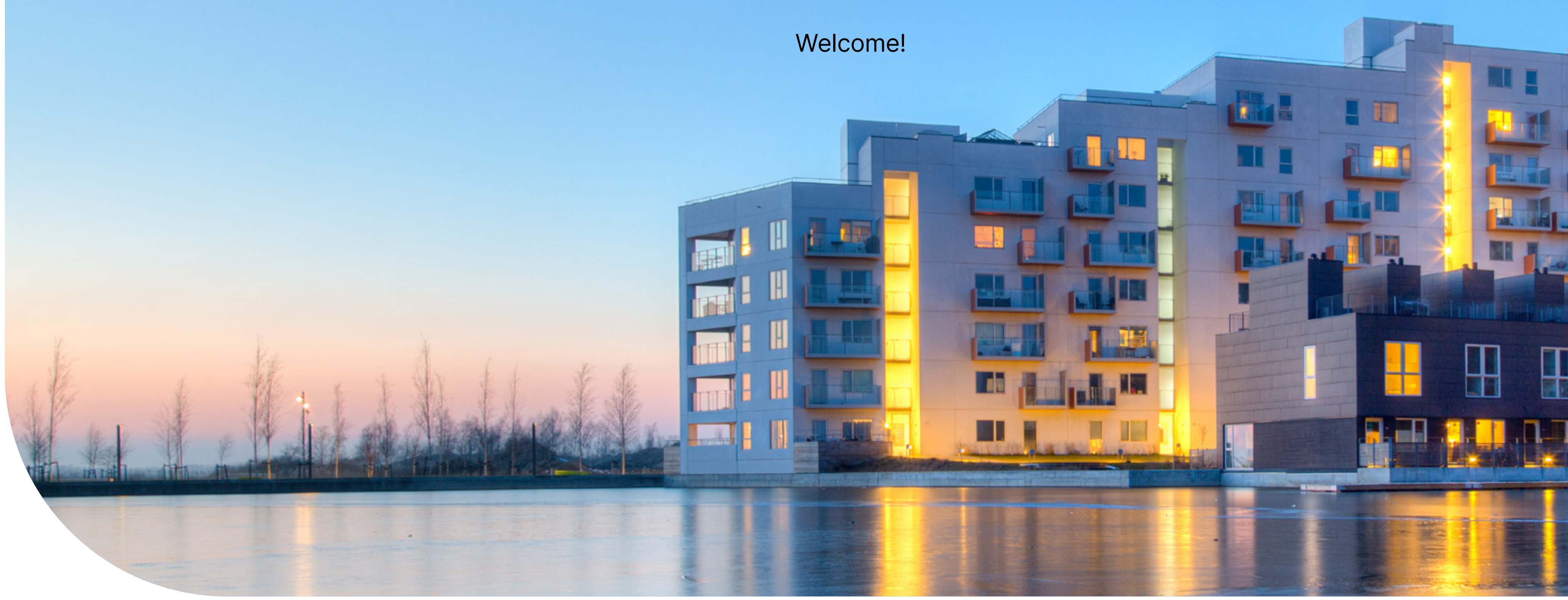
Good today – even better tomorrow

Society is changing and Bravida is a part of the change. We are the Nordic region's leading provider of climate-smart end-to-end solutions for electrical systems, heating and plumbing, ventilation and other technical functions in buildings and facilities.

We help clients create well-functioning environments where people thrive and can live sustainably. Our long-term goal is to be carbon-neutral throughout our value chain by 2045, so that our customers can be as well.

Bravida has 12,000 employees and branches in 172 locations across the Nordics, with annual sales of SEK 22 billion. Bravida shares are listed on the Nasdaq OMX Large Cap in Stockholm.

Welcome!



Ørestad, Denmark. Photo: Oliver Foerstner/Shutterstock.com

This is Bravida

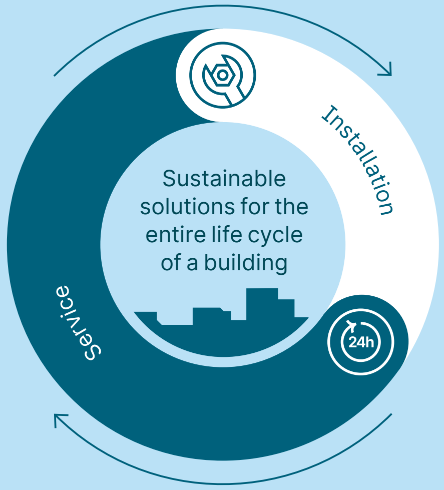
Bravida is the Nordic region's leading provider of end-to-end solutions for the service and installation of electrical, heating and plumbing, security and other technical functions in buildings and facilities.

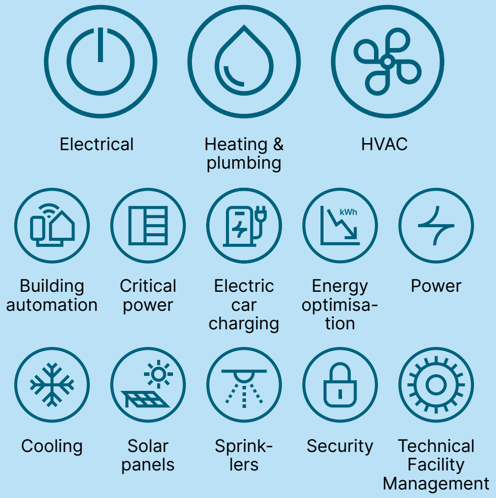
What we do

Bravida helps customers create climate-smart technical solutions for buildings and facilities. We ensure the technology functions cohesively throughout the life cycle of the property – planning, installation and service. We bring buildings to life.

Breakdown by technical area

- 44% Electrical
- 30% Heating & plumbing
- 17% HVAC
- 9% Other

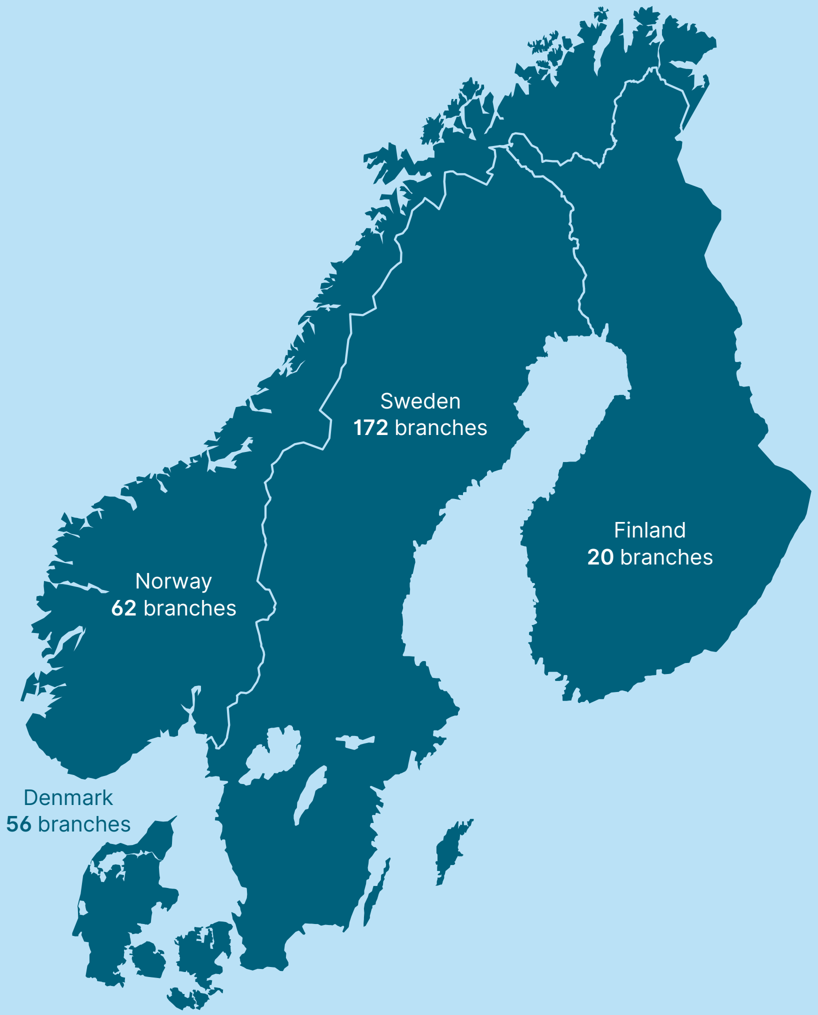




47%	53%
Service	**Installation**

Our locations

Local presence and proximity to customers are crucial to Bravida's business. Customers can find us in 172 locations in Sweden, Norway, Denmark and Finland.



12,000
Employees

Our vision

Bravida helps customers develop the full potential of their properties. Through service and installation, we bring buildings to life – and lead the way towards a sustainable and resilient society.

How we help our customers

Bravida helps customers make their properties better and more cost- and resource-efficient. Our technological solutions are energy-efficient and long-lasting. Through regular maintenance, we ensure everything works as intended – 24/7, all year round.

Customer groups

- 37% Construction companies
- 18% Other commercial
- 16% Public sector
- 12% Industry
- 14% Real estate agencies
- 3% Private individuals

Sales by project size

- 13% > SEK 50 million
- 20% SEK 10–50 million
- 26% SEK 1–10 million
- 41% SEK 0–1 million

24/7	65,000
365 days a year	Customers

The types of facilities we mainly work on

16%	18%	12%	11%	8%	7%
Apartment buildings, of which new-builds 8%	Industry	Offices	Health and social care	Education	Infrastructure

Over a third of the Nordic countries' carbon emissions come from the construction and real estate sector *

Living sustainably is one of the greatest challenges of our time. The places where everyday life is happening currently account for a large part of the world's climate and environmental impact. Homes, workplaces, schools, hospitals, shops and transport – they all have an impact. But that also means that good buildings can make a difference. That's why Bravida exists.

With comprehensive service and installation solutions, we help our customers create well-functioning buildings in which people thrive and can live sustainably. Our size and commitment allow us to lead the way in our industry.

Read more about it in Bravida's Sustainability Report on page 45.

2030

-55%

Through our services, we aim to help customers cut emissions by 55% by 2030, compared to 2020 levels.

2045

$CO_2 = 0$

The long-term goal is to be carbon-neutral throughout our value chain by 2045, so that our customers can be as well.

*Source: Nordic Council of Ministers

How Bravida contributes to the UN's Sustainable Development Goals

Climate impact, energy and use of resources

We help customers reduce their environmental and carbon footprint

- Regular service
- New energy solutions
- Simple energy improvements
- Building automation
- Energy optimisation
- Sustainable material choices

We are transitioning our own operations

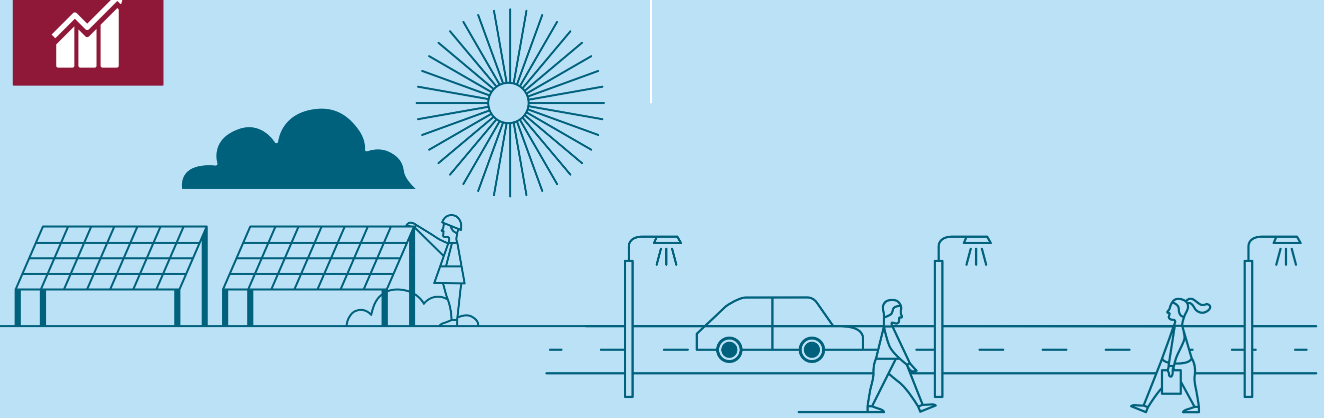
- We are switching to renewable electricity in the properties we rent
- Switching to climate-smart transport and fossil-free fuels
- We improve materials use, waste management and recycling

Social responsibility

- We're building a team in which employees feel safe, thrive and develop
- We put health and safety first
- We invest in leadership and diversity

Conduct and supply chain

- We train all employees in sustainability and our Code of Conduct
- We improve the qualification and assessment of our suppliers



The year in brief

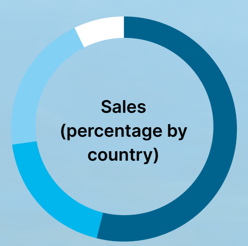
The year 2021 was also a pandemic year. In spite of this, Bravida achieved its best ever earnings, ending the year with sales of SEK 21.9 billion, an EBITA margin of 6.9% and a record volume of orders.

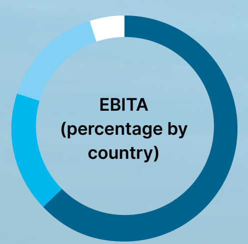
+3%
Sales growth

83%
Cash conversion

6.9%
EBITA margin

SEK 5.64
Earnings per share





Important events in 2021

New sustainability strategy
In 2021, Bravida launched a new sustainability strategy and new sustainability targets. During the year, we stepped up our efforts to make our own operations and those of our customers more sustainable.

2
New business areas in 2021
During the year, two new business areas were launched in Bravida: Technical Facility Management and Building Automation.

5.64
Earnings per share in 2021
In 2021, Bravida delivered its best ever earnings per share: SEK 5.64.

20
2021 Acquisitions
During the year, 20 acquisitions were made with a total turnover of SEK 1,052 million. Among other things, we acquired three companies in our new Building Automation business area.

8.4
Lowest ever occupational injury rate
In 2021, the Lost Time Injury Frequency Rate (LTIFR) decreased to 8.4 (8.6), a substantial reduction of two percent compared to 2020.

20%
2021 volume of orders
During the year, the order book grew by 20% compared to 2020. At the same time, order intake increased by 20%.

+17%
Sales growth in Finland
In 2021, Bravida's Finnish operations continued to grow strongly, both organically and through acquisitions, delivering an EBITA margin of 5.0 percent and growth of 17 percent.

Bravida: an investment in the future

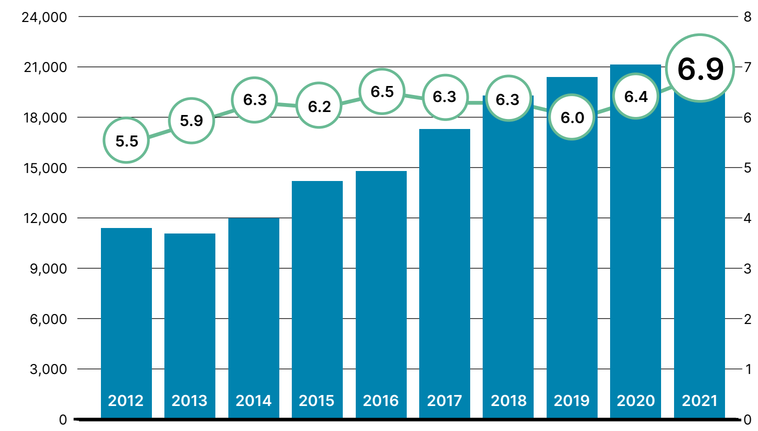
Bravida has delivered solid earnings for its shareholders for some time. Moving forward, we have a clear role in the transition to a sustainable society.

Five-year overview, key figures

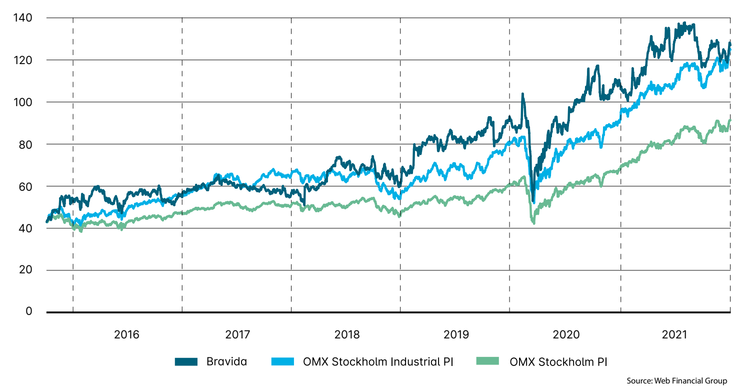
(SEK million)	2017	2018	2019	2020	2021
Net sales	17,293	19,305	20,404	21,147	21,876
Operating profit (EBIT)	1,072	1,207	1,224	1,348	1,512
Operating margin, %	6.2	6.3	6.0	6.4	6.9
EBITA	1,078	1,211	1,226	1,351	1,512
EBITA margin, %	6.2	6.3	6.0	6.4	6.9
Profit/loss after tax	820	956	884	997	1,138
Cash flow from operating activities	1,038	1,052	1,599	2,171	1,437
Order backlog	10,271	11,992	14,485	13,791	16,519
Lost time injury frequency rate (LTIFR)	11.0	11.0	10.4	8.6	8.4
Sickness absence, %	5.1	5.0	4.9	5.8	5.7
Totalcarbon emissions from service and company cars, tonnes*	20,989	23,376	23,634	24,172	24,022

* Emissions from Bravida's operations in Finland are included from 2018 onwards. Starting in 2021, 2020 is the new base year for Bravida's emissions calculations. Emissions for 2020 and 2021 have been converted to CO_2e, while previous years report only CO_2 emissions.

Growth and earnings performance
Over the past 10 years, Bravida has delivered a stable and increasing EBITA margin. Over the past five years, our average sales growth has been 8 percent a year, 2 percent of which has been organic growth.



Bravida shares
Over the past five years, Bravida shares have generated a total return of 147 percent.



Stable through the pandemic – now building for the future

Bravida delivers good results for the year, despite uncertainties and variable conditions during the pandemic. Climate adaptation and energy savings will be wind at our back as the Group invests to continue building the Bravida of the future.

Fast facts

Mattias Johansson
CEO since 2015:

Comes from: Osby in Skåne, Sweden

Family: Wife and three children

Passionate about: Sport for young people and my children's sporting activities

Best in 2021: Best ever results while heavily investing in the future

Goal for 2022: As always, to outperform the previous year and show the market that we are part of the solution for our customers' sustainability goals

Good results despite an uncertain market

2021 has come to an close, and once again Bravida has weathered the pandemic well so far. During the year, the market was been on a rollercoaster ride as quarantine restrictions and rules changed. This of course has also affected us at Bravida. We have had to make allowances for project cancellations and uneven demand. We have also had a high level of sick leave, although this has also been quarantine-related. Despite this, we have once again had our best year ever, with an EBITA margin of 6.9 percent and a profit of SEK 1,512 (1,348) million. In the area of sustainability, we can also report improvements in several areas. LTIFR decreased to 8.4 (8.6). We are also continuing the transition to a fossil-free fleet – during the year, 33% of cars ordered were electric. Work is progressing, but much remains to be done.

2021 was a good year, despite the external conditions. This is mainly because we have a team of dedicated and skilled employees who are always looking to develop and deliver. I'm incredibly proud of that. The results also mean that I can once again announce that our decentralised business model, the Bravida Way, is working.

On page 68, CFO Åsa Neving writes more about the past year. I want to tell you more about what's going on at Bravida right now and about our plans for the future.

Strong finances allow for investment

In 2021, we invested in the business and continued to deliver on the business plan we launched in 2020. We have held onto our core, which has brought us to where we are today. At the same time, we are fine-tuning our operations to meet the opportunities and demands of the future. Our strong finances make the investments possible.

A climate-smart building makes a difference

As the leading service and installation company in the Nordic region, we have a great opportunity to help drive the transition. Therefore, Bravida's Group Management decided in early 2021 on a new sustainability strategy that will guide our efforts going forward.

Bravida wants to be an active player that contributes to the fulfilment of the Paris Agreement and the UN Sustainable Development Goals. In the area of climate, we have set an overall goal of being climate neutral throughout our value chain by 2045. As a first step, we will reduce carbon emissions from our own operations by 30% by 2025, compared to the 2020 level.

To reach our long-term climate goal, we will help more customers take more steps towards creating smart and energy-efficient buildings. We also need to work with our suppliers to reduce the impact of materials on the climate and the environment, and to increase the reuse of materials by our customers. At the same time, we take a holistic approach to sustainability and continue to address the issues of social responsibility and conduct within our own operations and in the value chain. The continued development of the EU's new green investment taxonomy will provide further impetus to this work. We have set ambitious goals, but we are determined to achieve them.

Our end-to-end offer becomes a reality

One of our most important activities, both from a sustainability perspective and from a business perspective, is to take our customer offering into the future. Most of our customers still only purchase services from one technical area within Bravida. At the same time, we see that more and more of our customers are demanding end-to-end service where design, installation, commissioning and service in all technical areas come from a single supplier.

This development creates new opportunities for our branches to grow. Increasingly, we are winning deals where two or more Bravida branches work together to create end-to-end service for the customer.

Key parts of the new offering

To further support the development of our end-to-end offering, we established two new business areas during the year: Technical Facility Management and Building Automation. They tie together Bravida's entire offering and enable us to support our customers for the full lifecycle of their property. Next year we expect strong growth in these areas.

Bravida has also launched more offers that will help our customers to reduce their climate and environmental impact in the long term. Through Bravida Charge, we offer end-to-end solutions for box chargers for electric vehicles. In the Bravida GreenHub concept, which we launched in 2021 in the largest cities of the Nordic region, our service technicians reach customers in the city by electric bike and on foot. We also require fossil-free deliveries from our own suppliers. Read more on page 39.

People build our company

We're not just developing the customer offering. Together with our employees, we are also building a new and stronger Bravida – at many different levels. For those of us who work at Bravida, this development means big changes: new systems, new collaborations, new ways of selling and working. At the same time, the easing of restrictions has picked up the pace of acquisitions again, which means a large number of new colleagues will be brought into the organisation. For this rapid development to succeed, everyone at Bravida needs to be involved in driving the change. This requires both digital competence and experience, and knowledge of how a building works. We need to work together as a team.

But how do you inspire 12,000 people to work and change together? The answer is that, in the future, our leaders will have an even more important role than today. We are launching a new leadership model that puts equal focus on managing and developing people as on driving the business forward. For our leaders, it means a new way of prioritising and leading. Read more on page 34, where our new Chief HR Officer (CHRO) Andreas Olofsson tells us more about Bravida's People Vision.

Bravida turns 100 – and the foundation remains the same

There are many changes going on at Bravida right now. We are investing, growing and digitising.

However, not everything has changed. Bravida has the same business concept we always have, and our feet are planted firmly on the ground. We help our customers build sustainable buildings. We install and maintain electrical, heating and plumbing, HVAC and other building technology. Margin always takes precedence over volume. That's how we created our stable and profitable business.

The year ahead is a big one – 2022 marks Bravida's 100th anniversary. As for myself, this is my 25th year at Bravida, and I am proud to lead what I consider to be the finest Group in the industry. I look forward to celebrating the past 100 years and am full of anticipation and confidence for another 100 years.

Mattias Johansson
CEO and Group President
Stockholm, March 2022

Targets & outcomes

Target | Description | Outcome for 2021

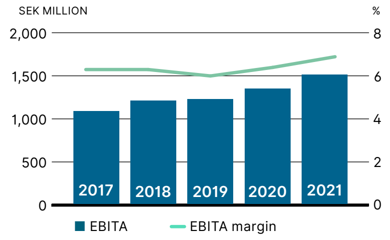
EBITA margin

> 7%

Bravida's target is to achieve an EBITA margin exceeding 7 percent, including the dilutive effect of acquisitions.

6.9% *

Over the past five years Bravida has delivered a solid EBITA margin.



Sales growth

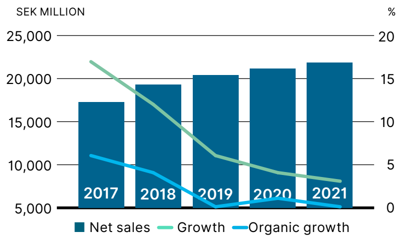
> 5%

per year

Bravida's target is to increase sales by more than 5 percent a year.

3%

Sales have increased by an average of 8 percent per year over the past 5 years.



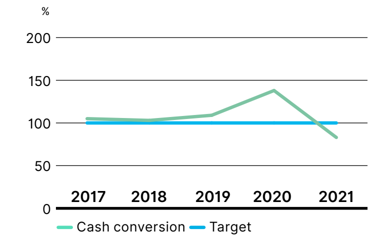
Cash conversion

> 100%

Cash conversion, 12 months. Cash flow from operating activities adjusted for tax payments, net financial income/expense and investments in machinery and equipment in relation to EBITDA.

83%

Average cash conversion for the past five years totalled 108 percent.



Net debt/EBITDA

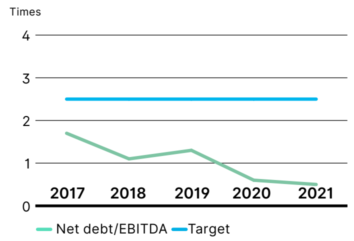
< 2.5 x

net debt/EBITDA

Bravida's capital structure should enable a high degree of financial flexibility and provide scope for acquisitions. The company's target is a net debt/equity ratio of below < 2.5x net debt/EBITDA.

0.5 x

Bravida has reduced its debt/ equity ratio in recent years.



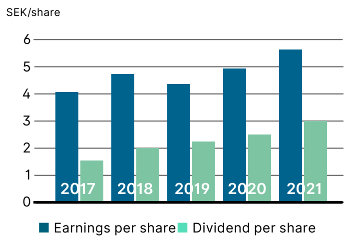
Dividend

> 50%

Bravida's target is to pay out more than 50% of the Group's consolidated net earnings while also taking account of other factors such as financial position, cash flow and growth opportunities.

53%

Proposed dividend of SEK 3.00 per share corresponds to a total of SEK 610 million.



* The results include a one-off payment of surplus from AGS health insurance of SEK 96 million. Even excluding the payout, the EBITA margin improved compared to 2020, to 6.5 (6.4) percent.

Target | Description | Outcome for 2021

NPS – Net Promoter Score

> 50

NPS, Net Promoter Score, which measures customer satisfaction. The goal is to have an NPS above 50.

NPS (Net Promoter Score) indicates the extent to which our customers would recommend Bravida to others. The NPS scale goes from -100 to +100.

60

The results are based on surveys from 1,325 local meetings with priority customers in 2021.

Carbon emissions

-30%

Change in Bravida's carbon emissions by 2025, compared to 2020 level.

At present, the emissions calculation refers only to Scope 1 climate emissions, direct emissions from vehicles. For more detailed information on Bravida's climate emissions, see page 62.

-0.6%

The share of electric cars is still too low to significantly affect the outcome. Measures to increase the conversion pace will be implemented in 2022.

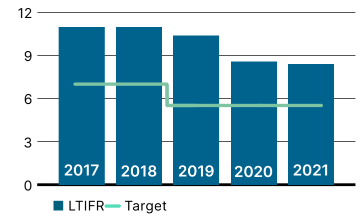
Lost time injury rate, LTIFR

< 5.5

LTIFR, Lost Time Injury Frequency Rate: the number of injuries that lead to at least one day of sickness absence per million working hours.

Bravida's vision is to eliminate occupational injuries entirely. The aim is to achieve a LTIFR of less than 5.5 by 2023.

8.4



eNPS – Employee Net Promoter Score

> 20

eNPS – Employee Net Promoter Score. The aim is to achieve an eNPS of >20 by 2023.

eNPS (Employee Net Promoter Score) indicates the extent to which our employees would recommend Bravida as an employer to others. The eNPS scale ranges from -100 to +100. The industry average for the benchmark sector Building and Construction is 22.

8

Our employee survey is conducted every two years, most recently in 2021.

Percentage of evaluated suppliers

100%

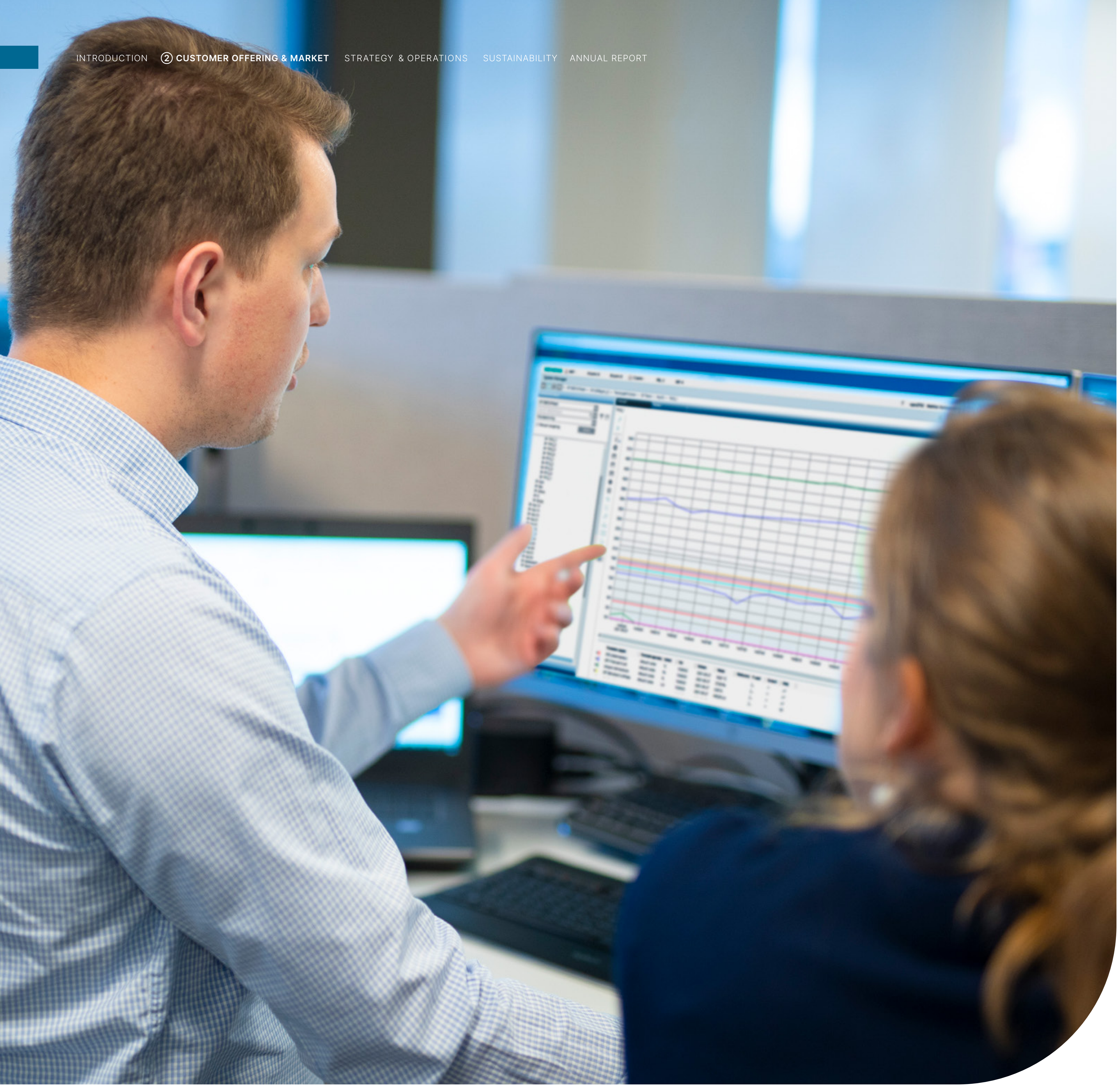
The target for 2023 is that 100% of Bravida's significant suppliers will qualify and accept our Supplier Code of Conduct. Bravida ensures this through assessment.

Through qualification, we endeavour to ensure that our suppliers meet the requirements in our Code of Conduct.

Significant suppliers include all contract suppliers and suppliers with a volume above SEK 3 million.

52%

Follow-up is carried out every other year, most recently in 2021.



Linus, designer, Bravida Sweden

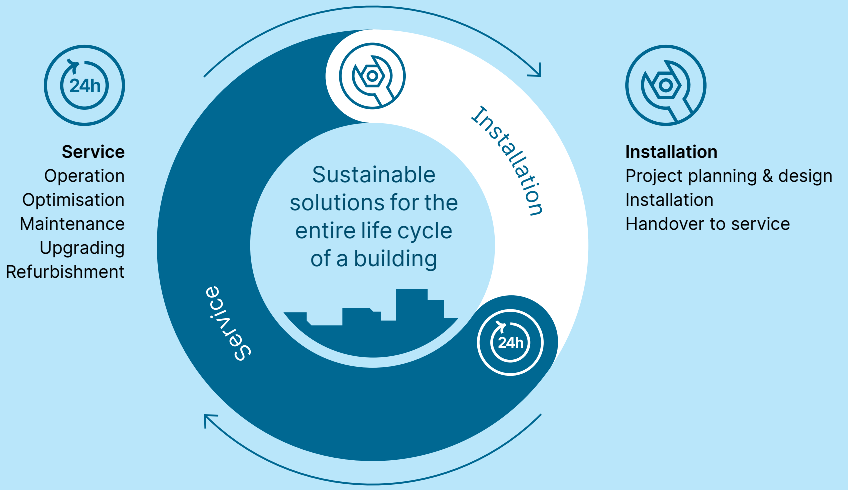
2

Customer offering and market

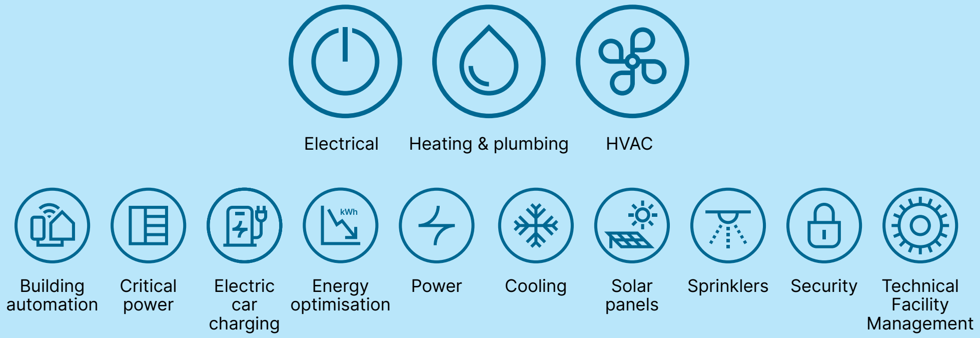
Society is changing and increasing its focus on climate, sustainability and digitalisation.

Bravida is therefore establishing a new customer offering, focusing on the entire lifecycle of the building, on energy use and on cost efficiency. We want to help every client tap the full potential of their properties. →

Comprehensive technical solutions for buildings and facilities



Operation & maintenance | **Refurbishment & remodelling** | **New construction**



Electrical. All types of electrical installations and electrical service, both in existing properties and new-builds, whether they are offices, housing, hospitals, industrial facilities or large infrastructure projects.

Heating & plumbing. Installation and service of all types of heating and plumbing solutions, both basic fittings in homes or offices, and more complex systems for industry, hospitals or leisure centres.

HVAC. Installation and service of all types of HVAC (heating, ventilation and air conditioning) solutions, such as air treatment, process ventilation and control and monitoring. We also help with calibration and mandatory ventilation checks.

Building automation. With building automation, we connect technology systems and make it possible to automate and control them remotely.

Critical Power. Uninterruptible power supply for critical activities.

Electric car charging. Bravida Charge is Bravida's comprehensive solution for installation, support and administration of charging boxes for electric vehicle charging.

Energy optimisation. Energy diagnosis of all technical installations in the building. The analysis results in a maintenance and energy plan with short and long-term measures.

Power. Services within high-voltage technology throughout the power grid – from the power source, through the entire power grid and to the wall outlet.

Cooling. Design, installation and servicing of all types of refrigeration systems – HFC, CO_2, propane and ammonia – as well as energy optimisation.

Solar panels. Installation of solar panels for commercial and private properties.

Sprinklers. Everything relating to sprinkler systems: project planning, design and documentation, remodelling and expansion, and regular maintenance.

Security. Fire alarms, intrusion alarms, access control systems, CCTV and overarching platforms. Consulting, project services and security service solutions.

Technical Facility Management. For large corporate customers, Bravida can assume overall maintenance for the operation of buildings and facilities, with the emphasis on technical services.

Oslo Opera House. We ensure the technology functions cohesively throughout the life cycle of a property.

We make customers' buildings function as a single unit

Energy efficient, digital buildings are high on our customers' agenda. Bravida's comprehensive solutions make buildings and facilities work efficiently in the short and long term.

Each property and facility has a variety of technical functions. Electricity, water, ventilation, heating, cooling, security, automation, solar panels, lifts, and fire safety. Everything has to provide problem-free, effective operation throughout the life cycle of the building.

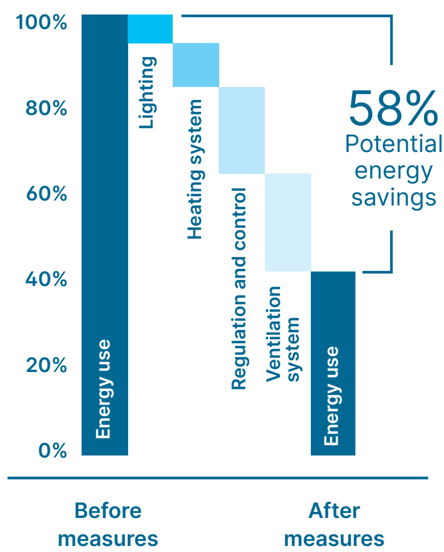
Taking care of this would normally require ten different suppliers. With Bravida as a partner, one is enough.

Bravida brings buildings to life

Bravida ensures the technology functions cohesively throughout the life cycle of the property. In this way, we create the conditions for customers to coordinate, optimise, save and streamline – not least in the field of energy.

Our holistic approach also makes it possible to connect the installations so we can optimise and monitor the customer's facilities remotely.

With Bravida, the customer gets a partner who makes the difficult easy. We listen, collaborate, install and propose climate-smart solutions that increase the value of your property – and we take care of your property's technology in the short and long term. And with Bravida as the supplier, the work becomes a lot easier.



Four effective measures for reducing energy use in a building.
Energy use in percent. Compilation from Adnan Ploskic, KTH/Bravida.

A customer offering for the future

A good property makes a difference – for our customers, for society and for the climate. Basic installations such as electricity, HVAC and ventilation create the conditions needed. Our new customer offerings take it all to the next level. Here are some of the areas where we are investing for the future.

Building automation – smart and energy efficient buildings

Building automation is the foundation for the smart buildings of the future. The technology involves integrating the building's technical subsystems, e.g. lighting, heating and ventilation, and connecting them to a central system. For each installation, the maintenance is optimised so that the installations are only used when they are needed.

From its monitoring centre, Bravida's operational staff has an overview of all the customer's properties and facilities, even if they are geographically dispersed. If a malfunction occurs, an alarm sounds, allowing them to intervene quickly. Find out more on page 21.

Events in 2021:
Establishment of Bravida's new business area Building Automation.
Acquisition of three Building Automation companies in Finland and Sweden.

Technical Facility Management – a holistic approach to property management

A modern building or facility has many installations that need to function without interruption. The temperature should be comfortable, the air fresh and the lighting good and energy efficient.

For large customers, Bravida can assume overall responsibility for the maintenance of buildings and facilities, with the emphasis on technical services. We ensure that all systems interact optimally to use as little energy as possible and that the property does not experience any disruptions. Our customer centre makes it easy for customers to manage their affairs – whether their business is local or nationwide. Find out more on page 20.

Events in 2021:
Establishment of Bravida's new business area Technical Facility Management.

Bravida GreenHub – technical property service with fossil-free transport

Under the new GreenHub concept, Bravida's service technicians travel to customers using electric bikes, electric mopeds and on foot. This reduces the carbon footprint of both Bravida and its customers. The GreenHub offices are located in the city centre and offer fossil-free transport services within a 15-minute radius.

GreenHub offers all types of technical property services, with a special focus on reducing energy use on the customer's property, and Bravida's suppliers deliver products in a fossil-free way to Bravida GreenHub.

Events in 2021:
The concept, which started in Oslo, has been expanded during the year to eight more of the Nordic countries' major cities.


©Adobe Stock/Monkey business

Renewable energy solutions – solar cells and electric vehicle charging boxes

Renewable energy and charging infrastructure are key to the societal transition. Bravida wants to get more people on board by offering flexible, comprehensive solutions for solar cells and electric vehicle charging.

That's why in recent years we have acquired solar companies and developed our electric car charging concept, Bravida Charge, for launch in all countries.

Events in 2021:
Launch of Bravida Charge, a holistic solution for charging electric cars. Over 500 chargers connected by 2021, with growth of around 100 chargers per month.
Acquisition of a photovoltaic company in Denmark.

Critical Power – uninterruptible power supply

In the Nordic region, there are many examples of critical activities – energy companies, hospitals, defence, banks and industry – all of which need a secure and uninterrupted power supply.

Bravida keeps critical operating environments running 24 hours a day, all year round, offering design, engineering, installation and regular service. Often the solution is unique to the individual customer, and we work with products from market-leading suppliers who are all specialists in their field.

Events in 2021:
Establishment of organisation in major locations in Sweden.
A majority of new customer contracts and completed deliveries to data centre and industrial customers.

Focus: Technical Facility Management and Building Automation

More and more of our customers are asking for a "one stop shop" for all their building technology needs. Bravida's new business areas Technical Facility Management and Building Automation are two ways to create efficient holistic building technology – throughout the entire lifecycle.

"Technical Facility Management ties all Bravida's knowledge together in a comprehensive offering."

Bravida invests in Technical Facility Management, which is aimed at corporate customers with many or large facilities with high technical complexity.

Pontus Monthan
Head of Technical Facility Management Sweden

Within Technical Facility Management, Bravida assumes overall responsibility for the maintenance of customers' properties and facilities, with an emphasis on technical services and value-adding deliverables. Pontus Monthan, Head of Technical Facility Management in Sweden, explains the background for Bravida's investment.

What is Facility Management?
"Facility Management is a broad concept that includes both 'soft' and 'hard' services. Generally speaking, soft services make a workplace work and hard services make the building work."

"Given Bravida's service portfolio, we have focused on the hard services. We simply bring together all of Bravida's deliverables and customise them to create a dynamic and sustainable property management solution."

What is the function of Technical Facility Management?
"It's really quite simple; it's the customers' requirements and needs that are behind the investment, because who can take care of an installation better than those who installed it? Our customers want to increase the lifetime of their buildings and technologies. At the same time, they want to optimise energy use and reliability, increase the long-term value of the property and create a good experience for those who spend time in the buildings."

"To deliver that, you need to know the whole picture of the property. About the technology, and about the needs of the specific building. The needs of a home for the elderly, hospital, school, shopping centre or industrial plant with its own production differ considerably, and we can now deliver all services as one product, as ONE Bravida!"

What difference can Technical Facility Management make?
"The construction and real estate sector accounts for about a third of Sweden's total energy use. This means that we and our customers face a common challenge in tackling climate change and creating a sustainable society. With our combined expertise, we can provide an energy-efficient technical solution for our customers, as Bravida covers the vast majority of disciplines required for efficient property management.

"Automation is a natural way to help the customer through the entire lifecycle of the property."

Bravida is expanding its offering in building automation, a technology area that connects technology systems and makes it possible to monitor and control them remotely.

Stefan Sandström
Business Area Manager,
Bravida Building Automation

Stefan Sandström, Business Area Manager for Bravida's new Building Automation business area, explains why building automation will be so important in the future:

What is building automation?
"A building automation system is a system that, in simple terms, makes it possible to connect, monitor and control all the building's technical systems, and thus acts as the 'brain' of the building. With automation, we can optimise the functions of a building and improve both the indoor climate and the user experience through innovative features. At the same time, we can minimise energy consumption and environmental impact."

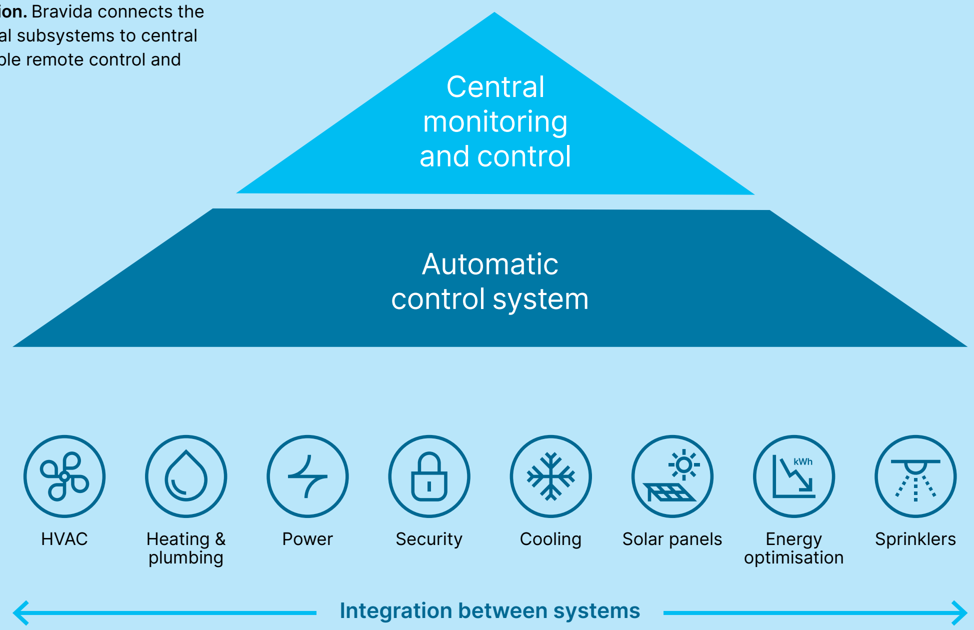
Why does Bravida invest in building automation?
"Automation is a natural way to help the customer through the entire lifecycle of the property. Many installation assignments end after the warranty period, whereas in building automation we see the warranty period as the start of further optimisation and improvements to the customer's facility or installation."

"With the environmental challenges we face in the world today, anything that involves reducing energy use will be a high priority. At the same time, we see a direct consequence of this in the electricity shortage and high energy prices we have today. This means that everyone will be interested in making this kind of investment, because it will pay for itself through improved net operating profit."

What is the status of Bravida's investment in automation?
"The new business area launched in October 2021. We have now started to build an organisation that can meet customers locally – dedicated automation departments in our local regions, working with other branches and supported by a central organisation. In addition to building automation, we will also be able to help customers with process and infrastructure automation."

"Right now we are investing heavily in automation, through both acquisitions and organic growth. I'm quite sure that we will be the market leader in automation in the Nordic market within a few years."

Building automation. Bravida connects the building's technical subsystems to central systems that enable remote control and monitoring.



Madeleine, Construction Engineer, Bravida Sweden

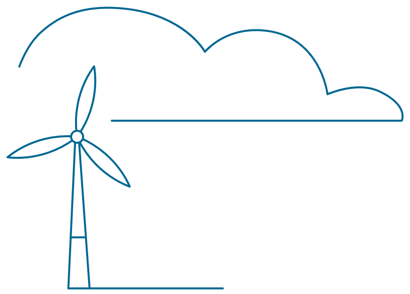
Service and installation market trends

The 2021 market was dominated by the pandemic. Looking ahead, Bravida sees several underlying trends affecting the market. Climate threats, new regulations and technological developments are creating more demands, but also new opportunities.

2021 has been an eventful year in the Nordic market. The Covid-19 pandemic has continued to affect many businesses. We are seeing a strong climate movement, new regulations and rising electricity prices. This puts increased pressure on property owners, who need to meet new legal requirements and keep costs down.

At the same time, the needs of offices, retail and housing are changing in the wake of the pandemic, as digitalisation affects people's use of real estate.

Here are some of the key trends affecting our market right now.



Increased demand for energy efficient buildings

Over the past year, the industry has seen a sharp increase in demand for solutions that improve the energy efficiency of buildings. The change is largely driven by stricter regulations, but is also a result of rising electricity prices and growing climate awareness.

Here are some of the factors influencing the demand for energy-efficient technology solutions for buildings:

- The new EU green investment taxonomy has a direct impact on property owners. From 2021 onwards, buildings must be classified from a sustainability perspective.
- A large percentage of properties in the Nordic region need to be refurbished and upgraded to satisfy the new legal requirements on energy efficiency.
- That's why more and more of our customers are asking for energy-efficient, automated installation solutions that can reduce energy consumption in all types of buildings – both new builds and renovation projects.
- Regular technical services are another important factor in customers' efforts to make their buildings more energy efficient, and here too demand is growing.
- More and more customers are installing renewable energy solutions, such as solar panels, geothermal heating and electric vehicle charging infrastructure, to meet new requirements.

Increased demand for end-to-end solutions

Many companies with a large number of properties are beginning to see the benefits of having a single partner for the property portfolio or construction project. When the customer buys all technical installations and service from a single supplier, it increases the possibilities of creating comprehensive solutions that are both energy efficient and long-lasting.

As a result, the industry is now seeing more and more customers looking to buy everything from one partner – consulting, design, coordination and subsequent service – across all technology areas.

To meet demand, more and more major players are offering comprehensive solutions such as building automation, technical facility management and energy optimisation. In this way, "smart" energy-efficient buildings can be created that can function as a whole and can be digitally controlled. It also gives both property owners and tenants better control over their electricity, heating and water consumption.

Technical developments and digitalisation increase abilities to manage properties

Rapid technological development creates great opportunities to meet new customer requirements. This applies both to the construction process and the completed property.

The production process: Digitalisation improves the work process in the installation projects in progress, as well as collaboration between customers, end clients and suppliers. And new tools create opportunities for better and more efficient management and tracking of progress. One example is the use of 5D building information modelling in large projects, enabling real-time monitoring and providing a detailed overview of the entire process.

Automated control of properties: Automation and the Internet of Things (IoT) are increasingly allowing properties' technical functions to be controlled automatically. For instance, lighting, heating and ventilation can be adjusted using sensor-based technology. This allows service companies to monitor the functioning of a property and remotely optimise the energy efficiency of installations.

As technology develops rapidly, Bravida is seeing greater demand for consulting, installation and service within advanced technical solutions.

District heating service.
District heating is an energy-efficient way to heat buildings. Bravida Danmark.

The market in the Nordic countries

Demand for service and installation gradually improved in 2021 as markets have opened up after the pandemic lockdown.

Bravida operates in the Nordic market for technical service and installation of buildings and facilities. Bravida's core market had total turnover of approx. SEK 291* billion in 2021.

Bravida has a market share of approx. 7.6 percent in the Nordic region and is a market leader in Sweden, Norway and Denmark. The market is dominated by local small and medium-sized companies that offer specialist expertise for small installation and service assignments within a single technical area, such as electricity or ventilation. Competition for large installation contracts mainly comes from a small number of companies offering end-to-end solutions across several areas of technology, a high level of technical competence and sufficient financial capacity.

The installation market usually tracks the general economy with a six to nine-month lag. Market performance can, however, be affected by public investment in areas such as infrastructure and new construction and refurbishment of public-sector buildings, particularly in a weakening economy.

The service market is less sensitive to fluctuations in the economy, as regular service and maintenance are needed to ensure fittings work correctly and last for a long time in existing properties and industrial facilities.

Market performance in 2021
Market developments in 2020 and 2021 were influenced by the pandemic. Demand for service and installation projects decreased in 2020, resulting in lost volume in service and reduced order volumes for installation projects. In 2021, demand for both service and installation projects increased, contributing to good growth in service and improved order volumes for installation projects. The deteriorating order volume for installation projects in 2020 contributed to negative market growth in 2021.

* In this report, we describe the turnover of the installation market for house construction in terms of the project market (including installation, new construction, renovation, refurbishment and extension) and an qualified estimate of the service and maintenance market. In addition to installation for house building, there are also sales to industry and to the construction sector, which are not specified in this document.
** Source: Prognoscentret

Market operators

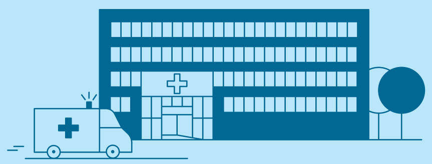
Lots of small local companies and a few large operators
The Nordic service and installation market is fragmented and consists of numerous small companies specialising in a single technical area and a number of larger operators with broader offerings.

Local companies

On local markets we mainly compete with local companies:
- Few employees
- Privately owned
- Geographically limited offering
- Often only one technical area

Large operators

Large companies compete for major contracts:
- National or international
- Multiple technical areas, offer end-to-end solutions
- Financial capacity
- Economies of scale

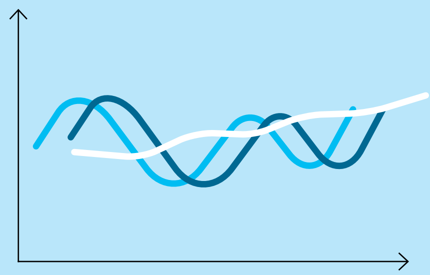


SEK 291
billion, Bravida's core market, turnover in 2021

7.6%
Bravida's market share in the Nordic region

Service is needed regardless of economic conditions

The installation market follows the fluctuations of the local construction industry in each location and country, with a time lag. Service and maintenance of properties is usually in demand whatever the economic conditions, which creates stability in the market. During the pandemic, however, the service market did not follow the usual pattern. The market has declined due to customers closing their businesses to outside visitors to stop the spread of infection.



Bravida's market position

Bravida has a strong position on the Nordic market. A local presence, broad customer base, economies of scale and a high level of technical expertise allow us to compete with operators of all sizes.

Bravida is selected for service and installation projects at all types of facilities and buildings. This includes commercial premises, infrastructure projects, sports arenas and stadiums, hospitals, schools and industrial properties. A typical installation project takes between six and nine months from start to final delivery, but projects may also span several years. Service assignments comprise everything from 1–2 hour emergency call-outs to multi-year maintenance contracts.

Broad customer base provides solidity

Bravida's sales mainly consist of a large number of small and medium-sized projects and assignments. Major customer groups are:

- Construction and industrial companies are key customers for our installation business. They purchase installation services as part of construction contracts.
- The public sector is an important client within both service and installation, for projects such as infrastructure, hospitals and schools. Income from public-sector customers accounts for a large proportion of Bravida's sales.
- Property owners, professional tenants and industrial companies, which are central to our service activities.

Bravida has a broad customer base, providing the business with stability. We are not dependent on any one sector, customer or project.

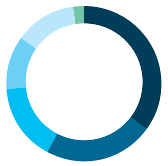
Of Bravida's more than 65,000 customers, no individual customer accounts for more than four percent of Bravida's sales, which provides for significant risk diversification. In 2021, our four largest customers accounted for 11 percent of net sales. All three are large construction firms with numerous different projects and points of contact. Many of our customers are repeat customers. Of those customers that accounted for sales over SEK 5 million, over 87 percent were also customers in 2020. Additional stability is provided by our numerous orders from the public sector, which is less dependent on economic conditions.

Aim to be largest or second-largest operator in each local market

Our local market position in each location is key to retaining and enhancing our position in the Nordic region. Locally, Bravida's branches compete against small and medium-sized local businesses, but backed by the Bravida Group's economies of scale. With our size and coverage, the Bravida Group is also able to compete against other major international operators for large projects. We therefore take a strategic, targeted approach to become the largest or second-largest in every location where we operate.

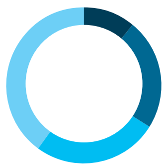
Broad and diversified customer base

65,000 customers



Customer groups

- 37% Construction companies
- 18% Other commercial
- 16% Public sector
- 12% Industry
- 14% Real estate agencies
- 3% Private individuals



Sales by project size

- 13% > SEK 50 million
- 20% SEK 10–50 million
- 26% SEK 1–10 million
- 41% SEK 0–1 million

Smart energy recovery in salad factory

Fresh Servant Oy delivers salads, fruit and vegetables throughout Finland. With ongoing service and expertise in energy-efficient installations, Bravida contributes to a well-functioning plant.

Over the past ten years, Fresh Servants' business has grown rapidly, and so has the factory. Since the start of the factory in 2011, Bravida has contributed both ongoing service and expertise in energy-efficient building technology as the factory has developed and expanded.

Efficient heat recovery system

The result is an energy-efficient and well-functioning plant. Among other things, there is now an efficient system that recovers heat from the cooling system. There is also a biogas recycling system where lettuce residues are collected from the sewage system to become biogas. The lighting in the premises consists of energy-saving LED lamps. Additional energy is saved through regular maintenance of heating, air conditioning, ventilation and electrical installations.

Double production

Fresh Servant Oy is currently investing in its facility to double the production capacity. Bravida is one of the key players in the project, which is due to be completed in summer 2022.

Save energy in your plant

There are often great opportunities to save energy in an industrial plant. Bravida can help you, for example through:

- Energy optimisation, an analysis of the building's energy use, with proposals for short and long-term measures
- Regular maintenance of heating, ventilation and electrical installations
- Switch to more energy-efficient installations

© Fresh Servant Oy

Salad factory. Fresh Servant Oy delivers salads, fruits and vegetables throughout Finland.

Local markets

Sweden
Mattias Johansson

SEK 102 billion
Market sales

12%
Bravida's market share

#1
Bravida's market position

How did the service and installation market perform in Sweden in 2021?
"Overall, the market for service and installation has gradually improved over the year. More construction projects have started up compared to 2020, especially in the second half of the year. However, increases in the price of materials affect the price picture."

"On the service side, we see some geographical differences. In many places, the market is still affected to some extent by the pandemic, while elsewhere we have seen an increase in demand in the second half of the year."

What major trends are affecting your local market at the moment?
"This year we have seen a clear increase in the focus on sustainability issues in society, and this is increasing expectations on us in our industry. We see a clear increase in demand for services that reduce customers' energy use and climate impact, such as energy optimisation, solar PV and electric car charging infrastructure. At the same time, more and more customers are asking for both fossil-free transport and sustainable and circular material choices. Our clients also have greater focus on health and safety in procurement."

"We find that more and more of our customers are asking for a comprehensive solution from us as a supplier. One clear trend is the growing demand for technical facility management, which we believe has a strong future at a national level in Sweden."

"At the same time, it has been a challenge to find qualified employees. In order to assist our customers on the scale needed to reduce climate pressures, we as an industry need to attract more technicians and skilled workers."

"Independent market assessments for 2022 show a growing installation market and a stable service market."

Sweden, SEK million	2020	2021
Net sales	11,313	11,894
EBITA margin	7.1%	8.0%
Share of Group's EBITA	59%	63
Share of Bravida's net sales	53%	54%
Main competitors	Assemblin, Instalco, Caverion, Currentum	

Norway
Tore Bakke

SEK 74 billion
Market sales

5%
Bravida's market share

#1
Bravida's market position

How did the service and installation market perform in Norway in 2021?
"The market has been stable, although infection control measures have made it challenging to complete some projects and gain access to our customers' premises. However, the order book has grown significantly during the year, confirming that the market is strong, driven in particular by public investment in health and hospital buildings."

What major trends are affecting your local market at the moment?
"We see an increasing demand for sustainable solutions. The major trends in society are digitalisation and sustainability. This has become a requirement for our deliveries, in the community, among our employees and, not least, when we recruit employees. All responsible companies take this seriously, and all employees will work in companies that take sustainability seriously."

"We must be able to deliver documented sustainable solutions and deliveries in both service and installation, which suits us at Bravida very well. We have come a long way in helping customers with solutions that reduce their carbon emissions. The biggest change in the competitive landscape is that customers are becoming more and more focused on criteria other than price and are making new demands on us."

"Independent market assessments for 2022 indicate growing service and installation markets."

Norway, SEK million	2020	2021
Net sales	4,304	4,066
EBITA margin	5.7%	6.2%
Share of Group's EBITA	18%	17%
Share of Bravida's net sales	20%	19%
Main competitors	OneCo, Caverion, GK, Assemblin, Instalco	

Denmark
Johnny Hey

SEK 55 billion
Market sales

7%
Bravida's market share

#1
Bravida's market position

How did the service and installation market perform in Denmark in 2021?
"On the services side, Denmark experienced a somewhat weak start in the first months of 2021, but gradually demand for services has risen to a high level. Many corporate customers started maintenance and renovation of their buildings and facilities in 2021. On the installation side, many projects were put out to tender in 2021, including large public infrastructure, office and residential projects."

What major trends are affecting your local market at the moment?
"The confidence indicator for the construction industry remains above the normal level. We have not experienced any major changes in the competitive landscape. There are still a number of foreign general contractors bidding at low prices for infrastructure and other large projects."

"Talking to customers about sustainability is easier now than it was a few years ago. We are meeting more and more expectations that Bravida provides advice on energy-efficient installations and energy optimisation. Public sector and large industrial customers in particular want to know what solutions Bravida has, both in terms of concrete energy optimisation and in terms of documentation of energy savings."

"At the same time, there are also indirect demands for us to reduce our own impact. For example, there is a focus on our cars and our own energy consumption in the offices. That's why I'm pleased that we're gradually phasing out our fossil-fueled cars and that from 1 January 2022 we'll be switching to green electricity in all our offices in Denmark."

Denmark, SEK million	2020	2021
Net sales	4,217	4,381
EBITA margin	5.2%	5.3%
Share of Group's EBITA	16%	15%
Share of Bravida's net sales	20%	20%
Main competitors	Kemp & Lauritzen, Wicotec Kirkebjerg, AirTeam	

Finland
Marko Holopainen

SEK 59 billion
Market sales

3%
Bravida's market share

#4
Bravida's market position

How did the service and installation market perform in Finland in 2021?
"The installation and service market in Finland was relatively stable in 2021 and the market volume increased slightly in the autumn. However, we see some geographical differences: in emerging cities the market has been good, while in some smaller cities the volume has been more variable. Despite the general uncertainty concerning the pandemic, there has been strong demand in the installation and service market. Currently, the market is forecast to grow in 2022.

What major trends are affecting your local market at the moment?
"Material prices and availability have affected this year's market and this trend will continue in 2022. During the year, we saw growth in both renovation and new residential construction, while the office and hotel markets slowed."

"Investors are still waiting a little longer to start construction and installation projects. Even in services, customers are cautious about major upgrade projects, and mainly order service and maintenance that is necessary for the property."

"Sustainability is a bigger topic today than it was in early 2021. In Finland, more and more eco-certified residential buildings are being built, and electric cars are now quite a big topic on the corporate agenda. Many customers ask about our own and the industry's sustainability measures. We believe that sustainability will have a significant impact on our business in the coming years."

Finland, SEK million	2020	2021
Sales	1,392	1,622
EBITA margin	4.0%	5.0%
Share of Group's EBITA	4%	5%
Share of Bravida's net sales	7%	7%
Main competitors	Caverion, Are, QMG, Consti, Assemblin	

Maria, HR Partner, and Elie, Branch Manager, Bravida Sweden.

3

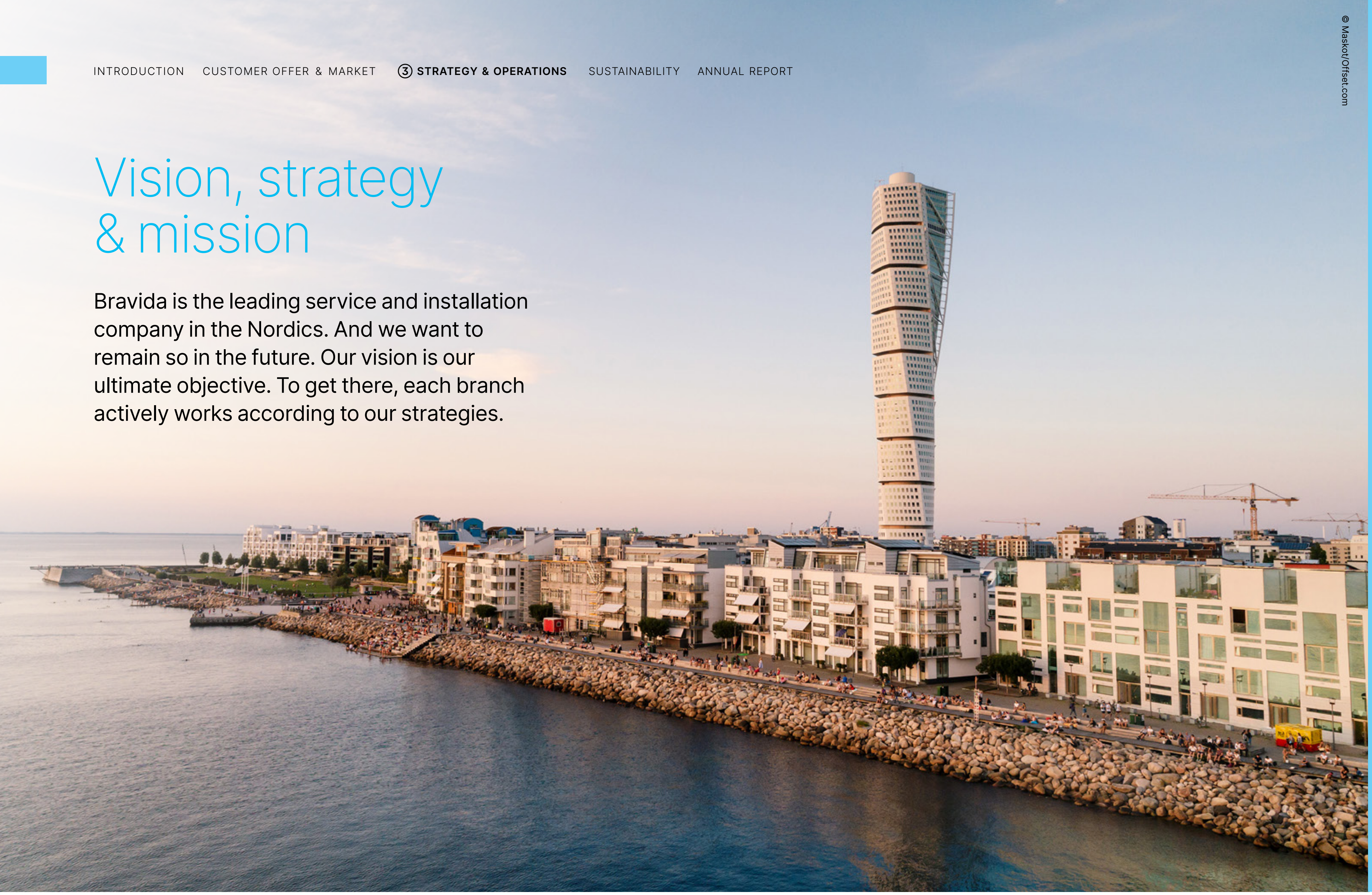
Strategy and business

In 2020, Bravida adopted a new business plan. In 2021, we have begun to deliver on the plan and taken the first important steps towards a new Bravida.

During the year, we have made major investments in our customer offering, our sustainability work and our digital platform. →

Vision, strategy & mission

Bravida is the leading service and installation company in the Nordics. And we want to remain so in the future. Our vision is our ultimate objective. To get there, each branch actively works according to our strategies.



© Maskot/Offset.com

Vision

Bravida helps customers develop the full potential of their properties. Through service and installation, we bring buildings to life, and are leading the way to a sustainable and resilient society.

Mission

We offer technical end-to-end solutions over the life of a property, from consulting and project design to installation and service.

We are a large company with local presence throughout the Nordic region. We meet customers on site and take long-term responsibility for our work.

Our employees are our most important asset. Through our shared values, work methods and tools, we work together to establish a sustainable and profitable business for ourselves and our customers.

Our key strategic areas

Best customer offer

Bravida has the best customer offer on the market. Our customers choose us because together, we create comprehensive solutions that make what's complex simple. We listen to our customers and proactively suggest solutions for the entire life cycle of the building. We use digital work methods and we help make sustainable choices. We optimise energy and create sustainable solutions. We provide customers with feedback after completing the assignment, and always ask if we can help with anything else. Above all – we keep our promises, take responsibility for our work and care about our customers.

The best team

Bravida has the best team in the industry. As a service company, Bravida is dependent on having the market's most competent employees. To do that, we need to be the best employer in the industry, wherever we operate. That's why we're a business with a focus on people. Equality and diversity make us a stronger company. We invest in our people and work continuously to improve our leadership. We work as a team and we have fun together at work. That is why we choose the best managers and employees to work for us.

Efficient delivery

At Bravida, we are professionals who do a professional job. All our employees work hard every day to provide a great customer experience. We work efficiently, are cost-conscious and make sure to keep our workplaces in order. We always apply our shared work methods and purchase appropriately. In addition, we plan thoroughly, follow up on our productivity and maintain firm control of every aspect of our assignments.

Sustainable business

We are actively working towards long-term sustainability. We work for the sustainable use of resources and a low carbon footprint, both at our customers' premises and in our own operations. We're building a team in which everyone feels safe, thrives and develops. We have a zero vision for occupational injuries, and every branch works systematically to establish a safe, secure and congenial working environment. We make high demands on both ourselves and our suppliers with regard to business ethics, compliance with legislation and human rights.

Long-term profitable growth

Actively pursuing our strategies lays the foundations for growth that is both profitable and sustainable, at every branch.

Margin before volume. At Bravida we always strive to reach the full potential of every branch. We do this by endeavouring to create the best customer offering, the best team, efficient delivery and a sustainable business. We only accept projects and assignments with a healthy margin. We are cost conscious, always draw on Bravida's shared resources and systems, and strive for low fixed costs.

Licence to grow. Bravida's objective is to be the largest or second-largest in the markets where we choose to operate. When a branch is profitable and has the basics in place, we focus on growth. Organically, we are growing by developing our offer, improving sales and recruiting. We also grow through acquisitions. In profitable branches and regions, we are happy to acquire companies that we want to bring into our own operations. Bravida also makes strategic acquisitions with the intention of establishing a presence on a new market or within a new area of technology.

Viktoria and **Emelie**, safety engineers, and **Erkan**, project manager, Bravida Sweden

Employees – the key to Bravida's future

We are building on Bravida's successful model. By focusing on leadership and employee experience, we are laying the foundations for the Bravida of the future.

Going forward, Bravida will invest to complement The Bravida Way with increased focus on leadership and employee experience. Magnus Hamerslag, Head of Operations Development, and Andreas Olofsson, new Group HR Manager (CHRO) since April 2021, explain the thinking behind the change.

Magnus, how has The Bravida Way contributed to Bravida's success?
"The Bravida Way is what has laid the foundation for our profitable business. The model builds on our working as ONE company, with the same culture, working methods and strategies in all branches. Branches that master The Bravida Way always focus on business with a healthy margin and control over their costs. Together, these branches create the best customer experience on the market. The Bravida Way is a good foundation to stand on."

Magnus, why do we need to focus on leadership and employee experience?
"There are new things happening in many areas at Bravida right now. It's the people who make it happen, and that makes leadership and employee experience an even more important dimension than before."

Andreas, as a new CHRO, what has been at the top of the agenda so far?
"Instead of pursuing a separate HR strategy, we have taken the entire management team on a journey towards our new 'People Vision'. There we will move from good to better in a structured way in a number of areas: leadership, best team and an industry-leading employee experience. We will also work to further strengthen our values and common culture."

Andreas, what is the difference in leadership development compared to before?
"We see some different areas of development. The new leadership needs to inspire collaboration between branches, as customers want a holistic approach. We also need to focus more on the employee experience. In times of rapid change, leadership is more important than ever, and good leadership is also crucial to being an attractive employer. Leaders who are 'talent magnets' can build and develop the best team. The new leadership ensures that we manage operations and people at the same time, in a more integrated way, which our leadership model must support."

Magnus and Andreas, how do you see the coming year?
"We have a very clear vision of what we want to achieve – now we are strengthening the focus on how to achieve it. The Bravida Way is a structured approach to this. With a strong focus on leadership and change, we add extra passion and energy. So we continue to build the best team!

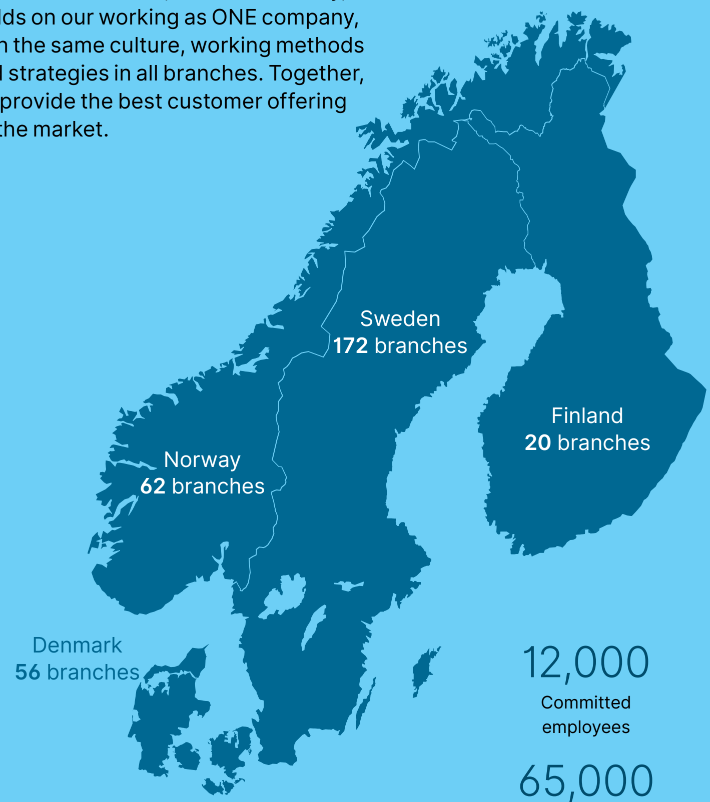
(+) People Vision

Bravida is the best employer in the industry. We offer a safe and inclusive workplace where employees and teams can grow to their full potential.

We create great results, together.

(+) The Bravida Way

Our business model, The Bravida Way, builds on our working as ONE company, with the same culture, working methods and strategies in all branches. Together, we provide the best customer offering on the market.



12,000
Committed employees

65,000
Customers

How we help customers

(1) **We have a local presence, but we are ONE company**
It is on the local markets that we seek out and encounter our customers. Through Bravida's shared culture, work methods and strategy, each branch creates the best customer offer on the market – and a profitable business.

(2) **Corporate culture**
Together, we are Bravida. We share the same culture, the same values and the same leadership in all parts of our organisation.

(3) **Shared working methods and tools**
Bravida develops group-wide working methods and tools that all branches use to lead and enhance their business.

(4) **Group-wide strategy**
Our managers' key task is to execute the Bravida strategy. Each branch works actively to establish the best customer offering, the best team, efficient production and a sustainable business.

(+) Our values

Bravida's values sum up our culture and our value base. They set out how we at Bravida should conduct ourselves and what to prioritise to ensure that, together, we create the company we want.

Care for business

- We are passionate about the business
- We strive constantly to enhance customer benefit and to identify new business opportunities
- We are cost-conscious
- We create great results – together

Take responsibility

- We are reliable, and we keep our promises
- We never put safety at risk in the workplace
- We take responsibility for people, for the environment, for customer relations and for society in general

Keep it simple

- We are service-minded and easy to work with
- We apply shared work methods
- We work together to deliver a flexible, comprehensive solution to the customer

Be proactive

- We actively seek out customers, listen attentively and suggest solutions
- We think to the future to generate opportunities and avoid risks
- We strive constantly to develop and we stay one step ahead

Integrated leadership: Lead business – lead people

In 2022, Bravida will implement a new leadership model, which will be a simple tool for our leaders to reach their full potential.

In 2022, Bravida will implement a new leadership model with three parts: fundamental leadership, leading the business and leading people.

Basic leadership means that every leader should be a role model and stand up for our values, our working environment and our Code of Conduct. With this as a basis, leaders should manage the business and the people in an integrated way. Without the employees, the customer offering cannot be delivered.

We have a strong drive about what to do, but also a good dialogue about how. Inspiration, employee experience and the knowledge that everyone is welcome at Bravida to grow together.

The Leadership Model is a simple tool for our leaders, or those aspiring to leadership roles, to reach their full potential. The best leader is not the one who is perfect, but the one who is constantly growing.

Bravida's leadership model

Every leader at Bravida must be a role model for his or her employees, and be a star at managing both the business and the people.

Meet some of our leaders

- Bravida is a 'people company'. People are the most important resource we have. As a leader, this means getting everyone on board, assigning responsibility and making sure the right conditions are in place for us to achieve our goals.

"Every day I am proud to see the people around me succeed and to be able to contribute to this through a good structure that makes me a better leader.

Martin Andersen
Regional Manager, Nedre Viken, Norway

"I always try to be a role model and treat my team with respect and give them responsibility, and I expect nothing less in return."

"As a leader, I think it's important to be present, to provide feedback and to make sure you have the right people in place. Together we work with the customer to seek win-win situations."

Dennis Sundqvist
Branch Manager Vaasa, Finland

"To inspire and engage my employees, I am present in the workplace, I listen to my colleagues and work towards good communication."

- Another important thing is to make all employees feel involved in both successes and failures.

"I work a lot with positive feedback. It's also important to have fun at work!"

Sirwan Jamshidi
Branch Manager HVAC, Luleå, Sweden

"In order to create long-term cooperation, it is important for me as a leader to have an open dialogue in the group."

"I spend a lot of time including all parties in our projects, in order to align expectations right from the start."

"As a result, customers often feel that we take a holistic approach to all their needs and challenges."

Charlotte C. Nielsen
Contract Manager, Denmark

Madeleine, Construction Engineer, Bravida Sweden

How we work to generate profitable organic growth

We are strengthening our total customer offering, while investing to grow our services. With our strategy of being the largest or second largest everywhere we operate, we are laying the foundations for profitable organic growth.

Profitable growth is Bravida's core strategy, and we always prioritise margin over volume as we grow. Only when a branch is both profitable and well-organised is it time to invest in growth. Our strategy is to be the largest or second largest everywhere we operate, while leveraging the breadth of our offering.

An important prerequisite for organic growth is effective sales. Our comprehensive offer to each customer is based on close cooperation both between specialised local branches and within Bravida. This gives us an advantage over local competitors and is crucial to sales. We are now working to strengthen our end-to-end offering to customers and to grow – particularly in service.

A customer offering at the forefront

In recent years, we have seen growing demand for digital and energy-efficient technology solutions for buildings. That's why we are now making major investments in our customer offering, including investments in building automation, and positioning ourselves in renewable energy.

Major investments within service

We continue to develop our service activities. Service, operation and maintenance is recurring business that creates long-term stability in our organisation.

Key goals include bolstering the service organisation, enhancing our offering and increasing service agreement sales through cross sales to existing customers. We also aim to encourage more completed installation projects to become long-term service assignments. Together, we endeavour to sign more national agreements with major customers that have operations across several regions. An important step in 2021 was the establishment of the Technical Facility Management business area. For large customers, Bravida can assume overall responsibility for the maintenance of buildings and facilities, with the emphasis on technical services. Find out more on page 20.

Ensuring we recruit the right skills

As our business grows, so do our staffing needs. Bravida works at various levels to attract and retain the right expertise. Find out more on page 54.

Events in 2021

Overall, Bravida achieved organic growth of 0 percent in 2021. There were, however, significant differences between countries.

In Sweden, the business grew organically by 1 percent, in Denmark by 4 percent and in Finland by 8 percent, while Norway had negative organic growth of -8 percent.

"Just by not taking the car, we save on average around 0.5 tonnes of carbon emissions per property per year."

Göran, fitter, Bravida Sweden

Bravida GreenHub – fossil-free transport service

Property service on an electric bike? It's now a reality in nine of the Nordic region's major cities.

In 2021, we expanded the use of alternative means of transport across the Group. Under the new GreenHub concept, Bravida's service technicians travel to customers using electric bikes, electric mopeds and on foot. This reduces the carbon footprint of both Bravida and its customers.

Available in the city centre

Located in the city centre, GreenHub offices offer fossil-free transport services within a 15-minute radius, providing fast delivery of services and eliminating problems such as traffic jams and parking.

Dag Vidar Kvernbråten, one of the initiators of the concept, says: "Just by not taking the car, we save on average around 0.5 tonnes of carbon emissions per property per year."

Focus on reducing energy use

GreenHub offers all types of technical property services, with a special focus on reducing energy use on the customer's property, and Bravida's suppliers deliver products in a fossil-free way to Bravida GreenHub.

Popular with customers

"GreenHub was launched in Oslo in the autumn of 2020, and has been very popular with customers. We meet our customers in a whole new way and have a new kind of dialogue about what they want and need. It has also triggered a dialogue with our suppliers on how we can make transport more sustainable," continues Kvernbråten.

"So far GreenHub has been a very small part of our business, but I think it's what many customers want. It feels important to be a company that takes initiatives in the climate field."

Bravida expands the concept

In 2021, the project was expanded to include eight more of the Nordic region's major cities: Stockholm, Gothenburg, Bergen, Trondheim, Kristiansand, Copenhagen, Aarhus and Helsinki.

Acquisitions are an important element of our strategy

Acquisitions are one of the fundamental elements of Bravida's growth strategy. The acquisitions strengthen our overall offering and local presence – and enable acquired companies to become even better together with Bravida.

One of Bravida's financial targets is to grow profitably by at least five percent per year through acquisitions and organic growth. In locations where we want to grow, acquisitions are often the quickest way to become the strongest local player, increase sales and expand the customer offering. This may, for instance, bring in new technology, new geographical locations, new know-how or personnel, or the acquisition of a serviceprovider. Bravida's acquisition strategy is long-term. That's why we want to integrate acquired companies and make them part of Bravida.

Two types of acquisition

Bravida distinguishes between two types of acquisitions:

- Additional acquisitions, which concern slightly smaller companies with strong local roots. Bolt-on acquisitions are always made by our businesses locally with the support of Bravida's central acquisitions team.
- Strategic acquisitions, which are larger and cover a wider geography or a new technology area. These types of acquisitions develop our overall offering and competence in technology areas that are close to Bravida's core competencies, such as building automation, technical facility management and renewable energy solutions.

Events in 2021

The ongoing pandemic has affected Bravida's acquisition activity since 2020, mainly due to difficulties in meeting acquisition candidates. As restrictions eased, the pace of acquisitions returned to normal in 2021. Bravida's acquisitions team has been strengthened and now consists of eight people.

Over the year 20 acquisitions were made, adding annual sales of SEK 1,052 million. Three of these can be considered strategic and were made in order to strengthen Bravida's customer offering in automation. The number of potential acquisition candidates on the Nordic market is still assessed to be large.

A strong history of acquisitions

Over the past five years, Bravida has made 71 acquisitions, which have increased annual sales by SEK 5,126 million.

Annual turnover acquired companies, SEK million

Acquisition multiple before synergies: 5 × EBITA

Alexandra, Lars and **Arash**, Bravida's acquisition team

Bravida's acquisition process

Bravida's central acquisitions team is responsible for the acquisition process. The acquisitions team is made up of people with different skills and backgrounds, including from acquisitions in banking, corporate finance, law firms and from the 'line' of Bravida's business.

The team's work is divided into three main areas: identification, implementation and integration.

Identification of acquisition candidates

Bravida's acquisitions team works continuously to identify potential acquisitions from a technical and geographical perspective. Local businesses contribute by proposing actual companies or types of companies. The acquisitions team contacts all companies deemed interesting for exploration of acquisition opportunities.

Implementation of acquisitions

If both Bravida and the company in question wish to proceed after the initial contacts, the implementation phase will begin. The acquisitions team has its own competence and takes the necessary steps in close cooperation with the local business.

During this phase, the process for integration of the business into Bravida will also be established. This is done in consultation with the company concerned and the Bravida employee who will be responsible for the business, normally a regional manager. The acquisition team supports the work through a well-developed and structured model.

Integration of the company into Bravida

Once the acquisition is completed, the integration starts to make the acquired company a part of Bravida. Integration is carried out over 3–18 months. The work is done primarily in the line and with the support of the integration coordinator on the acquisition team.

Four to ten months after the acquisition, the acquisition team follows up on the acquisition from the perspective of the acquired business. The aim is to learn and further improve the process.

① Identification of acquisition candidates →

Ongoing work:

- The acquisitions team scans the market
- Bravida's local operations make proposals

② Implementation of acquisitions →

- Due diligence
- Contract negotiation
- Integration plan

③ Integration of the company into Bravida

- Local implementation
- Support from acquisition group
- Follow-up after 4–10 months

Successful integration is key

Bravida places a strong emphasis on the importance of successfully integrating businesses into the Group.

The most important thing in an acquisition is to make the new employees feel welcome. It is crucial that employees are well informed and feel that their local manager is present and accessible. We also attach great importance to good training in Bravida's work system and working methods.

Successful integration leads to major advantages, both for the acquired company and for Bravida, including better visibility and a stronger local market position. Many acquired businesses also increase their profitability by using Bravida's group-wide resources and purchasing system.

⊕ We are looking for companies that fit into Bravida

Bravida seeks companies that have a long, stable history and a corporate culture that's a good fit with Bravida's. They should be companies that strengthen our local operations and our overall offering to customers. The business must be stable and profitable, and have a good reputation in the local market.

Acquisitions also have to contribute one or more of the following:

- **Enhanced local offering**: the acquisition makes Bravida a local market leader in a particular technical area.
- **Enhanced technical offering**: the acquisition results in Bravida expanding its technical offering.
- **Geographical expansion:** Bravida establishes itself through acquisitions in new locations.

Martin, electrician, and **Adam**, plumber, Bravida Sweden

Jens Björkskog and **Jonas Björkskog**, former co-owners of Asentaja Group, which was acquired by Bravida Finland in 2016.

"We have grown almost twice as much"

In 2016, Jonas Björkskog and his partners sold their company Asentaja Group to Bravida. The company is now a well-integrated part of Bravida Finland. Jonas himself is Regional Manager of Bravida's Ostrobothnia region. This is the story of Asentaja's journey into Bravida.

Jonas Björkskog started working at his neighbour's electrical installation company in Jakobstad in Ostrobothnia, Finland, at the age of 15. After an education in electrical engineering, Jonas bought the company with two colleagues in 2001.

"Together we built a good and efficient business. We continued to develop the business, and in just a few years we created the Asentaja Group, which offered a full range of electricity, heating and ventilation services in several cities in Finland," says Jonas Björkskog.

The goal: to become the largest in Finland

Asentaja's goal was to become the largest in Finland, and the seven owners wanted it to happen quickly. That's when thoughts of selling the company surfaced.

"We realised that it would be quicker to become the biggest if we sold the company. But we wanted to stay and run the business ourselves. Of the potential buyers, Bravida was the absolute favourite, because of the culture and local autonomy," says Jonas Björkskog.

Two years before the acquisition, Jonas Björkskog contacted Bravida, which did not yet exist in Finland. In the first two rounds, the answer was no, but they kept in touch.

"The third year, Bravida called me and asked when I was coming. By then they were already in Finland and realised that we were a good company.

Took an active role in integration

When Asentaja Group was acquired, Bravida's organisation in Finland was very small. Therefore, they took a very active role in integration.

"We didn't mind, because we were interested in becoming Bravida. From the beginning we have known that we were Bravida Finland, it was never a you and us thing.

But there is always some turbulence around an acquisition. However, most of our staff chose to come along. Bravida has great employee benefits, and employees also have completely different opportunities to grow within the organisation," says Jonas Björkskog.

Grown by almost double – with a better margin

Since the acquisition in 2016, the business has almost doubled in size. Jonas Björkskog says that Bravida's tools and platforms have served as a lever, but they have done the work themselves.

"When we sold to Bravida, we had a turnover of EUR 16 million. Today, five years later, we have a turnover of EUR 30 million, and if we include the acquisition we made this year, it comes to EUR 40 million. At the same time, the margin gets a little better every year, which is also our goal.

"It helps to be a part of Bravida. We now have much better purchasing than we had in Asentaja, where we were too small-scale. Overhead costs such as HR and administration are gradually improving as we grow in Finland. A large company also attracts employees in a completely different way. It is the stability that attracts people."

"Best acknowledgement we could get for a job well done"

Acquisition and integration is a mutual project that requires a good match between companies and culture. Jonas Björkskog sees Asentaja Group as a success story in Bravida and is happy about their decision to sell.

"Working at Bravida is perfect; it's fun every day. And the fact that Bravida wanted to buy what we had created was the best proof we could get that we have built a good business," concludes Jonas Björkskog.

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4

Sustainability at Bravida

Bravida's ambition is clear – we want to contribute to the world's commitment to achieving the Paris Agreement and Agenda 2030, the UN's Global Sustainable Development goals.

We are now stepping up our efforts and investments to achieve these goals, both with our customers and in our own operations →

Bravida's contribution to sustainable development

Climate change is a fact and the changes in society affect us all. As a major player, Bravida has an opportunity to make a difference. Through our services, we contribute to the transformation of society. At the same time, we are working to make our own operations more sustainable.

Buildings account for a significant percentage of the world's climate and environmental impact, both when they are built and when they are used. Meanwhile, it's becoming increasingly clear that global societal development needs to be more sustainable. At EU level, there are strong drivers for transformation through the Green Deal, the EU Renovation Wave and the EU Taxonomy.

Bravida's customer offering is directly linked to the challenges of transition. We want to work for the achievement of the Paris Agreement and the Sustainable Development Goals.

"As a major player, Bravida has an opportunity to make a difference. Through our services, we contribute to the transformation of society."

We do this primarily by providing solutions that contribute to energy efficiency, energy transition and resource efficiency for our customers. Our value chain also needs a shift towards reduced climate and environmental impact, while developing our work on social responsibility and conduct.

Aiming to lead the way in our industry
Bravida's sustainability work is an important part of future-proofing and developing our business. Our aim is to lead the way in our industry.

In 2021, Bravida has therefore adopted more ambitious goals and a new strategy for sustainability. We have linked the company's goals to the Sustainable Development Goals where our business can make the biggest difference. Since February 2022, Bravida has also committed to the principles of the UN Global Compact.

We don't necessarily have all the answers, but we're learning, developing and working together to take the required steps.

We invest for the future
Bravida focuses its work on three priority sustainability areas:

- Climate impact, energy and use of resources
- Social responsibility
- Conduct

We are also investing heavily to strengthen our digital platform and accelerate the pace of change.

Photo: Liselotte Stray, Bravida

At Sara Cultural Centre, Skellefteå, Bravida has been responsible for all installations. The building is certified according to Sweden Green Building Council, Silver.

Bravida's priority areas in sustainability

Climate impact, energy and use of resources

Long-term goal Bravida is climate neutral in the entire value chain by 2045

Goal areas
- Customer offering
- Energy use in own buildings
- Vehicles
- Materials and waste

Social responsibility

Long-term goal Bravida is a growth-oriented, inclusive and safe workplace where employees thrive and grow

Goal areas
- Health and safety
- Diversity and employee development

Conduct

Long-term goal
Bravida is perceived as a credible and responsible operator, a good business partner and a market leader in business ethics. Bravida has the same requirements for its supply chain as for its own operations

Goal areas
- Conduct and governance
- Supply chain

Climate impact, energy and use of resources

We help our customers create well-functioning properties while also reducing their carbon footprint. At the same time, we're transitioning our own operations.

Bravida's vision puts sustainability at the heart of our business activities. The long-term goal is to be carbon-neutral throughout our value chain by 2045, so that our customers can be as well. This is an ambitious goal, as it requires close collaboration with actors both upstream and downstream in the value chain.

We're helping customers reduce their carbon footprint

It is through our customer offering that we have the greatest opportunity to make a difference. With the right installations and regular service, a building becomes more energy efficient. When Bravida is responsible for all the technology in a building, we create the conditions for coordination and efficiency – not least in the field of energy.

That's why we're developing our comprehensive offer. The ambition is to help more customers make the transition to a fossil-free and resource-efficient society.

Reducing our own impact

At the same time, we are implementing measures to reduce our own environmental and climate impact. It involves making our fleet fossil-free, planning smarter transport, reducing our energy use and switching to renewable energy in our offices. The use of materials is another key issue. By choosing the right products, minimising waste, recycling and becoming better at reusing, we reduce use of resources. We engage in dialogue with customers and suppliers on the environmental and climate performance requirements of products and how more circular material flows can be achieved.

Events in 2021

In the spring of 2021, Bravida adopted more ambitious climate targets and a roadmap to climate neutrality.

We also continued to expand our customer offering with services that help customers reduce their carbon footprint:

- Bravida launched two new business areas, Building Automation and Technical Facility Management, which contribute to reducing energy consumption in customers' properties.
- We launched Bravida Charge, which offers a convenient all-in-one solution for charging electric cars.
- Bravida GreenHub, which offers customer-oriented service with fossil-free transport, continues to grow in the Nordic cities.

Customer satisfaction is measured by the Net Promoter Score, which this year landed at 60, exceeding our target of >50.

At the same time, we are taking action internally. Bravida's vehicle fleet consists of nearly 7,000 cars. By gradually replacing our fossil fuel cars, we are reducing our emissions. During the year, 33% of cars ordered were electric.

In the fourth quarter, we started signing contracts for renewable electricity in all our offices and premises. The furthest we have come is Denmark, where all offices are using renewable electricity from the beginning of 2021/2022. In Sweden, 31 offices have similar agreements. In total, this represents about a quarter of Bravida's offices.

Bravida is also involved in a project to increase circular material flows in our industry, together with IVL Swedish Environmental Institute and the trade association Installatörsföretagen.

Follow-up for 2021

60
NPS (Net Promoter Score, which measures customer satisfaction, target >50)

-0.6%
Change in total carbon emissions compared to 2020 level (target: -30% by 2025)

~25%
Percentage of Bravida offices with contracts guaranteeing the purchase of renewable electricity (target: 100% by 2023)

42%
Percentage of pick-up orders service, direct purchase from wholesaler (target: <30%)

17%
Share of pick-up orders installation, direct purchase from wholesaler (target: <10%)

61%
of employees in Sweden have completed Bravida's environmental training (target: 100% at Group level by 2023). Launched in other countries in 2022.

Bravida's climate targets for 2045

2023	2025	2030	2045
100%	-30%	-55%	CO_2=0
By 2023, we will use renewable electricity in 100% of Bravida's offices.	By 2025, we will reduce the carbon footprint of our own business activities by 30% compared to 2020.*	Through our services, we aim to help our customers cut emissions by 55% by 2030 compared to 2020. At the same time, we will make the same reduction in our own operations.	The long-term goal is to be carbon-neutral throughout our value chain by 2045, so that our customers can be as well.

We are transitioning our own operations

Energy use in our premises

We're switching to renewable energy in our offices and buildings.

Vehicles and transport

We're replacing our service vehicles with fossil-free alternatives.

We're expanding the electric vehicle charging infrastructure at our offices.

Property service using low-carbon transport (GreenHub) in cities across the Nordics.

Materials and waste

We're planning projects and assignments to ensure the efficient use of resources.

We're improving the choice and use of materials, waste management and reuse.

We provide Group-wide environmental training and have incorporated procedures for chemicals and waste into our working methods. This reduces the risk of environmental pollution and danger to human health.

Waste generated is handled in accordance with the waste management hierarchy. Bravida also has a permit for transporting hazardous waste for recycling and disposal.

We help our customers reduce their carbon footprint

Regular service

New energy solutions

Energy optimisation

Automation

Simple energy improvements

Sustainable material choices

*Refers to Scope 1 greenhouse gas emissions (direct emissions from our vehicles) and Scope 2 emissions (indirect emissions from purchased energy related to our offices and premises).

Photo: Bravida Danmark

Mathias Hoffmeister Lose, Beumer Group

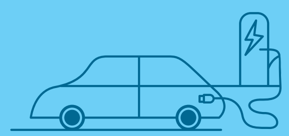
Bravida Charge – convenient electric car charging for employees

Beumer Group is a leading manufacturer of logistics systems. They wanted to offer their employees and customers convenient electric car charging. The choice fell on Bravida Charge.

At the Beumer Group's branch in Aarhus, Denmark, more and more employees switched to electric cars. As part of the company's sustainability efforts, Beumer was looking for a solution that would give their employees preferential conditions for charging their cars. At the same time, they wanted the solution to be simple and flexible to administer.

The choice fell on Bravida's new system Bravida Charge and a comprehensive solution including installation, maintenance and support of three charging stations with six chargers. Mathias Hoffmeister Lose, Global Category & Project Procurement Manager, Beumer Group A/S, is pleased with the solution:

"With Bravida Charge, we have a simple and hassle-free solution to offer our employees a low-cost way to charge their electric cars. The solution is more flexible than other systems, and simplifies our administration of the charging stations. It feels good that we can now make it easier for our employees to switch to an electric car!



Electric cars reduce direct carbon emissions

Switching to electrified vehicles is the biggest immediate opportunity to dramatically reduce emissions in the transport sector.

On average, replacinga fossil fuel car with an electric car reduces CO_2 emissions by 1.2 kg per mile driven.*

*Source : https://exponentialroadmap.org

Circular installations – a project for increasing reuse of material in the installation sector

How can we become better at reusing and repairing instead of buying new? A research project for increased circularity in the sector is now starting.

The largest climate emissions in Bravida's value chain come from purchased materials. Our own surveys show this. Climate data at product level and improved climate performance are therefore important issues for dialogue with our suppliers.

Reuse and repairs

Making use of already produced material is another part of the solution. By investing more on reuse and repairs, the industry can lower both emissions and use of resources. But creating circular material flows requires knowledge, new ways of working and collaboration between actors.

Research for increased circularity

Therefore, the trade association Installatörsföretagen and IVL Swedish Environmental Institute have initiated a research project for increased circularity and reuse in the installation industry.

Bravida contributes to the project

Bravida is one of the sponsors and also contributes its competencies.

"Achieving a circular and low-carbon economy requires that we find new ways of working. Collaboration in the value chain is crucial to addressing the challenges of transition. At Bravida, we want to have an impact. We are convinced that reuse and circularity will play a crucial role in achieving our climate goals in the future," says Adnan Ploskic, Bravida project manager.

Katarina, Service Technician, Bravida Sweden

BraVal – Bravida's label for environmentally assessed products

- The BraVal label in our purchasing system shows us which products have been environmentally assessed.
- Helping us make more environmentally conscious choices
- We're collaborating with suppliers to ensure that more products are environmentally assessed.

Bravida's social responsibility

Work environment: health and safety

Bravida's vision is to eliminate occupational injuries entirely. Every employee should come home from work feeling healthy and well every day. That's why we work systematically with the physical, social and organisational work environment.

Bravida operates in an industry with significant health and safety challenges, both in service and installation. Our employees face numerous different risks every day. This may involve working at height, sharp objects, deficient electrical safety, disorderly worksites, stress or working alone.

Aiming for zero accidents and a healthier workplace

Bravida's vision is to eliminate occupational injuries entirely. Our initial target is to cut LTIFR (Lost Time Injury Frequency Rate), i.e. the number of workplace accidents that lead to at least one day's absence per million hours worked, to below 5.5.

Another important strategic target is to reduce short-term sickness absence to below 3 percent. That's why we train all our managers on how to create a healthy workplace culture. Employees perform better when they are happy and healthy at work.

Culture is key to health and safety

Bravida takes a systematic approach to preventing accidents and occupational injuries, in every branch, project and customer assignment.

The Bravida Way provides a platform: We operate according to established methods and we plan work in a way that ensures an orderly workplace. All employees receive health and safety training. We carry out systematic risk assessments at all levels, and ensure we observe, report, analyse and resolve the risks that exist at workplaces.

To further strengthen these efforts, we regularly review key performance indicators linked to financial incentives for managers and leaders in the Group. But the ultimate determining factor is our corporate culture: We have a shared responsibility for our work environment and safety; we think twice before undertaking a task and look after each other. To reinforce this, we hold an annual Health and Safety Week to increase engagement and educate employees on health and safety issues.

Events in 2021

In 2021 Bravida continued to see results from the health and safety initiatives taken in recent years. The rate of occupational injuries (LTIFR) fell to 8.4 (8.6). However, the rate of occupational injuries in Finland increased to 18.5 (13.5). Bravida takes this seriously and is taking measures to reverse the trend. Absenteeism due to illness was, as in 2020, at an elevated level due to the pandemic. No fatalities have occurred in Bravida's operations during the year.

We also maintained efforts in 2021 to achieve a sustainable working life:

- **Work Environment Week 2021** was the start of Bravida's work with Safety Walks, a structured form of workplace visit to eliminate risks. A Safety Walk is a visible demonstration of the leaders' commitment to our health and safety work. In addition, it is a complementary process for identifying both good and bad behaviours and for defining actions to continuously improve safety.

- **The Work Environment Award** has been awarded in each division to the person or branch that successfully carries out ongoing systematic health and safety management and has good quantitative and qualitative results of the work compared to previous years.

- **Decision on safety culture project:** In 2022, Bravida will initiate a project to map and concretise our safety culture work.

Follow-up for 2021

Occupational injury rate, LTIFR*

	2017	2018	2019	2020	2021
Sweden	9.5	9.9	9.1	8.8	8.6
Norway	3.0	5.1	4.5	3.0	2.8
Denmark	19.0	16.2	17.0	14.1	11.3
Finland	33.8	31.6	29.9	13.5	18.5
Group	**11.0**	**11.0**	**10.4**	**8.6**	**8.4**

* Lost Time Injury Frequency Rate: the number of work accidents that lead to at least one day of sickness absence per million working hours

Sickness absence**

	2017	2018	2019	2020	2021
Sweden	4.7	4.9	4.9	5.8	5.6
Norway	5.8	5.9	5.5	6.8	6.8
Denmark	4.8	4.2	4.3	4.7	4.6
Finland	4.5	4.8	5.1	5.7	4.7
Group	**5.1**	**5.0**	**4.9**	**5.8**	**5.7**

**Total hours of sickness absence in relation to scheduled working hours

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

Systematic work prevents accidents

A zero vision for occupational injuries

The foundation of our safety efforts is the Bravida Way: We work according to established methods and with preventive measures to ensure that no one suffers injury or ill health as a result of their work.

- Group-wide incident and risk management system
- Annual health and safety week
- All employees receive health and safety training
- Safety walks to detect risks at the workplace
- Systematic risk assessment
- The STOP method for assessing risks in everyday life
- Regular monitoring of key performance indicators linked to financial incentives for managers

Our goals for 2023

< 5.5

Lower LTIFR (Lost Time Injury Frequency Rate) by 2023.

< 3%

Reduce short-term sickness absence to below 3% by 2023.

We work systematically to improve our working environment

Bravida applies the principles of systematic work environment measures ('SAM' in Swedish). Abnormalities and incidents in the work environment are reported and managed in BIA, the Construction Industry Information System on Health and Safety.

The system provides all employees with a simple way of reporting risk observations, incidents, occupational injuries and discriminatory treatment. The employee's immediate supervisor is responsible for investigating and taking action about reported events.

At Bravida, we regularly analyse data from the system as a preventive measure to identify our risky operations. This allows us to take proactive measures to prevent similar events from happening again.

'Håll Nollan' – Initiative to eliminate accidents in the construction industry

Bravida is a founding member of the organisation 'Samverkan för noll olyckor i byggbranschen' (joint action for zero accidents in the construction industry) and the 'Håll Nollan' initiative. The organisation covers the entire construction, building services and energy sector in Sweden and promotes cooperation between all parties involved in the different phases of construction projects, both contractors and developers. The aim is for no one to be injured on construction sites.

The best team

As a service company, Bravida is dependent on having engaged, motivated and competent employees. We're committed to creating the best teams in the business – wherever we operate.

Bravida works every day to ensure our customers' properties reach their full potential. That's why we need the best team wherever we work.

Strong leadership for both business and employees

Each leader at Bravida endeavours to create the best customer experience in the local market – and a profitable business. To do that, they must have their people with them on the journey. That's why every leader must be as good at managing their people as they are at managing the business.

A leader at Bravida is responsible for building a strong team in their unit, with the right approach, clear roles and a shared drive. We do this by working in a structured way to attract, recruit, develop and retain the best in the market – but also by creating an inclusive business that embraces the diversity of the team.

Professional development of our employees

When we recruit, we look for the best employees in the market. And we always aim for a combination of different competencies. Gender equality and diversity ensure we have a broad recruitment base and makes us a stronger company.

Our leaders are responsible for harnessing the full potential of each employee. We also believe in the capacity of the individual to drive their own development, supported by their manager. The bulk of ongoing professional development takes place in day-to-day work. Our in-house training organisation, the Bravida School, offers further development of competencies. We also have a structured process for recruiting the personnel we need and for internal recruitment.

A workplace that welcomes difference

Bravida must be a workplace that welcomes and respects all employees. HR processes are established to ensure we comply with legislation and collective agreements on employment terms, wage structure and anti-discrimination measures in all countries in which we operate, and follow our own code of conduct. By promoting gender equality and diversity, we make the most of employees' differences, skills and experience. Other important elements of this work are:

- policies and plans on equal rights and opportunities,
- targets and measures to increase gender equality and diversity,
- cooperation with employer organisations and training boards to increase the proportion of women in the industry,
- internal audits, independent inspections and our employee survey that follow up our compliance.

Bravida has zero tolerance of all harassment and discrimination. Leaders and managers have particular responsibility, both in terms of setting an example and in terms of taking action if anyone feels discriminated against. If harassment is suspected or identified, measures are taken based on our action plan.

Events in 2021

The pandemic still affected many aspects of Bravida's business in 2021. In some markets, staffing levels have been adapted to prevailing market conditions. Elsewhere, skills and resource shortages in the market have caused unwanted staff turnover.

In 2021, a new Chief HR Officer was appointed and Bravida established a new People Vision and a strengthened HR agenda.

Number of employees, average	2020	2021
Total in Group	11,906	11,864
Of whom women	908	986
Sweden	5,928	5,800
Norway	2,997	2,931
Denmark	2,315	2,429
Finland	666	704

Age structure, %	2020	2021
Over 60	8.0	7.6
51–60	19.6	19.6
41–50	20.0	19.8
31–40	23.1	24.1
21–30	25.7	24.9
Under 20	3.7	4.1

Follow-up for 2021

8

eNPS, employee Net Promoter Score. The survey is conducted every other year, most recently in January 2021. Industry average 22. Scale -100 to 100.

+2.7

percentage points. Change in unwanted employee turnover in Bravida in 2021, compared to 2020 (target: -3 percentage points by 2023).

1,083

Number of apprentices who worked at Bravida during the year.

19

Number of people who completed our trainee programme in 2021.

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

Together we're building the best team in the business

Our goals for 2023

-3

percentage points

Retain our employees: Reduce unwanted staff turnover 3 percentage points by 2023

eNPS >20

Increase the proportion of employees who recommend Bravida (eNPS)

Focus on leadership

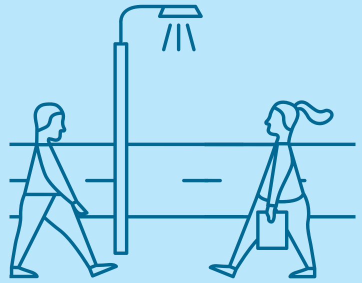
- New leadership model
- Focus on leading the business and leading the people

Employee development

- Local recruitment of employees and apprentices
- Day-to-day practical development
- Continuing education through the Bravida School
- Internal recruitment and career within the company

Working for diversity

- Targets and measures to increase gender equality and diversity



Whistleblowers

in 2021, a new whistleblower law came into force in Sweden. The law, based on an EU directive, requires large organisations to set up reporting channels for suspected wrongdoing, such as breaches of laws or internal regulations.

Bravida has had an anonymous whistleblower function in place for several years, which is available to anyone on Bravida's website. Reported misconduct is handled by Bravida's chief legal officer. in 2021, 23 reports were received, which were handled according to the current regulatory framework.

Jörgen, ventilation fitter, and **Adam,** service technician, Bravida Sweden

Conduct and supply chain

Our customers and society expect both Bravida and our suppliers to act responsibly.

Bravida aims to be perceived as a credible and responsible player, a good business partner and a market leader in business ethics. Therefore, we expect responsible behaviour from each other and from our suppliers.

This simply involves adhering to our values: we care for business, keep it simple, take responsibility and are proactive. The Bravida Way and our Code of Conduct guide and help us create healthy, long-term business relationships.

Customers: our work should reflect a high level of professionalism and ethics

At Bravida we always safeguard our relationships with business partners, principally by always delivering what we promise. We believe in competition and that all decisions should be professionally based without any personal benefit for those involved.

Ethical issues can be difficult to assess. That's why we have a structured approval process at Bravida: a manager must always consult their line manager before decisions are taken on issues of business ethics. We have also established a business ethics committee that is responsible for providing guidance and training in this area.

Suppliers: same requirements as Bravida

As leaders in our industry, we can and want to make a difference throughout the supply chain and take responsibility for people, the environment and society.

Bravida has a large number of suppliers and our aim is for them to comply with our Code of Conduct for Suppliers. All significant suppliers must undergo Bravida's supplier assessment and accept the Code of Conduct. The assessment, which is a self-assessment, indicates how well they meet the requirements of our code of conduct. To further reduce risk and increase efficiency, we largely focus purchasing on established operators on the Nordic market.

The area that is most difficult to control is local subcontractors who carry out work. In this regard, regular training, follow-up and support are important in ensuring that our subcontractors work correctly.

Events during the year

In 2021, Bravida has decided on a new sustainability policy, which clarifies the company's commitments and ambitions in terms of sustainability work. We have also launched an e-learning course on sustainability, which is mandatory for all employees.

A revised Code of Conduct, with a number of adjustments and clarifications, was adopted by the Board of Directors during the year. In conjunction with this, we launched an e-learning course on our Code of Conduct, also mandatory for all employees. The training is part of Bravida's induction package for new employees.

During the year, the Supplier Code of Conduct was also updated. In this context, we also updated the supplier assessment.

In 2022, Bravida's purchasing system will be replaced by a new system that will provide better possibilities to manage sustainability-related data for products.

Follow-up for 2021

27%

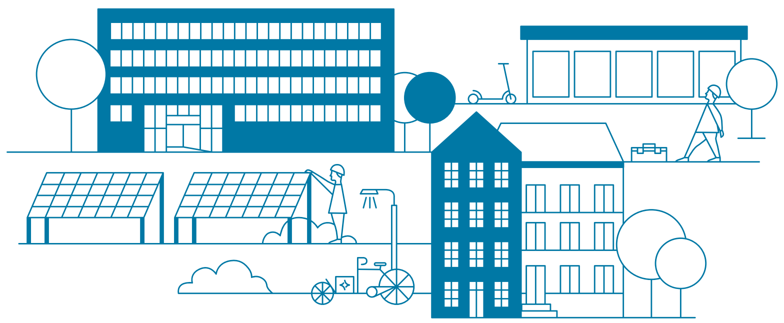
of employees in Sweden have completed Bravida's sustainability training (target: 100% at Group level by 2023). Launched in other countries in 2022.

63%

of employees in Sweden have received training in Bravida's Code of Conduct (target: 100% at Group level by 2023). Launched in other countries in 2022.

52%

of our significant suppliers have undergone qualification (target: 100% by 2023)



A shared compass for business activities

Bravida's values

- Care for business
- Keep it simple
- Take responsibility
- Be proactive

Bravida's Code of Conduct

- We promote gender equality and diversity
- Zero tolerance of harassment and victimisation
- Clear attestation procedure and approval by the manager's manager regarding business ethics issues
- Open whistleblower function on the website for anonymous reporting of breaches of the Code of Conduct, read more on page 55
- The Code of Conduct is established by the Board of Directors of Bravida

Bravida Way

We work together
– as ONE Bravida

1. We have a local presence
   – but we are ONE company
2. ONE culture
3. Shared working methods and tools
4. ONE strategy

We demand as much from our suppliers as we do from ourselves

- All significant suppliers must undergo Bravida's supplier assessment and accept the Code of Conduct.
- To further reduce risk and increase efficiency, we largely focus purchasing on established operators on the Nordic market.

About Bravida's code of conduct for suppliers

Our code of conduct for suppliers focuses on the values and approaches that we believe should apply to issues such as human rights, employment conditions, product responsibility, environmental impact, health and safety, and business ethics.

Our goals for 2023

100%

All employees will have received Bravida's sustainability training, which is based on the Sustainability Policy, along with training in the Code of Conduct

100%

of Bravida's significant suppliers undergo qualification. Bravida ensures this through assessment.

Governance, monitoring and development of work on sustainability

Bravida aims to operate a long-term, responsible and sustainable business where economic, environmental and social aspects are well-integrated into the operations.

Governance of the sustainability work
In 2021, Bravida adopted new goals and strategies for sustainability work. The governance model clarifies responsibility and governance of sustainability within the company.

Bravida's Board of Directors is responsible for approving and monitoring the company's overall strategic focus and goals. Strategies and targets for sustainability work are set by the Group management, with ultimate responsibility lying with the CEO. The Sustainability Committee of the Group management drives the development and improvement of the company's strategy, long-term goals and sustainability-related policies.

The work of the Committee follows an annual cycle where monitoring, evaluation and adjustment of strategies, objectives and activities are linked to the decision-making processes of the Group management and the Board of Directors. The Sustainability Committee is chaired by the Head of Operations Development, who is also part of the Group management. Responsibility for implementation of the strategy is divided between managers for relevant group functions and the managers of Bravida's operational units.

The sustainability issues that Bravida has identified as most significant relate to the company's strategies and business plan. An important aspect of Bravida's approach is our regular follow-up of the business, from individual cost centres up to Group level. Follow-up takes place every quarter and includes our most important sustainability targets. The results are published in Bravida's interim reports and annual report.

Bravida's significant environmental aspects
Bravida is a services company whose main business takes place at customer premises. We have a large number of small offices across the Nordic region, which in most cases are rented. Our operations are not subject to notification or permit requirements for environmentally hazardous activities. The direct negative environmental impact from water consumption, air pollution and use of land is therefore limited.

An annual review is carried out on those aspects of the organisation's activities, products and services that may have an impact on the environment. The environmental aspects

How we organise our work on sustainability

Board of Directors

Group management

Sustainability committee

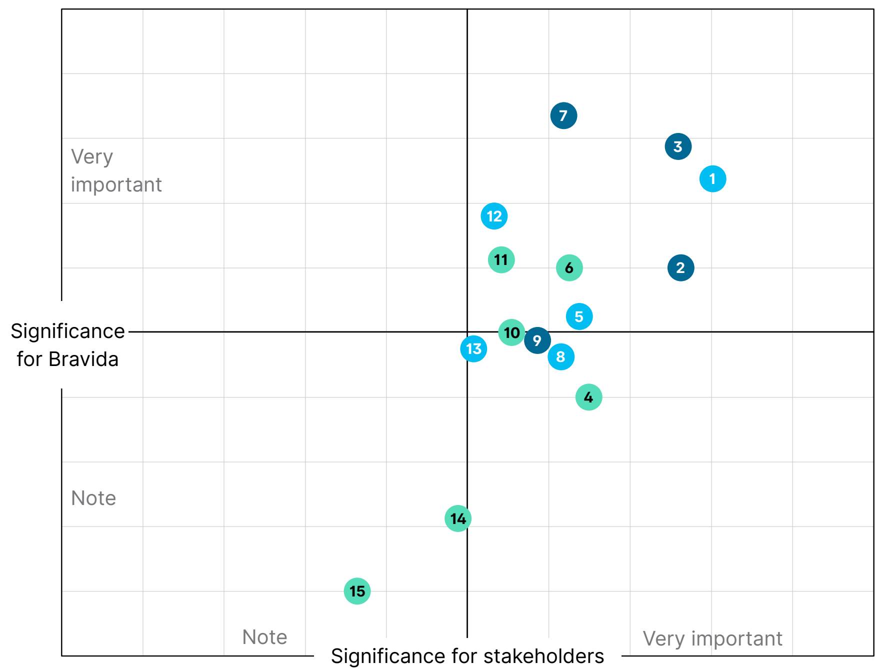
Nordic cooperation forum

Operational development and sustainability	Climate impact, energy and resources	Social responsibility	Conduct
Sweden	Customer offering	Health and safety	Conduct and governance
Norway	Energy in own buildings Vehicles	Diversity and employee development	Supply chain
Denmark	Materials and waste		
Finland			

Overview of stakeholders

Stakeholder	Engagement channels	Important issues
Customers	• Customer meetings in projects and assignments • Customer satisfaction and market surveys • Customer audits • Surveys and interviews as part of materiality analysis	• Work environment: health and safety • Environmental and climate impact • Supplier and product requirements • Gender equality and diversity • Working conditions, skills and development • Recycling and circular material flows
Employees	• Daily check-ins • Annual performance reviews • Employee surveys • Intranet and digital social platforms • Engagement with trade unions • Surveys and interviews as part of materiality analysis	• Working conditions, competencies and development • Environmental and climate impact • Work environment: health and safety • Remuneration and benefits • Gender equality and diversity • Values and ethical issues
Suppliers and partners	• Supplier meetings • Supplier evaluation • Contract negotiations • Surveys and interviews as part of materiality analysis	• Anti-corruption and bribery • Working environment, labour conditions and human rights • Environmental and climate impact • Energy efficiency
Shareholders and investors	• Financial reporting • Investor meetings • Capital markets days • Annual General Meeting • Surveys and interviews as part of materiality analysis	• Long-term development and value creation • Corporate governance • Environmental and climate impact • Work environment • Anti-corruption and bribery • Attract and professionally develop employees
External environment **– Our industry** **– Society** **– Potential customers** **– Prospective employees**	• Trade associations • Traditional and social media • Vocational colleges and universities • Trade fairs • Meetings in person: sales and recruitment • Brand surveys	• Installations in public-sector facilities • Energy and resource efficiency • Work environment • Job opportunities, training, apprentices • Laws and taxes • Transformation potential in our customer offering and own operations • Gender equality and diversity

Materiality analysis



Environment

4 Waste minimisation and recycling
6 Climate impact
10 Use of renewable energy
11 Reduced energy use
14 Circular material flows, e.g. reuse
15 Use of products with low chemical content

Social

1 Health and safety
5 Inclusion and non-discrimination
8 Human rights
12 Employee development (including training)
13 Gender equality and diversity

Governance

2 Anti-corruption work
3 Customer satisfaction and quality
7 Long-term economic return
9 Sustainability requirements for suppliers

identified as significant are addressed by the management system's common working methods and the company's environmental objectives. From a life cycle perspective, the most significant environmental aspects are considered to be our own transport, and materials, energy efficiency opportunities and waste related to our customer assignments.

Bravida's materiality analysis

Bravida's systematic work with sustainability is based on stakeholder dialogue and materiality analysis to identify and prioritise our most material sustainability issues. Sustainability analysis and benchmarking against industry peers and leading sustainability players is carried out annually as a basis for adjusting and developing our strategy and targets. Every three years, a more comprehensive analysis is carried out as part of the process of developing a new business plan.

Dialogue with the company's stakeholders takes place both through regular contacts and in a targeted form. Our materiality analysis process includes targeted dialogues to capture the views of one or more stakeholder groups on specific issues. In the autumn of 2021, customers, employees, suppliers, the board and owners were asked, through surveys and interviews, to give their views on Bravida's current strategy and which sustainability aspects we should focus on. The feedback from the stakeholder dialogue was processed with the division managements in Bravida's countries of operation before presenting the results to the Sustainability Committee.

This year's materiality analysis leads to new actions

Stakeholder feedback, internal prioritisation of issues and the conclusions of the market research are weighed together in a quantitative assessment of our sustainability issues. This year's results are illustrated in the graph on the previous page, and the conclusions are taken into account in the development of future strategy work.

Mapping of climate emissions

One of Bravida's long-term goals is to use our services to help our customers reduce their emissions by 55% by 2030, with 2020 as a base year. Achieving this goal will require emission reductions across our entire value chain.

In 2021, Bravida carried out an initial mapping of where our most significant climate emissions occur. The mapping shows that our largest climate emissions occur in Scope 3. Based on the size of the emission sources and Bravida's ability to reduce customer emissions, we prioritise the following sources of indirect emissions, where we believe we can make the largest possible emission reductions.

Materials in customer projects

The survey shows that purchased materials for our customer projects are Bravida's largest indirect source of emissions. Working on the materials issue is therefore an important opportunity to reduce the climate impact for our customers.

Reuse of materials will be a key element in reducing the climate impact of material use. In terms of installation materials, reuse is a relatively new area. Bravida is therefore participating in a development project led by IVL to investigate which installation materials have the greatest recycling potential.

In 2022, we will also launch internal pilot projects to raise awareness and facilitate the reuse of installation materials. Our goal is to have more than 5% of all purchased materials recycled by 2025.

It is also important to increase resource efficiency. Here we will work on reducing the amount of packaging and material waste in service assignments and installation projects. Our goal is to reduce the amount of waste and packaging by 2025. As a first step, we will start measuring the quantities from our business areas that are disposed of at our offices and workshops.

Energy use by our customers

By increasing energy efficiency among our customers, we can reduce their energy use and climate impact. This will be an increasing focus in the future. For example, in our Energy Optimisation and Building Automation customer offerings, we aim to reduce energy use by 25 per cent in projects.

We comply with international principles and agreements

The Group's Code of Conduct, policies and values provide the basis for Bravida's business and strategies. Our work is based on the laws, requirements and regulations that apply in the countries in which we operate. The Code of Conduct and the Sustainability Policy clarify Bravida's ambition and commitment to sustainability and how we are expected to act. Both the Code of Conduct and our policies follow the UN Global Compact initiative on issues concerning human rights, working conditions, the environment and anti-corruption. To further clarify our commitment to the initiative and the SDGs, Bravida has formally committed to the principles of the Global Compact since February 2022.

Bravida also endeavours to comply with:

- The UN Declaration of Human Rights
- The ILO's Declaration on Fundamental Principles and Rights at Work
- The OECD's principles and standards for multinational enterprises
- The UN's guiding principles for companies and human rights (UNGP)
- The Rio Declaration on the Precautionary Approach, which means that Bravida commits to take a preventive approach and minimise risks in environmental issues.

Additional references to laws, codes and regulations that are material to the company's governance can be found in the Corporate Governance Report.

The Bravida Way and ISO certification

Bravida's group-wide management system, The Bravida Way, is an essential part of the management of our operations. Through The Bravida Way, we integrate quality, environmental and health and safety management into our working methods. It is used by the vast majority of branches in the countries in which we operate. Exceptions to this are newly acquired companies and subsidiaries focused on activities that have their own systems. The Bravida Way is certified to ISO standards on quality management and the environment in Sweden, Norway and Denmark. In Denmark the certification also covers health and safety. Our Finnish operations follow The Bravida Way and have started the process of certification in all three standards.

Percentage of ISO-certified branches per country	ISO9001 (Quality Management)	ISO 14001 (Environment)	ISO 45001 (Occupational Health and Safety)
Sweden	98%	98%	–
Norway	100%	100%	–
Denmark	100%	100%	100%
Finland	–	–	–

Group-wide policies

- Bravida's code of conduct
- Code of Conduct for Suppliers
- Sustainability Policy
- Quality management policy
- Health and safety policy
- Personnel policy
- Equal rights and opportunities policy
- Policy against harassment and discriminatory treatment

Action plans and guidelines provide further guidance on how Bravida personnel should act within the company and in relation to our stakeholders.

Sustainability metrics

Bravida's climate emission calculations follow the Greenhouse Gas Protocol's (GHG Protocol) guidelines and methodology. For more information on the measurements, see the related notes.

Metrics	Group	Sweden	Norway	Denmark	Finland	Note
Climate impact, energy and use of resources						
NPS	60	66	56	50	60	NPS, Net Promoter Score, indicates the extent to which our customers would recommend Bravida to others. Measured by survey at local branch meetings with priority customers, and reported on a scale where min is -100 and max is +100. In 2021, a total of 1,325 such customer meetings were held.
Scope 1 (ton CO_2e)	24,022	13,767	3,148	6,503	604	The calculation refers to emissions from vehicles under centrally signed lease agreements and includes both service vehicles and company cars. Emission factors for fuels (WTW) are based on data from the Swedish Energy Agency.
Scope 2, Market-based approach (tonnes CO_2e)		1015.2		848.9		The emissions calculation refers to electricity purchased through centrally signed agreements with electricity companies. Currently, all Danish rented offices and premises and 31 Swedish rented offices and premises are covered by such agreements, which together represent approximately one quarter of the Group's rental agreements. The current contracts guarantee the purchase of renewable electricity from 1 January 2022. Work is underway to procure and gradually transfer the remaining offices and premises to central renewable electricity contracts. Calculations are based on Nordic residual mix.
Scope 2, Location-based method (tonnes CO_2e)		199.5		166.9		The emissions calculation refers to electricity purchased through centrally signed agreements with electricity companies. Currently, all Danish rented offices and premises and 31 Swedish rented offices and premises are covered by such agreements, which together represent approximately one quarter of the Group's rental agreements. The current contracts guarantee the purchase of renewable electricity from 1 January 2022. Work is underway to procure and gradually transfer the remaining offices and premises to central renewable electricity contracts. Calculations are based on Nordic standard mix.
Scope 3, business travel via travel agency (tonnes CO_2e)		98.4	105.6			Refers to emissions from flights booked through Swedish and Norwegian business travel agencies. Emission calculations are provided by the respective travel agency and use emission factors from DEFRA (Deptartment for Energy, Food, and Rural Affairs) in the UK.
Energy use, purchased electricity for offices and premises (MWh)		2.78		2.32		Electricity consumption refers to electricity purchased through centrally signed contracts with electricity companies. Currently, all Danish rented offices and premises and 31 Swedish rented offices and premises are covered by such agreements, which together represent approximately one quarter of the Group's rental agreements. See also note on Climate Emissions Scope 2 above.
Quantity of waste (tonnes)				1,014		Data is only available for Bravida Denmark, where a centrally signed agreement with a waste management operator enables monitoring of waste quantities handled at the Danish operations' offices and premises. Bravida intends to investigate the possibility of signing similar agreements to enable this type of monitoring in other countries of operation.
Recovery rate, recycling (%)				47		Data is only available for Bravida Denmark, where a centrally signed agreement with a waste management operator enables monitoring of waste quantities handled at the Danish operations' offices and premises. Bravida intends to investigate the possibility of signing similar agreements to enable this type of monitoring in other countries of operation.
Environmental training, completion rate (%)	30	61				Training (e-learning) launched in Sweden in 2020. The training is being updated and will be relaunched in all countries in 2022.

Metrics	Group	Sweden	Norway	Denmark	Finland	Note
Social responsibility						
Lost Time Injury Frequency Rate, LTIFR	8.4	8.6	2.8	11.3	18.5	
Accidents at work, with absence >8h, number	177	93	14	46	24	
Fatal accidents, number	0					
Sickness absence, total (%)	5.7	5.6	6.8	4.6	4.7	
Sick leave, short-term (%)		3.3	3.4			Finland and Denmark lack full-year data for the calculation of short-term sickness absence in 2021.
Staff turnover, unwanted, termination at own request (%)	13.8					Staff turnover by country is broken down between skilled workers and managerial staff, and is not broken down separately.
eNPS	8	7	2	18	8	eNPS (employee Net Promoter Score) indicates the extent to which our employees would recommend Bravida as an employer to others. The outcome is presented on a scale where min. is -100 and max. is +100. The results are taken from the latest employee survey conducted in January 2021.
Engagement index	76	74	77	77	74	The Engagement Index measures managers' and employees' engagement across two dimensions – energy and clarity – based on responses to eight questions. The index value is reported on a scale from 0–100. The results are taken from the latest employee survey conducted in January 2021.
Conduct						
Code of Conduct training, completion rate (%)	31	63				Training (e-learning) launched in Sweden in 2021. Launched in other countries in 2022.
Sustainability training, completion rate (%)	13	27				Training (e-learning) launched in Sweden in 2021. Launched in other countries in 2022.
Information security training, completion rate (%)	34	55		31		Training (e-learning) launched in Sweden and Denmark in 2021. Launched in other countries in 2022.
Supplier assessment, share of significant suppliers assessed (%)	52					In 2021, Bravida's Code of Conduct for Suppliers has been updated and a new supplier assessment platform has been implemented. In this context, a new form for supplier assessment (self-assessment) has been developed and sent out.
Percentage of significant suppliers assessed as having signed Bravida's Code of Conduct for Suppliers (%)	81					
Whistleblower function, number of reports received	23					Reports received and handled in accordance with the applicable regulations.

Reporting on the EU green investment taxonomy

In July 2020, the EU's green investment taxonomy came into force. The taxonomy is a common classification system for environmentally sustainable investments and financial products in the EU. Companies and institutions covered by the EU Non-Financial Reporting Directive are required to report.

Reporting format
Bravida reports the taxonomy-eligible turnover for 2021 from ten economic activities according to the Delegated Act, Annex 1, regarding technical review criteria that can significantly contribute to climate change mitigation.

Economic activities
The majority of Bravida's taxonomy-eligible turnover is attributable to economic activity 7.3, installation, maintenance and repair of energy-efficient equipment. Reported turnover from economic activities under 7.3 refers to the installation and replacement of light sources, ventilation systems, water heating systems, water taps and mixers for kitchens and bathrooms in newly constructed and renovated buildings and facilities, and services.

Other economic activities included in the turnover of economic activities eligible for taxonomy are the installation and servicing of:

- Transformers for electricity grid operation (economic activities 4.9),
- District heating (economic activities 4.15),
- Electric heat pumps (economic activities 4.16)
- Production of heat/cooling from waste heat (economic activity 4.25)
- Installation of water collection and purification systems and water supply (economic activities 5.1–5.3)
- Rail transport infrastructure (economic activities 6.14)
- Charging stations for electric vehicles (economic activities 7.4)
- Control equipment for energy performance of buildings (economic activity 7.5)
- Solar panels and heat exchangers (economic activities 7.6),

Methodology for calculating key figures KPI for turnover
Bravida's business is project-based with approximately 12,000 unique installation projects per year and a service business with many small assignments. The accounting principle over time is applied to installation projects, which means that turnover is recognised progressively according to the stage of completion of each project. Turnover from services is recorded at the time of invoicing.

The turnover included as a denominator in the KPI calculation (total figure in the table) can be found in the income statement on page 82 of our Annual Report.

Our calculation method for reporting turnover related to eligible economic activities, i.e. the calculation of the numerator of the turnover KPI, is based on a flat rate calculation of turnover based on the purchase of materials for lighting, electrical heat pumps, ventilation materials, water heating systems, water taps and heat exchangers and on the reported turnover of specified projects. Our calculation method is still under development and will be refined over time.

KPI for investments (Capex)
Bravida uses finance and operating leases for the vehicle fleet, and the calculation is based on IFRS 16 Leasing. Vehicles are recognised as assets under IFRS 16 Leasing. Total investments included as denominators in the KPI calculation (total figure in the table) are included as additional investments in the note on leasing, see right-of-use assets and cars on page 117 of the 2021 Annual Report.

Taxonomy-eligible investments in 2021 refer to investments in vehicles used for production in taxonomy-eligible turnover. Bravida has no investments other than the vehicle fleet that are attributable to taxonomy-eligible turnover that are of such a nature that they are taxonomy-eligible in themselves.

KPI for operating expenses (Opex)
Operating expenses eligible for taxonomy in 2021 refer to maintenance and repair costs of vehicles used in production and allocated to the turnover eligible for tax credits. The operating cost has been calculated as the average cost of the vehicles estimated to have been used in the taxonomy-eligible turnover.

Apart from the maintenance of the vehicle fleet related to taxonomy-eligible turnover, Bravida has no other maintenance that is of such a nature that it is taxonomy-eligible in its own right.

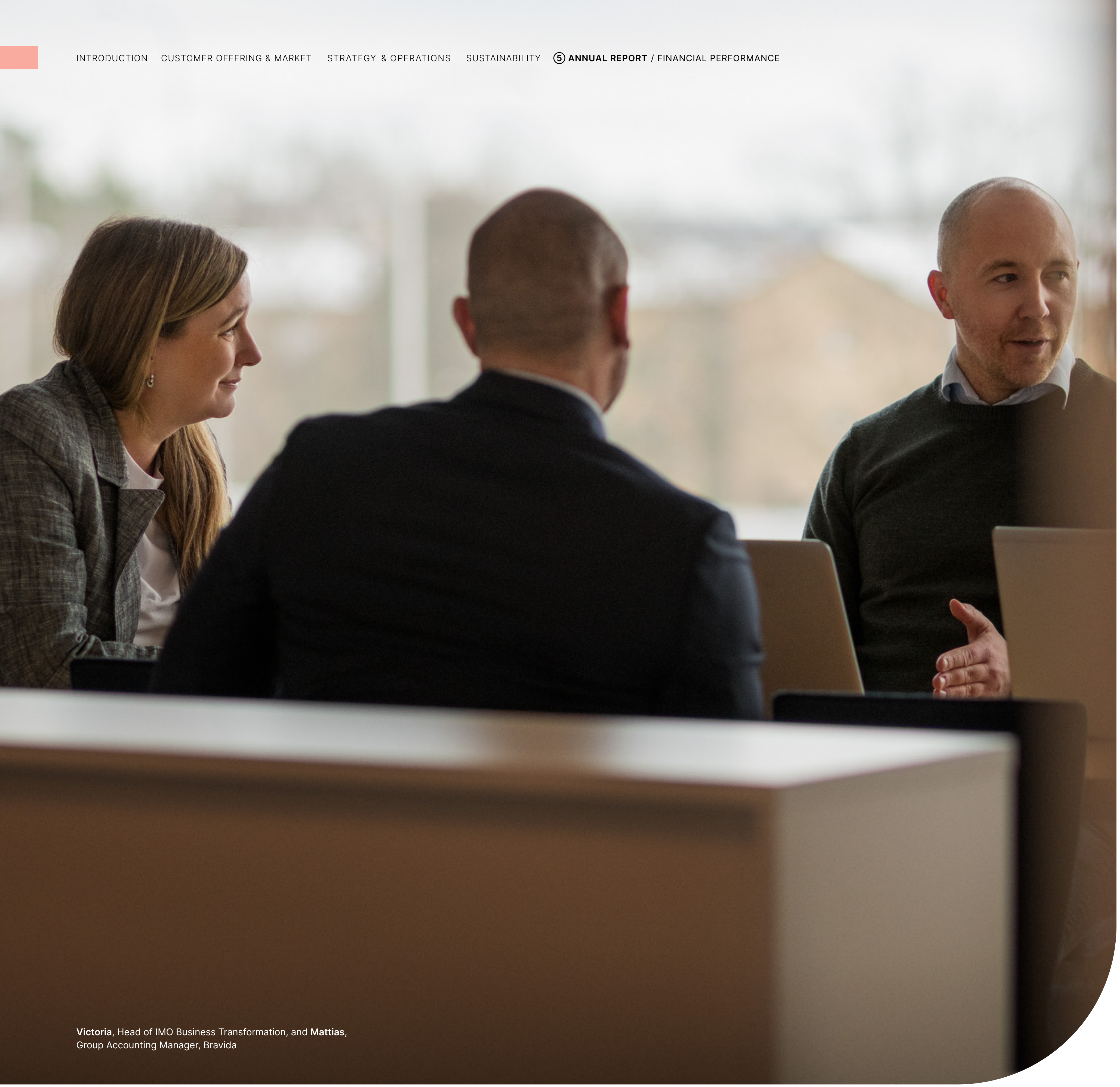
Assessment of inapplicable economic activities
Bravida performs installations and services in buildings, and approximately 50 percent of Bravida's revenue is attributable to installations in newly constructed or renovated buildings. Bravida's management has carefully analysed the audit criteria for economic activities 7.1 and 7.2 and found that Bravida does not fully meet the descriptions and therefore does not report turnover under economic activities 7.1 and 7.2.

2021 EU taxonomy report	Total in SEK million	Share of taxonomy-eligible economic activities in %	Share of non-taxonomy eligible activities in %
Sales	21,876	39%	61%
Operating expenses (Opex)	40	12%	88%
Investments (Capex)	150	12%	88%

Bravida's sustainability work – in summary

The table provides details of how Bravida satisfies requirements under the Swedish Annual Accounts Act regarding sustainability reports.

Legal requirement	Environment	Personnel & social conditions	Human rights	Anti-corruption
Business model	Bravida's business model, the Bravida Way, is described on page 35.			
Policies	Sustainability policy	• Personnel policy • Equal rights and opportunities policy • Policy against harassment and discriminatory treatment • Health and safety policy	• Bravida's code of conduct • Code of conduct for suppliers • Policy against harassment and discriminatory treatment	• Bravida's code of conduct • Code of conduct for suppliers • Guidelines for sponsorship
Audit procedures	• Internal audits • Regular monitoring of key figures • Analysis of greenhouse gas emissions • External ISO audit	• Employee survey • Employee discussions and engagement with trade unions • Regular monitoring of key figures	• Employee survey • Employee discussions and engagement with trade unions • Supplier assessment	• Follow-up and internal control • Invoice processing through centralised accounts payable • Supplier assessment
Results of policy	Climate impact, energy and use of resources, pages 48–49	Work environment – health and safety, pages 52–53 The best team, pages 54–55 Conduct and supply chain, pages 56-57	Conduct and supply chain, pages 56-57	Conduct and supply chain, pages 56-57
Risks	Deficient management of environmental aspects and emissions affects trust in Bravida as a responsible supplier, sustainable investment and attractive employer. There is a risk this could have a negative impact on business opportunities, willingness to invest and recruitment.	Accidents and shortcomings in the physical or social working environment at Bravida's workplaces can lead to injuries and ill health, as well as legal sanctions and damage to the brand. Find out more under Risk and risk management on pages 79–81	Risks and risk management, pages 79–81	Risks and risk management, pages 79–81
Risk management	Climate impact, energy and use of resources, pages 48–49 Risks and risk management, pages 79–81	Risks and risk management, pages 79–81 Work environment – health and safety, pages 52–53 The best team, pages 54–55 Conduct and supply chain, pages 56-57	Risks and risk management, pages 79–81	Risks and risk management, pages 79–81
Performance indicators	• Total carbon emissions in tonnes from cars • Share of pick-up orders • Percentage of electric cars ordered • Completion rate, environmental training	• Employee survey results – employee Net Promoter Score • Changes in the incidence of work-related injuries and sickness absence • Percentage of women in the Group	• Employee survey results • Percentage of significant suppliers that have undergone supplier assessment	• Percentage of significant suppliers that have undergone supplier assessment



Victoria, Head of IMO Business Transformation, and **Mattias**, Group Accounting Manager, Bravida

5

2021 Annual Report

2021 was another year of challenging external conditions. Despite this, Bravida achieved its best ever earnings once again.

This has given us the opportunity to build on our new Bravida – an even more attractive partner to our customers. →

Strong performance despite uncertain pandemic year

Another year of uncertainty has passed. Despite contagion measures and market volatility, Bravida's business is strong and its results are the best ever.

Bravida is a stable and profitable company. This became even clearer in the pandemic year 2021. We have built a strong order book during the year, which paid off in the fourth quarter when organic growth returned. Thanks to our stable business model, we have good cash flow and a strong balance sheet. This allows us to continue to develop our company despite volatile market conditions.

Challenges turned into growth
The beginning of 2021 continued to be strongly affected by the pandemic. During the year, demand for services gradually improved order intake and turnover. At the same time, the installation market regained momentum. Overall, Bravida's order intake increased by 20 percent during the year.

Despite a few quarters of uncertainty about local and global conditions, we reported our best full-year profit, at SEK 1,512 (1,348) million. The EBITA margin landed at 6.9 (6.4) percent, with an improvement in gross profit in all countries. The results include a one-off payment of surplus from AGS health insurance of SEK 96 million. Even excluding the payout, the EBITA margin improved compared to 2020, to 6.5 (6.4) percent. This is despite continued efforts to develop our business and a challenging market.

Growth for the year was just over 3 percent, with organic growth in Sweden, Denmark and Finland. Working capital has returned to a good level. Cash flow was lower than last year, mainly due to large unpaid receivables from two public sector customers in Denmark and fewer installation project starting. Cash flow improved in the fourth quarter.

Bravida's financial position remains strong. Net debt in 2021 was a record low 0.5 times EBITDA, which has provided stability during the pandemic. Our strong balance sheet has enabled a dividend of SEK 3.00 (2.50) per share, an increase of 20 percent compared to 2020. It will also allow us to continue acquiring and developing our business.

A strong balance sheet allows for acquisitions and continued development
Over the past two years, we have strengthened our acquisitions organisation. In 2020, the pace of acquisitions slowed due to difficulties in meeting acquisition candidates during the pandemic. As contagion measures have eased, we were gradually able to return to normal acquisition rates in 2021. During the year, we made no fewer than 20 acquisitions, with a total turnover of approximately SEK 1,052 million. Going forward, we see good opportunities to further increase the pace of acquisitions.

We continue to build the new Bravida. Among other things, we are investing to complement our overall offering and take our sustainability work to the next level. At the same time, we are developing our leadership and employee experience. We are also making major investments in our IT platform and working methods. During the year, we have also hired a number of key people with the cutting-edge skills that will be needed in the future.

Stable through the pandemic – now moving forward
Bravida has a business model that works, and that enables us to stand firm even through crises. This has been proven once again in the last two years. With our motto "margin over volume", our focus on results and a well-arranged business, we have stood firm through the pandemic. This means that, despite a volatile market, we have been able to continue developing Bravida to become an even more attractive partner for our customers. We have an exciting journey ahead of us.

Åsa Neving, CFO
Stockholm, March 2022

Fast facts

Åsa Neving
CFO since 2019

Comes from: Luleå, Sweden

Family: Husband, two children, a cat and a horse

Passionate about: Horses, equestrian sport, skiing and a devoted supporter of all her children's sporting activities

Best thing about 2021: That we have once again demonstrated that we are a stable and profitable company that can continue to develop our business despite uncertain environmental conditions

Goal for 2022: To move closer to our margin target and deliver on our new business areas Facility Management and Building Automation

Five-year overview *

INCOME STATEMENT, SEK MILLION	2017	2018	2019	2020	2021
Net sales	17,293	19,305	20, 404	21,147	21,876
Production costs	-14,718	-16,502	-17,503	-18,093	-18,577
Gross profit/loss	2,575	2,803	2,901	3,054	3,299
Selling and administrative expenses	-1,502	-1,596	-1,678	-1,706	-1,787
Operating profit/loss	**1,072**	**1,207**	**1,224**	**1,348**	**1,512**
Net financial income/expense	-54	-16	-73	-74	-56
Profit/loss after financial items (EBT)	**1,019**	**1,191**	**1,151**	**1,274**	**1,456**
Tax	-199	-235	-267	-276	-318
Profit/loss for the period	**820**	**956**	**884**	**997**	**1,138**
BALANCE SHEET, SEK MILLION					
Goodwill	7,844	8,210	8,731	8,904	9,530
Right-of-use assets	–	–	1,029	1,002	972
Other non-current assets	154	168	179	179	250
Current assets	4,523	5,211	5,599	5,220	7,170
Cash and cash equivalents	839	735	972	1,748	1,594
Total assets	**13,360**	**14,324**	**16,510**	**17,053**	**19,516**
Equity	4,662	5,238	5,596	5,876	6,832
Long-term loans	1,700	1,300	500	500	–
Other non-current liabilities	356	667	1,001	1,270	1,159
Lease liabilities	–	–	1,040	1,022	994
Current interest-bearing liabilities	1,000	800	1,495	1,350	1,603
Current liabilities	5,642	6,319	6,879	7,035	8,928
Total equity and liabilities	**13,360**	**14,324**	**16,510**	**17,053**	**19,516**
CASH FLOW, SEK MILLION					
Cash flow from operating activities	1,038	1,052	1,599	2,171	1,437
Cash flow from investing activities	-231	-249	-503	-316	-509
Cash flow from financing activities	-254	-914	-881	-990	-1,151
Cash flow for the period	**553**	**-111**	**215**	**866**	**-223**
KEY RATIOS					
Operating margin, %	6.2	6.3	6.0	6.4	6.9
EBITA margin, %	6.2	6.3	6.0	6.4	6.9
Return on equity, %	18.3	18.7	16.1	16.7	17.4
Net debt	-1,862	-1,365	-2,063	-1,124	-1,003
Capital structure (net borrowings/EBITDA)	1.7	1.1	1.3	0.6	0.5
Cash conversion, %	105	103	109	138	83
Interest coverage, multiple	22.9	38.6	23.5	28.2	29.5
Equity/assets ratio, %	34.9	36.6	33.9	34.5	35.0
Order intake	17,972	20,652	22,534	20,242	24,237
Order backlog	10,271	11,992	14,485	13,791	16,519
Average number of employees	10,643	11,475	11,722	11,906	11,864
Administrative expenses as % of sales	8.6	9.2	8.2	8.1	8.2
Working capital as % of sales	-5.5	-4.9	-5.6	-7.5	-6.7
Basic earnings per share, SEK	4.07	4.73	4.36	4.94	5.66
Diluted earnings per share, SEK	4.06	4.72	4.35	4.93	5.64

* IFRS 16 Leases was introduced from 1 January 2019. The financial statements for previous periods and key ratios presented in this report have not been restated.
** A change in the cash conversion calculation was made during the year; see the definitions.

Adam, Purchasing Controlling
and Business Development, Bravida

Bravida shares

Bravida Holding was listed on the Stockholm Stock Exchange in 2015 at a price of SEK 40 per share. Since then the shares have been a good investment. The last price paid on 30 Dec 2021 was SEK 127.

Return and market capitalisation

In 2021 the share price increased by 16.0 (20.4) percent and total shareholder return, including the dividend, was 18.3 (22.9) percent. Over the same period Nasdaq Stockholm's All-Share rose by 39.2 (14,6) percent. Bravida's market capitalisation at year-end was SEK 25,822 (22,226) million.

Share capital

Bravida's share capital is divided into 203,323,771 ordinary shares and 1,092,827 class C shares. Ordinary shares carry one voting right and entitlement to dividend payment, while class C shares carry one-tenth of a voting right and no dividend entitlement. The class C shares are intended to ensure the supply of ordinary shares, by way of conversion of C shares, for Group employees participating in the performance-based incentive programmes in place since 2019.

Ownership structure

At year-end 2021 Bravida had 9,759 (9,665) shareholders. The 10 largest shareholders based on voting rights accounted for 60 percent (60) of votes and the number of shares. Swedish shareholders owned 52 (50) percent of the number of shares.

Dividend policy and dividend

The Board proposes to the AGM a dividend payment of SEK 3.00 (2.50) per share for the 2021 financial year. The objective is to pay out more than 50 percent of the net income per year. The proposed dividend corresponds to 53 (51) percent of earnings per share.

2022 Annual General Meeting

The AGM of Bravida Holding AB will take place on 5 May 2022.

Summary

Distribution of Bravida's shares at 31 Dec 2021

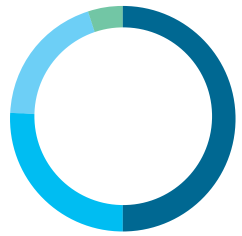
Categories	Number of shareholders	Percentage of votes, %
1–500	7,705	0.5
501–1,000	976	0.4
1,001–5,000	689	0.8
5,001–10,000	116	0.4
10,001–20,000	71	0.5
20,001–	202	97.4
Total	9,759	100.0

Bravida's 10 largest shareholders at 31 Dec 2021

Name	Percentage of capital, %
Mawer Investment Management Funds	11.1
Swedbank Robur Funds	9.5
Fourth Swedish National Pension Fund	7.5
Lannebo Funds	6.1
Handelsbanken Funds	5.8
Didner & Gerge Funds	5.6
SEB Funds	5.3
Incentive AS	3.5
Vanguard	3.2
Mondrian Investment Partners	2.8
Total	60.0

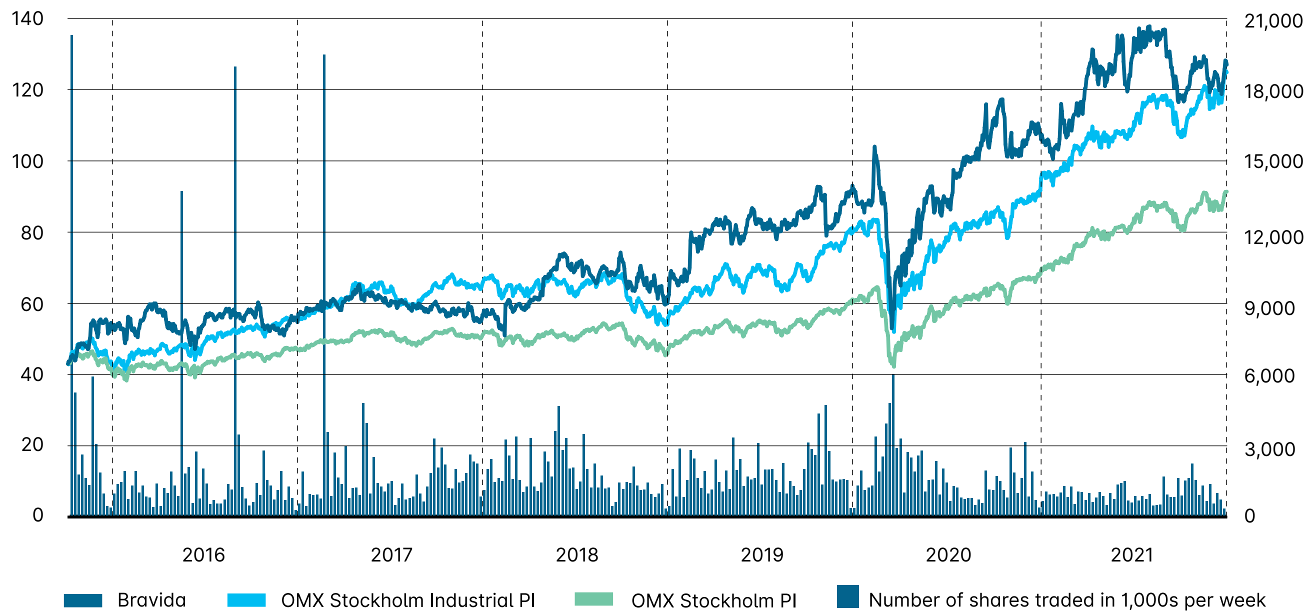
Share data

Price-related share data	2020	2021
Share price at year-end, SEK	109.5	127.0
Highest share price in the year, SEK	119.4	140.0
Lowest share price in the year, SEK	51.2	98.3
Market capitalisation at year-end, SEK million	22,226	25,822
Number of ordinary shares outstanding	202,975,544	203,323,771
Number of shares traded, primary market	90,629,811	48,755,388
Total number of shares traded	212,659,228	123,519,258
Turnover ratio, %	104.8	60.8
P/E ratio	22.2	22.5
Direct yield proposed dividend, %	2.3	2.4
Total shareholder return, %	22.9	18.3
Data per share		
Net profit, SEK	4.94	5.64
Equity, SEK	28.85	33.52
Cash flow from operating activities, SEK	7.7	7.1
Proposed dividend, SEK	2.50	3.00



Ownership per country, %

- 52% Sweden
- 26% US and Canada
- 19% Rest of the world
- 3% Anonymous ownership



Source: Web Financial Group

The Annual Report is prepared in Swedish and translated into English. Should differences occur between the Swedish Annual Report and the English translation, the Swedish version shall prevail.

Directors' report

The Group in brief

SEK million unless stated otherwise	2021	2020	2019	2018	2017
Net sales	21,876	21,147	20,404	19,305	17,293
Operating profit/loss	1,512	1,348	1,224	1,207	1,072
Operating margin, %	6.9	6.4	6.0	6.3	6.2
EBITA	1,512	1,351	1,226	1,211	1,078
EBITA margin, %	6.9	6.4	6.0	6.3	6.2
Profit/loss after tax	1,138	997	884	956	820
Cash flow from operating activities	1,437	2,171	1,599	1,052	1,038
Interest coverage, multiple	29.5	28.2	23.5	38.6	22.9
Cash conversion*, %	83	138	109	103	105
Net debt/EBITDA	0.5	0.6	1.3	1.1	1.7
Order intake	24,237	20,242	22,534	20,652	17,972
Order backlog	16,519	13,791	14,485	11,992	10,271
Average number of employees	11,864	11,906	11,722	11,475	10,643

* A change in the cash conversion calculation was made during the year; see the definitions.

The Board of Directors and Chief Executive Officer of Bravida Holding AB (publ), corporate identity number. 556891-5390, with registered office in Stockholm, hereby present the annual accounts and consolidated financial statements for the 2021 financial year.

The business

Bravida is one of the Nordic region's leading end-to-end providers of technical service and installations for buildings and industrial facilities. Bravida's main business is technical service and installation of electrics, heating and plumbing, and ventilation. Bravida also offers service and installation of security and sprinkler systems, cooling, power, lifts, solar panels and services in project management, energy optimisation, technical facility management, building automation and uninterruptable power supply. Bravida provides end-to-end services within our different areas as we operate across the entire process, from consulting and project management, to installation and service. Operations are organised according to four countries – Sweden, Norway, Denmark and Finland – with a presence across 170 locations. The Group's head office is located in Stockholm and provides common support functions in finance, HR, purchasing, IT, legal affairs, communication and business development.

Installation involves new construction and refurbishment of technical systems in buildings, facilities and infrastructure. Bravida coordinates technicians and fitters from our areas of technology and provides customers with access to a partner who can successfully coordinate and take responsibility for the entire installation.

Service consists of operation and maintenance assignments, as well as minor upgrades of technical installations.

Significant events during the year

2021 was a year that continued to be marked by Covid-19 and its aftermath. Demand for services gradually increased during the year as the reduction in infection control measures limited access to many service facilities.

During the year, Bravida strengthened its customer offering and established two new business areas, Technical Facility Management and Building Automation. Three acquisitions have been made in building automation, two in Sweden and one in Finland.

The business plan for 2021–2023 has included significant investments in digitalisation of the business, new skills and a new sustainability strategy.

Activities in 2021

Bravida's net sales increased by three percent during the year through acquisitions. Currency effects and organic growth had a marginal impact.

Turnover from services increased in all countries. Turnover from installation activities increased in Sweden and Finland but decreased in Norway and Denmark.

EBITA increased by 12 percent and the margin increased to 6.9 percent as a result of margin improvement in all countries.

Order intake increased by 20 percent to SEK 2,159 million The order backlog and order intake rose in Sweden, Norway and Denmark.

Cash flow from operating activities decreased by 34 percent compared to 2020, explained by fewer project starts, higher trade receivables in Denmark and settlement of deferred tax payments related to Covid-19 deferrals.

During the year, 20 acquisitions were made, adding approximately SEK 1,052 million in turnover.

Net sales

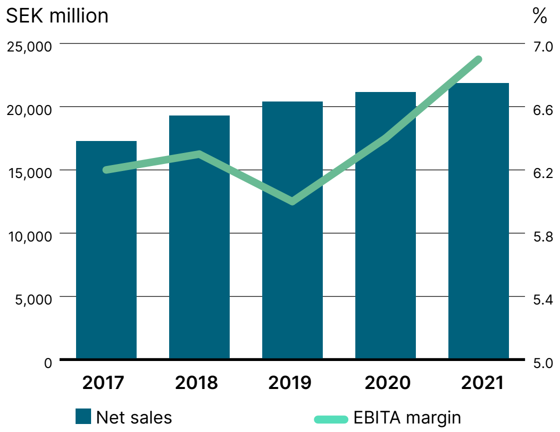
Net sales increased by 3 percent to SEK 21,876 (21,147) million. Organic growth was 0 percent, acquisitions increased net sales by 3 percent and currency effects had a marginal impact. Net sales rose in Sweden, Denmark and Finland.

Compared to the same period in 2020, net sales increased by nine percent in the service business and decreased by one percent in the installation business. The service business accounted for 47 percent (45) of total net sales.

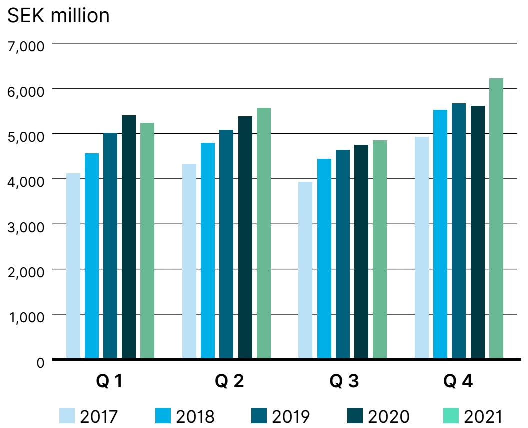
Earnings

Operating profit was SEK 1,512 (1,348) million. EBITA increased by 12 percent to SEK 1,512 (1,351) million, resulting in an EBITA margin of 6.9 percent (6.4). The Swedish operations received a one-off payment of SEK 96 million from AGS health insurance surplus. EBITA and EBITA margin excluding the one-off payment amounted to SEK 1,416 (1,351) million and 6.5 (6.4) percent, respectively. The EBITA margin increased in all countries.

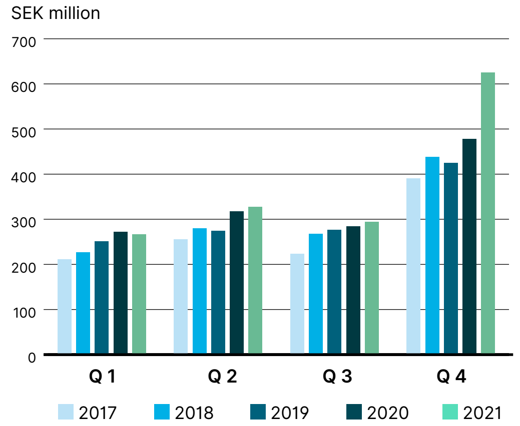
Net sales and EBITA margin



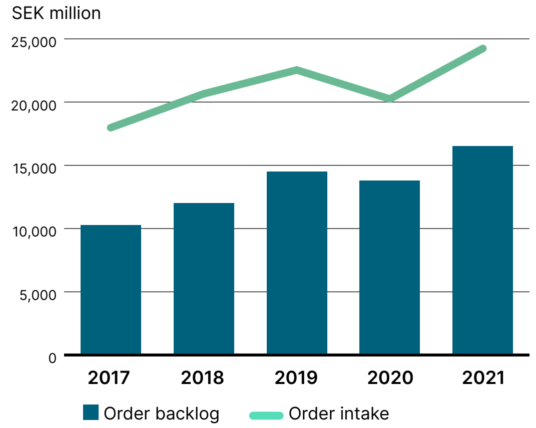
Net sales by quarter



EBITA by quarter



Order intake and order backlog



Depreciation and amortisation

Depreciation and amortisation totalled SEK -433 (-434) million, SEK -398 (-399) million of which related to the amortisation of right-of-use assets.

Net financial income/expense

Net financial income/expense amounted to SEK -56 (-74) million. Profit after financial items was SEK 1,456 (1,274) million.

Profit/loss after tax

Profit before tax was SEK 1,456 (1,274) million. The tax expense was SEK -318 (-276) million. Profit for the year after tax was SEK 1,138 (997) million.

Earnings per share

Profit for the year, attributable to owners of shares in the parent company, increased by 15 percent to SEK 1,138 (997) million, which corresponds to basic earnings per share of SEK 5.66 (4.94). Diluted earnings per share increased by 14 percent to SEK 5.64 (4.93).

Order intake and order backlog

Order intake for the year increased by 20 percent to SEK 24,237 (20,242) million. The order backlog, which solely consists of installation projects, increased by 20 percent to SEK 16,519 (13,791) million.

Acquisitions

During the year, Bravida made 20 acquisitions, all in line with Bravida's strategy to expand within its priority markets and technical areas. Twelve acquisitions were made in Sweden, three in Denmark, three in Finland and two in Norway.

The combined annual sales of the acquisitions made are estimated at around SEK 1,052 million. See Note 4 for further information on acquisitions.

Cash flow and investments

Cash flow from operating activities before changes in working capital totalled SEK 1,796 (1,599) million. The change in working capital reduced cash flow by SEK -359 (572) million. Current receivables increased by SEK 1,651 million, current liabilities rose by SEK 1,295 million and inventory increased by SEK 3 million. Cash flow from operating activities was SEK 1,437 (2,171) million. Cash flow from investing activities was SEK -509 (-316) million, of which acquisitions of subsidiaries and businesses totalled SEK -421 (-281) million.

Cash flow from financing activities, which refers to net repayment of borrowing, dividends and amortisation of lease liabilities, was SEK -1,151 (-990) million. Cash flow for the year was SEK -223 (866) million.

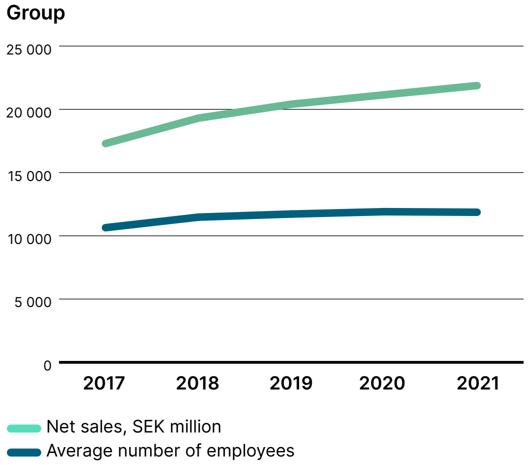
Two large outstanding receivables in Denmark from two public-sector customers had a negative impact on cash flow during the year. The dispute over the receivables will be settled by arbitration. Management's assessment is that this will take time but will not have a significant impact on earnings.

Cash flow	2021	2020
Cash flow from operating activities	1,437	2,171
Cash flow from investing activities	-509	-316
Cash flow from financing activities	-1,151	-990
Cash flow for the year	-223	866

Financial position

Bravida's net debt on 31 December was SEK -1,003 (-1,124) million, corresponding to a capital structure ratio (net debt/EBITDA) of 0.5 (0.6). Consolidated cash and cash equivalents were SEK 1,594 (1,748) million. Interest-bearing liabilities totalled SEK -2,597 (-2,872) million, of which SEK -1,103 (-950) million were commercial paper and SEK -994 (-1,022) million were leases. Total credit facilities were SEK 3,000 (3,000) million, of which SEK 2,500 (2,300) million was unused at 31 December.

Average number of employees in relation to net sales



At the end of the period, equity totalled SEK 6,832 (5,876) million. The equity/assets ratio was 35.0 percent (34.5).

Employees

The average number of employees on 31 December was 11,864 (11,906). See Note 5 for further information about employees.

Geographical markets

Operations in Sweden

Net sales rose by 5 percent to SEK 11,894 (11,313) million. The increase in net sales was attributable to both service and installation business. Organic growth was 1 percent. EBITA rose by 19 percent to SEK 954 (801) million. The EBITA margin increased to 8.0 percent (7.1). Operations in Sweden received a one-off payment of SEK 96 million from a AGS health insurance surplus. EBITA and the EBITA margin, excluding the one-off payment, amounted to SEK 858 (801) million and 7.2 percent (7.1), respectively.

Order intake increased by 18 percent to SEK 12,615 (10,677) million and the order backlog grew by 10 percent to SEK 9,228 (8,400) million.

Sweden	2021	2020
Net sales	11,894	11,313
EBITA	954	801
EBITA margin, %	8.0	7.1
Order intake	12,615	10,677
Order backlog	9,228	8,400
Average number of employees	5,672	5,831

Operations in Norway

Net sales fell 6 percent to SEK 4,066 (4,304) million. Net sales decreased in the installation business and increased in the service business. Currency fluctuations had a positive 2 percent impact on net sales. Organic growth was negative, at -8 percent. EBITA rose by 3 percent to SEK 253 million (245). The EBITA margin increased to 6.2 percent (5.7).

Order intake increased by 47 percent to SEK 5,663 (3,848) million and the order backlog grew by 76 percent to SEK 3,694 (2,097) million. The increase is mainly explained by several contracts signed for installations in new hospitals, in total six hospital contracts have been signed with a total order value of approximately SEK 775 million in Q4.

Norway	2021	2020
Net sales	4,066	4,304
EBITA	253	245
EBITA margin, %	6.2	5.7
Order intake	5,663	3,848
Order backlog	3,694	2,097
Average number of employees	2,931	2,997

Operations in Denmark

Net sales increased by 4 percent to SEK 4,381 million (4,217). The increase in net sales is attributable to the service business. Organic growth was 4 percent. Currency fluctuations had a -3 percent impact on net sales. EBITA increased by 5 percent to SEK 230 (220) million, while the EBITA margin rose to 5.3 percent (5.2).

Order intake increased by 10 percent to SEK 4,695 (4,277) million and the order backlog grew by 13 percent to SEK 2,773 (2,451) million.

Denmark	2021	2020
Net sales	4,381	4,217
EBITA	230	220
EBITA margin, %	5.3	5.2
Order intake	4,695	4,277
Order backlog	2,773	2,451
Average number of employees	2,429	2,315

Operations in Finland

Net sales increased by 17 percent to SEK 1,622 (1,392) million. The increase in net sales was attributable to both service and installation business. Organic growth was 8 percent. Currency fluctuations had a -3 percent impact on net sales. EBITA rose by 46 percent to SEK 82 million (56). The EBITA margin increased to 5.0 percent (4.0).

Order intake decreased by 11 percent to SEK 1,352 (1,518) million. The lower order intake was due to Bravida receiving a large order last year. Order backlogs decreased by 2 percent to SEK 824 (842) million.

Finland	2021	2020
Net sales	1,622	1,392
EBITA	82	56
EBITA margin, %	5.0	4.0
Order intake	1,352	1,518
Order backlog	824	842
Average number of employees	704	666

Significant disputes

Two large unpaid receivables of approximately SEK 750 million in Denmark from two public sector customers. The dispute over the receivables will be settled by arbitration. Management's assessment is that this will take time but will not have a significant impact on earnings.

There were no other significant disputes at year-end. It is difficult to predict the outcome of legal proceedings and disputes. Actual outcomes may differ from the assessments made.

Outlook

Over the past five years Bravida has made 71 acquisitions, increasing net sales by approximately SEK 5.1 billion. The market for acquisitions remains strong, and the Group will continue to grow through acquisition.

In recent years, Bravida has restructured and streamlined its activities in sales, purchasing, production and administration. Bravida is implementing far-reaching training programmes across all branches, which are designed to improve profitability through more efficient operations, better pricing and more efficient purchasing and increased service sales.

Bravida's management, however, believes that demand for Bravida's services and the potential for continued growth are good in the long term. Demand will benefit from increased requirements for sustainable properties,with existing properties needing refurbishment and energy optimisation. Our focus on 'margin before volume' aims to balance resource shortages and pricing pressure against demand. A meticulous approach and correct pricing are key to continued profitable growth.

Guidelines on the remuneration of senior executives

The current guidelines concerning the remuneration of senior executives were adopted at the 2020 AGM. Guidelines cover the company's Chief Executive Officer and other members of Group management. Senior executives refers to those persons who, together with the Chief Executive Officer, make up Group Management. These guidelines apply to contractually agreed remuneration, and amendments made to remuneration already contractually agreed, after the guidelines were adopted by the 2020 AGM. The guidelines do not cover remuneration determined by a general meeting of the company. Members of Bravida's Board of Directors only receive fees determined by a general meeting of the company, which is why these guidelines do not include members of the Board.

Successfully implementing the company's business strategy and safeguarding the company's long-term interests, including its sustainability, depend on the company's ability to recruit and retain skilled employees. This requires the company to offer competitive remuneration. Guidelines allow senior executives to be offered competitive remuneration packages.

Forms of remuneration, etc.

Remuneration should be market based and may consist of the following components: fixed cash salary, variable cash remuneration, pension and other benefits. In addition to this, the general meeting of the company may, independently of these guidelines, determine remuneration such as share-based and share price-based remuneration.

Fulfilment of criteria for the payment of variable cash remuneration must be measurable for a period of one year. Variable cash remuneration of the Chief Executive Officer may amount to a maximum of 125 percent of fixed annual cash salary. Variable cash remuneration of other senior executives varies depending on the position, but may amount to a maximum of 200 percent of fixed annual cash salary. Variable cash remuneration covered by these guidelines should aim to promote the company's business strategy and long-term interests, including its sustainability. Fixed cash salaries are reviewed annually and provide the basis for calculating the variable salary component.

For the Chief Executive Officer, pensions, including health insurance, should be defined-contribution pensions. Variable cash remuneration should not be pensionable income. For other senior executives, pensions, including health insurance, should be defined-contribution pensions, unless a senior executive is covered by a defined-benefit pension under mandatory collective agreement regulations. Variable cash remuneration should not be pensionable income.

Senior executives resident in Sweden are entitled to pension benefits equivalent to between 28 percent and 35 percent of the respective person's annual cash salary, or in accordance with an applicable occupational pension plan. For senior executives resident outside Sweden, the company aims to apply comparable pension benefits to those applied for senior executives resident in Sweden, although variations due to local circumstances may occur. In such cases, the overall purpose of these guidelines should be met to the greatest possible extent.

Other benefits may include such things as life insurance, health insurance and a car allowance. Such benefits may amount to a maximum of 10 percent of fixed annual cash salary.

Detailed information regarding salaries and other remuneration of the Board, Chief Executive Officer and senior executives is provided in Note 5. Bravida's website, www.bravida.com, also contains the assessments and reports that are required to be reported under the Swedish Corporate Governance Code.

Cessation of employment

In the event of the company terminating employment, the notice period may be up to 12 months. Fixed cash salary during the notice period and severance pay combined may not exceed an amount corresponding to one year's fixed cash salary. If the employee resigns, the notice period may be up to six months with no entitlement to severance pay.

Criteria for payment of variable cash remuneration etc.

Variable cash remuneration should be linked to predetermined, quantifiable criteria that may be financial or non-financial. These may also comprise individually tailored quantitative or qualitative targets. Such criteria should mainly be based on earnings (EBITA), acquisition activity and individual targets. This model aims to improve operating profit and create profitable growth, and consequently promote the company's business strategy and long-term interests, including its sustainability.

After completion of the period to measure the fulfilment of criteria for the payment of variable cash remuneration, the extent to which the criteria have been fulfilled should be assessed/established. The Remuneration Committee is responsible for assessing variable cash remuneration for the Chief Executive Officer. The Chief Executive Officer is responsible for making assessments relating to variable cash remuneration of other senior executives. Assessment of financial targets should be based on the financial information most recently published by the company.

Salary and terms of employment for employees

Preparation of the Board's proposals for these remuneration guidelines takes account of salary and terms of employment for the company's employees by information on employees' total remuneration, remuneration components and the increase and rate of increase in remuneration over time forming part of the documentation used by the Remuneration Committee and Board to evaluate how reasonable the guidelines and the limits arising out of them are.

Long-term incentive programme

The company has established long-term share-based incentive programmes. These have been determined by the general meeting of the company and are therefore not covered by these guidelines. Such programmes cover Group management, regional managers, branch managers and other key personnel identified in the company. The performance requirements used to assess the outcome of these programmes are clearly linked to the business strategy and, therefore, the company's long-term value creation. Group profit (EBITA) is applied as a performance target for all programmes for the third calendar year after adoption of the programme. All participants therefore have the same performance targets. The programmes also stipulate requirements about making one's own investment and retaining the shares for several years. For further information about these programmes, including the criteria on which outcomes are based, see Note 5.

The decision-making process for establishing, reviewing and implementing these guidelines

The Board has established a Remuneration Committee. The committee's tasks include preparing the Board's decisions on proposals for the guidelines on the remuneration of senior executives. The Board draws up proposals for new guidelines at least every four years and puts such proposals before the AGM for approval. These guidelines apply until new guidelines have been adopted by the general meeting of the company. The Remuneration Committee also monitors and assesses variable remuneration programmes for company management, the application of guidelines for the remuneration of senior executives and applicable remuneration structures and levels in the company. Remuneration Committee members are independent of the company and company management. Neither the Chief Executive Officer nor other members of company management are present when the Board discusses and determines remuneration-related issues if it concerns them.

Deviation from the guidelines

The Board may decide to temporarily deviate from the guidelines entirely or partially if there are specific reasons for doing so in a particular case and such deviation is necessary to meet the company's long-term interests, including its sustainability, or to secure the company's financial viability.As specified above, it is part of the Remuneration Committee's remit to prepare the Board's decisions on remuneration issues, including decisions about deviating from the guidelines.

Corporate governance report

The Corporate Governance Report can be found on pages 126–131.

The work of the Board

According to the articles of association, Bravida Holding AB's Board of Directors shall consist of three to ten Board members, with a maximum of five deputy members. The members and deputies are elected at the Annual General Meeting for the period until the end of the next Annual General Meeting. Bravida's legal officer acts as secretary to the Board. The Chief Executive Officer is not a Board member but reports to the Board at its meetings. The Board is responsible for the organisation of the company and the Group and the administration of the company's affairs. No Board members are members of the company management. During the 2021 financial year, the Board held nine Board meetings, one of which was an organisation meeting.

The meetings addressed matters such as strategic issues, business operations including the business plan, internal control, risk management, acquisitions, financial statements, the annual accounts and sustainability report and related reports. During the year the Board analysed and focused on the impact of the Covid-19 pandemic on the company.

The Board has an Audit Committee and a Remuneration Committee. The Audit Committee is tasked, among other things, with responsibility for preparing the Board's work to ensure the quality of the company's financial statements and to maintain ongoing dialogue with the company's auditors. The Remuneration Committee is tasked with preparing issues regarding remuneration and other terms of employment for senior executives. Further information about the company's governance, the composition of the Board and internal control is provided by the Corporate Governance Report.

Nomination activities

The Nomination Committee up to the 2022 AGM consists of the following members: Joachim Spetz from Swedbank Robur Funds (chair), Charlotta Faxén from Lannebo Funds, Lovisa Runge from Fourth Swedish National Pension Fund (AP4) and Fredrik Arp, chairman of the board of Bravida Holding AB. Mawer Investment Management funds, the company's largest owner, has declined to participate in the Nomination Committee and AP4 has instead been offered the place. No remuneration was paid for Nomination Committee work. The Nomination Committee's proposals, report on the Nomination Committee's work for the 2022 AGM and additional information about proposed Board members are published in conjunction with the convening notice and will be presented at the 2022 AGM. All documentation relating to the AGM will be available at www.bravida.com.

Sustainability report

Bravida works in a targeted way with the company's environmental, social and economic responsibilities as part of meeting the UN's global sustainable development goals. Through our sustainability work, we want to contribute to sustainable development that is within the limits of what the planet can bear, while ensuring good social conditions, profitability and long-term economic growth. In dialogue with our stakeholders, we identify our key sustainability issues, the areas where we can make a difference in relation to our customer offering and our own operations. We also take into account the risks related to our business operations and the environment in which we operate. In this way, we create a strong and resilient company that contributes to the necessary societal transformation.

Our efforts are focused on three priority areas of sustainability:

- Climate, energy and use of resources
- Social responsibility
- Conduct

Bravida is subject to reporting requirements under the EU taxonomy. This reporting is included in the company's sustainability reporting. For 2021, taxonomy-eligible economic activities that can significantly contribute to climate change mitigation are reported.

The company's auditors review the sustainability reporting to the extent necessary to express an opinion on the preparation of the statutory sustainability report, but do not otherwise perform audits of sustainability-related data.

The Sustainability Report can be found on pages 46–65 and among the financial statements on www.bravida.se in connection with the Annual Report.

Parent company

Bravida Holding AB's net sales for the year were SEK 198 (192) million. All turnover is 100 percent intra-group. Operating profit was SEK -17 (38) million. Profit after net financial items was SEK -31 (17) million. Cash and cash equivalents were SEK 1,380 (1,626) million. At year-end, equity totalled SEK 4,179 (4,100) million.

Bravida shares

Bravida Holding AB's ordinary shares are listed on the Nasdaq Stockholm Large Cap list. On 31 December Bravida had 9,759 shareholders. The five largest shareholders were Mawer Investment Management, Swedbank Robur Funds, the Fourth Swedish National Pension Fund (AP4), Lannebo Funds and Handelsbanken Funds. Mawer Investment Management Funds hold just over 11 percent of the votes.

The listed share price on 31 December 2021 was SEK 127.00, which corresponds to a market capitalisation of SEK 25,822 million based on the number of ordinary shares. Total shareholder return over the past 12 months was just under 18 percent.

Share capital totals SEK 4 million, divided among 204,416,598 shares, of which 203,323,771 are ordinary shares and 1,092,827 are class C shares, which are held by Bravida Holding AB. Ordinary shares entitle holders to one vote and a dividend payment, while C shares entitle holders to one-tenth of a vote and no dividend.

Apart from the credit agreements, the company has no knowledge of any agreements of material significance that are due to come into force or be amended or invalidated if the majority ownership in the company changes as a result of a takeover offer. Neither are there any agreements between the company and the Board members that result in compensation if such persons leave, are dismissed without reasonable grounds or are dismissed as a result of an offer to acquire their shares in the company.

Significant events after the balance sheet date

Six acquisitions have been made so far in 2022, with total annual sales of around SEK 217 million; see Note 4 for more information.

Bravida has no direct exposure to Ukraine and Russia in terms of sales or purchases. We are closely monitoring developments, but it is too early to assess any indirect impact on, for example, commodity prices, energy supply and supply chains.

Proposed allocation of profit

The Board proposes that the parent company's non-restricted equity of SEK 4,175,218,788 be allocated as follows:

Shareholders receive a dividend of SEK 3.00 per ordinary share	609,867,843*
Share premium reserve	3,517,757,028
Carried forward	47,593,917
Total	**4,175,218,788**

*The company's holds 34,490 treasury shares, which has reduced the total dividend amount by SEK 103,470.

For further information about the company's earnings and financial position, see the following income statements and balance sheets and the notes to the accounts.

Annual General Meeting

The AGM for Bravida Holding AB (publ) will take place on 5 May 2022. The notice convening the 2022 AGM is available on the Group's website, www. bravida.se.

Significant risks and uncertainties

All business operations are associated with and entail risk. If correctly managed, risks can be turned into opportunities and add value to the business, while risks that are not correctly managed can lead to incidents and losses.

Bravida has a model and process for identifying and evaluating the Group's risks. In its operations Bravida is exposed to various types of risk – operational, financial and market risk.

Risk management

The Chief Executive Officer is ultimately responsible for ensuring good risk management throughout the Group in accordance with the Board's guidelines and instructions. Heads of division and heads of group services are responsible for implementing risk management in their respective divisions and areas of responsibility. Ownership with regard to the management of risks identified by a risk audit lies with the division concerned. The results of the risk audit are reported continuously to Group management and the Board.

A number of areas of risk have been identified in Bravida's risk management process. A selection of these and an overall description of each area of risk are set out overleaf. Financial risk management is described in further detail in Note 25.

Risk management is also defined to some extent in Bravida's management system. The Group's systematic work on quality and environmental issues as well as occupational health and safety issues are key elements of the management system.

Market risk

Bravida continually assesses and evaluates the risks to which the Group is and may be exposed. Critical external risks are mainly managed through strategic business plan measures, but are also managed operationally in the organisation. Fluctuations in general market conditions, financial turmoil and political decisions are the main external factors that can have an impact on demand for residential and commercial new construction and industrial and public-sector investment. Demand for service and maintenance is less sensitive to economic fluctuations.

Economic downturns and fluctuations in the economy owing to uncertainty in the operating environment, pandemics, political tensions and conflicts in the regions in which we operate are hard to predict.

AREA OF RISK	DESCRIPTION	MANAGEMENT
Economic downturn	Changes in economic conditions affect the installation industry, which is sensitive to changes in the market and to political decisions. These can impact demand for new-build housing and business premises, as well as investment by industry and the public sector. Demand for service and maintenance work is not as sensitive to fluctuations in the economic cycle.	Almost half of Bravida's sales come from its service business, which has historically been relatively little affected by fluctuations in the economy. Bravida is not dependent on any individual customers, as the Group has more than 65,000 customers across a range of segments. Bravida has a diversified customer structure with a large percentage of small and medium-sized projects, and is consequently not dependent on individual customers or assignments.
Climate change	The risk of climate change, owing to global warming having negative consequences for Bravida's business. An increased risk of flooding in areas where Bravida has business operations and the risk of damage to premises and business. A risk of extreme heat and, consequently, production losses in the form of lost working hours/productivity. Financial risks in the form of increased costs for natural resources as a raw material or energy, and a long-term risk of a shortage of important resources for the business. Risks relating to materials being used today potentially being shown to be hazardous in the future.	No real threat in the near future but a risk of an impact in the longer term.
Changes in the value chain	There may, for example, be new entrants, customers buying directly from the supplier, or a supplier moving down the value chain.	Bravida aims to offer customers competitive solutions. Bravida's delivery and services now include logistics solutions that increase the level of service.
Not keeping up with digitalisation and technological development	Buildings are becoming increasingly connected, which means that regular service can be switched from timed service to demand-driven service. This could offer opportunities for new operators in the market.	Bravida is modernising its IT environment and developing digital solutions and systems to enable new business opportunities. During the year, two new business areas were established, Building Automation and Technical Facility Management. A project methodology and a structured approach to developing new system solutions have also been introduced.

Financial risk

Through its operations Bravida is exposed to various types of financial risk. Financial risk mainly includes interest rate, currency, financing and credit risk. The Group's financial operations and management of financial risk are centralised within Group Finance. Business is conducted based on a financial policy set by the Board and reviewed and established by the Board annually. Its purpose is to minimise the Group's cost of capital through effective financial solutions and effective management and control of the Group's financial risks. Credit risk in business operations, however, is managed locally, supported by a joint credit monitoring and analysis system. For further information about the management of financial risk, see Note 25.

AREA OF RISK	DESCRIPTION	MANAGEMENT
Interest rate risk	Changes in the market interest rate affect the Group's net interest income and cash flow.	Bravida has established principles for managing interest rate risk in its finance policy, which specifies short fixed-rate periods.
Currency risk	Exchange rate fluctuations can adversely affect the Group's income statement, balance sheet and cash flow. Currency risk can be divided into transaction exposure and translation exposure.	Bravida's transaction exposure is relatively limited because the majority of sales and expenditure are in local currency, with minor exposure to imported components. Bravida's translation exposure policy is not hedged for currency risk, and a strengthening of the Swedish krona against NOK, EUR and DKK has a negative effect on sales and operating profit. All financing takes place in SEK.
Financing and liquidity risk	This is the risk of not being able to raise new, or refinance existing, loans on acceptable terms. The Group is also exposed to liquidity risk, which is defined as the risk of being unable to meet immediate payment obligations.	Responsibility for Bravida's financial transactions and risk lies centrally with the Group treasury unit, which works based on a financial policy set by the Board. Financing consists of long-term credit agreements and the issuing of short-term commercial paper.
Credit risk	There is always a risk that a counterparty will be unable to meet its commitments. Deficient control of customer creditworthiness poses a risk of Bravida carrying out work for customers who cannot meet their commitments, possibly resulting in bad debts.	The credit rating of all customers is checked before a project begins. In those countries in which it operates, Bravida has a customer credit department that operates according to established risk assumption guidelines. Bravida has historically had a low level of bad debts.

Operational risk

Operational risks relate to day-to-day operations and are often possible to influence, and this is therefore usually dealt with through policies, guidelines and instructions. Management of this risk is part of Bravida's ongoing business process.

AREA OF RISK	DESCRIPTION	MANAGEMENT
Occupational injuries	The risk of injury to employees or other persons at Bravida's workplaces.	Bravida has a zero vision for occupational injuries, and adopts a systematic approach to the physical, social and organisational work environment and to strengthening its safety culture. An internal survey on the safety culture in the company was sent out to all employees in early 2022.
Labour shortage – Bravida does not succeed in attracting, recruiting and retaining the right staff	In the present-day labour market there is keen competition for skilled employees, such as engineers, technicians and fitters.	Bravida has continued to work with the employment offer to attract employees. During the year, work has been underway on our new People Vision, which involves improving in a structured way in a number of areas: leadership, best team and an industry-leading employee experience. A new leadership model has been developed and will be launched and implemented in 2022. During the year, recruitment and HR support have also been strengthened.
Willingness to change	The risk in a relatively traditional industry of not having the ability to change in step with the outside world, such as lack of customer focus and business development as well as the ability to reorientate the organisation.	Bravida increasingly focuses on change management in the roll-out of new activities according to the business plan and new initiatives. Furthermore, training measures are underway and implemented to strengthen leadership and respond to changes in the market.
Business ethics	Bravida is a decentralised organisation in which transactions and purchasing are largely carried out locally, increasing the risk of undue influence. There is a risk of individual employees not adhering to our values and harming Bravida's reputation and brand.	All Bravida employees must read and be familiar with the Code of Conduct. Training is carried out regularly, with a new training course on the Code of Conduct being launched. In addition, Bravida also takes a reactive approach in the form of monitoring and internal controls.
Projects – small and medium-sized	As the majority of Bravida's installation projects are based on fixed-price contracts, any errors in the calculation of costs could have an adverse effect on margins. Extended framework agreements that specify hourly rates and the price of materials.	Bravida has a an established procedure for managing tenders, and for some years now has adopted a 'grandfather' principle, where major projects have to be presented to and approved by a superior. Focus on consistent project reporting and structured in-depth project assurance to minimise risks at an early stage.
Risks associated with complex and large contracts	Wrong skills, market or customer and shortcomings in project implementation. One of the major operational risks are deficiencies in costing, start-up, planning and management of projects. Deficiencies in contract administration can quickly entail a high risk of not obtaining the required time extension or compensation for work performed.	Bravida has a well-defined way of working with clear milestones from costing to completed project. Major and more complex projects always have a clear project organisation and structure as well as steering group.
Acquisition risks	A risk of Bravida acquiring companies that do not achieved expected outcomes, are not integrated into Bravida's corporate culture or harm the company or brand in some other way.	In addition, Bravida has strengthened the acquisition organisation at Group level, further boosting acquisition capacity and improving the integration process. Clear responsibility in the organisation where the acquisitions take place, and anchoring in the local business. A successful acquisition depends on local involvement, both at regional level and in the relevant branch.
Environment: sustainable use of resources	Environmental impact in the form of CO_2 emissions or other environmentally harmful emissions, both in the customer offering and in the customer's operations.	Bravida works to reduce the environmental impact in its own operations. In 2021, a new sustainability strategy and new sustainability targets were launched. We regularly review our vehicle fleet and monitor emissions centrally. By continuously reviewing vehicle policy and fuel choices, we aim to provide the business with cost-effective vehicles that contribute to gradually reducing our environmental impact. We are gradually replacing our service vehicles with fossil-free alternatives, and in Sweden the decision has been taken to offer only electric cars in the company car range. Further in the process of converting our own operations, it has been decided that we will convert to renewable electricity in our offices and buildings.
Subcontractor risk	The conduct of subcontractors could have an adverse impact on Bravida's reputation and brand if a subcontractor does not comply with Bravida's code of conduct.	Quality assurance of Bravida's subcontractors is carried out continuously.
Material risks	Deficiencies in the quality of the products that Bravida installs could have an adverse impact on reputation among customers and lead to increased costs.	Bravida has warranties from the suppliers of the products it uses.
Price increases in the sector	Broad price increases caused by, for example, increased raw material and transport costs, may affect Bravida as significant price increases due to fixed prices in contracts.	Negotiate fixed prices in central agreements. Further, to involve branch purchasing staff more in price negotiations. The organisation is encouraged to allow for major price increases in new contracts and to use the contracting index.
Information security and cyber-risk	Risk of information theft and sabotage of information assets. In addition to traditional viruses and trojans, the trend of information theft, so-called "social engineering", continues, where users' emails are exposed to various fraud attempts aimed at getting them to carry out financial transactions.	Bravida has continued to work on information security and cybersecurity during the year. Cybersecurity training for office staff and skilled workers is launched and is compulsory to complete. A review and minimisation of accounts with high administrative rights has been carried out. The company is continuously working on these areas to achieve higher security and reduce the risk of information theft.
Not complying with data protection under GDPR	The risk of not meeting GDPR requirements can lead to heavy fines and harm the brand.	Bravida has established guidelines to meet current requirements. During the year, the guidelines have been updated and responsibilities clarified. Instructions and information have been established and made available to all employees. Training videos about GDPR and related support are available from the GDPR group, which is made up of representatives from central staff functions.

Consolidated income statement

AMOUNT IN SEK MILLION	Note	01/01/2021 -31/12/2021	01/01/2020 -31/12/2020
Net sales	2, 3	21,876	21,147
Production costs		-18,577	-18,093
Gross profit/loss		**3,299**	**3,054**
Administrative and selling expenses		-1,787	-1,706
Operating profit/loss	3, 5, 6, 7, 28	1,512	1,348
Financial income		9	14
Financial expenses		-65	-88
Net financial income/expense	8	**-56**	**-74**
Profit/loss before tax		1,456	1,274
Tax on profit/loss for the year	9	-318	-276
Profit/loss for the year		**1,138**	**997**
Profit/loss for the year attributable to:			
Owners of the parent company		1,148	1,002
Non-controlling interests		-10	-5
Profit/loss for the year		**1,138**	**997**
Basic earnings per share, SEK	10	5.66	4.94
Diluted earnings per share, SEK	10	5.64	4.93

Consolidated statement of comprehensive income

AMOUNT IN SEK MILLION	Note	01/01/2021 -31/12/2021	01/01/2020 -31/12/2020
Profit/loss for the year		**1,138**	**997**
Other comprehensive income			
Items that have been or can be transferred to profit/loss for the year			
Translation differences for the year from the translation of foreign operations	20	98	-150
Items that cannot be transferred to profit/loss for the year			
Revaluation of defined-benefit pensions		158	10
Tax attributable to the revaluation of pensions		-32	-2
Other comprehensive income for the year		**223**	**-142**
Comprehensive income for the year		**1,361**	**855**
Comprehensive income for the year attributable to:			
Owners of the parent company		1,371	853
Non-controlling interests		-10	2
Comprehensive income for the year		**1,361**	**855**

Consolidated balance sheet

AMOUNT IN SEK MILLION	Note	31/12/2021	31/12/2020
ASSETS			
Intangible assets	11	9,533	8,905
Right-of-use assets	12	972	1,002
Property, plant and equipment	13	172	110
Interests in associates	14	10	0
Pension assets	15	10	3
Securities held as non-current assets	16	13	13
Non-current receivables	17	14	17
Deferred tax asset	9	29	34
Total non-current assets		**10,752**	**10,084**
Inventories		147	135
Current tax assets		188	125
Trade receivables	25	4,446	3,391
Contract assets	18	2,019	1,257
Other receivables	19	370	313
Other financial assets		0	0
Cash and cash equivalents		1,594	1,748
Total current assets		**8,764**	**6,969**
TOTAL ASSETS	24	**19,516**	**17,053**
EQUITY	20		
Share capital		4	4
Other contributed capital		3,518	3,518
Reserves		13	-85
Retained earnings including profit/loss for the year		3,281	2,418
Equity attributable to owners of the parent company		**6,816**	**5,855**
Non-controlling interests		16	21
Total equity		**6,832**	**5,876**
LIABILITIES			
Non-current interest-bearing liabilities	21	–	500
Lease liability	21, 26	638	679
Non-current non-interest-bearing liabilities		124	216
Pension provisions	15	563	647
Other provisions	22	93	85
Deferred tax liabilities	9	386	322
Total non-current liabilities		**1,804**	**2,449**
Current interest-bearing liabilities	21	1,603	1,350
Lease liability	21, 26	356	343
Trade payables		2,534	2,123
Tax liabilities		240	101
Contract liabilities	18	3,144	2,049
Other liabilities	23	2,724	2,536
Provisions	22	281	226
Total current liabilities		**10,880**	**8,728**
Total liabilities	24	**12,684**	**11,177**
TOTAL EQUITY AND LIABILITIES		**19,516**	**17,053**

For information on Group pledged assets and contingent liabilities, see Note 27.

Consolidated statement of changes in equity

AMOUNT IN SEK MILLION	Share capital	Other contribu- ted capital	Translation reserve	Retained earnings, incl. profit/loss for the year	Non- controlling interests	Total equity
2020						
Opening equity at 1 Jan 2020	**4**	**3,518**	**65**	**2,000**	**9**	**5,596**
Profit/loss for the year	–	–	–	1,002	-5	997
Other comprehensive income for the year	–	–	-150	8	–	-142
Total comprehensive income for the year	**–**	**–**	**-150**	**1,010**	**-5**	**855**
Dividend	–	–	–	-457	–	-457
Change in non-controlling interests	–	–	–	-17	17	–
Non-controlling interests' put option	–	–	–	-136	–	-136
Share incentive programme	–	–	–	17	–	17
Closing equity at 31 Dec 2020	**4**	**3,518**	**-85**	**2,418**	**21**	**5,876**
2021						
Opening equity at 1 Jan 2021	**4**	**3,518**	**-85**	**2,418**	**21**	**5,876**
Profit/loss for the year	–	–	–	1,148	-10	1,138
Other comprehensive income for the year	–	–	98	125	–	223
Total comprehensive income for the year	**–**	**–**	**98**	**1,273**	**-10**	**1,361**
Dividend	–	–	–	-507	–	-507
Change in non-controlling interests	–	–	–	-7	7	–
Non-controlling interests' put option	–	–	–	67	–	67
Share incentive programme	–	–	–	35	–	35
Closing equity at 31 Dec 2021	**4**	**3,518**	**13**	**3,280**	**17**	**6,832**

Further information on equity is provided in Note 20.

Consolidated cash flow statement

AMOUNT IN SEK MILLION	Note	01/01/2021 -31/12/2021	01/01/2020 -31/12/2020
OPERATING ACTIVITIES			
Profit/loss before tax		1,456	1,274
Adjustments for non-cash items	30	550	569
Income taxes paid		-210	-244
Cash flow from operating activities before changes in working capital		**1,796**	**1,598**
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in inventories		-3	12
Increase (-)/Decrease (+) in operating receivables		-1,651	342
Increase (+)/Decrease (-) in operating liabilities		1,295	218
Cash flow from operating activities		**1,437**	**2,171**
INVESTING ACTIVITIES			
Acquisition of subsidiaries	4, 29	-343	-267
Acquisition of assets and liabilities	4	-78	-15
Acquisition of intangible assets	11	0	0
Acquisition of property, plant and equipment	13	-88	-34
Cash flow from investing activities		**-509**	**-316**
FINANCING ACTIVITIES			
Loans raised	21, 30	749	2,052
Repayment of loans	30	-996	-2,197
Repayment of lease liabilities		-397	-388
Change in utilisation of overdraft facility	21, 30	–	–
Dividend paid		-507	-457
Cash flow from financing activities		**-1,151**	**-990**
Cash flow for the year		-223	866
Cash and cash equivalents at start of year		1,748	972
Exchange gains/losses on cash and cash equivalents		69	-90
Cash and cash equivalents at year-end		**1,594**	**1,748**

Parent company income statement

AMOUNT IN SEK MILLION	Note	01/01/2021 -31/12/2021	01/01/2020 -31/12/2020
Net sales		198	192
Administrative and selling expenses	5, 6, 7	-215	-154
Operating profit/loss		**-17**	**38**
Income from financial items			
Interest and similar income		15	21
Interest and similar expenses		-29	-42
Net financial income/expense	8	**-14**	**-21**
Profit/loss after financial items		**-31**	**17**
Appropriations			
Provision for tax allocation reserve		-152	-40
Group contributions		882	140
Profit/loss before tax		**699**	**117**
Tax	9	-146	-26
Profit/loss for the year[1)]		**552**	**91**

[1)]Profit/loss for the year corresponds to comprehensive income for the year.

Parent company balance sheet

AMOUNT IN SEK MILLION	Note	31/12/2021	31/12/2020
ASSETS			
Non-current assets			
Investments in Group companies	29	7,341	7,341
Non-current receivables	17	1	0
Deferred tax asset		0	0
Total non-current assets		**7,342**	**7,342**
Current assets			
Receivables from Group companies	28	1,587	1,225
Current tax assets		–	27
Other receivables	19	33	18
Cash and bank balances		1,380	1,626
Total current assets		**3,001**	**2,897**
TOTAL ASSETS	24	**10,343**	**10,238**
EQUITY AND LIABILITIES			
Equity	20		
Restricted equity			
Share capital		4	4
Total restricted equity		**4**	**4**
Non-restricted equity			
Share premium reserve		3,518	3,518
Retained earnings		105	487
Profit/loss for the year		552	91
Total non-restricted equity		**4,175**	**4,096**
Total equity		**4,179**	**4,100**
Untaxed reserves			
Tax allocation reserves		672	520
Provisions			
Pension provisions	15	2	1
Non-current liabilities			
Interest-bearing liabilities	21	–	500
Current liabilities			
Liabilities to credit institutions	21	1,603	1,350
Trade payables		14	15
Liabilities to Group companies	28	3,738	3,708
Tax liabilities		93	0
Other liabilities	23	41	45
Total current liabilities		**5,489**	**5,118**
TOTAL EQUITY AND LIABILITIES	24	**10,343**	**10,238**

For information on parent company pledged assets and contingent liabilities, see Note 27.

Parent company statement of changes in equity

AMOUNT IN SEK MILLION	Share capital	Non-restricted equity: Share premium reserve	Non-restricted equity: Retained earnings	Non-restricted equity: Profit/loss for the year	Total equity
2020					
Opening equity at 1 Jan 2020	**4**	**3,518**	**906**	**20**	**4,448**
Profit/loss for the year	–	–	–	91	91
Appropriation of profits	–	–	20	-20	–
Dividend	–	–	-457	–	-457
Share incentive programme	–	–	17	–	17
Closing equity at 31 Dec 2020	**4**	**3,518**	**487**	**91**	**4,100**
2021					
Opening equity at 1 Jan 2021	**4**	**3,518**	**487**	**91**	**4,100**
Profit/loss for the year	–	–	–	552	552
Appropriation of profits	–	–	91	-91	–
Dividend	–	–	-507	–	-507
Share incentive programme	–	–	35	–	35
Closing equity at 31 Dec 2021	**4**	**3,518**	**105**	**552**	**4,179**

Further information on equity is provided in Note 20.
Profit/loss for the year corresponds to comprehensive income for the year.

Parent company cash flow statement

AMOUNT IN SEK MILLION	Note	01/01/2021 -31/12/2021	01/01/2020 -31/12/2020
Operating activities			
Profit/loss after financial items		-31	17
Adjustments for non-cash items	30	36	18
Income taxes paid		-29	-25
Cash flow from operating activities before changes in working capital		**-24**	**10**
CASH FLOW FROM CHANGES IN WORKING CAPITAL			
Increase (-)/Decrease (+) in operating receivables		-320	1,250
Increase (+)/Decrease (-) in operating liabilities		-29	17
Cash flow from operating activities		**-373**	**1,277**
INVESTING ACTIVITIES			
Acquisition of non-current financial assets		-1	0
Cash flow from investing activities		**-1**	**0**
FINANCING ACTIVITIES			
Loans raised	21, 30	749	2,052
Repayment of loans	21	-996	-2,197
Dividend paid		-507	-457
Group contributions paid		-18	-40
Group contributions received		900	180
Cash flow from financing activities		**128**	**-462**
Cash flow for the year		-246	815
Cash and cash equivalents at start of year		1,626	811
Cash and cash equivalents at year-end		**1,380**	**1,626**

Notes to the financial statements

NOTE 1. Significant accounting policies

Business operations

Bravida Holding AB, company reg. 556891-5390, is a Swedish public limited company with registered office in Stockholm, Sweden. The address of the head office is Mikrofonvägen 28, 126 81 Stockholm. The company's shares are listed on Nasdaq Stockholm's Large Cap list. This report refers to the Bravida Group as Bravida or the Group, and the parent company as Bravida Holding AB in full or as the parent company. The consolidated accounts for 2021 concern the parent company and its Group companies; the Group also incudes the portion of holdings in associate companies. The Group also conducts development operations at a branch office in Slovakia.

Conditions for the preparation of financial statements

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as well as interpretations from the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the EU. Recommendation RFR 1 Supplementary Accounting Rules for Corporate Groups of the Swedish Financial Reporting Board has also been applied.

The parent company applies the Swedish Annual Accounts Act and Recommendation RFR 2 Accounting for Legal Entities. In cases where the parent company applies other accounting policies than the Group this is stated at the end of this Note.

The Group and parent company's reporting is in millions of Swedish kronor (SEK million) without decimals unless otherwise specified. Swedish kronor are referred to as SEK and thousands of Swedish kronor are referred to as SEK thousand. In certain cases, the amounts reported have been rounded off. Where amounts are less than SEK 1 million and are rounded down, this is shown with a zero (0). Where there is no value, a dash (–) is used. This means that tables, charts and calculations do not always tally. Figures in brackets refer to actual figures for the previous year.

Measurement basis applied in preparing the financial statements

Assets and liabilities are essentially recognised at historical cost.

Critical accounting estimates and judgements

Preparing financial statements in accordance with IFRS requires that management make estimates and judgements as well as assumptions which affect the application of the accounting policies and the recognised amounts of assets, liabilities, income and expenses. Estimates and assumptions are based on historical experience and a number of other factors that, under prevailing circumstances, are considered reasonable. Actual outcomes may differ from these estimates. Judgements and assumptions are reviewed on a regular basis. Changes to estimates are recognised in the period when the change is made if the change only affects this period, or in the period when the change is made and future periods if the change affects both the current period and future periods.

Company management's best assessment is also taken into account in the reporting of disputed amounts as legal proceedings and disputes are by nature unpredictable.

Below are the estimates and judgements which, according to company management's understanding, are significant for reported amounts in the financial statements and for which there is a material risk of future events or new information resulting in a change in them.

Recognition over time (previously percentage-of-completion accounting)

Earnings from ongoing installation projects are recognised over time based on accrued project expenses. This requires project revenues and project expenses to be able to be calculated reliably. This is dependent on effective costing systems, forecast procedures and project monitoring. Forecasts relating to the final outcome for the project are a critical assessment that is material to the reporting of earnings during the course of the project. There is a risk that the final earnings for projects may differ from earnings as reported in accordance with the percentage-of-completion method.

Impairment testing of goodwill

In estimating recoverable amounts for cash-generating units for the purpose of testing for impairment of goodwill, several assumptions about future circumstances and estimates of parameters have been made. These are described in Note 11.

Pension assumptions

Bravida has some defined-benefit pension plans. The pension obligation is calculated using actuarial assumptions and the plan assets are valued at the market value at the balance sheet date. A change in any of these assumptions and valuations may have a significant impact on the estimated pension obligations and pension costs. See also Note15 for further information about utilised pension commitments.

New or amended relevant IFRS standards

New or amended standards and interpretations that came into effect during the year had no effect on the Group's financial statements.

New accounting policies from 2022

A number of new or amended standards and interpretations come into effect for financial years starting 1 January 2022 or later, which have not be applied in advance in preparing these financial statements. These new standards and interpretations are not expected to have a material impact on the Group's financial statements in current or future periods, nor on future transactions.

Segment reporting

An operating segment is a component of the Group which engages in business from which it may earn revenues and incur expenses, for which independent financial information is available. Earnings of each operating segment are analysed further by the company's senior executive decision-maker in order to evaluate the earnings and to allocate resources to the operating segment. Geographical markets constitute Bravida's operating segments, i.e. the countries of Sweden, Norway, Denmark and Finland. See Note 3 for additional information on the itemisation and presentation of operating segments.

Consolidation principles

Group companies

Group companies are companies in which the parent company has a controlling influence. A controlling influence is assumed to exist where the parent company directly or indirectly has an ownership interest amounting to more than 50% of the votes, but may also be achieved if a controlling influence is able to be exerted over operational and financial management.

The purchase method is used in accounting for the Group's acquisition of subsidiaries. The cost of an acquisition is the fair value of all assets provided as compensation, issued equity instruments and liabilities incurred or assumed at the transfer date. Transaction costs are expensed directly. Identifiable acquired assets and assumed liabilities and contingent liabilities in a business combination are initially stated at fair value at the acquisition date regardless of the size of any non-controlling interests. In a business combination where the transferred compensation, any non-controlling interests and the fair value of the previously owned interest (in incremental acquisitions) exceed the fair value of the acquired assets and assumed liabilities which are recognised separately, the difference is recognised as goodwill. Where the difference is negative, in a 'bargain purchase', the difference is recognised in profit/loss for the year.

Group companies are included in the consolidated accounts from the date that controlling influence is obtained and are excluded from the consolidated accounts from the date that controlling influence ceases. Where necessary, Group companies' accounting is adjusted to adapt their accounting policies to those of the Group.

Intra-Group transactions and balance sheet items and unrealised gains on transactions between Group companies are eliminated.

Unrealised losses are also eliminated but any losses are viewed as an indication of a possible impairment requirement.

Associates

Associates are those companies in which the Group exercises a significant, but not a controlling, influence.

Associates are recognised in accordance with the equity method. This means that the carrying amount in the Group of investments in the company corresponds to the Group's share of equity and any carrying amounts of Group surplus values following the change to Group accounting policies. The share in the companies' profits after tax is recognised in operating profit/loss together with amortisation of the acquired surplus values.

Elimination of transactions

Gains and losses arising from transactions between Group companies are eliminated in full in the preparation of the consolidated accounts.

Gains arising from transactions with associates are eliminated to an extent corresponding to the Group's ownership of the company. Losses are eliminated in the same way as gains, but only insofar as there is no impairment requirement.

Foreign currencies

Functional currency and presentation currency

Items included in the financial statements for the various units of the Group are valued in the currency used in the economic environment in which each company primarily operates (functional currency). The Swedish krona (SEK), the functional and presentation currency of the parent company, is used in the consolidated financial statements.

Transactions and balance sheet items

Transactions in foreign currencies are translated to the functional currency at the exchange rates applying at the transaction date. Foreign exchange gains and losses arising from such transactions and upon translation of monetary assets and liabilities in foreign currencies at the balance sheet date rate are recognised in the income statement. Foreign exchange differences on borrowing are recognised under financial items while other foreign exchange differences are included in operating profit/loss.

Financial statements of foreign operations

The earnings and financial position of all foreign operations included in the consolidated financial statements that have a different functional currency than the presentation currency are translated into the Group's presentation currency as follows:

- assets and liabilities for each of the balance sheets are translated at the closing rate
- income and expenses for each of the income statements are translated at the average exchange rate
- all resulting foreign exchange differences are recognised through other comprehensive income as a separate component of equity (translation reserve)

Upon consolidation, foreign exchange differences arising from the translation of net investments in foreign operations are transferred to equity through other comprehensive income. Upon divestment, wholly or partially, of a foreign operation, the foreign exchange differences recognised in equity through other comprehensive income are transferred to profit/loss for the year. Goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities in such operation and translated at the balance sheet date rate.

Cash flow analysis

The cash flow statement is prepared in accordance with the indirect method, which means that adjustments are made for transactions that do not result in incoming or outgoing payments.

Revenue

The company's revenue consists of service and installation services and sales of services and materials take place on a combined basis. Sales of materials only take place to a very minor extent, and in such cases revenue is recognised when the goods have been delivered to the customer, which is deemed to be the point in time when control over the goods is transferred to the customer.

Service and installation services, including related materials, are recognised over time (previously called percentage-of-completion accounting) as project expenses are incurred in relation to forecast project expenses. Service and installation services are performed at the customer's property. Initial assessment of the IFRS 15 criteria for recognition over time or at a particular date indicate that in most of these cases the goods are deemed to be controlled by the customer as they are installed, where they will also be recognised over time rather than at the date when installation is completed.

Interest income is recognised over the term of the loan using the effective interest method. Dividend income is recognised when the right to receive payment has been established.

Recognition over time (previously percentage-of-completion accounting)

Recognition over time involves earnings being recognised according to the degree of a project's completion. Determining the earnings accrued at any given time requires information about the following components:

- Project revenue – the value of all revenue attributable to the contract.
- Project expenses – all expenses corresponding to project revenues that are attributable to the project.
- Degree of completion (work-up rate) – expenses accrued in relation to estimated total project costs.

Expenses that have been incurred during the year but that relate to future work are not included in project expenses when determining the degree of completion. These are recognised as materials and inventories, advances or other assets depending on their nature. Changes to the scope of the project, claims and incentive pay are included in project revenue to the extent that they have been agreed with the customer and can be reliably measured. A fundamental condition for application of recognition over time is that project revenues and project expenses can be reliably measured and that the degree of completion is determined in a way that is relevant with respect to the reliability requirement.

For projects where revenues and expenses cannot be reliably measured at the closing date, the zero recognition method is applied. This means that revenue equal to the incurred costs is recognised for the project, i.e. the profit is zero until such time as it is possible to determine the earnings. As soon as this is possible, transition to recognition over time takes place.

Bravida recognises as contract assets receivables (balance sheet item 'Contract assets') from buyers of installation projects for which the project costs and recognised profits (after deducting recognised losses) exceed the invoiced amount. Partially invoiced amounts that have not yet been paid by the customer and amounts withheld by the buyer are included in the item 'Trade receivables'. Bravida recognises as contract liabilities (balance sheet item 'contract liabilities') any liabilities to buyers of installation contracts for projects in progress for which the invoiced amount exceeds the project costs and recognised profits (after deducting recognised losses).

Intangible assets

The Group's non-current intangible assets principally consist of goodwill, as well as other intangible assets. Goodwill represents the difference between the cost of a business combination and the fair value of the Group's share of the acquired operation's identifiable net assets at the time of acquisition. Goodwill is recognised at cost, less any impairment. Goodwill has an indefinite useful life and is tested for impairment at least annually. Goodwill impairment losses are not reversed. Any gain or loss from the sale of a unit includes the divested portion of the recognised value of goodwill. In testing for any impairment, goodwill is allocated to cash-generating units.

Other non-current intangible assets mainly consist of licenses. Additional expenditure on an intangible asset is added to the asset's cost only if it increases the future financial benefits and the expenditure can be reliably estimated. All other expenditure is recognised as it is incurred. Depreciation/amortisation is based on the asset's original cost less any residual value. Amortisation is recognised in the income statement on a straight-line basis over the useful life of the intangible asset, unless the asset has an indefinite useful life. Assets are amortised from the date at which they became available for use. Other intangible assets are amortised according to plan over five years. Useful lives are reassessed annually or more frequently.

Property, plant and equipment

Land and buildings mainly comprise warehouses and offices. Property, plant and equipment is recognised at cost less depreciation. Cost includes expenditure that is directly attributable to the acquisition of the asset. Any additional expenditure is added to the carrying amount of the asset or recognised as a separate asset only when it is probable that the future financial benefits associated with the asset will accrue to the Group and the cost can be reliably measured. The carrying amount of the replaced portion is derecognised from the balance sheet. All other forms of repairs and maintenance are recognised as expenses in the income statement for the periods in which they are incurred.

Land is not depreciated. Other assets are depreciated on a straight-line basis to allocate the cost down to the estimated residual value over the assets' estimated useful lives, as follows:

Depreciation policies for property, plant and equipment

	Useful life
Buildings	20 years
Costs incurred for leased property	During remaining term of lease
Machinery and other technical facilities	3–5 years
Equipment, tools and installations	3–10 years

Residual values and useful lives of assets are tested at each closing date and adjusted where required. Any gain or loss from the sale of an asset is determined by comparing the sale proceeds and the carrying amount, and is recognised in other operating income or other operating expenses in the income statement.

Impairments

The values of property, plant and equipment and non-current intangible assets and leasehold rights are analysed at each balance sheet date to establish whether there is an indication that such assets have decreased in value. If there is any indication of this, the recoverable amount of the asset or the smallest cash-generating unit to which the asset belongs is calculated in order to determine the amount of any impairment loss.

An impairment loss is recognised in the income statement. If an impairment loss is reversed, this is only done insofar as the asset's carrying amount does not exceed the value that would have been recognised, less depreciation/amortisation, if no impairment had been made. A reversal of an impairment loss is recognised in the income statement. Goodwill impairment losses are never reversed.

Leases

The Group primarily leases offices and vehicles. Contracts can contain both lease and non-lease components. The Group breaks the remuneration in the contract down into lease and non-lease components.

The leases are recognised as rights of use and a corresponding liability, as of the date on which the leased asset is available for use by the Group.

The lease liability is initially recognised at the present value of the remaining lease payments during the lease period. Lease payments include fixed charges and variable lease payments that depend on an index or interest rate, initially based on the index or interest rate applicable at the start date. The lease term consists of the non-terminable period of the contract plus extension periods that are initially considered reasonably safe to use.

Lease payments are discounted at the implicit interest rate of the lease. If this interest rate cannot be easily determined, as is normally the case for the Group's leases, the company's marginal borrowing rate is used, which is the interest that would have to be paid to borrow in the currency of the lease to purchase a corresponding asset with similar conditions and collateral.

The Group is exposed to any future increases in variable lease payments based on an index or interest rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or interest rate take effect, the lease liability is revalued and adjusted against the right of use.

The assessed lease period is mainly adjusted when the last period of notice in the previously assessed lease period is passed; or if a significant event occurs or circumstances change significantly in a way that is within the company's control. In these cases, the liability is revalued, based on an updated discount rate, with counter-posting of the revaluation amount against the right of use.

Lease payments are broken down between repayment of the liability and interest. The interest is recognised in the income statement over the lease period in a way that entails a fixed interest rate for the lease liability recognised during each period.

The right of use is measured at cost and includes the following:

- the amount at which the lease liability was originally measured
- lease payments made on or before the start date, after deduction of any benefits received in connection with the signing of the lease contract
- initial direct expenditure
- expenditure to restore access to the condition provided for in the terms of the lease.

Rights of use are usually amortised on a straight-line basis over the shorter of useful life and lease term.

Payments for short-term and small-value leases are expensed on a straight-line basis in the income statement. Short contracts are contracts with a lease term of 12 months or less. Small-value contracts include IT equipment and office furniture.

Financial instruments

Recognition and initial measurement

Trade receivables and issued debt instruments are recognised when they are issued. Other financial assets and financial liabilities are recognised when the Group becomes party to the contractual terms of the instrument.

A financial asset or financial liability is initially measured at fair value, which usually amounts to the transaction amount less directly attributable transaction expenses for admission of the Group's financial instruments that are not recognised at fair value through profit/loss (see below).

Classification and subsequent measurement

Financial assets

Upon initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income – debt instrument investment; fair value through other comprehensive income – equity instrument investment; or fair value through profit/loss. The categories that are applicable to the financial assets held by Bravida are amortised cost and fair value through other comprehensive income.

A financial asset is measured at amortised cost if it is held in order to receive contractual cash flows and, at set dates, it gives rise to cash flows that are solely payment of capital amounts and interest on such outstanding capital amount. Bravida's financial assets in the form of cash and cash equivalents, other receivables, accrued revenues, trade receivables and non-current receivables belong to this category. Non-current receivables are recognised at amortised cost using the effective interest rate method. The other assets are recognised at nominal amount because the duration is short.

Financial assets recognised by Bravida at fair value through other comprehensive income consist of relatively small investments in securities held as non-current assets (Note 24). In the event of changes in the value of such holdings, the effect is recognised in other comprehensive income. No earnings effect is recognised in profit/loss or upon realisation.

Those financial assets that are measured at amortised cost are recognised after a provision is made for expected credit losses. The Group applies the simplified method for calculating expected credit losses on trade receivables. This method involves expected losses over the duration of a claim being used as the basis for trade receivables. See Note 25 for further information on the impairment model.

An impairment loss or reversal of an impairment loss on trade receivables is recognised in the income statement under 'Other operating expenses' while on loans it is recognised in financial items.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or fair value through profit/loss. Those financial liabilities that Bravida has belong to the category of measured at amortised cost. Measurement is carried out using the effective interest rate method. Interest costs and gains or losses upon removal from the balance sheet are recognised in profit or loss. This category mainly includes the Group's interest-bearing liabilities. Trade payables and other short-term operating liabilities constituting financial liabilities are recognised at nominal amount because of the short duration.

Borrowing and other financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer payment of the liability for at least 12 months after the balance sheet date.

Removal from the statement of financial position (derecognition)

Financial assets

The Group derecognises a financial asset from the statement of financial position when the contractual rights to cash flows from the financial asset cease or if it transfers the right to receive contractual cash flows through a transaction in which essentially all risks and benefits of ownership have been transferred or in which the Group does not transfer or retain essentially all the risks and benefits of ownership and it does not retain control over the financial asset.

Financial liabilities

The Group derecognises a financial liability from the statement of financial position when the obligations specified in the agreement are fulfilled, cancelled or cease. The Group also derecognises a financial liability when the contractual terms and conditions are modified and cash flows from the modified liability are materially different. In such a case, a new financial liability is recognised at fair value based on the modified terms.

Where a financial liability is derecognised, the difference between the carrying amount that has been derecognised and the compensation paid (including transferred non-monetary assets or liabilities assumed) is recognised in profit/loss.

Offsetting
A financial asset and a financial liability are offset and recognised as a net amount in the statement of financial position only when there is a legal right to offset amounts and there is the intention to settle the items as a net amount or simultaneously realise the asset and settle the liability. The Group currently has no financial assets and liabilities that are offset.

Inventories
Inventories are measured at the lower of cost and net realisable value. This also takes into account the risk of obsolescence. Cost is determined using the first-in/first-out method (FIFO). Net realisable value is the estimated selling price in the company's operating activities less any applicable variable selling expenses. The cost of company-produced semi-finished and finished goods consists of direct costs of production plus a reasonable portion of indirect costs of production. Normal capacity utilisation is also taken into account in the valuation.

Cash and cash equivalents
Cash and cash equivalents includes cash, bank balances and other short-term investments maturing within three months of the date of acquisition that can easily be converted into cash and cash equivalents for a known amount and that are exposed to negligible risk of fluctuations in value.

Dividend paid
Dividends paid are recognised as a liability upon approval of the dividend by the Annual General Meeting.

Financial income and expenses
Financial income and expenses comprise interest income on bank deposits, receivables and interest-bearing assets, interest expenses on loans, dividend income, foreign exchange gains/losses on assets and liabilities of a financial nature.

Income taxes
Recognised income tax includes tax that is payable or receivable in respect of the current year, adjustments relating to current tax for previous years and changes in deferred tax. All tax liabilities and assets are valued at their nominal amounts and based on the tax rules and tax rates that have been adopted or that have been announced and are highly likely to be confirmed. Income taxes are recognised in profit/loss for the year except where the underlying transaction is recognised in other comprehensive income or in equity, in which case the associated tax effects are recognised in other comprehensive income or in equity. Deferred tax is calculated in accordance with the balance sheet method for all temporary differences between the carrying amounts and taxable values of assets and liabilities. Temporary differences are not taken into account for differences arising from the recognition of consolidated goodwill. Deferred tax assets relating to unused loss carry-forwards or other future tax deductions are recognised to the extent that it is probable that such deductions can be used to offset future taxable profits.

Earnings per share
The calculation of earnings per share is based on consolidated profit for the year attributable to owners of the parent company and on the weighted average number of shares outstanding during the year.

In calculating diluted earnings per share, the average number of shares is adjusted to take account of the effects of dilutive potential ordinary shares. Over the reported periods, potential ordinary shares consist of rights to receive shares in Bravida as part of the long-term incentive programmes. Rights to matching shares held by employees at the reporting date are deemed to be dilutive. Entitlement to receive shares with performance conditions is dilutive only insofar as profit targets (EBITA) have been met at the reporting date. Adjustment of the number of dilutive shares is made for the hypothetical number of shares that could have been purchased with the value of remaining services as part of each incentive programme.

Employee benefits
Post-employment benefits
In Sweden most employees are covered by a defined-contribution plan, but defined-benefit plans also exist. In Norway virtually all employees are covered by a defined-contribution pension plan. In Denmark and Finland all employees are covered by defined-contribution plans.

In a defined-contribution plan the company makes fixed contributions to a separate legal entity and has no obligation to make any further contributions. Costs are charged to the consolidated income statement as the benefits are earned.

Defined-benefit plans are plans for post-employment benefits other than defined-contribution plans. The Group's net liability relating to defined-benefit plans is calculated separately for each plan by estimating the future compensation earned by the employees through their employment in the current and previous periods. The Group bears the risk for ensuring that the plan provides the promised compensation.

The defined-benefit pension plans are both funded and unfunded. In a funded plan the assets have been segregated, mainly in pension funds. These plan assets can only be used to make payments in accordance with the terms of the pension agreements.

The estimated present value of the obligations less fair value of the plan assets is recognised in the balance sheet as a provision or a non-current financial asset, as appropriate.

The pension cost and the pension obligation for defined-benefit pension plans is calculated annually by independent actuaries. The discount rate is the interest rate on mortgage bonds, with a term corresponding to the average term of the Group's pension obligations. If there is no functioning market for such corporate bonds, the market interest rate on government bonds with a corresponding term is used instead. The calculation is made by a qualified actuary using the projected unit credit method. The fair value of any investment assets at the reporting date is also calculated at the reporting date. Net interest expense/income on the defined-benefit obligation/asset is recognised in profit/loss for the year under net financial items. Net interest income is based on the interest arising from the discounting of the net obligation, i.e. interest on the obligation, plan assets and interest on the effect of any asset restrictions. Other components are recognised in operating profit.

Revaluation effects comprise actuarial gains and losses, the difference between the actual return on plan assets and the sum included in the net interest income and any changes to the effects of asset restrictions (excluding interest included in net interest income). The revaluation effects are recognised in other comprehensive income. If the calculation results in an asset for the Group, the carrying amount of the asset is limited to the lower of the plan surplus and the asset restriction calculated using the discount rate. The asset restriction consists of the present value of the future financial benefits in the form of reduced future contributions or cash repayments. Any requirements for minimum funding are taken into account in the calculation of the present value of future repayments or contributions.

Changes to or reductions in a defined-benefit plan are recognised at the earlier of the following times: a) when the change to the plan or the reduction takes place, or b) when the company recognises related restructuring costs and termination benefits. Changes/reductions are recognised directly in profit and loss for the year.

Special payroll tax forms part of the actuarial assumptions and is therefore recognised as part of the net obligation/asset. For reasons of simplicity, the element of special payroll tax that is calculated on the basis of the Swedish Act on Safeguarding Pension Obligations at legal entities is recognised as accrued cost instead of as part of the net obligation/asset.

Pension yield tax is recognised on an ongoing basis in the profit and loss for the period to which the tax relates and therefore is not included in the calculation of the liability. In the case of funded plans, the tax is charged to the return on plan assets and recognised in other comprehensive income. For unfunded or partially unfunded plans, the tax is charged to profit/loss for the year.

Termination benefits
A cost for benefits in connection with termination of staff employment is recognised when the company is no longer able to withdraw the offer to the employees or when the company recognises costs for restructuring, whichever is the earlier. Benefits that are expected to be settled after twelve months are recognised at their present value. Benefits that are not expected to be fully settled within twelve months are recognised as long-term remuneration.

Short-term benefits
Short-term employee benefits are calculated without discounting and are recognised as a cost when the related services are received.

Share-based payments
Share-based payments relate to employee benefits in accordance with the long-term incentive programmes approved by the AGM. Personnel costs are recognised at the value of services received, accrued over the vesting periods of the programmes, calculated as the fair vale of the assigned equity instruments. The fair value is established at the date of assignment, i.e. when Bravida and the employees entered into an agreement on the terms and conditions of the programmes. As the programmes are settled using equity instruments, they are classified as 'paid with equity' and an amount corresponding to the recognised personnel cost is recognised directly in equity.

The programmes mean that the participants need to purchase and retain shares in Bravida during the vesting period. At the end of the vesting period, participants receive additional shares in Bravida provided that the shares they purchased were retained, that their employment continued throughout the period and, with regard to performance target-related shares, that Group EBITA reached specified target levels. The recognised cost is initially based on and continually adjusted according to the number of additional shares expected to be earned, taking account of how many participants are expected to remain employed during the vesting period and taking account of the expected achievement of the EBITA conditions. No adjustment is made with regard to whether participants lose the entitlement to shares owing to their sale of the shares they needed to purchase and need to retain; in such case, the entire remaining cost is recognised immediately.

When rights to shares are earned and shares assigned, social security costs must be paid in certain countries for the value of the benefit to the employee. A cost and provision are recognised, accrued over the vesting period, for such social security costs. The provision for social security costs is based on the number of rights to shares expected to be earned and on the fair value of the rights to shares at the reporting date and eventually upon allocation of the shares.

Provisions
A provision is recognised on the balance sheet when the company has a legal or constructive undertaking as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are divided into a long-term and short-term portion.

Warranty provision
A provision is recognised when the underlying product or service has been sold. Upon completion of the installation work a warranty period of two to five years normally applies. The warranty provision is calculated on the basis of previous years' warranty expenditure and an assessment of future warranty risks.

Restructuring provision
A provision is recognised when a detailed restructuring plan has been adopted and the restructuring has been initiated or publicly announced. No provision is made for future operating expenses.

Contingent liabilities
A contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by one or more uncertain future events, not entirely outside the company's control, occurring or not occurring, or an obligation arising from past events but that is not recognised as a liability or a provision because it is unlikely that an outflow of resources will be required to settle the obligation, or the size of the obligation cannot be estimated with sufficient accuracy. No recognition is required where an outflow of resources is highly unlikely.

Parent company accounting policies
The parent company prepares its annual accounts in accordance with the Swedish Annual Accounts Act and Recommendation RFR 2 Accounting for Legal Entities of the Swedish Financial Reporting Board. Differences between the Group and parent company accounting policies are described below. The stated accounting policies of the parent company have been applied consistently for all periods presented in the parent company's financial statements.

Subsidiaries
Interests in subsidiaries are recognised in the parent company using the cost method. This means that transaction costs are included in the reported value of interests in subsidiaries. In the consolidated financial statements, transaction costs attributable to subsidiaries are recognised directly in the consolidated income statement when they are incurred.

Contingent considerations are valued based on the probability that the consideration will be paid. Any changes to the provision or receivable are added to or reduce the cost. In the consolidated financial statements, contingent considerations are stated at fair value with changes in value recognised in profit/loss.

Bargain purchases which relate to future expected losses and expenses are eliminated in the periods when the expected losses and expenses are incurred. Bargain purchases that arise for other reasons are recognised as a provision to the extent that they do not exceed the fair value of the acquired identifiable non-monetary assets. Any portion exceeding this value is recognised as income immediately. The portion which does not exceed the fair value of the acquired identifiable non-monetary assets is recognised as income systematically over a period which is calculated based on the remaining weighted average useful life of those acquired identifiable assets that can be depreciated/amortised. In the consolidated financial statements, bargain purchases are recognised directly in profit/loss.

Leases
The parent company does not apply IFRS 16 for leases, in accordance with the exemption contained in RFR 2. As a lessee, lease payments are recognised as an expense on a straight-line basis over the lease period and rights of use and lease liabilities are therefore not recognised in the balance sheet.

Group contributions and shareholder contributions
In the parent company, shareholder contributions are recognised in shares and interests, insofar as no impairment is required, and directly in equity in the receiving entity. Group contributions received/paid are recognised as appropriations.

Presentation of the income statement and balance sheet
The parent company applies the form of presentation for income statements and balance sheets prescribed in the Swedish Annual Accounts Act, which means, among other things, a separate form of presentation for equity and that provisions are recognised under a separate main heading on the balance sheet.

NOTE 2. Distribution of revenues

	01/01/2021–31/12/2021			01/01/2020–31/12/2020		
Distribution of revenues by category	**Service**	**Installation**	**Total**	**Service**	**Installation**	**Total**
Sweden	5,658	6,237	11,894	5,439	5,874	11,313
Norway	2,294	1,772	4,066	2,176	2,128	4,304
Denmark	1,871	2,510	4,381	1,557	2,660	4,217
Finland	457	1,164	1,622	329	1,063	1,392
Eliminations	3	-84	-88	-49	-30	-79
Group	**10,277**	**11,599**	**21,876**	**9,452**	**11,695**	**21,147**

	Group	
Contract balances	**31/12/2021**	**01/01/2021**
Receivables included in trade receivables and other receivables	4,458	3,401
Contract assets – accrued but not invoiced	2,019	1,257
Contract liabilities – invoiced but not accrued	-3,144	-2,049

Contract assets relate in the first instance to the Group's right to remuneration for work carried out but not invoiced at the balance sheet regarding service and installation agreements. Total contract assets at year-end are affected by an impairment loss of SEK 0 million. Contract assets are transferred to receivables when rights are unconditional.

Contract liabilities mainly refer to those advances received from customers for future service and installation work, for which revenue is recognised over time. All contract liabilities recognised as a contract liability at the start of the period have been recognised as revenue in 2021.

Revenue recognised during the period ended 31 December 2021 from performance commitments fulfilled (or partially fulfilled) in previous periods amounts to SEK 109 million. This is mainly due to changes in the calculation of the percentage of completion for ongoing projects and the difference in estimated contribution margin at the end of the previous year and the final contribution margin upon completion of the project.

Performance commitments not fulfilled at year-end regarding projects lasting more than 1 year amount to SEK 6,326 million, 35 percent of revenues are expected to be recognised within 1 year and 27 percent within 2 years, with the remainder thereafter.

NOTE 3. Segment reporting

The Group's operations are monitored and reviewed on a geographical market basis by the most senior executive decision-maker. Bravida's segments consist of geographical markets. Bravida has a transfer pricing policy that sets out the rules for financial transfers between the Group companies. Internal pricing charged between the various segments of the Group are set on an arm's length basis, between parties that are independent of one another, are well informed and have an interest in ensuring that the transaction is completed. None of the companies' customers generate more than 5 percent of total consolidated income.

Geographical markets

Geographical markets are the Group's operating segments, i.e. the countries of Sweden, Norway, Denmark and Finland. In each geographical market, activities are conducted mainly in service and installation of electrics, heating & plumbing and ventilation. Bravida also offers service and installation of security and sprinkler systems, cooling, power, lifts, solar panels and services in project management, energy optimisation, technical facility management, building automation and uninterruptable power supply.

2021	Sweden	Norway	Denmark	Finland	Group-wide	Eliminations and other	Total
External net sales	11,867	4,066	4,380	1,563	0	–	21,876
Internal net sales	27	0	1	59	439	-526	–
Net sales	**11,894**	**4,066**	**4,381**	**1,622**	**439**	**-526**	**21,876**
Operating expenses	-10,941	-3,813	-4,151	-1,540	-445	526	-20,363
Amortisation of non-current intangible assets	0	0	0	–	–	–	0
Operating profit/loss	**953**	**253**	**230**	**82**	**-7**	**–**	**1,512**
Net financial income/expense	-9	3	-4	-3	-43	–	-56
Profit/loss before tax	**944**	**256**	**227**	**79**	**-50**	**–**	**1,456**
Other information							
Goodwill	5,843	1,821	1,250	616	–	–	9,530
Other non-current assets*	593	206	344	46	4	–	1,193
Total non-current assets	**6,436**	**2,027**	**1,594**	**661**	**4**	**–**	**10,723**

2020	Sweden	Norway	Denmark	Finland	Group-wide	Eliminations and other	Total
External net sales	11,243	4,304	4,215	1,386	0	–	21,147
Internal net sales	70	0	2	6	416	-494	–
Net sales	**11,313**	**4,304**	**4,217**	**1,392**	**415**	**-494**	**21,147**
Operating expenses	-10,512	-4,059	-3,997	-1,336	-386	494	-19,796
Amortisation of non-current intangible assets	-2	0	–	–	–	–	-2
Operating profit/loss	**798**	**245**	**220**	**56**	**29**	**–**	**1,348**
Net financial items	-13	4	0	-2	-63	–	-74
Profit/loss before tax	**785**	**249**	**219**	**54**	**-33**	**–**	**1,274**
Other information							
Goodwill	5,520	1,756	1,211	416	–	–	8,904
Other non-current assets*	596	232	280	36	2	–	1,146
Total non-current assets	**6,116**	**1,988**	**1,491**	**452**	**2**	**–**	**10,050**

*Excluding a deferred tax asset.

NOTE 4. Acquisition of operations

The acquisitions made in 2021 and 2020 are reported in aggregate form in the tables below as individually they are not of sufficient size to justify separate recognition of each acquisition.

Bravida normally uses an acquisition structure with a fixed purchase price and contingent consideration, which is based on future performance. The contingent consideration is initially valued at the likely final amount, which for the year's acquisitions is SEK 134 (60) million. The contingent considerations are due for payment within three years.

Acquired values correspond to fair value in accordance with IFRS 3. Acquired goodwill is attributable to synergistic effects that are estimated to be possible to achieve through further coordination of purchasing and central costs.

2021

Bravida made the following acquisitions in 2021:

Acquired unit	Country	Technical area	Type	Date	Percentage of votes	No. of employees	Estimated annual sales, SEK million
Profire Sprinkler AB	Sweden	Sprinklers	Company	January	100%	35	70
J Beese VVS & Blik A/S	Denmark	Heating and plumbing, ventilation	Assets and liabilities	February	–	12	14
Fiberkom ApS	Denmark	Electrical	Company	February	100%	8	8
SKM Service Oy	Finland	Heating & plumbing	Company	March	100%	20	133
Volt Elektro AS	Norway	Electrical	Company	April	100%	6	11
IEAB	Sweden	HVAC	Company	May	100%	23	75
E3K Installation AB	Sweden	Automation, electrics, heating and plumbing, ventilation	Company	May	100%	100	165
Runevads VVS Teknik AB	Sweden	Heating and plumbing, ventilation	Company	June	100%	30	50
Sundins El i Norrköping AB	Sweden	Electrical	Company	June	100%	24	48
Dala Klimat	Sweden	HVAC	Assets and liabilities	July	–	4	10
Kyltemp i Sverige	Sweden	Cooling	Assets and liabilities	September	–	4	8
Parts of Assemblin Oy's automation business	Finland	Automation	Assets and liabilities	September	–	65	100
Peiter Olsen El A/S	Denmark	Electrical	Assets and liabilities	October	–	18	33
Reglerteknik i Norr	Sweden	Automation	Assets and liabilities	October	–	8	14
Norrstyr AB, company	Sweden	Automation	Company	October	100%	6	11
Sarjametalli Talotekniika Oy	Finland	HVAC	Company	November	100%	20	110
Plato AS	Norway	HVAC	Company	November	100%	21	35
Sörens EL AB	Sweden	Electrical	Company	December	100%	50	60
Sörens Kraft och Montage AB	Sweden	Power	Company	December	100%	19	40
Öbergs Vent Teknik AB	Sweden	HVAC	Company	December	100%	22	57

If the acquisitions had taken place at 1 January 2021, consolidated sales for 2021 would have increased by around 1%.

Effects of acquisitions in 2021

Acquisitions have the following effects on consolidated assets and liabilities.

Assets and liabilities included in acquisition	
Intangible assets	3
Property, plant and equipment	5
Trade receivables[1]	123
Income accrued but not invoiced	12
Other current assets	58
Cash and cash equivalents	119
Non-current liabilities	-7
Trade payables	-69
Income invoiced but not accrued	-20
Other current liabilities	-75
Net identifiable assets and liabilities	**148**

Consolidated goodwill	**553**
Consideration	701
Cash and cash equivalents, acquired	119
Net effect on cash and cash equivalents	**582**
Cash consideration paid	497
Consideration recognised as a liability[2]	204
Consideration	**701**

2020

Bravida made the following acquisitions in 2020:

Acquired unit	Country	Technical area	Type	Date	Percentage of votes	No. of employees	Estimated annual sales, SEK million
ICS Industrial Cooling Systems A/S	Denmark	Cooling	Company	January	100%	67	171
Rakkestad Energi	Norway	Electrical	Assets and liabilities	January	–	10	21
Rörteamet Självlevad AB	Sweden	Heating and plumbing, ventilation	Company	January	100%	18	32
Ventilationskontroll & Plåt i Kiruna AB	Sweden	HVAC	Assets and liabilities	March	–	13	15
Kylteknik i Bohuslän AB	Sweden	Cooling	Company	April	100%	13	21
Solkraft EMK AB	Sweden	Solar panels	Company	May	51%	100	172
Direct larm i Bergslagen AB	Sweden	Security	Company	May	100%	16	17
Ventfyran i Göteborg AB	Sweden	HVAC	Company	June	100%	13	34
Flysta Elservice AB	Sweden	Electrical	Company	June	100%	13	23
Savon Aurinkoenergia Oy	Finland	Solar panels	Company	June	65%	63	96
Gjøl VVS A/S	Denmark	Heating and plumbing, ventilation	Company	July	100%	44	87
Vesthimmerlands VVS A/S	Denmark	Heating and plumbing, ventilation	Company	July	100%	18	28
Nielsen & Brostrøm A/S	Denmark	Heating and plumbing, ventilation	Company	July	100%	8	8
Energibygg AS	Norway	Energy consulting	Company	September	100%	5	6
Svagströmsinstallationer i Norrköping AB	Sweden	Electrical	Company	October	100%	23	45
Källströms El & Entreprenad AB	Sweden	Electrical	Assets and liabilities	December	–	8	12

If the acquisitions had taken place at 1 January 2020, consolidated sales for 2020 would have increased by around 1%.

Effects of acquisitions in 2020

Acquisitions have the following effects on consolidated assets and liabilities.

Assets and liabilities included in acquisition	Fair value recognised in the Group, SEK million
Intangible assets	0
Property, plant and equipment	12
Trade receivables[1]	112
Income accrued but not invoiced	15
Other current assets	53
Cash and cash equivalents	41
Non-current liabilities	-46
Trade payables	-56
Income invoiced but not accrued	-17
Other current liabilities	-86
Net identifiable assets and liabilities	**29**
Consolidated goodwill	**263**
Consideration	292
Cash and cash equivalents, acquired	41
Net effect on cash and cash equivalents	**251**
Cash consideration paid	212
Consideration recognised as a liability[2]	80
Consideration	**292**

[1] There are no material impairments of trade receivables.
[2] Of the total consideration recognised as a liability, SEK 134 (60) million consists of contingent consideration.

Acquisitions after the end of the reporting period

On 1 January, acquisition of Z-Elektro AS, with 20 employees and annual sales of approximately SEK 18 million, took effect in Norway.

On 1 January, the acquisition of a 60 percent stake in Viva Energi A/S, with 13 employees and a turnover of approximately SEK 48 million, and the acquisition of Rotovent's operations, with 2 employees and a turnover of approximately SEK 18 million, took effect in Denmark.

On 10 January, acquisition of Skoglunds El & Tele AB, with 30 employees and annual sales of approximately SEK 45 million, took effect in Sweden.

On 1 February, Langehus Rör, AS with 14 employees and sales of approximately SEK 19 million, and AB Elektro AS, with 32 employees and sales of approximately SEK 69 million were acquired in Norway.

NOTE 5. Employees and personnel costs

Average number of employees	2021 Total	2021 Percentage women	2021 Percentage men	2020 Total	2020 Percentage women	2020 Percentage men
PARENT COMPANY						
Sweden	18	56%	44%	17	65%	42%
Total in parent company	**18**	**56%**	**44%**	**17**	**65%**	**35%**
GROUP COMPANIES						
Sweden[1]	5,782	9%	91%	5,911	8%	92%
Norway	2,931	6%	94%	2,997	6%	94%
Denmark	2,429	8%	92%	2,315	7%	93%
Finland	704	6%	94%	666	8%	92%
Total in Group companies	**11,846**	**8%**	**92%**	**11,889**	**8%**	**92%**
Group total	**11,864**	**8%**	**92%**	**11,906**	**8%**	**92%**

[1]Bravida Sweden conducts development operations at a branch office in Slovakia. These employees are reported in Sweden and total 17 (15) persons, of whom 2 (1) are women.

Distribution in company management[2]	31/12/2021 Proportion of women	31/12/2021 Proportion of men	31/12/2020 Proportion of women	31/12/2020 Proportion of men
PARENT COMPANY				
Board of Directors	50%	50%	50%	50%
Other senior executives	8%	92%	8%	92%
GROUP, TOTAL				
Board of Directors	50%	50%	50%	50%
Other senior executives	8%	92%	8%	92%

[2] Board members elected by the AGM and where the CEO is included in other senior executives.

Salaries, other remuneration and social security contributions	2021 Salaries and remuneration	2021 Social security contributions	2020 Salaries and remuneration	2020 Social security contributions
PARENT COMPANY	51	12	47	13
(of which pension)	(7)	(2)	(6)	(1)
GROUP COMPANIES	7,392	1,306	7,277	1,301
(of which pension)	(466)	(55)	(547)	(64)
Group total	**7,443**	**1,318**	**7,324**	**1,314**
(of which pension)	(474)	(57)	(553)	(65)

Salaries and other remuneration	2021 CEO and other senior executives[3]	2021 Other employees	2020 CEO and other senior executives[3]	2020 Other employees
PARENT COMPANY				
Sweden	36	15	32	15
(of which bonuses, etc.)	(12)	(0)	(10)	(0)
GROUP COMPANIES				
Sweden	29	3,334	28	3,345
(of which bonuses, etc.)	(11)	(102)	(13)	(88)
Norway	6	1,700	6	1,708
(of which bonuses, etc.)	(2)	(16)	(3)	(30)
Denmark	8	1,847	7	1,752
(of which bonuses, etc.)	(3)	(24)	(2)	(26)
Finland	6	461	4	427
(of which bonuses, etc.)	(2)	(4)	(1)	(4)
Total for Group companies	**49**	**7,343**	**46**	**7,231**
(of which bonuses, etc.)	(18)	(146)	(19)	(149)
Group total	**85**	**7,358**	**78**	**7,246**
(of which bonuses, etc.)	(30)	(146)	(29)	(149)

[3]At year-end the group of senior executives, including the CEO, numbered 13 (12) persons.

Remuneration and other benefits for the Board

SEK thousand	Board fees	Committee fee[4]	Other fees	Total recognised cost for 2021	Total recognised cost for 2020
CHAIRMAN OF THE BOARD					
Fredrik Arp	1,227	113	–	1,340	1,300
OTHER BOARD MEMBERS					
Jan Johansson	485	197	–	682	627
Marie Nygren	485	82	–	567	557
Staffan Påhlsson	485	102	–	587	563
Karin Stålhandske[5]	485	102	–	587	387
Cecilia Daun Wennborg	485	82	–	567	550
Mikael Norman[5]	–	–	–	–	210
	4,193	**4,193**		**4,328**	**4,193**

[4] Relates to remuneration for work on Board committees.
[5]The 2020 AGM elected Karin Stålhandske as a Board member. Mikael Norman declined to stand for re-election at the 2020 AGM.

Board remuneration

The Chairperson and members of the Board are paid a fee as per the resolution by the AGM of 26 April 2021. No pension is paid to the Board. Employee representatives or deputy members of the Board do not receive a Board fee. Board fees are paid as salary.

Payment of the Audit Committee is made as determined by the AGM in 2021. Since the first Board meeting of 2021 following the AGM, the Audit Committee has consisted of Jan Johansson as chairman, and Staffan Påhlsson and Karin Stålhandske as members.

Payment of the Remuneration Committee is made as per the AGM resolution of 2021. Since the constitutive Board meeting in 2021, the Remuneration Committee has consisted of Fredrik Arp as chairman and Cecilia Daun Wennborg and Marie Nygren as members.

Remuneration and other benefits of senior executives

See page 77 of the Directors' Report, Guidelines for the remuneration of senior executives, for more information.

2021 SEK thousand	Basic salary	Variable remuneration	Other	Pension expense	Total
CEO and Group President Mattias Johansson	7,027	7,622	1,971	2,147	18,767
Other senior executives[6]	24,011	22,841	12,501	6,786	66,139
	31,038	**30,463**	**14,472**	**8,933**	**84,906**

2020 SEK thousand	Basic salary	Variable remuneration	Other	Pension expense	Total
CEO and Group President Mattias Johansson	6,330	6,892	1,293	1,945	16,461
Other senior executives[6]	24,392	22,197	8,532	6,119	61,240
	30,723	**29,089**	**9,826**	**8,065**	**77,702**

[6] The group 'Other senior executives' refers to Group management, excluding the CEO. At year-end the group of senior executives, including the CEO, numbered 13 (12) persons.

Long-term incentive programmes

For a number of years, Bravida Holding AB's AGM has approved long-term incentive programmes for selected employees. The background to and purpose of these programmes is to encourage personnel's loyalty to the company and, consequently, long-term growth in the company's value.

LTIP 2021

The 2021 AGM approved a new long-term incentive programme to run from 2021 until the 2024 AGM.

Participation in LTIP 2021 requires participants to own a certain number of shares in Bravida throughout the term of the programme and for participants to be employed by Bravida for the entire period. For each share held under the LTIP 2021, the company will assign participants, at no cost, a minimum of one and a maximum of three or five new shares in Bravida.

The Chief Executive Officer may participate with Bravida shares corresponding to a value of up to SEK 300,000 at the start date, the Chief Financial Officer may participate with shares corresponding to a value of up to SEK 240,000, other members of Group management may participate with shares corresponding to a value of up to SEK 200,000.

The number of shares allocated depends on the extent to which the set performance target is met. All participants therefore have the same performance targets. Any allocation takes place after the interim report for 2024 has been published.

LTIP 2020

An Extraordinary General Meeting in 2020 resolved upon a new long-term incentive programme to run from 2020 until the 2023 AGM.

Participation in LTIP 2020 requires participants to own a certain number of shares in Bravida throughout the term of the programme and for participants to be employed by Bravida for the entire period. For each share held under the programme, participants may be assigned a maximum of five new shares in Bravida Holding AB. LTIP 2020 does not guarantee a share for each savings share.

The Chief Executive Officer may participate with shares ('Bravida shares') corresponding to a value of up to SEK 300,000 at the start date, the Chief Financial Officer may participate with shares corresponding to a value of up to SEK 240,000, other members of Group management may participate with shares corresponding to a value of up to SEK 200,000.

In addition, a number of regional managers, branch managers, other Group staff personnel and other identified key personnel have been invited to invest in the programme.

The number of shares allocated depends on the extent to which the set performance target is met. The set performance target is Group EBITA for 2022. All participants therefore have the same performance targets. Any allocation takes place after the first-quarter report for 2023 has been published.

LTIP 2019

An Extraordinary General Meeting in 2019 resolved upon a new long-term incentive programme to run from 2019 until the 2022 AGM.

Participation in LTIP 2019 requires participants to hold a certain number of shares in Bravida throughout the term of the programme and for participants to be employed by Bravida for the entire period. For each share held under the programme, participants may be assigned a minimum of one and a maximum of five new shares in Bravida Holding AB.

The Chief Executive Officer may participate with shares ('Bravida shares') corresponding to a value of up to SEK 300,000 at the start date, the Chief Financial Officer may participate with shares corresponding to a value of up to SEK 240,000, other members of Group management may participate with shares corresponding to a value of up to SEK 200,000.

In addition, a number of regional managers, branch managers, other Group staff personnel and other identified key personnel have been invited to invest in the programme.

The number of shares allocated depends on the extent to which the set performance target is met. The set performance target is Group EBITA for 2021. All participants therefore have the same performance targets. Any allocation takes place after the first-quarter report for 2022 has been published.

LTIP 2018

The 2018 AGM approved a new long-term incentive programme to run from 2018 until the 2021 AGM.

Participation in LTIP 2018 requires participants to own a certain number of shares in Bravida throughout the term of the programme and for participants to be employed by Bravida for the entire period. For each share held under the programme, participants may be assigned a minimum of one and a maximum of five new shares in Bravida Holding AB.

The Chief Executive Officer may participate with shares ('Bravida shares') corresponding to a value of up to SEK 300,000 at the start date, the Chief Financial Officer may participate with shares corresponding to a value of up to SEK 240,000, other members of Group management may participate with shares corresponding to a value of up to SEK 200,000.

In addition, a number of regional managers, branch managers, other Group staff personnel and other identified key personnel have been invited to invest in the programme.

The number of shares allocated depends on the extent to which the set performance target is met. The set performance target is Group EBITA for 2020. All participants therefore have the same performance targets.

Final allocation took place in May 2021, which as a result of achieved EBITA under the programme amounted to 70.5% of maximum allocation. Of the 155 initial participants, 126 participants received a final allocation. The applicable share price at the date of the final allocation of shares at the end of the programme was SEK 119.70.

Number of rights to shares at start of programme	Number of shares:	Number of partici-pants		Maximum number Performance shares
LTIP 2021	443,622	192	–	443,622
LTIP 2020	483,267	176	–	483,267
LTIP 2019	604,530	185	132,732	471,798
LTIP 2018	606,000	155	131,100	474,900

Share savings programme, LTIP	2018	2019	2020	2021
Number of rights to shares at 1 January 2018	–	–	–	–
Allocated during the year	606,000	–	–	–
Forfeited during the year	-31,950	–	–	–
Number of rights to shares at 31 December 2018	**574,050**	**–**	**–**	**–**
Number of rights to shares at 1 January 2019	574,050	–	–	–
Allocated during the year	–	604,530	–	–
Forfeited during the year	-38,850	–	–	–
Performance shortfall	–	–	–	–
Number of rights to shares at 31 December 2019	**535,200**	**604,530**	**–**	**–**
Number of rights to shares at 1 January 2020	535,200	604,530	–	–
Allocated during the year	–	–	483,267	–
Forfeited during the year	-37,800	-34,030	–	–
Performance shortfall	–	–	–	–
Number of rights to shares at 31 December 2020	**497,400**	**570,500**	**483,267**	**–**
Number of share rights at 1 January 2021	497,400	570,500	483,267	–
Allocated during the year	–	–	–	443,622
Forfeited during the year	-14,916	-43,740	-14,270	-5,524
Performance shortfall	-142,136	–	–	–
Final allocation at end of programme	-340,348	–	–	–
Number of share rights at 31 December 2021	**–**	**526,760**	**468,997**	**438,098**

Share savings programme, LTIP	2019	2020	2021
Number of participants still employed at 31 December 2021	155	169	188
Vesting period	Jan 2019 –Dec 2021	Jan 2020 –Dec 2022	Jan 2021 –Dec 2023
Performance target	EBITA 2021	EBITA 2022	EBITA 2023
Fair value per right to share	75.63	98.87	112.94

The fair value of the rights to shares is calculated as the share price at the start of the programme, less the present value of expected dividends over the vesting period.

Recognised cost of the above programmes

SEK million	2021	2020
Share savings programme, LTIP 2017	–	-1
Share savings programme, LTIP 2018	6	9
Share savings programme, LTIP 2019	16	15
Share savings programme, LTIP 2020	18	1
Share savings programme, LTIP 2021	8	–
	48	**23**

Costs for the share programmes are included in operating profit and recognised in the balance sheet as equity and accrued costs (social security charges).

Costs are based on the fair value of the share rights that are expected to be allocated. Fair value is established at the point of participants' investment as the share price adjusted for the dividend not payable to the employee over the vesting period. The fair value of cost of social security charges is calculated at the respective period-end.

NOTE 6. Auditors' fees and reimbursement of expenses

	Group		Parent company	
	01/01/2021 -31/12/2021	01/01/2020 -31/12/2020	01/01/2021 -31/12/2021	01/01/2020 -31/12/2020
KPMG				
Audit assignment	6	6	2	2
Audit work in addition to audit engagement	0	0	–	–
Tax advice	0	0	0	–
Other services	0	0	0	0
Other audit firms				
Audit engagement	0	1	–	–
Other services	–	–	–	–
	7	**7**	**2**	**2**

Audit assignments refer to fees for the statutory audit, i.e. the work necessary to publish the audit report, and 'audit consulting' provided in connection with the audit assignment.

Audit work in addition to the audit engagement refers to fees for the reports and other engagements that are relatively closely associated with the audit and that are usually conducted by the external auditor, including consulting regarding advisory and reporting requirements, internal control and review of interim reports.

Other services refers to such costs not classified as audit assignments, audit work in addition to the audit assignment or tax consulting.

NOTE 7. Operating expenses by cost type

	Group		Parent company	
	01/01/2021 -31/12/2021	01/01/2020 -31/12/2020	01/01/2021 -31/12/2021	01/01/2020 -31/12/2020
Costs of materials	6,290	6,135	–	–
Subcontractors and purchased services in production	3,232	3,048	–	–
Employee costs	8,765	8,638	67	60
Depreciation and amortisation	432	434	–	–
Vehicle expenses	325	322	0	0
Premises expenses	113	107	–	–
IT expenses and telecoms	171	130	–	–
Other operating expenses	1,034	985	148	94
	20,364	**19,799**	**215**	**154**

NOTE 8. Net financial items

	Group		Parent company	
	01/01/2021 -31/12/2021	01/01/2020 -31/12/2020	01/01/2021 -31/12/2021	01/01/2020 -31/12/2020
FINANCE INCOME				
Interest income, external	4	2	3	2
Interest income, internal	–	–	9	20
Foreign exchange gains	3	–	3	–
Other	3	12	–	–
	9	**14**	**15**	**21**
FINANCIAL EXPENSES				
Interest expenses, external	-26	-19	-19	-15
Interest expenses, internal	–	–	-5	-3
Interest expenses, leases	-25	-28	–	–
Foreign exchange losses	–	-11	–	-11
Other	-14	-30	-5	-13
	-65	**-88**	**-29**	**-42**
Net financial items	**-56**	**-74**	**-14**	**-21**

NOTE 9. Taxes

	Group		Parent company	
	01/01/2021 31/12/2021	01/01/2020 -31/12/2020	01/01/2021 31/12/2021	01/01/2020 -31/12/2020
CURRENT TAX				
Tax expense for the period	-293	-185	-146	-26
Adjustment of tax in respect of prior years	-2	0	–	–
	-295	**-184**	**-146**	**-26**
DEFERRED TAX				
Deferred tax expense	-23	-92	0	0
Total recognised tax expense	**-318**	**-276**	**-146**	**-26**

	Group		Parent company	
	01/01/2021 31/12/2021	01/01/2020 -31/12/2020	01/01/2021 31/12/2021	01/01/2020 -31/12/2020
RECONCILIATION OF EFFECTIVE TAX				
Profit/loss before tax	1,456	1,274	699	117
Tax at tax rate applying to parent company	-300	-273	-144	-25
Effect of different tax rates for foreign subsidiaries	-6	-2	–	–
Non-deductible expenses	-13	-15	-1	0
Deductible items not affecting earnings	4	10	–	–
Non-taxable income	1	5	–	–
Tax in respect of prior years	-2	0	–	–
Effect of changed tax rates	–	-3	–	0
	-4	–	–	–
Effects of utilised loss carry-forwards	7	4	–	–
Deferred tax asset attributable to previous years	-3	-1	–	0
Other	-2	-2	-1	-1
Recognised effective tax	**-318**	**-276**	**-146**	**-26**
Effective tax	21.9%	21.7%	20.9%	22.2%

Corporate tax rate in each country: Sweden 20.6% (21.4%), Norway 22.0% (22.0%), Denmark 22% (22%), Finland 20.0% (20.0%).

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable as follows:

	31/12/2021		31/12/2020	
Group	**Deferred tax asset**	**Deferred tax liability**	**Deferred tax asset**	**Deferred tax liability**
Intangible non-current assets	13	–	24	–
Property, plant and equipment	10	–	9	–
Trade receivables	16	–	15	–
Pension provisions	93	–	116	–
Provisions for projects	–	-292	–	-306
Warranty provisions	32	–	29	–
Untaxed reserves	–	-240	–	-202
Loss carry-forwards	–	–	14	–
Other	12	–	14	–
Tax assets/liabilities	**175**	**-531**	**220**	**-507**
Net tax assets/liabilities	**-357**		**-288**	

Deferred tax assets amounted to SEK 175 million, SEK 0 million of which is expected to be used within 12 months. Deferred tax liabilities amounted to SEK 531 million, SEK 0 million of which is due within 12 months.

Change in deferred tax in temporary differences and loss carry-forwards

Group 2021	Amount at 1 Jan 2021	Recognised in profit/loss for the year	Recognised in other comprehensive income	Translation differences and other	Acquisitions/ disposals of companies	Amount at 31 Dec 2021
Intangible non-current assets	24	-10	–	-1	–	13
Property, plant and equipment	9	0	–	0	–	10
Trade receivables	15	0	–	0	0	16
Pension provisions	116	10	-32	0	–	93
Provisions for projects	-306	30	–	-16	0	-292
Warranty provisions	29	2	–	1	–	32
Untaxed reserves	-202	-34	–	–	-4	-240
Loss carry-forwards	14	-11	–	-3	–	0
Other	14	-10	–	8	–	12
Total	**-288**	**-23**	**-32**	**-10**	**-3**	**-357**

Group 2020	Amount at 1 Jan 2020	Recognised in profit/loss for the year	Recognised in other comprehensive income	Translation differences and other	Acquisitions/ disposals of companies	Amount at 31 Dec 2020
Intangible non-current assets	35	-12	–	0	–	24
Property, plant and equipment	5	0	–	5	–	9
Trade receivables	12	0	–	3	–	15
Pension provisions	108	11	-2	-1	–	116
Provisions for projects	-260	-58	–	14	-2	-306
Warranty provisions	27	3	–	-1	0	29
Untaxed reserves	-165	-41	–	5	-1	-202
Loss carry-forwards	10	4	–	0	–	14
Other	10	1	–	3	–	14
Total	**-218**	**-92**	**-2**	**27**	**-2**	**-288**

NOTE 10. Earnings per share

	2021	2020
Profit/loss for the year attributable to parent company shareholders, SEK thousand	1,147,710	1,002,318
Weighted average number of ordinary shares outstanding:		
basic	202,857,641	202,858,859
Effect of long-term incentive programme	474,036	395,385
diluted	203,331,677	203,254,244
Basic earnings per share, SEK	5.66	4.94
Diluted earnings per share, SEK	5.64	4.93

Basic earnings per share
Basic earnings per share is calculated by dividing income attributable to owners of the parent company by a weighted average number of outstanding ordinary shares in the period.

Diluted earnings per share
To calculate diluted earnings per share, the weighted average number of outstanding ordinary shares is adjusted for the dilutive effect of all dilutive potential ordinary shares. These potential ordinary shares are attributable to the long-term incentive programme introduced in 2019 (LTIP 2019). Rights to shares in LTIP 2020 and 2021 are not yet dilutive but could be if the performance terms are met. With regard to LTIP 2018, these rights to shares were dilutive until allocation in May 2020. See also Note 5 'Employees and personnel costs' for a description of approved long-term incentive programmes.

NOTE 11. Intangible non-current assets

Group 31 Dec 2021	Goodwill	Other intangible assets	Total
ACCUMULATED COST			
At start of year	8,911	30	8,942
Business combinations	557	2	559
Foreign exchange differences for the year	69	1	70
At year-end	**9,538**	**33**	**9,570**
ACCUMULATED SCHEDULED AMORTISATION			
At start of year	–	-29	-29
Scheduled amortisation for the year	–	0	0
Foreign exchange differences for the year	–	0	0
At year-end	**–**	**-30**	**-30**
ACCUMULATED IMPAIRMENT			
At start of year	-8	–	-8
At year-end	**-8**	**–**	**-8**
Carrying amount at start of period	**8,904**	**1**	**8,905**
Carrying amount at end of period	**9,530**	**3**	**9,533**

Group 31 Dec 2020	Goodwill	Other intangible assets	Total
ACCUMULATED COST			
At start of year	8,739	31	8,769
Purchases	–	0	0
Business combinations	285	0	285
Foreign exchange differences for the year	-112	-1	-113
At year-end	**8,911**	**30**	**8,942**
ACCUMULATED SCHEDULED AMORTISATION			
At start of year	–	-28	-28
Scheduled amortisation for the year	–	-2	-2
Foreign exchange differences for the year	–	1	1
At year-end	**–**	**-29**	**-29**
ACCUMULATED IMPAIRMENT			
At start of year	-8	–	-8
At year-end	**-8**	**–**	**-8**
Carrying amount at start of period	**8,731**	**3**	**8,734**
Carrying amount at end of period	**8,904**	**1**	**8,905**

Impairment tests for cash-generating units containing goodwill
The following cash-generating units have significant recognised goodwill values in relation to total recognised consolidated goodwill:

Group	31/12/2021	31/12/2020
Sweden	5,843	5,520
Norway	1,821	1,756
Denmark	1,250	1,211
Finland	616	416
	9,530	**8,904**

Impairment of goodwill
For those cash-generating units where the recoverable amount has been calculated and no impairment has been identified, management deems that no reasonably possible changes in key assumptions would cause the recoverable amount to fall below the carrying amount.

Method for calculating the recoverable amount
For all goodwill values, the recoverable amount has been determined by calculating value in use for the cash-generating unit. The model of calculation is based on the discounting of future expected cash flows in relation to carrying amounts for the unit. Future cash flows are based on five-year forecasts produced by the management for each cash-generating unit. Impairment tests of goodwill are based on the assumption of a perpetual horizon and the extrapolation of cash flows for the years after the forecasting period has been based on a growth rate of 2% (2). Lease payments are treated in calculating value in use as cash flows in operations. As a consequence, lease liabilities have not affected the discount rate, as in previous years. The lease liability is deducted from the carrying amount of the units – because the value in use has been reduced by the present value of future lease payments – in which the right-of-use assets are included.

Key variables for calculating value in use:
The following variables are material and common for all cash-generating units in calculating value in use.

Sales: The competitiveness of the business, expected trends in the construction sector, general economic trends, central and local government investment plans, interest rates, and local market conditions.

Operating margin: Historical profitability levels and efficiency in the business, access to key individuals and qualified labour, skills in dealing with customers/customer relationships, access to internal resources, trends in expenses for salaries, materials and subcontractors.

Working capital requirements: An assessment in each individual case of whether the working capital reflects the operational requirements or needs to be adjusted for the forecasting periods. For the trend going forward, a reasonable or cautious 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. Normally, the level of investment has corresponded to the rate of depreciation of property, plant and equipment.

Tax burden: The tax rate in the forecasts is based on Bravida's expected tax situation in each country.

Discount rate: Forecast cash flows and residual values are discounted to present value using the weighted average cost of capital (WACC). The interest rate paid on borrowed capital is defined as the average interest rate on consolidated net debt. The required rate of return on equity is defined using the capital asset pricing model (CAPM).

NOTE 12. Right-of-use assets

Group 31 Dec 2021	Buildings and land	Vehicles	Total
At start of year	626	376	1,002
New contracts	67	210	278
Extension option	84	9	93
Contracts terminated	-20	-6	-26
Depreciation/amortisation	-196	-202	-398
Other	4	–	4
Foreign exchange differences for the year	11	8	19
At year-end	**577**	**395**	**972**

Other lease disclosures can be found in Note 26.

Group 31 Dec 2020	Buildings and land	Vehicles	Total
At start of year	624	405	1,029
New contracts	195	162	357
Extension option	48	28	76
Contracts terminated	-20	-4	-24
Depreciation/amortisation	-195	-203	-399
Other	-4	–	-4
Foreign exchange differences for the year	-22	-13	-35
At year-end	**626**	**376**	**1,002**

NOTE 13. Property, plant and equipment

Group 31 Dec 2021	Buildings and land	Machinery and equipment	Total
ACCUMULATED COST			
At start of year	19	294	313
Purchases	61	6	67
Business combinations	0	27	27
Divestments and disposals	–	-36	-36
Reclassification	–	-7	-7
Foreign exchange differences for the year	1	7	8
	81	**SEK 291**	**372**
ACCUMULATED SCHEDULED AMORTISATION			
At start of year	0	-203	-203
Divestments and disposals	–	36	36
Reclassification	–	7	7
Scheduled amortisation for the year of acquisition costs	-1	-34	-34
Foreign exchange differences for the year	-1	-6	-6
	-1	**-199**	**-200**
Carrying amount at end of period	**80**	**92**	**172**

Group 31 Dec 2020	Buildings and land	Machinery and equipment	Total
ACCUMULATED COST			
At start of year	25	276	301
Purchases	13	37	50
Business combinations	–	12	12
Divestments and disposals	-17	-12	-29
Reclassification	–	-6	-6
Foreign exchange differences for the year	-2	-13	-14
	19	**294**	**313**
ACCUMULATED SCHEDULED AMORTISATION			
At start of year	-3	-195	-199
Divestments and disposals	3	10	13
Reclassification	–	6	6
Scheduled amortisation for the year of acquisition costs	-1	-32	-33
Foreign exchange differences for the year	1	9	10
	0	**-203**	**-203**
Carrying amount at end of period	**19**	**91**	**110**

NOTE 14. Investments in associates

Group	31/12/2021	31/12/2020
ACCUMULATED COST		
At start of year	0	0
Acquisitions	9	–
Liquidation	0	–
Share in profit of associates	–	0
Withdrawals for the year	–	0
Foreign exchange differences for the year	0	0
Carrying amount at end of period	**10**	**0**

Specification of investments in associates

31 Dec 2021 Associate, Company reg. no., Reg. office	Profit/ loss for the year	Owned share	Value of invest-ment	Book value
MT Højgaard ApS, CVR 36905026, DK-2605 Brøndby, Denmark	–	50%	0	0
	–	40%	9	9
NDT Mific Oy, 2474952-6, Pyhäjoki, Finland	–	35%	1	1
			10	**10**

31 Dec 2020 Associate, Company reg. no., Reg. office	Profit/ loss for the year	Owned share	Value of invest-ment	Book value
Kraftkompaniet Sweden HB, 969740-4755, Stockholm, Sweden	0	50%	0	0
MT Højgaard ApS, CVR 36905026, DK-2605 Brøndby, Denmark	–	50%	0	0
			0	**0**

NOTE 15. Pension assets and provisions for pensions and similar obligations

The Group has both defined-contribution and defined-benefit pension commitments. The majority of the Group's pension commitments are defined-contribution plans.

Sweden

The Group's most extensive defined-benefit plans are in Sweden.

KTP

The largest pension plan is the Swedish KTP plan, which accounts for approximately 84% of the total obligation and assets. In 2014, the KTP plan was closed to new employees, but those people who belonged to the KTP plan continue to have vesting and remain in this plan. Salaried employees covered by the KTP plan have a defined-benefit pension plan, which is recognised in the Group in accordance with IAS 19.

The KTP plan is structured in a similar way to the ITP plan and the pension benefit is based on a theoretical final salary. The pension plan has a share of KP-stiftelsen, which overall is one of the largest pension funds in Sweden. This pension fund like all pension funds, is subject to the supervision of the County Administrative Board. For further information see https://www.folksam.se/arbetsgivare/pensionsstiftelsen/information-om/pensionsstiftelsen. No payments are expected to be made to the KP fund in the next year.

ITP

Since 1 July 2014 all new employees in Sweden are covered by the ITP plan, as the KTP plan was closed to new employees. The defined-contribution ITP 1 plan covers employees born in 1979 or later. Employees born in 1978 or earlier are covered by ITP 2. The old-age pension under ITP 2 can be funded in two ways; either the employer provides the pension under its own management or premiums are paid to Alecta.

From August 2018, Bravida has changed the funding method to choosing ITP 2 under its own management, which means the company will itself manage the old-age pension through liability accounting on the balance sheet. This portion is recognised as a liability in the Group in accordance with IAS 19.

Until August 2018, for salaried employees in Sweden covered by the ITP 2 plan's defined-benefit pension obligations for old-age and family pension, this was secured through an insurance policy with Alecta. According to a statement by the Swedish Financial Reporting Board (UFR 10 Classification of ITP plans financed by insurance with Alecta), this is a multi-employer defined-benefit pension plan. Bravida does not have sufficient access to the information required in order to report its proportional share of the plan obligation and of the plan assets and costs and has therefore been unable to report the plan as a defined-benefit plan. The ITP 2 pension plan, which is secured by insurance with Alecta, is therefore recognised as a defined-contribution plan. The premium for old-age and family pensions is individually calculated and is dependent, among other things, on salary, pension previously earned and expected remaining period of service. The fees for the year for ITP 2 insurance policies taken out with Alecta amount to SEK 0 million (0). The collective funding level is the market value of Alecta's assets as a percentage of the insurance commitments, calculated in accordance with Alecta's calculation methods and assumptions for insurance purposes, which do not comply with IAS 19. The collective funding level is normally permitted to range between 125% and 175%. If Alecta's collective consolidation level falls below 125% or exceeds 175%, measures must be taken in order to create the conditions for the consolidation level to return to within the normal range. If consolidation is too low, measures include increasing the agreed price for new subscriptions and extending existing benefits. If consolidation is too high, measures include applying premium reductions. At year-end 2021, Alecta's surplus in the form of the collective consolidation level was 172% (148).

Other countries

In Norway, the majority of pension plans are defined-contribution, although a few employees have a defined-benefit plan. Denmark and Finland have defined-contribution pension plans.

Defined-benefit obligations and the value of plan assets

Group	31/12/2021	31/12/2020
Present value of fully or partly funded obligations	1,812	-1,858
Fair value of plan assets	1,552	1,454
Total fully or partly funded obligations	**-260**	**-404**
Present value of unfunded defined-benefit obligations	-294	-240
Net obligations	**-554**	**-644**
The net amount is recognised in the following items on the balance sheet:		
Pension assets	10	3
Provisions for pensions and similar obligations	-563	-647
Total	**-554**	**-644**
Distribution of net amount by country:		
Sweden	-560	-644
Norway	6	0
Total	**-554**	**-644**

Changes in the present value of the obligation for defined-benefit plans

Group	31/12/2021	31/12/2020
Obligation for defined-benefit plans at 1 January	2,111	2,042
Cost of vested benefits during period	72	76
Liability taken over	–	-1
Interest expense	22	29
Pension payments	-69	-67
Actuarial gains (-) and losses (+)		
- Changes in financial assumptions	-27	34
- Experience-based adjustments	–	1
Currency translation	-4	-3
Obligation for defined-benefit plans at 31 December	**2,106**	**2,111**
- of which funded obligations	1,812	-1,858

The average maturity period for obligations is 17 years (18).

Changes in fair value of plan assets

Group	31/12/2021	31/12/2020
Fair value of plan assets at 1 January	1,467	1,468
Acquired asset	–	–
Interest income recognised in the income statement	15	21
Withdrawn	-66	-65
Insurance premium (-) paid from plan assets	–	–
Paid in	8	2
Return on plan assets excluding interest income	131	45
Currency translation	-3	-3
Fair value of plan assets at 31 December	**1,552**	**1,467**

Defined-benefit pension plans

The cost for benefit-based pensions is recognised as an administrative expense in the income statement.

The number of individuals covered by the IAS 19 calculation regarding defined-benefit pension plans, Denmark and Finland are not covered.

31/12/2021	Parent company	Other Sweden	Norway	Total
Active	7	1,088	0	1,095
Holders of paid-up policies	5	2,476	55	2,536
Retired	1	3,330	368	3,699
Total	**13**	**6,894**	**423**	**7,330**

31/12/2020	Parent company	Other Sweden	Norway	Total
Active	10	1,113	8	1,131
Holders of paid-up policies	–	2,440	58	2,498
Retired	–	3,302	370	3,672
Total	**10**	**6,855**	**436**	**7,301**

Sensitivity analysis

Effects of possible changes in the Group's defined-benefit pension plans, according to IAS 19 calculation.

Group	Increase	Decrease
Change in discount rate	0.5 percentage point	0.5 percentage point
Effect on obligation	-188	213
Change in inflation assumption	0.5 percentage point	0.5 percentage point
Effect on obligation	172	-155
Change in life expectancy	+1 year	
Effect on obligation	112	

Actuarial assumptions

The following significant actuarial assumptions have been applied in calculating the obligations.

	Sweden		Norway	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Discount rate	1.80%	1.00%	1.50%	1.50%
Assumed long-term salary increases	2.60%	1.90%	2.50%	2.00%
Long-term increase in income base amount	2.60%	1.90%	2.50%	2.00%
Assumed long-term inflation	2.20%	1.50%	–	–
Expected increase in base amount (price base amount)	–	–	2.25%	1.75%
Future increases in pensions	–	–	1.48%	1.00%

The actuarial assumptions are based on commonly used assumptions relating to demographic factors and termination of employment. Life expectancy assumptions used for the Swedish pension plans are based on DUS 2014. For the Norwegian pension plans, life expectancy assumptions according to K2013 are used.

NOTE 16. Other securities held as non-current assets

	Group	
	31/12/2021	31/12/2020
ACCUMULATED COST		
At start of year	13	12
Acquisition of subsidiaries	–	0
Divestments and disposals	0	0
Changes in value	0	1
Foreign exchange differences for the year	0	0
Carrying amount at end of period	**13**	**13**
BREAKDOWN OF SECURITIES		
Tenant-owner property	7	7
Other	7	7
	13	**13**

NOTE 17. Non-current receivables

Long-term receivables that are non-current assets

	Group		Parent company	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Deposit for rental of premises	14	16	–	–
Other	0	1	1	0
	14	**17**	**1**	**0**

NOTE 18. Contract assets and contract liabilities

CONTRACT ASSETS

Group	31/12/2021	31/12/2020
Accrued income from work not yet completed	13,540	13,273
Invoicing of work not yet completed	11,521	-12,016
	2,019	**1,257**

CONTRACT LIABILITIES

Group	31/12/2021	31/12/2020
Invoicing of work not yet completed	18,393	22,570
Accrued income from work not yet completed	15,249	-20,521
	3,144	**2,049**

Accrued income for incomplete work and from ongoing installation projects is recognised over time (previously percentage-of-completion method). Calculation of the work-up rate is made on the basis of accrued project expenses at the end of the period in relation to project revenue corresponding to project expenses for the entire installation.

On the balance sheet, installation projects are recognised gross on a project by project basis, either as 'Contract assets' in current assets or as 'Contract liabilities' in current liabilities. Projects for which accrued revenue exceeds the amount invoiced are recognised as an asset, while projects for which the amount invoiced exceeds accrued revenue are recognised as a liability.

NOTE 19. Other receivables

Other receivables that are non-current assets

	Group		Parent company	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Other operating receivables	60	58	15	0
Prepaid insurance premiums	20	16	11	9
Prepaid credit facility charge	6	7	6	7
Accrued income	175	149	–	–
Other prepayments	108	83	1	1
	370	**313**	**33**	**18**

NOTE 20. Equity

Parent company	31/12/2021 Ordinary shares	31/12/2021 C shares	31/12/2021 Total	31/12/2020 Ordinary shares	31/12/2020 C shares	31/12/2020 Total
SHARES OUTSTANDING						
Opening number of shares	202,975,544	341,054	203,316,598	202,625,490	691,108	203,316,598
Consolidation	348,227	348,227	–	350,054	-350,054	–
New issue of C shares*	–	1,100,000	1,100,000	–	–	–
Number of shares at year-end	**203,323,771**	**1,092,827**	**204,416,598**	**202,975,544**	**341,054**	**203,316,598**
– of which held by Bravida Holding AB*	34,490	1,092,827	1,127,317	-30,336	-341,054	-371,390
Total shares outstanding at year-end	**203,289,281**	**–**	**203,289,281**	**202,945,208**	**–**	**202,945,208**

*Custodial, intended for long-term incentive programme.

Share capital totals SEK 4,088,332. The quotient value of one share is SEK 0.02. The share capital is divided into 203,323,771 ordinary shares and 1,092,827 class C shares. Ordinary shares entitle holders to one vote and a dividend payment, while C shares entitle holders to one-tenth of a vote and no dividend.

Specification of equity item reserves:

Group	31/12/2021	31/12/2020
TRANSLATION RESERVE		
Opening translation difference	-85	65
Translation differences for the year, foreign subsidiaries	98	-150
Closing translation difference	**13**	**-85**

Translation reserve
The translation reserve includes all foreign exchange differences arising from the translation of financial statements of foreign operations for which the financial statements have been prepared in a different currency than the currency in which the consolidated financial statements are presented. The parent company and Group present their financial statements in Swedish kronor. The translation reserve also includes foreign exchange differences arising from expanded investments in foreign operations.

Retained earnings including profit/loss for the year
Retained earnings including profit/loss for the year include earnings generated in the parent company and its subsidiaries and associates. Previous provisions for statutory reserve, excluding transferred share premium reserves, as well as previous equity method reserves, are included in this equity item.

Dividend
After the balance sheet date, the Board proposed the following dividend. The dividend will be put forward for adoption at the Annual General Meeting on 5 April 2022.
A cash dividend of SEK 3.00 (2.50) per ordinary share, totalling SEK 609,867,843 (507,363,020) calculated on the number of registered shares less the company's holding of treasury shares. The total dividend payment is calculated on the basis of the number of outstanding shares at the dividend date.

Capital management
Bravida aims to maintain a good capital structure and financial stability. This creates a stable foundation for the company's continued business activities, which creates opportunities to retain existing owners and attract new shareholders. A good capital structure should also help to ensure that relationships with the Group's creditors evolve in a way that is beneficial for all parties. Capital is defined as equity and refers to equity attributable to holders of interests in the parent company.

Bravida's capital structure should enable a high degree of financial flexibility and provide scope for acquisitions. The company's target is to have a debt ratio of around 2.5 times net debt/adjusted EBITDA. At 31 Dec 2021 it was 0.5.
Bravida's target is to pay out a minimum of 50% of the Group's consolidated net earnings while also taking account of other factors such as financial position, cash flow and growth opportunities.
Bravida's loan agreements specify key financial performance indicators (covenants) that the Group is required to meet, which is customary for this type of loan. At year-end, Bravida met these covenants by a wide margin.

Parent company

Restricted funds
Restricted funds may not be reduced through the payment of dividends.

Non-restricted equity
Share premium reserve
Comprises the value of shares issued to the share premium reserve, i.e. more than the shares' quotient value has been paid for the shares.
The amount received in excess of the quotient value has been transferred to the share premium reserve.

Retained earnings
Comprises the previous year's unrestricted equity after any payment of a dividend.
Retained earnings and profit/loss for the year make up non-restricted equity, i.e. the amount that is available for dividend payments to the shareholders.

Proposed allocation of profit
The Board of Directors proposes that the parent company's non-restricted equity of SEK 4,175,218,788 be allocated as follows:

Shareholders receive a dividend of SEK 3.00 per ordinary share	609,867,843
Share premium reserve	3,517,757,028
Carried forward	47,593,917
Total	**4,175,218,788**

NOTE 21. Interest-bearing liabilities

The following is a presentation of the contractual terms applying to the company's interest-bearing liabilities. For further information about the company's exposure to interest rate risk and the risk of changes in exchange rates, see Note 25.

	Group 31/12/2021	Group 31/12/2020	Parent company 31/12/2021	Parent company 31/12/2020
NON-CURRENT LIABILITIES				
Credit institution loans	–	500	–	500
Lease liability	638	679	–	–
	638	**1,179**	**–**	**500**
CURRENT LIABILITIES				
Credit institution loans	500	–	500	–
Utilised facility	–	200	0	200
Commercial paper	1,103	1,150	1,103	1,150
Lease liability	356	343	–	–
	1,459	**1,693**	**1,103**	**1,350**
Amount out of liability item that is expected to be paid within 12 months from balance sheet date	1,459	1,693	1–103	1,350
Amount out of liability item that is expected to be paid later than 5 years from balance sheet date	–	–	–	–

On 14 October 2019, Bravida signed a new multicurrency revolving credit facility of SEK 2,500 million. The term is 3 years with an option for an additional 1+1 year. In 2021 the first option was used and the facility was extended until 2024.

Bravida has a Swedish commercial paper programme. The size of this programme is SEK 2,000 million (2,000) and total borrowing under this programme amounts to SEK 1,103 (1,150) million.

	2021 Maturity	2021 Nominal interest	2021 Nominal value	2021 Carrying amount	2020 Nominal value	2020 Carrying amount
Utilised bank facility	2024	0.85%	–	–	200	200
Credit institution loans	2022	0.74%	500	500	500	500
Commercial paper	2022	0.38%	1,103	1,103	1,150	1,150
Total interest-bearing liabilities			**1,603**	**1,603**	**1,850**	**1,850**

The liabilities are subject to certain covenants relating to the company's earnings and financial position. For further information about loans, see also Note 25.

Credit facilities/limits

SEK million	Group 31/12/2021	Group 31/12/2020	Parent company 31/12/2021	Parent company 31/12/2020
Credit facilities/limits granted	2,500	2,500	2,500	2,500
Undrawn portion	-2,500	-2,300	-2,500	-2,300
Drawn credit facilities	**–**	**200**	**–**	**200**
CREDIT LIMIT GRANTED, BY COUNTRY				
Sweden	2,500	2,500	2,500	2,500
Total credit limit granted, SEK million	**2,500**	**2,500**	**2,500**	**2,500**

Assets pledged as collateral for liabilities to credit institutions

	Group 31/12/2021	Group 31/12/2020	Parent company 31/12/2021	Parent company 31/12/2020
Floating charges	91	84	–	–
	91	**84**	**–**	**–**

For information regarding assets pledged as collateral, see also Note 27.

NOTE 22. Provisions

	Group	
	31/12/2021	31/12/2020
PROVISIONS THAT ARE NON-CURRENT LIABILITIES		
Warranties	86	79
Other	7	6
	93	**85**
PROVISIONS THAT ARE CURRENT LIABILITIES		
Warranties	86	79
Disputes	80	33
Restructuring measures	0	4
Provision for project losses	58	55
Other	56	56
	281	**226**
Total provisions	**373**	**312**

Warranties
A warranty commitment provision is made for warranties to cover estimated future warranty costs on work already performed, to resolve defects and deficiencies that arise during the warranty period. The warranty period is usually two to five years from the completion of a project or work. As the effect of when payment is made is not material, expected future outgoing payments are not discounted to present value.

Disputes
The provision is based on an individual risk assessment for unresolved disputes at the balance sheet date.

Restructuring measures
Restructuring measures include items such as costs for staff reductions. A provision is recognised when a detailed restructuring plan has been adopted and the restructuring has been initiated or publicly announced. No provision is made for future operating expenses.

Loss provision, contracts
Installation assignments are recognised over time. Individual provisions are made for expected losses, when the project costs are expected to exceed the total project income.

Change in provisions in 2021	Warranty commitments	Disputes	Restructuring measures	Provision for project-related and other losses	Total
Carrying amount at start of period	158	25	4	125	312
Provisions made during the period	73	72	0	64	210
Amount used during the period	-65	-18	-4	-70	-157
Provisions in acquired companies	3	–	–	–	3
Foreign exchange difference	3	1	0	1	6
Carrying amount at year-end	**172**	**80**	**0**	**120**	**373**

Change in provisions in 2020	Warranty commitments	Disputes	Restructuring measures	Provision for project-related and other losses	Total
Carrying amount at start of period	140	15	6	60	221
Provisions made during the period	62	33	2	67	164
Amount used during the period	-45	-14	-4	-20	-83
Provisions in acquired companies	6	–	–	11	17
Foreign exchange difference	-5	-1	0	-1	-7
Carrying amount at year-end	**158**	**33**	**4**	**117**	**312**

NOTE 23. Other liabilities

	Group		Parent company	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Value-added tax liability	258	230	–	–
Employee withholding taxes	203	150	1	5
Other operating liabilities	379	325	1	1
Accrued holiday pay and salaries	1,365	1,337	27	27
Accrued social security contributions	419	439	9	9
Accrued interest expenses	2	2	2	2
Accrued expenses and deferred income	98	52	1	0
	2,724	**2,536**	**41**	**45**

NOTE 24. Valuation of financial assets and liabilities

The following table shows carrying amounts and fair values for financial instruments. For interest-bearing assets and liabilities, fair value has been determined by discounting future payment flows at the market interest rate applying at the balance sheet date. The carrying amounts of trade receivables and trade payables are assessed to be the same as the fair values. The discount rate is the market interest rate for similar instruments at the balance sheet date.

Fair value hierarchy
- Level 1 refers to fully observable data, unadjusted listed prices on an active market for identical assets and liabilities to which the company has access at the time of valuation.
- Level 2 refers to observable data, other than the listed prices of level 1, which is directly or indirectly observable.
- Level 3 refers to non-observable data for assets or liabilities.

An asset or liability is included in its entirety in one of the three levels, based on the lowest level of input data that is material to the valuation.

Group 31 Dec 2021	Financial assets measured at fair value through other comprehensive income	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Total carrying amount	Fair value
Securities held as non-current assets	13	–	–	13	13
Non-current receivables	–	14	–	14	14
Trade receivables	–	4,446	–	4,446	4,446
Accrued income	–	175	–	175	175
Other receivables	–	–	–	–	–
Cash and cash equivalents	–	1,594	–	1,594	1,594
Total assets	**13**	**6,229**	**–**	**6,242**	**6,242**
Non-current liabilities to credit institutions	–	–	–	–	–
Current liabilities to credit institutions	–	–	500	500	500
Commercial paper	–	–	1,103	1,103	1,103
Overdraft facilities	–	–	–	–	–
Trade payables	–	–	2,534	2,534	2,534
Other liabilities	–	–	194	194	194
Accrued expenses	–	–	100	100	100
Total liabilities	**–**	**–**	**4,431**	**4,431**	**4,431**

Group 31 Dec 2020	Financial assets measured at fair value through other comprehensive income	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Total carrying amount	Fair value
Securities held as non-current assets	13	–	–	13	13
Non-current receivables	–	16	–	16	16
Trade receivables	–	3,391	–	3,391	3,391
Accrued income	–	149	–	149	149
Other receivables	–	–	–	–	–
Cash and cash equivalents	–	1,748	–	1,748	1,748
Total assets	**13**	**5,303**	**–**	**5,316**	**5,316**
Non-current liabilities to credit institutions	–	–	500	500	500
Current liabilities to credit institutions	–	–	200	200	200
Commercial paper	–	–	1,150	1,150	1,150
Overdraft facilities	–	–	–	–	–
Trade payables	–	–	2,123	2,123	2,123
Other liabilities	–	–	456	456	456
Accrued expenses	–	–	54	54	54
Total liabilities	**–**	**–**	**4,483**	**4,483**	**4,483**

Parent company 31 Dec 2021	Financial assets measured at amortised cost	Other financial liabilities measured at amortised cost	Total carrying amount	Fair value
Current receivables from Group companies	1,588	–	1,588	1,588
Cash and cash equivalents	1,380	–	1,380	1,380
Total assets	**2,968**	**–**	**2,968**	**2,968**
Non-current liabilities to credit institutions	–	–	–	–
Current liabilities to credit institutions	–	500	500	500
Commercial paper	–	1,103	1,103	1,103
Current liabilities to Group companies	–	–	–	–
Trade payables	–	14	14	14
Other liabilities	–	2	2	2
Accrued expenses	–	2	2	2
Total liabilities	**–**	**1,622**	**1,622**	**1,622**

Parent company 31 Dec 2020	Financial assets measured at amortised cost	Other financial liabilities measured at amortised cost	Total carrying amount	Fair value
Current receivables from Group companies	1,225	–	1,225	1,225
Cash and cash equivalents	1,626	–	1,626	1,626
Total assets	**2,851**	**–**	**2,851**	**2,851**
Non-current liabilities to credit institutions	–	500	500	500
Current liabilities to credit institutions	–	200	200	200
Commercial paper	–	1,150	1,150	1,150
Current liabilities to Group companies	–	3,708	3,708	3,708
Trade payables	–	15	15	15
Other liabilities	–	6	6	6
Accrued expenses	–	3	3	3
Total liabilities	**–**	**5,581**	**5,581**	**5,581**

NOTE 25. Financial risks and financial policies

Financial risks and financial policies

Through its operations the Group is exposed to various types of financial risk. Financial risk refers to fluctuations in the company's earnings and cash flow as a result of changes in exchange rates, interest rates, and refinancing and credit risk. The Group's financial management is governed by the applicable financial policy, which is adopted by Bravida's Board of Directors and constitutes a framework of guidelines and rules in the form of risk mandates and limits for the company's financial activities. The Treasury Unit is responsible for coordinating the Group's financial activities. The overall objective for the Treasury Unit is to provide cost-effective financing and to minimise negative effects on the Group's earnings that derive from financial risk.

Market risk

Market risk is the Group's risk that the fair value of financial instruments or future cash flows from financial instruments will fluctuate as a result of changes in market prices. The Group's main market risks are interest rate risk and currency risk.

Interest rate risk

Interest rate risk is the risk of interest rate changes having an adverse effect on the Group's future earnings and cash flow. The Group is primarily exposed to interest rate risk through cash and cash equivalents and through interest-bearing liabilities. The average fixed-rate period for all interest-bearing assets was 0 years (0). The interest rate for interest-bearing assets at year-end was 0% in DKK and EUR, in NOK the interest rate was 0.90% (0.45), while in SEK it was 0.08% (0.08). Of the Group's total interest-bearing financial assets, 0% (0) have fixed interest rates and 100% (100) have variable interest rates. The average fixed-rate period for all interest-bearing liabilities, excluding pension liabilities, was 0 years (0). The interest rate for interest-bearing liabilities at year-end was 0.53% (0.70). Of total interest-bearing financial liabilities, 0% (0) have fixed interest rates and 100% (100) have variable interest rates.

Currency risk

Currency risk is defined as the risk that changes in exchange rates will have a negative impact on the consolidated income statement and cash flow. This risk can be divided into transaction exposure, i.e. the net operating and financial (interest/repayments) flows, and translation exposure, which relates to net investments in foreign Group companies.

Bravida's transaction exposure is low, as both sales and purchases are largely made in local currency. Translation exposure arises when assets and liabilities are denominated in different currencies, and when the earnings and net assets of foreign subsidiaries are translated to Swedish kronor. For the Group, translation risk arises for subsidiaries in Norway, Denmark and Finland. Assets and liabilities in foreign currency are translated at the rate at the balance sheet date.

Liquidity risk

Liquidity risk is the risk that the Group will face problems meeting its obligations associated with financial liabilities. The Group has a rolling three-month liquidity planning system that covers all units in the Group. The plans are updated continuously. The Group's forecasts also comprise medium-term liquidity planning. Liquidity planning is used to manage liquidity risk and the costs of funding the Group. The goal is to ensure that the Group is able to meet its financial obligations regardless of economic climate without incurring significant unforeseen expenses. Liquidity risk throughout the Group is managed by the central Treasury Unit.

Credit facilities

The Group has bank loans of SEK 500 million (500) and a revolving facility of SEK 2,500 million (2,500). The loan and revolving facility agreements specify key financial performance indicators (covenants) that the Group is required to meet. At year-end, Bravida met these covenants by a good margin. At year-end, the Group's cash and cash equivalents totalled SEK 1,594 million (1 748). The nominal liquidity reserve was SEK 4,594 million (4,748), of which SEK 500 million (700) was drawn.The available liquidity reserve was SEK 4,094 million (4,048). The remaining term of the revolving credit is 34 (34) months.

Maturity structure of financial liabilities

Group 31 Dec 2021*	2022	2023	2024	2025
Borrowings	504	–	–	–
Overdraft facilities	–	–	–	–
Trade payables	2,534	–	–	–
Commercial paper	1,103	–	–	–
Accrued interest expenses	2	–	–	–
Total	**4,143**	**–**	**–**	**–**

Group 31 Dec 2020*	2021	2022	2023	2024
Borrowings	206	503	–	–
Overdraft facilities	–	–	–	–
Trade payables	2,123	–	–	–
Commercial paper	1,150	–	–	–
Accrued interest expenses	2	–	–	–
Total	**3,481**	**503**	**–**	**–**

*Lease maturity structure can be found in Note 26.

Parent company 31 Dec 2021	2022	2023	2024	2025
Borrowings	504	–	–	–
Overdraft facilities	–	–	–	–
Trade payables	14	–	–	–
Commercial paper	1,103	–	–	–
Accrued interest expenses	2	–	–	–
Total	**1,623**	**–**	**–**	**–**

Parent company 31 Dec 2020	2021	2022	2023	2024
Borrowings	206	503	–	–
Overdraft facilities	–	–	–	–
Trade payables	4	–	–	–
Commercial paper	1,150	–	–	–
Accrued interest expenses	2	–	–	–
Total	**1,362**	**503**	**–**	**–**

Credit facilities

Group 31 Dec 2021	Nominal	Drawn	Available
Credit institution loans	500	500	–
Revolving facilities	2,500	–	2,500
Overdraft facilities	–	–	–
Cash and cash equivalents	1,594		1,594
Liquidity reserve	**4,594**	**500**	**4,094**

Group 31 Dec 2020	Nominal	Drawn	Available
Credit institution loans	500	500	–
Revolving facilities	2,500	200	2,300
Overdraft facilities	–	–	–
Cash and cash equivalents	1,748	–	1,748
Liquidity reserve	**4,748**	**700**	**4,048**

Fixed-rate period for drawn credit	31/12/2021	31/12/2020
Amount	1,603	1,850
Average effective interest rate, %	0.53	0.70
Share, %	100	100
Fixed-rate period	Variable	Variable

Exposure of net assets in foreign currency
The translation exposure that arises through investments in foreign net assets is not hedged.

Foreign net assets

Local currency	Group 31/12/2021	Group 31/12/2020
NOK	1,460	1,475
DKK	382	337
EUR	25	14

A 10 percent strengthening of the Norwegian krone at 31 December 2021 would have a positive translation effect on equity of SEK 150 million. The same increase in the value of the Danish krone would have a positive translation effect on equity of SEK 53 million. The same increase in the value of the euro would have a positive translation effect on equity of SEK 26 million.

The foreign exchange difference for the year in comprehensive income was SEK 98 (-150) million.

Commercial exposure
International purchases and sales of goods and services in foreign currencies are limited in scope but can be expected to increase as the Group expands and in response to mounting competition in respect of purchasing of goods and services.

Credit risk
Credit risk refers to the risk of losing money due to the inability of a counterparty to meet its obligations.

Credit risk in financing activities
The credit risk in the Group's financing activities is very small, as Bravida only concludes agreements with counterparties with the highest creditworthiness. Credit risk refers mainly to counterparty risks in connection with receivables from banks and other counterparties. The Group's financial policy contains a set of counterparty regulations specifying maximum credit exposures for different counterparties. The estimated gross exposure to counterparty risk in respect of cash and cash equivalents and short-term investments was SEK 1,594 (1,748) million.

Credit risk in trade receivables and contract assets
The risk that the company's customers will not fulfil their commitments, i.e that it will not receive payment from its customers, constitutes a customer credit risk. Credit losses are normally small thanks to the very large number of projects and customers, which are invoiced regularly during the period of production. The credit risk of customers is assessed, where information about the customer's financial position is obtained from various credit information companies. The Group has a credit policy for the management of customer credits. The policy states, among other things, where decisions should be made on credit limits of various sizes and how doubtful receivables should be handled. A bank guarantee or other security is required for customers with low creditworthiness or an insufficient credit history. The maximum credit exposure is stated in the consolidated balance sheet. Total credit losses for the year were SEK 7 (7) million. There was no significant concentration of credit risk at the balance sheet date.

The Group applies the simplified method for calculating expected credit losses. This method involves expected losses over the duration of a receivable being used as the basis for trade receivables and contract assets. Expected credit loss levels are based on customers' payment history. Historical losses are then adjusted to take account of current and forward-looking information that could affect customers' ability to pay a receivable. Based on historical data, the Group makes the assessment that no significant impairment of trade receivables that are not yet past due has been made at the balance sheet date.

Contract assets refer to revenue accrued but not invoiced and are assessed to have the same properties as revenue already invoiced. As a result, the same weighted loss percentage is used for contract assets as is used for trade receivables.

2021

Loss matrix – trade receivables and contract assets	Group Trade receivables, gross	Contract assets	Weighted loss percentage	Loss reserve
Not past due	3,079	2,019	0.02	0
Past due 1–15 days	274	–	1.06	-1
Past due 16–30 days	11	–	9.01	-34
Past due 31–60 days	55	–	14.59	-56
Past due > 60 days	1,157	–	10.44	-40
Total	**4,577**	**2019**		**-131**

2020

Loss matrix – trade receivables and contract assets	Group Trade receivables, gross	Contract assets	Weighted loss percentage	Loss reserve
Not past due	2,496	1,257	0.02	-1
Past due 1–15 days	277	–	0.53	-2
Past due 16–30 days	97	–	4.76	-16
Past due 31–60 days	134	–	15.00	-49
Past due > 60 days	526	–	21.30	-71
Total	**3,529**	**1,257**		**-139**

Loss provision/impaired trade receivables	Group 31/12/2021	Group 31/12/2020
Opening balance	-139	-114
Change for the year	7	-25
Closing balance	**-131**	**-139**

Sensitivity analysis	Group Change +/-	Effect on profit before tax +/-
Sales	1%	19
EBITA margin	1 percentage point	218
Payroll costs	1%	72
Materials and subcontractors	1%	92
Share of productive installer time	1 percentage point	109
Interest rate on loans	1 percentage point	16
Exchange rate DKK	10%	23
Exchange rate NOK	10%	24
Exchange rate EUR	10%	8

NOT 26. Leasing

The Bravida Group leases mainly properties and vehicles. For a specification of the right-of-use assets, see note 12 Right-of-use assets. Interest expenses for the year attributable to leases totalled SEK 25 million, see also Note 8 Net financial items. For carrying amounts, amortisation and additional values of right-of-use assets, see Note 12 'Right-of-use assets'. Costs of leases that are short and of low value total insignificant amounts.

Property leases
The Group leases properties mainly for office and warehouse premises. Leases normally have a term of between three to five years, and there are also leases with longer terms. It is usual for it to be possible for the lease period to be extended by additional periods if the Group does not terminate the agreement with 6 to 12 months' notice.

Where possible, the Group attempts to include such options in new leases. Whether it is reasonably certain that additional periods will be used is determined on the start date of the lease. Most premises that are leased are not of such significance to the Group and it is not so costly to find and move to other premises that it is reasonably certain that the Group will use additional periods, and it is therefore most common for the lease period to correspond to the agreed lease term without extensions. The Group reconsiders whether it is reasonably certain that an extension option will be exercised if an important event takes place or significant circumstances arise that are within the Group's control.

Some leases contain lease payments that are based on changes in local price indices. The lease liability and the right-of-use asset are revalued when any indexation of lease fees takes effect. There are variable property tax charges in most of the leases.

Vehicle leases
The Group leases vehicles, company and service cars, with lease periods of three to five years. In some cases there are extension options, mainly linked to service vehicles. With regard to vehicles, most of the vehicles are covered by residual value guarantees.

Maturity structure of lease debt at 31 Dec 2021	Properties	Cars	Total
2022	179	177	356
2023	127	113	240
2024	88	75	163
2025	59	37	96
2026	39	9	48
After 2026 and no later than 2031	100	0	100
After 2031	11	–	11
Total payments	**602**	**411**	**1,013**
Total liability according to the balance sheet			**994**
of which short liability			356
of which long liability			638

Maturity structure of lease debt at 31 Dec 2020	Properties	Cars	Total
2021	182	168	350
2022	133	113	246
2023	96	67	164
2024	66	33	99
2025	44	7	51
After 2025 and no later than 2030	118	0	118
After 2030	15	–	15
Total payments	**654**	**389**	**1,043**
Total liability according to the balance sheet			**1,022**
of which short liability			343
of which long liability			679

NOTE 27. Pledged and contingent liabilities

	Group		Parent company	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
PLEDGED ASSETS				
For own liabilities and provisions				
Floating charges	91	84	–	–
Funds, endowment policies	27	25	–	–
	118	**109**	**–**	**–**
CONTINGENT LIABILITIES				
For own liabilities and provisions				
Guarantee commitments, FPG/PRI	24	25	–	–
Guarantee commitments, for Group companies	–	–	1,124	1,141
	24	**25**	**1,124**	**1,141**

Bravida Holding AB has acted as guarantor for Bravida Sverige AB's pension liabilities, which in turn are guaranteed by PRI.

NOTE 28. Transactions with related parties

Relationships
The parent company's subsidiaries are reported in Note 29, 'Investments in Group companies'. Investments in associates are reported in Note 14, 'Investments in associates'. Information about Board members and Group management, along with their remuneration, is presented in Note 5, 'Employees and personnel costs and remuneration of senior executives,' and in the Corporate Governance Report.

Transactions
Transactions with related parties are priced on market terms.

The parent company Bravida Holding AB is the primary account holder of the Group's cash pool.

The table below lists the parent company's transactions with subsidiaries:

	Parent company	
	31/12/2021	31/12/2020
Revenue		
Sales	198	192
Dividend	255	216
Group contributions	900	180
Interest income	9	20
Costs		
Operating expenses	-124	64
Group contributions	-18	-40
Interest expense	-5	-3
Receivables	**1,587**	**1,225**
Liabilities	**3,738**	**3,708**

NOTE 29. Investments in Group companies

	Parent company	
The parent company's investments in Group companies	**31/12/2021**	**31/12/2020**
ACCUMULATED COST		
At start of year	7,341	7,341
Carrying amount at end of period	**7,341**	**7,341**

Bravida Holding AB owns shares directly in Bravida AB. The other Group companies listed below are indirectly owned. Values recorded are stated in SEK thousand, unless stated otherwise.

Itemisation of investments in Group companies

		31/12/2021		
Group company / Company reg. no. / Reg. office		**No. of shares**	**Proportion in, %** [1]	**Book value**
Bravida AB, 556713-6519, Stockholm		1,012,429,900	100.0	7,341,332
Bravida Sverige AB, 556197-4188, Stockholm		20,000	100.0	2,543,983
Bravida Prenad AB, 556454-1315, Malmö		50,000	100.0	103,044
Bravida Säkerhet AB, 556193-1832, Stockholm		5,100	100.0	24,961
SystemHouse Solutions AB, 559203-8904, Stockholm		50,000	100.0	50
Byggnadsaktiebolaget konstruktör, 556012-3670, Stockholm		1,485,417,130	100.0	427
Erfator Projektledning AB, 556401-7795, Stockholm		1,000	100.0	14,022
E/S Intressenter AB, 556564-6741, Skellefteå		1,000	100.0	15,238
E/S Elconsult AB, 556311-0633, Skellefteå [2]		1,000	100.0	432
E/S Styromatic AB, 556111-9248, Skellefteå		1,000	100.0	1,028
Juhl Air Control AB, 556308-0356, Kävlinge [3]		2,000	100.0	229
ABEKA El & Kraftanläggningar AB, 556515-7012, Nyköping		6,000	87.5	96,720
Lindsténs Elektriska AB, 556097-8255, Tomelilla		100	100.0	35,404
Herberts Rör AB, 556409-5221, Stenungsund		1,000	100.0	5,222
Solkraft EMK AB, 556988-3407, Mölndal		25,500	51.0	0
Profire Sprinkler AB, 556692-0178, Örebro		1,000	100.0	12,600
IEAB Installationsentreprenören AB, 556917-6174, Malmö		10,000	100.0	3,600
E3K Installation AB, 556685-4955, Stockholm		1,000	100.0	10,717
Runevads VVS Teknik AB, 556634-2563, Varberg		100	100.0	5,277
Sundins El i Norrköping AB, 559003-7916, Norrköping		500	100.0	12,646
Norrstyr AB, 559232-4940, Umeå		1,498	100.0	209
Sören Anderssons El i Delsbo Aktiebolag, 556379-0574, Hudiksvall		10,000	100.0	27,220
Sörens Kraft och Montage AB, 556774-0682, Hudiksvall		1,000	100.0	40,964
Öbergs Vent Teknik AB, 556560-6315, Jönköping		20,000	100.0	27,608
Direct Larm i Bergslagen AB, 556486-1705, Norberg [3]		1,200	100.0	996
Brafus nr 1 AB, 559197-4570, Jönköping		50,000	100.0	1,087
El-teknik i Gävle AB, 556281-3948, Gävle [2]		4,000	100.0	1,842
Karby VVS AB, 556627-5151, Stockholm [2]		1,000	100.0	8,523
NPI Ventilation AB, 556833-0871, Kristinehamn [2]		50	100.0	7,870
AM Elektriska AB, 556515-5529, Gothenburg [2]		1,000	100.0	11,941
Rörteamet Själevad AB, 556398-8251, Örnsköldsvik [2]		1,000	100.0	1,860
Kylteknik i Bohuslän AB, 556540-6625, Tjörn [2]		1,000	100.0	8,068
Ventfyran i Göteborg AB, 556739-2823, Gothenburg [2]		1,000	100.0	3,390
Flysta Elservice AB, 556238-7737, Stockholm [2]		1,000	100.0	3,571
Svagströmsinstallationer i Norrköping AB, 556774-3231, Norrköping		1,000	100.0	7,843
Bravida Danmark A/S, 14769005, Brøndby, Denmark		4	100.0	260,859
MT Højgaard Aps, 36905026, Brøndby, Denmark	DKK thousand	1	50.0	25
Bravida Norge Holding AS, 998 121 221, Oslo, Norway		30	100.0	909,021
Bravida Norge AS, 987 582 561, Oslo, Norway	NOK thousand	10,796,137	100.0	788,678
Oras AS, 922070679, Oslo Norge	NOK thousand	30	100.0	56
Oras Industrirör AS, 934541588, Oslo, Norway	NOK thousand	200	100.0	298
Oslo Rörleggerbedrift AS, 947880675, Oslo, Norway	NOK thousand	100	100.0	192
Volt Elektro AS, 917902720, Billingstad, Norway	NOK thousand	300	100.0	5,319
Plato AS, 925598003, Sykkylven Norge	NOK thousand	100	100.0	16,937
Bravida Finland Oy, 2528874-1, Helsinki, Finland		2,500	100.0	223,643
Ab Hangö Elektriska - Hangon Sähkö Oy, 1998764-2, Hanko Finland	EUR thousand	1,000	100.0	8,493
Savon Aurinkoenergia Oy, 3100091-9, Kuopio Finland	EUR thousand	1,625	65.0	4,993
Sarjametalli Talotekniika Oy, 2633086-8, Vihti, Finland	EUR thousand	1,000	100.00	9,689

[1] Refers to the proportion of ownership of equity, which is also consistent with the share of voting rights for the total number of shares.
[2] Merger started in 2021 and executed in Q1 2022.
[3] Liquidation is decided.

NOTE 30. Statement of cash flows

	Note	Group 01/01/2021 -31/12/2021	Group 01/01/2020 -31/12/2020	Parent company 01/01/2021 -31/12/2021	Parent company 01/01/2020 -31/12/2020
ADJUSTMENTS FOR NON-CASH ITEMS, ETC.					
Depreciation/amortisation and impairment of assets	7, 11, 12, 13	432	434	–	–
Capital gain/loss on disposals of businesses/subsidiaries		–	2	–	–
Pension provisions		17	25	–	–
Change in provisions		59	83	–	–
Costs for share incentive programme		35	17	35	17
Other		7	9	1	0
Total		**550**	**569**	**36**	**18**
INTEREST RECEIVED AND PAID					
Interest received		4	2	13	21
Interest paid		-51	-47	-25	-18
UNDRAWN CREDITS					
Undrawn credit facilities total	21	-2,500	-2,300	-2,500	-2,300

Reconciliation of liabilities attributable to financing activities and reconciliation of net debt.
Below is an analysis of liabilities attributable to financing activities and reconciliation of net debt for the periods shown.

	Liabilities attributable to financing activities						
Group	Non-current liabilities	Current liabilities	Lease liability	Overdraft facilities	Total	Cash and cash equivalents	Net debt
Balance at 01 Jan 2020	**-500**	**-1,495**	**-1,040**	**–**	**-3,035**	**972**	**-2,063**
Cash flow	–	145	388	–	533	866	1,399
Non-cash items	–	–	-405	–	-405	–	-405
Foreign exchange differences	–	–	35	–	35	-90	-55
Balance at 31 Dec 2020	**-500**	**-1,350**	**-1,022**	**–**	**-2,872**	**1,748**	**-1,124**
Cash flow	–	247	397	–	643	-223	420
Non-cash items	500	-500	-349	–	-349	–	-349
Foreign exchange differences	–	–	-19	–	-19	69	50
Balance at 1 Jan 2021	**–**	**-1,603**	**-994**	**–**	**-2,597**	**1,594**	**-1,003**

Reconciliation of net debt

Group	31/12/2021	31/12/2020
Non-current loan liabilities	–	-500
Short-term loan liabilities	-1,603	-1,350
Lease liabilities	-994	-1,022
Overdraft facilities	–	–
Total	**-2,597**	**-2,872**
Cash and cash equivalents	1,594	1,748
Net debt	**-1,003**	**-1,124**

NOTE 31. Events since the end of the period

Six acquisitions have been made so far in 2022, with total annual sales of around SEK 217 million; see Note 4 for more information.

Bravida has no direct exposure to Ukraine and Russia in terms of sales or purchases. We are closely monitoring developments, but it is too early to assess any indirect impact on, for example, commodity prices, energy supply and supply chains.

The Board of Directors and Chief Executive Officer certify that the annual accounts have been prepared in accordance with generally accepted accounting principles in Sweden and that the consolidated financial statements have been prepared in accordance with the international financial reporting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards. The annual accounts and consolidated financial statements give a true and fair view of the parent company's and Group's financial positions and results. The Directors' Report for the parent company and Group gives a true and fair overview of the development of the parent company's and Group's activities, their financial position and earnings, and describes significant risks and uncertainties faced by the parent company and the companies included in the Group.

Stockholm, 16 March 2022

Fredrik Arp
Chairman

Jan Johansson
Board member

Marie Nygren
Board member

Karin Stålhandske
Board member

Staffan Påhlsson
Board member

Cecilia Daun Wennborg
Board member

Mattias Johansson
Chief Executive Officer

Jan Ericson
Employee representative

Geir Gjestad
Employee representative

Örnulf Thorsen
Employee representative

Christoffer Lindal Strand
Employee representative

Our audit report was submitted on 18 March 2022.
KPMG AB

Mattias Lötborn
Authorised Public Accountant

As stated above, the annual accounts and consolidated financial statements were approved for publication by the Board of Directors on 16 March 2022. The consolidated statement of comprehensive income and balance sheet and the parent company income statement and balance sheet will be submitted for adoption at the Annual General Meeting on 5 May 2022.

Audit report

To the General Meeting of the Shareholders of Bravida Holding AB (publ), corporate identity number 556891-5390

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED FINANCIAL STATEMENTS

Opinions

We have audited the annual accounts and consolidated accounts of Bravida Holding AB (publ) for the year 2021, except for the corporate governance statement on pages 126–131 and the sustainability report on pages 45–65. The annual accounts and consolidated accounts of the company are included on pages 45–65, 73–121 and 126–131 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company 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 126–131 and sustainability report on pages 45–65. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet 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 audit committee in accordance with Article 11 of the EU Audit Regulation (537/2014).

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 our best knowledge and beliefs, no prohibited services referred to in Article 5(1) of the Audit Regulation (537/2014) have been provided to the audited company or, where appropriate, its parent or its controlled company in the EU.

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

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.

Revenues from installation contracting and earnings thereto

See Note 2 and 18 and accounting principles on pages 91 and 92 in the annual financial statements and consolidated financial statements for detailed information and a description of the matter.

Description of the matter

Performance commitments attributable to installation assignments are usually fulfilled over time. This means that the revenue is recognised over time where the course is measured against full compliance with the performance commitment. The results are presented in line with the project completion rate. The percentage of completion depends on actual costs in relation to the total projected costs for each project.

The latter may change during the life cycle of the projects which in turn may have a significant impact on reported revenue and earnings. Unforeseeable costs may also have to be included in the assessments to take project risks or disputed claims into account. These items are regularly assessed by the Group and are adjusted if necessary. Alterations, and additional work are taken into account when the Group considers the amounts which will be obtained. Based on the above, there is a large element of assessments from the Group, which in turn affects the recognition of revenue.

Response in the audit

We have evaluated the Group's processes for review and assessment of installation contracts, including the identification and recognition of loss-making projects and/or high-risk projects.

We have further, among other things:

– evaluated the financial performance against budget and historical outcomes to assess the Group's ability to forecast
– challenged management's forecasts taking account of unforeseen expenses and identified claims from customers
– assessed whether the risks and opportunities in projects are reflected in a balanced way in the accounts

We have also verified the completeness of the underlying facts and circumstances presented in the disclosures in the annual accounts and consolidated accounts and assessed whether the information is sufficiently comprehensive to allow an understanding of management's judgements and key assumptions applied.

Valuation of goodwill (Group) and shares in subsidiaries (parent company)

See Note 11 (Group) and Note 29 (parent company) and accounting policies on page 91 (Group) and page 92 (parent company) in the annual accounts and financial statements for detailed information and description of the matter.

Description of the matter

The consolidated balance sheet includes goodwill of EUR 9.5 billion, which relates to historical acquisitions. The risk primarily pertains to any need for impairment of goodwill attributable to a cash-generating unit which may exist. Due to the inherent uncertainty involved in future forecasting and discounted cash flows, which are the basis for impairment testing, this is one of the areas where there are significant judgement issues.

The Group annually carries out impairment testing of goodwill based on discounted cash flows from the cash-generating units (recoverable amounts are calculated). This is calculated using certain assumptions concerning discount rates, growth rates and cash flow forecasts.

A corresponding impairment test is carried out by the parent company regarding the value of shares in subsidiaries. The calculation conditions are similar to the descriptions above regarding goodwill.

Response in the audit

Our procedures included assessing the key assumptions applied by the Group in determining the recoverable amount of each cash-generating unit. Among other things, we have:

– considered the consistency and appropriateness of the allocation of businesses and related goodwill balances to the various cash-generating units;
– assessed the underlying assumptions in determining the cash flows and growth assumptions applied with reference to historical outcomes and macroeconomic aspects;
– challenged the assumptions regarding discount rates used and compared these against external sources;
– assessed the Group's sensitivity analysis, including a reasonable reduction in the rate of growth and cash flow in order to identify areas to be reviewed and subject to further focus.

We have also assessed whether the Group's supplementary disclosures in the annual accounts and consolidated accounts adequately describe the assumptions used in the impairment tests.

Other information than the annual accounts and consolidated financial statements

This document also contains other information than the annual accounts and consolidated accounts, which can be found on pages 1–72 and 132–136. The other information also consists of the remuneration report, which we expect to be available after this date. The Board of Directors and the Chief Executive Officer are responsible for this other information.

Our opinion on the annual accounts and consolidated financial statements 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 financial statements, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated financial statements. 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 Directors and of the Chief Executive Officer

The Board of Directors and the Chief Executive Officer are responsible for the preparation of the annual accounts and consolidated accounts and for them giving a fair presentation in accordance with the Annual Accounts Act and, regard to the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Chief Executive Officer are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated financial statements 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 apply the going concern basis of accounting. The going concern basis of accounting is not, however, applied if the Board of Directors and the Chief Executive Officer intend to liquidate the company, cease operations, or do not have any realistic alternative to doing any of this.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that contains 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 financial statements. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

– identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
– obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
– evaluate the appropriateness of accounting policies applied and the reasonability of accounting estimates and related disclosures made by the Board of Directors and the Chief Executive Officer.
– conclude on the appropriateness of the Board of Directors' and the Chief Executive Officer's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
– evaluate the overall presentation, structure and content of the annual accounts and consolidated financial statements, including the disclosures, and whether the annual accounts and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the units or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope, focus and timing of the audit. We must also report significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on our independence, and where applicable, measures taken to eliminate such threat or countermeasures taken.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated statements, including the most important assessed risks for material misstatement, and that are therefore the key audit matters. We describe these matters in the auditor's report unless laws or other statutory instruments preclude disclosure about the matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Auditor's review of management and proposal for the appropriation 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 Directors and the Managing Director of Bravida Holding 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 Directors and the Chief Executive Officer 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 section on Auditor's Responsibilities. 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 Directors and of the Chief Executive Officer

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 demands 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's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organisation 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 organisation is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Chief Executive Officer has to manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfil 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 Chief Executive Officer 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.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and contraventions would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board's reasoned opinion and a selection of supporting evidence for this in order to assess whether the proposal is in accordance with the Companies Act.

AUDITOR'S REVIEW OF THE ESEF REPORT

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also verified that the Board of Directors and the President have prepared the annual accounts and consolidated accounts in a format that permits uniform electronic reporting (ESEF report) in accordance with Chapter 16, Section 4(a) of the Securities Market Act (2007:528) for Bravida Holding AB (publ) for the year 2021.

Our review and opinion relates only to the statutory requirement.

It is our opinion that the ESEF report #LVyVy5M9k3I3oOM= has been prepared in a format that essentially allows uniform electronic reporting.

Basis for opinion

We conducted our review in accordance with FAR Recommendation RevR 18 Auditor's Review of the ESEF Report. Our responsibilities under those standards are further described in the section on Auditor's Responsibilities. We are independent of Bravida Holding 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 opinions.

Responsibilities of the Board of Directors and of the Chief Executive Officer

It is the responsibility of the Board of Directors and the Managing Director to ensure that the report has been prepared in accordance with Chapter 16, Section 4(a) of the Securities Market Act (2007:528), and that there are such internal controls as the Board of Directors and the Managing Director determine are necessary to enable the preparation of an ESEF report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our task is to express an opinion, with reasonable assurance, as to whether the ESEF report has been prepared, in all material respects, in a format that complies with the requirements of Chapter 16, Section 4(a) of the Securities Market Act (2007:528), on the basis of our review.
RevR 18 requires us to plan and perform our audit procedures to obtain reasonable assurance that the ESEF report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with RevR 18 (change in FAR recommendations) 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 the ESEF report.

The audit firm applies ISQC 1 Quality Control for Audit Firms Performing Audits and Reviews of Financial Statements and Other Assurance and Related Services and thus has a comprehensive quality control system in place, which includes documented policies and procedures regarding compliance with professional ethics requirements, professional standards and applicable legal and regulatory requirements.

The audit searches for evidence, through a variety of procedures, that the ESEF report has been prepared in a form that permits consistent electronic reporting of the annual accounts and consolidated accounts. We choose which actions to take, including by assessing the risks of material misstatement in reporting, whether due to irregularities or errors. In making those risk assessments, we consider those parts of the internal control that are relevant to the Board's and the Executive Director's preparation of the documentation for the purpose of establishing audit measures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. An audit also includes evaluating the appropriateness and reasonableness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Executive Director.

The audit procedures mainly include a technical validation of the ESEF report, i.e. whether the file containing the ESEF complies with the technical specification set out in Commission's Delegated Regulation (EU) 2019/815 (the ESEF Regulation) and a reconciliation of the ESEF report with the audited annual accounts and consolidated accounts.

In addition, the audit also includes assessing whether the ESEF report has been tagged with iXBRL, which enables a fair and complete machine-readable version of the consolidated income statement, balance sheet, statement of changes in equity and cash flow statement.

Responsibilities of the Board of Directors and the Chief Executive Officer

The auditor's examination of the corporate governance statement The Board of Directors is responsible for that the corporate governance statement on pages 126–131 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. Information in accordance with Chapter 6. Section 6 second paragraph points 2-6 of the Annual Accounts Act and Chapter 7, Section 31 second paragraph of the same Act is consistent with the other parts of the annual accounts and consolidated financial statements and is in accordance with the Annual Accounts Act.

The auditor's opinion regarding the statutory sustainability report

The Board of Directors is responsible for the sustainability report on pages 45–65, and that it is prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The Auditor's Opinion Regarding the Statutory Sustainability Report. This means that our examination of the statutory sustainability report 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 opinion.

A statutory sustainability report has been prepared.

KPMG AB, Box 382, 111 20, Stockholm, was appointed auditor of Bravida Holding AB (publ) by the general meeting of shareholders on 26 April 2021.

KPMG AB or auditors working at KPMG AB have been the company's auditor since 2012.

Stockholm, 18 March 2022

KPMG AB

Mattias Lötborn
Authorised Public Accountant

Corporate governance report

For Bravida, which has a decentralised organisational structure, good corporate governance is essential and a very important part of its core business operations. Governance, management and control are distributed between the shareholders, the Board of Directors, the Chief Executive Officer and company management in accordance with applicable laws, rules and recommendations and Bravida's Articles of Association, the Board's rules of procedure, instructions for the Chief Executive Officer and other internal instructions.

Bravida Holding AB (publ) is a Swedish public limited company, with registered office in Stockholm, whose ordinary shares are listed on Nasdaq Stockholm. The corporate governance report is not part of the formal annual accounts documentation.

Corporate governance

The general meeting of the company is the company's highest decision-making body, at which shareholders exercise their right to vote. The Board of Directors and the Chairman of the Board are elected by the Annual General Meeting. The Board appoints the Chief Executive Officer (CEO). The Board and CEO's administration and the company's financial reporting are audited by the external auditor appointed by the AGM. In order to streamline and strengthen work on certain issues, the Board has established an Audit Committee and a Remuneration Committee.

Bravida applies the Swedish Corporate Governance Code (the Code) and did not deviate from this in any respect in 2021. Bravida Holding AB complies with Nasdaq Stockholm's Regulations for Issuers and good equity market practice. The most important internal governance instrument is the Articles of Association adopted by the general meeting of the company. In addition to this are the Board's rules of procedure and the Board's instructions for the CEO. Internal policies and instructions that clarify responsibilities and powers within specific areas such as data security, compliance and risk management are key policy documents for the entire company.

Ownership structure

At the end of 2021 Bravida had 9,759 holders of ordinary shares according to the shareholder register maintained by Euroclear Sweden. The five largest shareholders at 31 December 2021 were Mawer Investment Management funds with 11.2 percent of votes, Swedbank Robur funds with 9.5 percent of votes, the Fourth Swedish National Pension Fund (AP4) with 7.5 percent of votes, Lannebo funds with 6.1 percent of votes and Handelsbanken Funds with 5.8 percent of votes.

Corporate bodies

General meeting of shareholders

The shareholders' right to make decisions on matters relating to the company is exercised at general meetings of the company. This is the highest decision-making body, which all shareholders are entitled to attend. The term 'Annual General Meeting' (AGM) refers to the general meeting of the company that is held within six months of the end of the financial year, at which the consolidated financial statements and the group auditors' report are submitted and decisions are taken regarding the adoption of the income statements and balance sheets of the company and the Group, the appropriation of profits, and the discharge from liability of the Board and the Chief Executive Officer.

Bravida's 2022 annual general meeting will take place on 5 May. Shareholders wishing to submit a proposal to the Nomination Committee or to have a matter addressed by the AGM may submit the proposal to the Nomination Committee and the matter to be addressed to the company by 8 March. Contact information can be found at www.bravida.com.

Each ordinary share (class A share) entitles the holder to one vote at general meetings and each class C share entitles the holder to one tenth of a vote. Shareholders are entitled to one vote for each share that they own in the company.

Notice convening general meetings should be given no earlier than six weeks and no later than four weeks before the meeting. In accordance with Bravida's Articles of Association, shareholders wishing to attend a general meeting must notify their intention to attend within the time period stated in the convening notice. Such date must be a working day and not fall any earlier than five working days before the stated date of the meeting.

All documentation relating to the AGM can be found at www.bravida.com.

Nomination Committee

Nomination of Board members prior to the election at the AGM takes place through the Nomination Committee. In addition, the Nomination Committee proposes fees for Board members, as well as proposing the election of and fees for the auditor. The current Nomination Committee instructions stipulate that Bravida should have a Nomination Committee consisting of Bravida's Chairman and a representative of each of the three largest shareholders or shareholder groups, by number of votes, who wish to appoint a representative. For the coming year the composition of the Nomination Committee must be based on the list provided by Euroclear Sweden of registered shareholders and shareholder groups and other reliable information as of the last business day in July. Further documentation relating to the AGM can be found at www.bravida.com.

The Nomination Committee up to the 2022 AGM consists of the following members: Marianne Flink from Swedbank Robur funds (Chairwoman), Peter Lagerlöf from Lannebo funds, Arne Lööw from the Fourth Swedish National Pension Fund (AP4) and Fredrik Arp, Chairman of Bravida Holding AB. Mawer Investment Management funds, the company's largest owner, has declined to participate in the Nomination Committee and AP4 has instead been offered the place. No remuneration was paid for Nomination Committee work. The Nomination Committee's proposals, report on the Nomination Committee's work for the 2022 AGM and additional information about proposed Board members are published in conjunction with the convening notice and will be presented at the 2022 AGM.

Composition of the Board

According to the Articles of Association, the Board of Directors of Bravida shall consist of three to ten members, with a maximum of five deputy members. The members and deputies are elected at the Annual General Meeting for the period until the end of the next Annual General Meeting. In 2021, six directors were elected by the Annual General Meeting. Employees are represented on the Board through representatives appointed by employees. Throughout the year, the number of employee-appointed members was four, with one alternate.

All Board assignments in Bravida are based on merit, with the main aim being to maintain and improve the overall effectiveness of the Board. To fulfil this, the Board aims to achieve a broad range of characteristics and capabilities and it is explicitly stated that diversity regarding aspects such as age, gender, geographical origin, education and professional background are important to respect.

At the Annual General Meeting on 26 April 2021, Fredrik Arp, Cecilia Daun Wennborg, Jan Johansson, Marie Nygren, Staffan Påhlsson and Karin Stålhandske were re-elected. Fredrik Arp was elected as Chairman for the period until the next AGM. For further information about the Board of Directors, refer to page 132 and www.bravida.com.

The composition of Bravida's Board meets the requirements regarding independent Board members.

The Board's work

The Board held nine meetings during the year, including one meeting to elect its officers. Board member attendance is shown in the table on page 129. The secretary at the Board meetings was Bravida's lawyer. Board members received written material about the issues to be addressed before each Board meeting.

The work of the Board mainly comprises strategic issues, annual accounts, the establishment and monitoring of business goals, business plans, internal control, risk management, sustainability issues, acquisitions and other decisions which, according to the procedural rules, should be addressed by the Board. Internal and external presentations were made to the Board about the markets in which Bravida operates and Bravida's local operations. The Board discussed Bravida's performance and opportunities at these meetings. The Board has been actively working with management on various strategic issues, including at a joint strategy meeting in June 2021.

A key aspect of the Board's work is its review of the financial statements that are presented at each ordinary Board meeting, and this includes in-depth analysis of ongoing work by the company. The Board also receives monthly reporting on the Group's financial position.

During the year, the Board followed up on the impact of the Covid-19 pandemic on the company, was involved in the development of a new sustainability strategy, followed up on the current business plan including the digital strategy and followed up on the business plans provided by management and the development potential within the different business areas in which Bravida operates.

Board committees

The Board has established two Board committees as part of streamlining and strengthening the Board's work with regard to certain issues: the Audit Committee and the Remuneration Committee. The committees' members are appointed at the constitutive Board meeting immediately after the AGM. They are appointed for one year at a time and the work and authority of the committees are regulated by the committee instructions, which are adopted annually.

The committees have a preparatory and administrative role. The issues addressed at the committees' meetings are minuted and a report is submitted at the subsequent Board meeting.

The Audit Committee consists of Jan Johansson (chairman), Staffan Påhlsson and Karin Stålhandske. This committee is also attended by the company's CFO. The Audit Committee's main tasks are to:

- monitor the company's financial reporting,
- monitor the effectiveness of the company's internal control and risk management with regard to financial reporting,
- keep informed about the audit of the annual accounts and the consolidated financial statements,
- review and monitor the auditor's impartiality and independence and, in so doing, pay particular attention to whether the auditor is providing the company with services other than auditing services,
- assist in the preparation of proposals for the AGM's election of auditor,
- assist in monitoring of the compliance with legal and regulatory requirements that have a material impact on the financial statements,
- assist in monitoring transactions with related parties, and
- assist in monitoring and evaluating selected projects.

In 2021, the Audit Committee held four recorded meetings, as well as a thematic meeting focusing on project accounting, the role of the controller and the EU taxonomy for sustainable investments. The company's external auditors attended those meetings at which performed auditing actions were reported. During the year, the Audit Committee followed up on the pandemic's impact on the company, dealt with the company's financial reports and the external auditors' reporting of internal control. The Audit Committee also addressed the company's reporting on its performance audit and reviewed the company's new sustainability strategy. In addition, the committee has continued to examine the project process in depth, particularly securing projects, project management and project follow-up. The committee also evaluated external auditors, reviewed and monitored the impartiality and independence of the external auditor and verified that the external auditor had not provided advisory services that had affected impartiality. The committee subsequently made a recommendation for the election of an external auditor to the Board of Directors.

The Remuneration Committee comprises Fredrik Arp (chairman), Cecilia Daun Wennborg and Marie Nygren. In addition, the company's CEO, HR Director and General Counsel will be present. The Remuneration Committee's main tasks are to:

- prepare Board decisions on issues regarding remuneration policies, remuneration and other terms of employment for senior executives,
- monitor and evaluate ongoing variable remuneration programmes for senior executives and such programmes concluded during the year; and
- monitor and evaluate application of the guidelines for the remuneration of senior executives that are determined by the AGM and the applicable remuneration structure and remuneration levels in the Group.

The Remuneration Committee held six meetings in 2021 of which minutes were taken. At its meetings, the Remuneration Committee addressed matters such as the overall level of remuneration and other employment terms for the CEO and senior executives. The Committee has reviewed and prepared proposals from the remuneration report and prepared proposals for a long-term incentive programme. The final proposals on the Remuneration Report and the Long-Term Incentive Plan will be presented for approval at the 2022 Annual General Meeting. Furthermore, the committee has prepared a revised calculation model for the bonuses of line managers and certain administrative staff. In addition, the committee reviewed the results of the company's employee survey and action plans. The Committee has also supported the company's development of a new leadership model and a strengthened process for succession planning and competency development for senior positions.

Assessment of the Board and the Chief Executive Officer

Under with the Board's rules of procedure, the Chairman of the Board has to initiate an assessment of the Board's work once a year.

An assessment of the Board's work was made in 2021. A questionnaire was sent to all Board members. Their responses were collated and analysed. In addition, the Chairman of the Board conducted individual assessment discussions with all Board members.

The purpose of the assessment is to gain an understanding of Board members' views of the work conducted by the Board and what measures could be taken to streamline the Board's activities. The aim is also to gain an understanding of what type of issues the Board believes should be accorded more scope and what areas may require additional capabilities within the Board. The results of the assessment have been reported to the Board.

The Board also assesses the work of the Chief Executive Officer on an ongoing basis by monitoring the performance of the business against the targets that are set. A formal assessment is carried out once a year.

The Chief Executive Officer, company management and organisation

The Chief Executive Officer's responsibilities include personnel, financial and business management issues, as well as ongoing contact with the company's stakeholders such as authorities and the financial markets. The Chief Executive Officer ensures that the Board receives the information it needs to take well-informed decisions.

Bravida's business operations are divided into four segments, based on geographical markets; Sweden, Norway, Denmark and Finland. Each geographical market has a segment manager. The CEO is responsible for the Sweden segment, while segment responsibility for the other geographical segments lies with the relevant Head of Division. These segments are divided into divisions; four for Sweden and one for each of the other countries. Each division has a Head of Division, who reports directly to the CEO. The Heads of Division are responsible for each division's operations and results and are also responsible for ensuring that the division's operations are conducted in accordance with decisions that have been taken. The Heads of Division are supported by their own staffs as well as group-wide staff functions. Bravida's Group management consists of the CEO, the Heads of Divisions and the Group Staff Heads. For further information about the Chief Executive Officer and Group management, see page 133.

Group management holds regular meetings, with at least one meeting a year dedicated to addressing forward-looking strategies. Group management meetings discuss and address ongoing group-wide initiatives, changes in the market, current issues in the divisions and staffs, acquisitions and the follow-up of operating target achievement. Group management is working actively to clarify Bravida's values and to engage employees in this work to further develop Bravida's corporate culture.

In 2021, the Executive Committee has been monitoring the impact of the Covid-19 pandemic on the company. The focus has been to implement the business plan for the period 2021–2023, with an emphasis on service, digital initiatives and investments in building automation and technical facility management. Continued improvement in the project process, mainly project management and project monitoring, has also been addressed. Furthermore, a new sustainability strategy has been developed in which activities to reduce carbon dioxide emissions have been concretised. In addition, work continued on making Bravida the most attractive employer. The work environment and employee health continued to be a priority.

Governance of Bravida

Bravida's business operations are divided into four segments, based on geographical markets; Sweden, Norway, Denmark and Finland. These segments are divided into divisions; four for Sweden (North, Stockholm, South and National) and one for each of the other countries. These divisions are in turn divided into regions, which are themselves divided into branches. The business is decentralised, which means that the main business operations and customer contact take place at branch level. Each branch manager (BM) is responsible for the results of the branch and is consequently responsible for the organisational structure, staffing, and the signing and performance of contracts. The branches are supported by group-wide business and purchasing systems and other tools for risk assessment, cost estimates and effective performance of signed contracts within their branch. Branches' independence is restricted by instructions and an authorisation procedure. Bravida has clear rules on project approval, with threshold levels governed principally by contract value. This means that a branch manager cannot enter into an agreement above a certain value without approval from the regional manager (RM), neither can a regional manager enter into an agreement above a certain value without the approval of the Head of Division (HD). Tenders over SEK 50 million must always be approved by the CEO.

As a significant part of the President's (also CEO's) management and control of the business, the President and Group CFO meet each Head of Division once a quarter to review the division's financial position, major projects, billing, cash flow, etc. according to the specific points on a scorecard. During the year, at one of these briefings, the focus and in-depth discussion was on project assurance in the division. These meetings are also attended by the division's head of finance and the respective regional manager and financial controller. These quarterly reviews are held in a corresponding manner down through the organisation according to a schedule.

Type of meeting	Coordinator	Frequency
Group (CEO, HD, RM)	President	every 3 months
Division (HD, RM, LBM)	Head of Division	every 3 months
Region (RM, LBM, proj./serv. manager)	Regional Manager	every 3 months
Local Branch (LBM, proj./serv. manager, managing fitter)	Branch Manager	every 3 months

These regular meetings enable the relevant responsible person to meet their manager's manager and have the opportunity to report on their business in detail and to point out improvements, but they also have to be accountable, for example, for less successful projects or poor adherence to change management initiatives. This ensures high visibility and clarity of leadership within the company. It is also a highly effective way of managing the business and ensuring and monitoring that decisions that are taken are implemented. In addition, the 'grandfather principle' is also applied to a range of decisions taken within Bravida. This principle means that certain decisions must be taken/approved by the manager's manager. This includes decisions regarding investments, major tenders and projects, new hiring and certain own costs.

In the longer term, Bravida is managed based on a business plan for the coming three years. This is then applied down from Group to department level. Each year target figures are set for all departments and at aggregate level for the Group, along with an action plan for how these targets are to be achieved. Evaluation and any adjustments take place on an ongoing basis according to the annual planning cycle; see figure. This work is ongoing throughout the year and at different levels. In addition, twice a year a regional manager conference is held at which Group management meets the regional managers to address important strategic issues.

Under the management of the group-wide acquisition team, the divisions and regions draw up summaries on an ongoing basis of potential and ongoing acquisitions for review by a Decision Group, consisting of the CEO, CFO and acquisitions manager. This enables ongoing control of current activities and prioritisation can be done. No acquisitions are made without first having been dealt with and approved by the Decision Group following a formalised process and decision-making procedure. Large acquisitions must also be approved by the Board.

Bravida's annual cycle

The Annual Cycle describes how Bravida works with targets, strategies and action plans during the year.

October–December
9. Target process

October
8. Divisional management
Compiles these into a common strategy

September
7. Regions and branches' targets, strategy and action plans are established for the coming years and sent to Divisional Management by the end of September

August – September
6. Strategy work in the regions

February – March
1. Regional management meetings
– Assessment/adjustment of targets, strategy and action plan (management review)

April
2. Divisional management meeting
– Assessment/adjustment of targets, strategy and action plan (management review)
3. Group management meeting
– Assessment/adjustment of targets, strategy and action plan

May
4. Divisional management conference
– Adjustment of targets, strategy and action plan

June
5. Group management (strategy days)
– Establishment of targets, strategy and action plan for the coming year

Board of Directors

List of Board and committee meetings and attendance in 2021.

Board members elected by the AGM	Year elected	Independent [1]	Attendance of Board meetings	Attendance of the Audit Committee[3]	Attendance of remuneration committee[3]	Board fees SEK thousand[2]	Committee fees SEK thousand[2]	Number of shares in Bravida
Fredrik Arp	2018	Yes	9/9	–	7/7	1,240	110	20, 000
Jan Johansson	2014	Yes	9/9	5/5	–	490	200	37,895
Marie Nygren	2018	Yes	9/9	–	7/7	490	80	0
Staffan Påhlsson	2016	Yes	9/9	5/5	–	490	100	1,673,745
Karin Stålhandske	2020	Yes	9/9	5/5	–	490	100	0
Cecilia Daun Wennborg	2016	Yes	9/9	–	7/7	490	80	7,000
Ordinary employee representatives								
Jan Ericson			8/9					
Geir Gjestad			9/9					
Örnulf Thorsen			9/9					
Anders Mårtensson			2/5					
Christoffer Lindal Strand			3/3					

[1] Independence from the company, management and owners
[2] Fees set at the Annual General Meeting 2021
[3] At the inaugural meeting of the Board in April 2021, the roles of the members in the committees were determined, attendance based on number of meetings in relation to committee member

Code of Conduct

Correct conduct is important to Bravida, not only in respect of our customers and suppliers but also between everyone who works at Bravida. Bravida has adopted a code of conduct which includes guidelines and rules on how we should behave. Bravida employees receive regular training on business ethics issues. There is also a training programme that includes work relating to different 'typical cases' regarding the code of conduct and related issues, aimed at all managers and administrative personnel at Bravida. Bravida also has a whistleblower function which allows suspected irregularities to be reported anonymously.

Remuneration

Board remuneration

The remuneration of the Board of Directors for 2021 was decided at the 2021 Annual General Meeting. The fee was distributed as shown in the table above.

The Chief Executive Officer's total remuneration is determined by the Board. Guidelines on remuneration for other members of Group management are proposed by the Remuneration Committee and determined by the Board.

Guidelines for the remuneration of senior executives in 2021

The guidelines on the remuneration of senior executives were determined at the 2020 AGM. The guidelines cover the company's Chief Executive Officer and other members of Group management. The guidelines should be applied to contractually agreed remuneration, and amendments made to remuneration already contractually agreed, after the guidelines were adopted by the 2020 AGM. The guidelines do not cover remuneration determined by a general meeting of the company. Members of Bravida's Board of Directors only receive fees determined by an annual general meeting, which is why these guidelines do not include members of the Board.

More information on fixed and variable remuneration can be found in the Remuneration Report and in the 2021 Consolidated Annual Report in the Directors' Report and in Note 5, Employees and personnel costs.

Audit

The auditor is tasked with auditing the annual accounts and consolidated financial statements, as well as the administration by the Board of Directors and the Chief Executive Officer. After each financial year, the auditor submits an auditor's report and a Group auditor's report to the AGM.

Auditor

Under its Articles of Association, Bravida is required to have one to two auditors with up to two deputy auditors. Registered auditing firms may also be appointed as auditor. The auditor is appointed by the AGM for a term of one year, unless otherwise stated in Bravida's Articles of Association.

The 2021 AGM re-elected the registered auditing firm KPMG AB as auditor for the period until the end of the 2022 AGM. Mattias Lötborn, authorised public accountant, is the auditor in charge for the company and the Group.

Bravida's auditors: KPMG AB
Auditor in charge: Mattias Lötborn, authorised public accountant
Born: 1970
Auditor in charge for Bravida since: 2020
Shareholdings in Bravida Holding AB: 0 shares
Other audit engagements: Lagerstedt & Krantz AB, Microsystemation AB (publ), Midsummer AB (publ), SBF Bostad AB (publ), Workforce Logiq AB, CBRE GWS Sweden AB and Compass Group AB

The auditor's independence in relation to the company is ensured by the elected auditor being allowed only to a limited extent to perform services other than the audit.

The board's report on the internal control of financial reporting

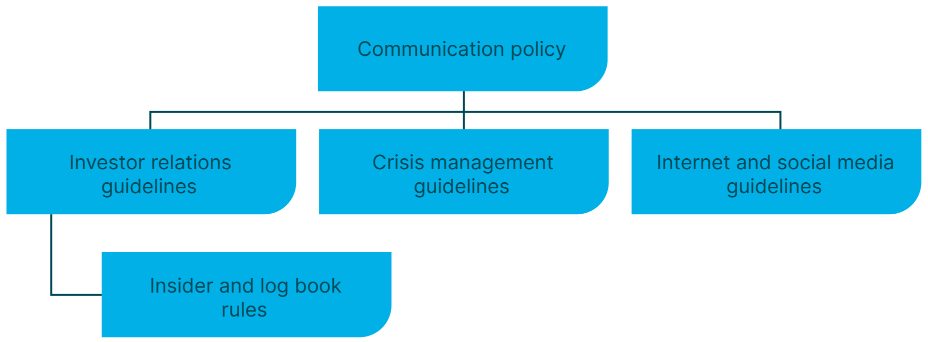
Control environment

The Board of Directors has responsibility for internal control in relation to financial reporting. Internal control regarding financial reporting aims both to provide reasonable assurance on the reliability of external financial reporting, and to ensure that external financial reporting has been prepared in accordance with law, applicable accounting standards and other requirements.

The control environment includes how targets are set, how results are monitored and how risks are managed. A good control environment is based on an organisational structure with clear decision-making paths and a corporate culture with shared values and an awareness among individuals of their role in maintaining good internal control.

The control environment for financial reporting is based on the allocation of roles and responsibilities within the organisation, established and communicated decision-making pathways, instructions relating to powers and responsibilities, and accounting and reporting instructions. The Board of Directors has adopted procedural rules, CEO instructions and instructions for financial reporting. In addition to the Board's rules of procedure, CEO instructions and reporting instruction, there is an overarching authorisation scheme for the entire Group and policies and guidelines in a number of areas for operating activities.

Bravida has established policies, instructions and detailed process descriptions covering all significant aspects of its operations. These policy documents are available on Bravida's intranet for staff. These documents are updated annually or as necessary to reflect applicable laws and regulations and the changes to processes that have been implemented. There is internal auditing and monitoring of compliance with key processes.



Risk assessment

An integral part of the management work of the Board of Directors and the Group management is a broad-based risk assessment. Risks are reported to the Board of Directors on an ongoing basis. During the year, the Board held discussions about various kinds of risk, as well as the risk management process. Risk within Bravida can be divided into operational risks, financial risks and market risks. The most significant operational risks are the management, costing and valuation of current projects. Bravida has developed a model for managing these risks and works continuously to make improvements.

Identification and assessment of risks of not achieving business objectives and reliable financial reporting take place continuously as part of day-to-day processes within Bravida. The Board is responsible for ensuring that material financial risks and risks of errors occurring in financial reporting are identified and addressed. The Board continuously monitors risk exposure.

The Chief Executive Officer is responsible for ensuring that the business applies and monitors established procedures and for ongoing monitoring and management of risks within the organisation.

Data security and communication

Bravida's Board has established a communication policy (see figure) aimed at ensuring that external information is handled correctly. There are internal instructions in the company regarding data security and how financial information should be communicated between management and other employees.

Information about internal policy documents, including for financial reporting, is available to staff concerned through Bravida's intranet.

Control activities

To ensure that the business is conducted effectively and efficiently and that financial reporting at each reporting date provides an accurate picture, control activities are in place, involving all levels of the organisation, from the Board and Group management to other employees.

Within Bravida, these control activities include approval of projects and agreements, checking with external counterparties, daily monitoring of trend of results in projects, daily account reconciliations and monitoring of results, as well as analytical follow-up of decisions.

Bravida's financial statements are analysed and ultimately validated by the control function within Group Finance. Such validation includes both automatic controls, such as non-conformance reporting, and manual controls such as analyses and plausibility assessment of values. The effectiveness of the automatic controls in IT systems is followed up based on information from system managers in the business process. Proposals for improvements are identified and implemented on an ongoing basis.

The Group's control activities, such as authorisation, project approval and implementation, originate at Group level, but are then handled primarily at regional level. The Group has an established approach to the governance and control of Bravida's project activities where all departments and employees are continuously trained.

Follow-up

Bravida's Board and management regularly monitor compliance with and the effectiveness of internal controls for quality assurance of processes. The Group's financial position and strategy regarding financial position is addressed at each Board meeting, with the Board receiving detailed monthly reports on the financial position and the performance of the business. The Audit Committee fulfils an important function in ensuring and monitoring control activities for key risk areas in financial reporting processes. The Audit Committee, management and the financial controller functions at divisional and regional level follow up reported deficiencies on a regular basis.

Bravida does not have a separate internal audit function. The Board evaluates the need for this annually. In Bravida, quarterly reviews fulfil an important function by ensuring that the entire organisation is analysed four times a year. These quarterly reviews use standardised scorecards to measure and monitor key ratios. The branches' operations are reviewed by the financial controllers of the relevant region. The regions are reviewed in turn by the divisions' finance departments, and finally there is a financial controller function at Group level. The accounts payable and accounts receivable ledger is centralised and is intended to provide some oversight. Payments may only be made by using special work order numbers, and each payment must be authorised and approved by a superior.

The Group function Business Development undertakes an audit of a number of randomly selected projects each year. This audit verifies that the business is implementing projects in accordance with the established processes and procedures. If deficiencies are identified, feedback is provided and an action plan is activated.

Board of Directors, Bravida Holding AB

Fredrik Arp
Chairman of the Board since 2018
Year of birth: 1953
Other current assignments:
Chair of the Board of Nolato AB, Gränges AB and Hövding AB. Member of the Board of Directors of Swedfund International AB
Previous positions: CEO of companies including Volvo Car Corporation and Trelleborg AB
Education: MSc in Economics and Honorary Doctorate in Economics from Lund University
Number of Shares: 20,000

Jan Johansson
Board member since 2014
Year of birth: 1959
Other current assignments: Chairman of Malmö Cityfastigheter AB and Starka AB; board member of Götenehus Group AB, Eolus Vind, and EHF AB
Previous positions: CEO of Peab AB and Malmö Cityfastigheter AB. Board member of Catena AB, Fastighets AB ML 4, and others
Education: MSc in Civil Engineering from Lund University
Number of Shares: 37,895

Marie Nygren
Board member since 2018
Year of birth: 1965
Other current assignments: CEO of KF Ekonomisk Förening. Former CEO of Coop Sverige AB, Chairman of the Board of Coop Logistik AB. Member of the Board Coop Online AB, Lyko Group AB, Freima
Previous positions: Vice President of Systembolaget AB. CEO of companies such as Adara AB, Stor & Liten AB. Category Area Director at Coop Sverige AB. Various board memberships of Apotek Hjärtat AB, Runsvensgruppen AB (ÖB), Trettio.se AB and Kicks kosmetikkedja AB
Education: MSc in Economics and Business, Stockholm University; TBL Transition to Business Leadership, IMD Business School, Switzerland
Number of Shares: 0

Staffan Påhlsson
Board member since 2016
Born: 1952
Other current assignments:
Chairman of Laholms Sparbank, Spolargruppen Sverige AB and Båstad Fritidshamn Ekonomisk Förening. Board member of Eleda Group AB, Swedish National Savings Banks Association (SR), SSAB and Elteknikbranschens Utvecklings AB (ETU). CEO and owner of MOS Advisors AB and S Påhlsson Fastigheter AB and subsidiaries
Previous positions: Several positions within Bravida, including President and CEO and Head of Division
Education: Upper-secondary engineering qualification Electric Power, Tycho Brahe School
Number of Shares: 1,673,745, direct and through companies

Karin Ståhlhandske
Board member since 2020
Born: 1972
Other current positions: Vd Loomis Sverige AB
Previous positions: CEO of Upplands Motor Stockholm, Business Area Manager at Frösunda Omsorg, Business Area Manager at ISS Facility Services. Head of Contracts and Development at Coor Service Management. Strategic Consultant at Monitor Group
Education: MSc in Economics and Business from Stockholm School of Economics and Bachelor of Laws from Lund University
Number of Shares: 0

Cecilia Daun Wennborg
Board member since 2016
Born: 1963
Other current assignments: Board member of ICA Gruppen AB, Getinge AB, Loomis AB, Oncopeptides AB, Atvexa AB, Hotell Diplomat AB and the Oxfam Sweden foundation. Member of the Swedish Securities Council
Previous positions: Deputy CEO and CFO of Ambea; CEO and CFO of Carema; Head of Sweden for Skandia and CEO of SkandiaLink
Education: MSc in Economics and Business, Stockholm University
Number of Shares: 7,000

Employee representatives

Jan Ericson
Born: 1965
Jan Ericson is a board member as an employee representative for Bravida and has been employed as an electrician with Bravida since 1985. Jan Ericson represents the Swedish Electricians' Union
Number of shares: 500

Geir Gjestad
Born: 1964
Geir Gjestad is a board member as an employee representative for Bravida and has been employed as an electrician at Bravida since 1997. Board member Bravida Norge. Geir Gjestad is a representative of the Electrician and IT Workers Union in Norway ('EL og IT Forbundet')
Number of shares: 0

Christoffer Lindal Strand
Born: 1986
Christoffer Lindal Strand is a board member as an employee representative for Bravida and has been employed as a plumber at Bravida since 2005. Christoffer Lindal Strand represents Byggnads
Number of Shares: 0

Örnulf Thorsen
Born: 1966
Örnulf Thorsen is a board member as an employee representative for Bravida and has been employed as an electrician and service manager since 1984, but since 2022 has been branch manager at Bravida. Örnulf Thorsen represents Ledarna, the organisation for managers in Sweden
Number of Shares: 0

Bravida Group management

From the left, top row: Magnus Liljefors, Lars Täuber, Åsa Neving, Thommy Lundmark, Mattias Johansson, Johnny Hey, Lars Korduner, Sven Klockare and Tore Bakke.
From the left, bottom row: Andreas Olofsson, Anders Ahlquist, Magnus Hamerslag and Marko Holopainen.

Mattias Johansson
CEO and Group President since 2015
Year of birth: 1973
Employed by Bravida since: 1998
Previous positions: Long experience within Bravida, including as Branch Manager, Regional Manager, and Head of Division South (Sweden) and Division Norway
Board assignments: –
Education: MSc in Engineering
Number of Shares: 709,297

Åsa Neving
CFO since 2019
Year of birth: 1965
Employed by Bravida since: 2019
Previous positions: CFO Svevia AB, Vattenfall Group – various managerial positions at Vattenfall Markets and Head of Finance at Nordic Heat and SSC
Board assignments: Board member Calefactio Investments AB
Education: MSc in Economics and Business
Number of Shares: 6,550

Andreas Olofsson
Personnel Director since 2021
Year of birth: 1970
Employed by Bravida since: 2021
Previous positions: VP HR & Organisational Development Electrolux Group Operations, HR & Communications Director Munters AB, Head of Human Resources Bahco Group
Board assignments: –
Education: Ekon Mag
Number of Shares: 2,000

Magnus Hamerslag
Head of Operations Development since 2011
Year of birth: 1973
Employed by Bravida since: 2008
Previous positions: Group leader, ÅF & SWECO. CEO of Erfator Projektledning
Board assignments: –
Education: Upper-secondary engineering qualification
Number of Shares: 12,000

Lars Korduner
CPO, Group since 2005
Year of birth: 1966
Employed by Bravida since: 2005
Previous positions: Purchasing Group Manager, Cramo AB, Sales and Business Development Manager at Cramo Sverige AB
Board assignments: Chair for Resultatfabriken AB
Education: Business Administration and Accounting and Finance
Number of Shares: 20,325

Magnus Liljefors
Chief Legal Officer since 2010
Head of Acquisitions since 2017
Year of birth: 1963
Employed by Bravida since: 2005
Previous positions: Lawyer, Advokatfirman Glimstedt. Chief Legal Officer, Nordisk Renting AB
Board assignments: –
Education: Bachelor of Laws, Master of Laws
Number of shares: 46,349

Anders Ahlquist
Head of Division South (Sweden) since 2013
Year of birth: 1966
Employed by Bravida since: 2008
Previous positions: Branch Manager, Wikströms VVS-kontroll. Head of Marketing, Bravida Division South
Board assignments: –
Education: Upper-secondary mechanical engineer
Number of Shares: 181,620

Sven Klockare
Head of National Division (Sweden) since 2017
Year of birth: 1959
Employed by Bravida since: 2002
Previous positions: Regional Manager, Bravida Specialist Stockholm Region. Planning Manager, Skanska. Project Manager, Byggnads AB Häggmark & Johansson. Branch Manager, consulting group HSB Stockholm. CEO, Erfator Projektledning and Bravida Säkerhet
Board assignments: Board member in the security industry
Education: Upper-secondary engineering qualification
Number of Shares: 13,500

Thommy Lundmark
Head of Division North (Sweden) since 2016
Year of birth: 1964
Employed by Bravida since: 1983
Previous positions: Long experience within Bravida, including as a project manager, branch manager and regional manager
Board assignments: –
Education: Upper-secondary engineering qualification
Number of Shares: 15,000

Lars Täuber
Head of Division Stockholm (Sweden) since 2019
Year of birth: 1967
Employed by Bravida since: 2019
Previous positions: Director Communication Eltel Sweden, Head of Business Area / CEO ISS Sweden, Head of Division YIT, Regional Manager ABB Contracting
Board assignments: Board member of Samhall AB
Education: Bachelor of Science (BSc.) in Control and Maintenance
Number of Shares: 7,100

Tore Bakke
Head of Division Norway since 2015
Year of birth: 1970
Employed by Bravida since: 2009
Previous positions: Branch Manager, Siemens AS. Regional Manager Region East, Bravida Norway
Board assignments: Chair of HeLa Bakke AS
Education: BSc in Engineering
Number of Shares: 66,332

Johnny Hey
Head of Division Denmark since 2017
Year of birth: 1967
Employed by Bravida since: 2007
Previous positions: Regional Manager, Bravida Denmark, Region North. Operational Controller, Falck Securitas AS. Head of emergency centre and several other services within G4S Denmark
Board assignments: Board member of TEKNIQ
Education: BA in Business Administration; MBA in Change Management
Number of Shares: 39,155

Marko Holopainen
Head of Division Finland since 2018
Year of birth: 1967
Employed by Bravida since: 2018
Previous positions: CEO of Consti Group Oyj, Consti Talotekniikka Oy and Koja Tekniikkaa Oy.
Board assignments: Member of employer association
Education: MSc in Engineering
Number of shares: 18,527

Alternative key ratios

The company presents certain financial indicators that are not defined under IFRS. The company considers that these indicators provide valuable additional information for investors and the company's management as they allow relevant trends to be assessed. Bravida's definitions of these indicators may differ from other companies' definitions of the same terms. These financial measures should therefore be regarded as complementary rather than replacing the measures defined under IFRS. These measures are defined and reconciled below. Calculations do not always tally because amounts in the table have been rounded to the nearest million Swedish kronor.

The IFRS 16 Leases standard has been introduced from 1 January 2019. The financial statements for previous periods and key ratios presented in this report have not been restated.

				IAS 17	
Reconciliation of key ratios, not defined under IFRS	**2021**	**2020**	**2019**	**2018**	**2017**
Net debt					
Interest-bearing liabilities	-2,597	-2,872	-3,035	-2,100	-2,701
Cash and cash equivalents	1,594	1,748	972	735	839
Total net debt	**-1,003**	**-1,124**	**-2,063**	**-1,365**	**-1,862**
EBITA					
Operating profit, EBIT	1,512	1,348	1,224	1,207	1,072
Amortisation and impairment of non-current intangible assets	0	2	3	4	6
EBITA	**1,512**	**1,351**	**1,226**	**1,211**	**1,078**
EBITDA					
Operating profit, EBIT	1,512	1,348	1,224	1,207	1,072
Depreciation, amortisation and impairment losses	432	434	417	33	34
EBITDA	**1,944**	**1,782**	**1,641**	**1,240**	**1,107**
Working capital					
Current assets	8,764	6,969	6,571	5,946	5,362
Cash and cash equivalents	-1,594	-1,748	-972	-735	-839
Current liabilities	-10,887	-8,728	-8,714	-7,120	-6,642
Lease, current liability	356	343	340	–	–
Short-term loans	1,603	1,350	1,495	800	1,001
Current provisions	287	226	144	169	172
Total working capital	**-1,471**	**-1,587**	**-1,136**	**-940**	**-946**
Interest coverage ratio					
Profit/loss before tax	1,456	1,274	1,151	1,191	1,019
Interest expense	51	47	51	32	46
Total	**1,507**	**1,320**	**1,202**	**1,223**	**1,065**
Interest expense	51	47	51	32	46
Interest coverage, multiple	**29.5**	**28.2**	**23.5**	**38.5**	**22.9**
Cash conversion*					
Cash flow from operating activities	1,437	2,171	1,599	1,052	1,038
Income taxes paid	210	244	154	219	95
Net interest income	56	74	73	16	54
Investments in machinery and equipment	-88	-34	-34	-12	-16
Adjusted cash flow from operating activities	1,615	2,455	1,792	1,275	1,171
EBITDA	1,944	1,782	1,641	1,240	1,115
Cash conversion, %	83	138	109	103	105

* A change in the cash conversion calculation was made during the year; see the definitions.

Definitions

Financial definitions

Average number of employees
Calculated as the average number of employees during the year, taking account of the percentage of full-time employment.

Return on equity
12-month rolling net profit/loss as a percentage of average equity.

EBITA*
Operating profit excluding amortisation and impairment of non-current intangible assets. EBITA is the key ratio and performance indicator that is used for internal operational monitoring. EBITA provides an overall view of profit generated by operating activities.

EBITA margin*
EBITA as a percentage of net sales.

EBITDA*
Earnings before interest, taxes, depreciation, and amortisation. EBITDA is a measure that the Group regards as relevant for investors who want to understand earnings generation before investments in non-current assets.

Effective tax rate
Recognised tax expense as a percentage of profit/loss before tax.

Equity per share, SEK
Equity attributable to equity holders of the parent company divided by the number of ordinary shares outstanding at period end.

Net financial income/expense
Total exchange differences on borrowing and cash and cash equivalents in foreign currency, other financial revenue and other finance costs.

Capital structure
(Net debt/EBITDA)

Net debt in relation to EBITDA, based on a rolling 12-month calculation. A good capital structure provides a solid basis for continued business operations. The capital structure should enable a high degree of financial flexibility and provide scope for acquisitions.

Cash flow from operating activities per share
Cash flow from operating activities for the period, divided by the number of shares at period end.

Cash conversion*
Cash conversion, operations, 12 months. Cash flow from operating activities adjusted for tax payments, net financial income/expense and investments in machinery and equipment in relation to EBITDA.

The key figure measures the share of profit converted into cash flow. The purpose is to analyse what percentage of earnings can be converted into cash and cash equivalents and, in the longer term, the opportunity for investments, acquisitions and dividends, with the exception of interest-related cash flows.

A change was made in the cash conversion calculation in Q4, and previous periods have been recalculated.

Net sales
Net sales are recognised according to the principle of accounting over time, previous revenues are recognised as the projects have been completed.

Net debt*
Interest-bearing liabilities (including leasing liabilities, excluding pension liabilities), less cash and cash equivalents. This key figure is a measure to show the Group's total interest-bearing debt.

Organic growth
The change in sales adjusted for currency effects, as well as acquisitions and disposals compared with the same period of the previous year. Sales from acquisition and divestments are eliminated for a period of 12 months from the date of acquisition or divestment.

Order intake
The value of new projects and contracts received, and changes in existing projects and contracts over the period in question. Includes both installation and service business.

Order backlog
The value of remaining, not yet accrued project revenues from orders on hand at the end of the period. Order backlog does not include service operations, only installation projects.

Diluted earnings per share
Profit/loss for the period attributable to shareholders of the parent company divided by the average number of outstanding ordinary shares after dilution.

Basic earnings per share
Profit/loss for the period attributable to shareholders of the parent company divided by the average number of outstanding ordinary shares.

Interest coverage ratio*
Profit/loss after financial items plus interest expense, divided by interest expense. This key ratio is a measure of how much earnings may fall by without interest payments being jeopardised or how much interest on borrowing may increase without operating profit turning negative.

Working capital
Total current assets, excluding cash and cash equivalents, minus current liabilities excluding current provisions and borrowing. This measure shows how much working capital is tied up in the business and may be set in relation to sales to understand how efficiently tied-up working capital is being used.

Operating margin
Operating profit/loss as a percentage of net sales.

Operating profit/EBIT
Earnings net financial income/expense and tax.

Equity/assets ratio
Equity including non-controlling interests as a percentage of total assets.

*Alternative key performance indicators used by Bravida; see page 134 for reconciliation.

Operational definitions

Service
Operation and maintenance, as well as minor refurbishment of installations in buildings and facilities.

Installation/contracting
The installation and refurbishment of technical systems in properties, facilities and infrastructure.

Technology area electrical
Power supply, lighting, heating, control and surveillance systems. Telecom and other low-voltage installations. Fire and intruder alarm products and systems, access control systems, CCTV and integrated security systems.

HVAC
(heating, ventilation and air conditioning)

Comfort ventilation and comfort cooling through air treatment, air conditioning and climate control. Commercial cooling in freezer and cold rooms. Process ventilation, control systems. Energy audits and energy efficiency through heat recovery ventilation, heat pumps, etc.

Technical area vs
(heating & sanitation)

Water, wastewater, heating, sanitation, cooling and sprinkler systems. District heating and cooling. Industrial piping with expertise in all types of pipe welding. Energy saving through integrated energy systems.

Other
Refers to other technical areas such as power, security, cooling, solar panels, energy optimisation, sprinklers, building automation and technical facility management.

History

2022 is a historic year for Bravida. We are celebrating a business that has been in existence for a hundred years – and will continue to evolve for another hundred years.

Bravida emerged from BPA, a Swedish building and installation company dating back to the 1920s.

Today's Bravida is created

Bravida as we know it today was formed in 2000 through a merger of BPA and the installation business of the Norwegian company Telenor. In 2003, Bravida established itself in Denmark through the acquisition of the Danish company Semco A/S. In 2005, Bravida's head office was moved to Stockholm.

In 2006, the private equity firm Triton became Bravida's new principal shareholder. In 2009, Bravida acquired Siemens Installation AS in Norway. In 2012, private equity firm Bain Capital became the principal owner of Bravida.

in 2015, Bravida acquired the Finnish Peko Group, thereby establishing operations in Finland. In the same year, the company was also listed on Nasdaq Stockholm.

April 2017 saw the creation of a new nationwide division in Sweden, National Division, encompassing Bravida's various specialist areas. In May of the same year Bravida acquired the leading heating, plumbing and ventilation operator in Norway, Oras AS.

Another hundred years

In 2020, Bravida began a journey towards a more sustainable customer offering. In 2022, we are celebrating 100 years and investing to create the customer solutions of the future. Now we've embarked on another hundred years!

- **1922** Twelve building guilds form the basis for the Swedish company BPA
- **1967** The limited liability company BPA Byggproduktion AB is formed
- **1986** BPA shares are listed on the Stockholm Stock Exchange
- **1993** Installation services become the company's main business area
- **1999** BPA shares are delisted
- **2000** BPA and the Norwegian company Telenor's installation business are merged to form Bravida
- **2003** Bravida establishes operations in Denmark
- **2004** The business is focused on the core areas of electrics, heating and plumbing and ventilation
- **2006** The private equity firm Triton becomes the new principal shareholder
- **2012** Private equity firm Bain Capital becomes the new principal shareholder
- **2015** Bravida establishes business in Finland
- **2015** Bravida is listed on Nasdaq Stockholm
- **2019** Bravida's sales exceed SEK 20 billion
- **2020** Bravida establishes a new low-carbon end-to-end offering and sustainable business operations
- **2022** Bravida celebrates its 100th anniversary

Addresses

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Six reasons to invest in Bravida

Bravida is well positioned for the future
Properties account for a significant percentage of the world's greenhouse gas emissions. Its customer offering gives Bravida a clear role in the transition to a more sustainable society. Several trends indicate a greater need for service and installation over the coming years: Demands for efficient energy usage are growing and technological developments are creating new opportunities in properties. And significant public investment is being made in the Nordic region, including in infrastructure, health care and education.

A solid company with low risk
Bravida has significant risk diversification. Around half of the business consists of recurring service and maintenance work. With more than 65,000 customers, we aren't dependent on any one assignment or project. Together, this provides a high degree of predictability and stability for sales.

Bravida grows – but only if it's profitable
We have excellent growth prospects, but we don't want to grow at any price. We only take on assignments with calculable risks and we always prioritise margins over growth. This generates results. Over the past 10 years, we have almost doubled our sales while maintaining profitability.

The Bravida Way allows for continual improvement and profitability
Bravida's business model and approach, the Bravida Way, is based on the key principle that our local branches are at the heart of our business. Each local branch is responsible for its own earnings. They are supported by Bravida's group-wide tools and methods. Continual follow-up ensures that together we create a profitable business with good cash flow.

Acquisitions make us stronger
Our market in the Nordic region largely consists of lots of small companies, giving us a basis for long-term growth through acquisitions. We mainly acquire companies that complement our offering locally. Acquisitions also provide us with greater opportunities to achieve synergies in the business.

Strong cash flows provide a basis for dividends
Bravida's cash conversion has remained stable for many years. One of Bravida's financial targets is to distribute at least 50 percent of net profit as dividends to shareholders.

bravida