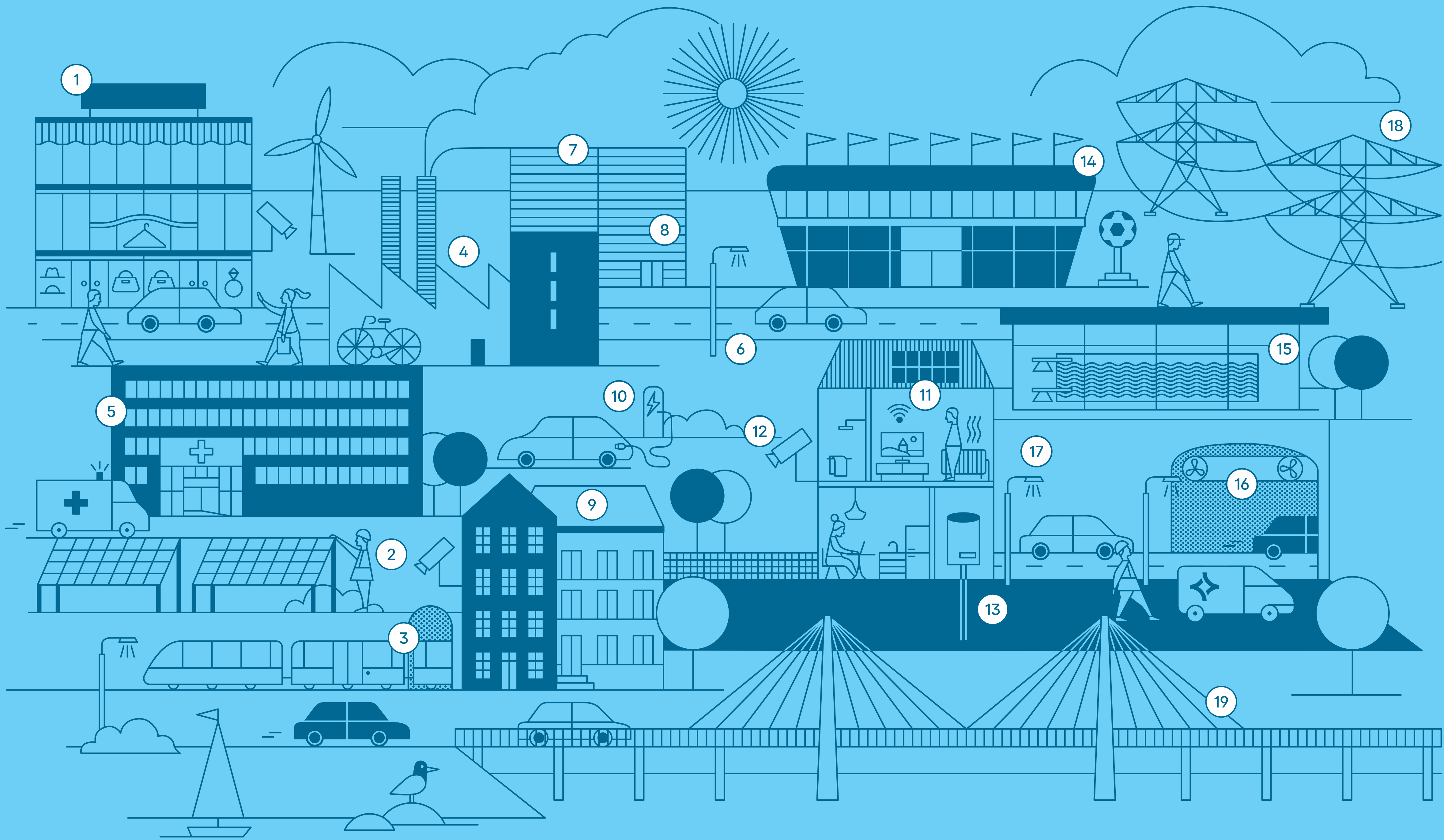
Annual Report including Sustainability Report 2020

Technology solutions for a thriving society

Bravida provides all the technical functions that bring buildings to life. We help our customers create well-functioning properties and pleasant environments while achieving their emissions reduction targets.



1. Shopping centres
Large shopping centres accommodate lots of people. We create sustainable installation solutions and carry out service work in all our areas of technology.

2. Solar panels
Interest in renewable energy has grown significantly in recent years. Bravida helps customers with both the installation and service of solar energy facilities.

3. Railway power supply
These systems include overhead contact lines and substations where AC is converted to 15,000 V DC for train services.

4. Industry
We have extensive experience of installation assignments in industrial environments with ongoing production. Bravida offers comprehensive installation solutions, operation and energy efficiency services.

5. Hospitals
Hospitals are examples of buildings with some of the highest concentrations of installations. They also have extremely strict requirements on safety and functionality.

6. Infrastructure
We work on a wide range of large infrastructure projects, including road tunnels, railway technology and underground rail systems.

7. Data centres
The equipment in data centres and server rooms radiates heat. Creating a stable indoor climate and minimising energy consumption requires cooling and efficient installation solutions.

8. Process cooling
Our cooling solutions can be used for industrial processes, food storage and ice rinks, among other things.

9. Automation
Automated control of industrial processes, and the management and regulation of a property's technical systems. The aim is to achieve optimal operational reliability and energy efficiency.

10. Charging points
The electric car market offers significant potential, but it needs charging stations. We are helping both install and maintain charging points.

11. Comprehensive residential solutions
Our installation solutions for homes include electrical, heating and plumbing, and HVAC functions, but also energy recovery, lifts, fire prevention and security systems, as well as telecom and data networks.

12. Security systems
We supply security functions such as entry control, video surveillance, intrusion alarms and fire alarms, as well as integrated end-to-end solutions.

13. Geothermal heating
This utilises the stable temperature of groundwater (6–8°C) to produce space heating and hot water using a heat pump.

14. Arenas and stadiums
We provide installations and maintenance at a number of arenas and stadiums. They have significant installation demands, in terms of adapting to requirements and accommodating events with large audiences.

15. Indoor swimming pools
Technical solutions for indoor swimming pools have to meet stringent requirements. Bravida has extensive experience of installations and maintenance of swimming pools.

16. HVAC systems
HVAC systems are important in lots of places. In road tunnels, for example, it's vital that air quality is maintained at a stable level.

17. Lighting
We install lighting solutions in places such as arenas and stadiums, car parks and road tunnels, from electricity supply to installing fittings.

18. Electrical substations
Electrical substations direct electrical power safely to various regions and consumers in society. Where necessary, the voltage is transformed from higher to lower levels.

Production and copy: Korp Kommunikation AB
Design: Identity Works AB
Photos: Petter Karlberg (p. 9, 12, 19, 24, 32, 33, 38, 39, 40, 45, 47, 57, 62)
Peter Cederling (p. 18, 21, 26, 36, 41, 45, 47, 50, 58)

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 in 2020

We bring buildings to life, 24 hours a day, 365 days a year

Bravida is the Nordic region's leading provider of sustainable end-to-end solutions for electrical systems, heating and plumbing, HVAC and other technical functions in properties and facilities. We have 12,000 employees and branches in 183 locations across the Nordics, with annual sales of SEK 21 billion. Bravida shares are listed on Nasdaq OMX Large Cap in Stockholm.

We are Bravida.

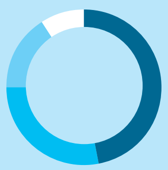
This is Bravida

Bravida is the Nordic region's leading provider for the service and installation of electrical, heating and plumbing, HVAC and other technical functions in properties and facilities.

What we do

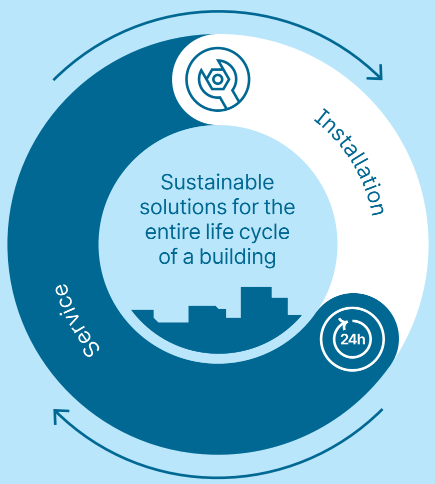
Bravida helps customers find sustainable solutions for their properties. We are experts in the technical functions of properties: electricity, water, HVAC, heating, cooling, security and much more. We design, install and offer long-term service. We ensure the technology functions cohesively throughout the life cycle of a property.

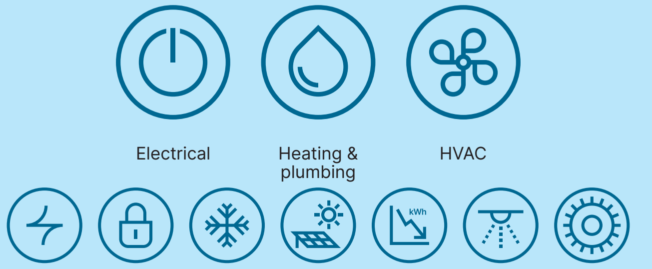
We bring buildings to life.



Breakdown by technical area

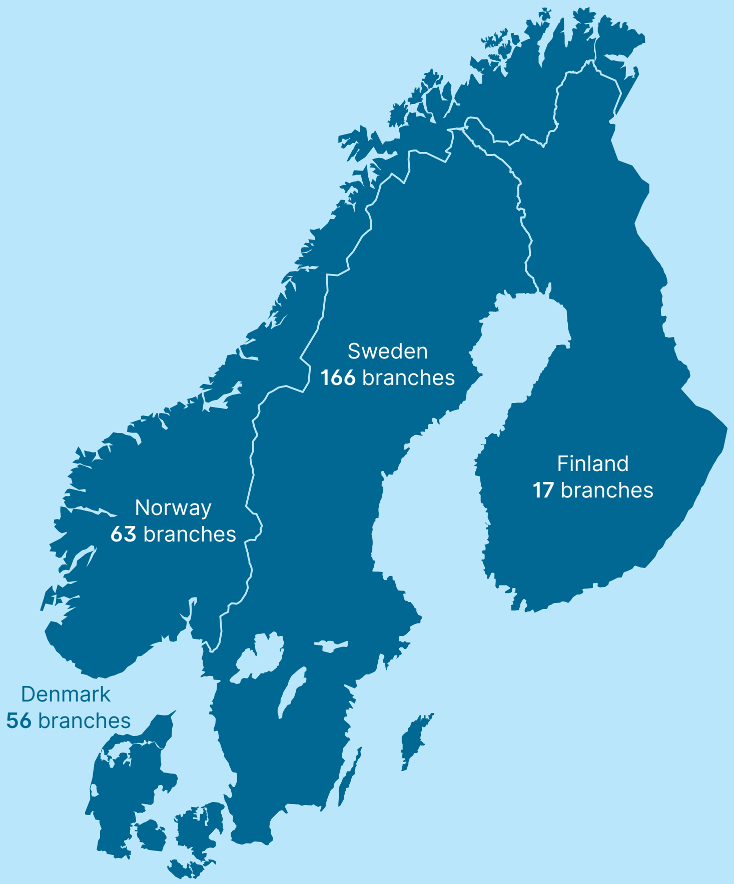
- 47% Electrical
- 28% Heating & plumbing
- 16% HVAC
- 9% Other





Our locations

A local presence is vital for our business. Our 12,000 employees help our customers through 302 branches in Sweden, Norway, Denmark and Finland.



45%
Service

17%
Installation
Refurbishment and remodelling

38%
Installation
New-builds

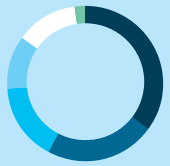
12,000
employees

Our vision

Bravida enables customers to leverage the full potential of their buildings. Through service and installation, we bring buildings to life – leading the way towards a sustainable and resilient society.

How we help our customers

Bravida assists its customers by creating well-functioning properties and facilities and helping them achieve their emissions reduction targets. 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

- 35% Construction companies
- 23% Other commercial
- 16% Public sector
- 13% Property companies
- 11% Industry
- 2% Private individuals

Sales by project size

- 11% > SEK 50 million
- 23% SEK 10–50 million
- 26% SEK 1–10 million
- 40% SEK 0–1 million

24/7
365 days a year

65,000
Customers

The facilities we mainly work on

16%
Apartment buildings, of which new-builds 8%

15%
Industry

13%
Offices

11%
Health and social care

8%
Education

7%
Infrastructure

The year in brief

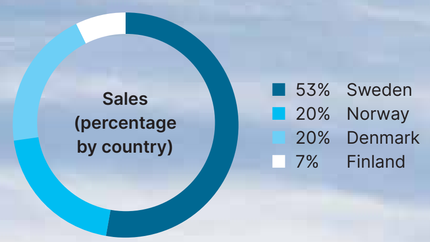
2020 was an unusual and challenging year. But despite the pandemic, Bravida achieved its best ever earnings, ending the year with sales of SEK 21.1 billion and an EBITA margin of 6.4%. We're now looking ahead.

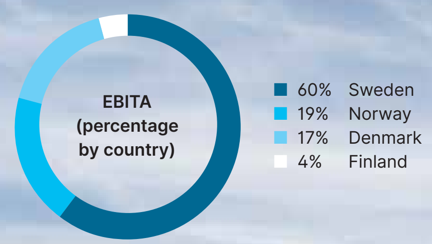
+6%
Sales growth, excluding foreign-exchange fluctuations

6.4%
EBITA margin

153%
Cash conversion

4.94 SEK
Earnings per share





Important events in 2020

+10%

Improved EBITA
Despite the pandemic and its impact, Bravida's EBITA increased by 10 percent in 2020. This was the result of focused measures to improve profitability in the Stockholm region and Finland.

+36%

Improved cash flow
In 2020 Bravida achieved its best ever cash flow, at SEK 2,171 million, from operating acitivites. This was a 36 percent increase on 2019.

16

Acquisitions in 2020, including solar panels
During the year 16 acquisitions were made, totalling SEK 788 million. Through acquisitions, Bravida has now established a new technical area of solar panels in Sweden and Finland.

+18%

Sales growth in Finland
Bravida has worked hard for a number of years to boost the profitability of its Finnish business. The business made real progress in 2020, delivering an EBITA margin of 4.0 percent and growth of 18 percent.

LTIR: 8.6

Lowest ever occupational injury rate
We have introduced significant systematic health and safety measures in recent years. In 2020, the occupational injury rate (LTIR: lost time injury rate) decreased to 8.6 (10.4), a substantial reduction of 17 percent on 2019's rate. The rate decreased in all countries.

23%

High total shareholder return
2020 was a good year to be a Bravida shareholder. Total shareholder return, i.e. share price growth plus dividend, was 23 percent.

Bravida: an investment in the future

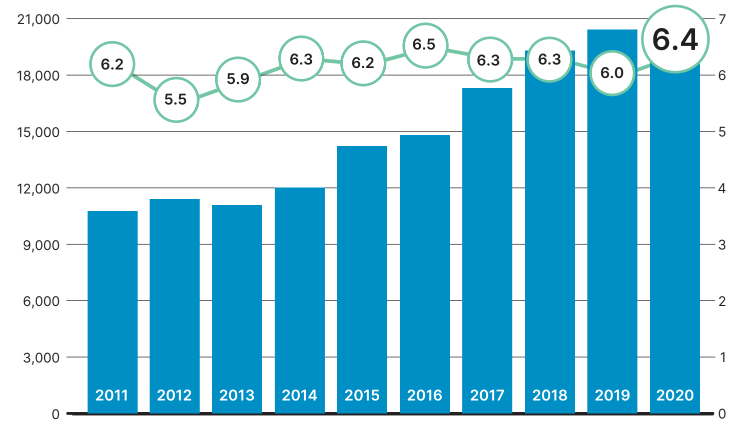
Bravida has delivered solid earnings for its shareholders for some time. Moving forward, we have a clear role in the transition to a sustainable society.

Five-year overview, key figures (SEK million)	2016	2017	2018	2019	2020
Net sales	14,792	17,293	19,305	20,404	21,147
Operating profit (EBIT)	944	1,072	1,207	1,224	1,348
Operating margin, %	6.4	6.2	6.3	6.0	6.4
EBITA*	958	1,086	1,211	1,226	1,351
EBITA margin, %*	6.5	6.3	6.3	6.0	6.4
Profit/loss after tax	674	820	956	884	997
Cash flow from operating activities	428	1,038	1,052	1,599	2,171
Order backlog	8,644	10,271	11,992	14,485	13,791
Occupational injury rate (LTIR)	11.0	11.0	11.0	10.4	8.6
Sickness absence, %	5.4	5.1	5.0	4.9	5.8
Total CO_2 emissions from service vehicles and company cars, tonnes**	18,589	20,989	23,376	23,634	24,685
Change in fuel-related CO_2emissions/km compared with previous year, %***	-6.5	3.9	0.4	-6.0	0.9

*Adjusted for specific costs 2016–2017.
**Total CO_2 emissions for 2016 and 2017 include vehicles from business operations in Sweden, Norway and Denmark.
***Change in CO_2 emissions/km in 2016 and 2017 relates to Bravida's vehicle fleet in Sweden.

Growth and earnings performance

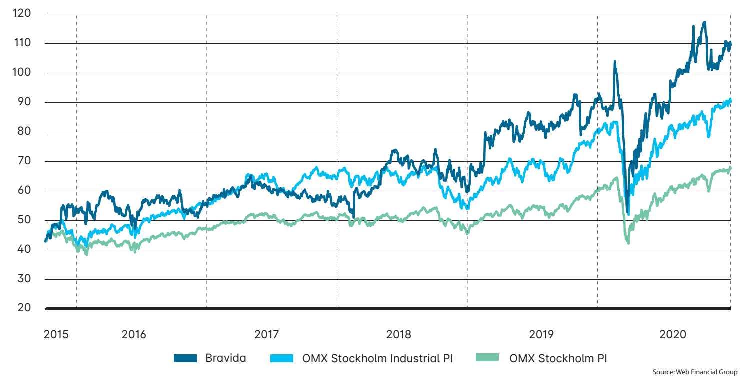
Over the past 10 years, Bravida has delivered a stable and increasing EBITA margin*. Over the past five years, our average sales growth has been 9 percent a year, 2 percent of which was organic growth.



*Adjusted for specific costs in 2016–2017.

Bravida shares

Over the past five years Bravida shares have generated total shareholder return of 116 percent.



Looking to the future

Bravida is successfully weathering the storm of the pandemic. Our strong balance sheet means we can now focus on developing our business and look to a future of new opportunities.

About

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 thing about 2020: It has been brilliant to see our employees pull together and deliver great results in the difficult circumstances of the pandemic.

Goal for 2021: Continue making Bravida even better in terms of profitability and sustainability, and adapting to the green transition of society.

The year 2020 is over and so far Bravida has coped well through the pandemic. Once again, our decentralised business model, the Bravida Way, has demonstrated its strength. It has allowed us to quickly scale our business up and down to adapt to prevailing demand. But above all, our employees have risen to the occasion and shown their strength, resilience and loyalty to Bravida and our customers. As we begin 2021 amid continued uncertainty, we are an even stronger team with confidence in the future.

Strong balance sheet supports future plans

Despite an unsettled market, 2020 saw us achieve our best ever earnings, with an EBITA margin of 6.4 percent. And we ended the year with growth of 4 percent and robust cash conversion of 153 percent. This was in the face of local challenges relating to lockdowns, profitability and sickness absence.

Our balance sheet is at record strength, with low debt. This gives us the flexibility to cope with crises and make investments for the future. Our healthy finances also allowed us to increase our dividend to shareholders once again. You can read more about this on page 60, along with our CFO Åsa Neving's other reflections on the past year.

I will focus on relating more about our future plans. The world is changing and Bravida is adapting. Although the pandemic isn't over, we see great potential in societal development linked to climate, sustainability and digitalisation in the long term. We also aim to achieve our profitability target of 7 percent. So during the year we developed a new business plan and introduced major initiatives to help take our business to new levels over the next few years.

A new vision for a new time

Limiting global warming is crucial to our collective future. We know that properties account for a significant percentage of the world's greenhouse gas emissions. A key part of our customer offering is making properties more energy efficient. This gives us a clear role in the transition to a climate-neutral society. But our ambitions are greater than that. Bravida aims to be a standard-bearer in our industry, and the company that others look up to and emulate.

As part of our strategic work, we have formulated a new vision: "Bravida enables customers to leverage the full potential of their buildings. Through service and installation, we bring buildings to life – leading the way towards a sustainable and resilient society."

As we lead the way in our industry, we will remain our customers' first choice. The first step is to have the best customer offering on the market, helping clients create good buildings and achieve their climate goals.

Sustainable solutions for the entire property life cycle

Customers increasingly want help with creating properties and industrial facilities that are both energy efficient and digitally smart. This requires an end-to-end approach from the outset. Most customers currently only purchase services from one technical area within Bravida.

We see a significant opportunity to help our customers more effectively. I want every Bravida customer to have access to the full scope of our offering. When Bravida is involved from the design phase of a construction project we can plan how the property should function for the long term. How will the property be used? What functions are needed? How will the installations interact as an effective and cohesive system?

We offer installations across all technical areas, as well as coordinating these functions. Our service business then supports the property through its life cycle. This improves and simplifies property construction and management for customers and provides reassurance throughout the process.

A transformative journey ahead

Bravida is now embarking on a journey to a more sustainable and digital end-to-end offering. Our new business plan involves all of Bravida's employees; from individual service technicians and fitters to our managers and leaders. Moving forward, we will be increasing our branches' specialisation so that more employees can focus fully on what they enjoy most. We are also increasing our emphasis on internal cooperation between our technical areas, branches and employees. This creates a cohesive offering for customers over the entire property life cycle.

Investing in our future

To get to where we want to be, we are currently making significant investments in terms of time and money. We are making a real effort to improve our own working methods, to create more dynamic customer relationships, better project management systems and digital sales support for our service technicians.

We are also investing to create future customer solutions, in which renewable energy, energy optimisation, digitalisation and proactive maintenance are key. In recent years we have seen demand for solar panels, electric vehicle charging infrastructure and other sustainable services create new opportunities for growth. From 2021 onwards the new EU taxonomy will place additional emphasis on those aspects of our business that contribute significantly to the transition of society. Through strategic acquisitions and cooperation we are now positioning Bravida to continue developing our sustainable customer offering.

Sustainable ambitions for our own organisation

In 2015 we established our first sustainability strategy. Since then we have made a lot of progress, but much remains to be done. We have begun switching our vehicle fleet to fossil-free energy sources. In purchasing, our cooperation with suppliers is resulting in more installation products being environmentally rated. Our occupational injury rate has decreased by 21 percent in five years. However, the most challenging part of the journey is yet to come.

That is why, as part of our strategic work, we adopted a new sustainability policy in February 2021. Along with our vision, this policy clarifies the aim and direction of our work moving forward.

Our future journey starts now, but foundations remain the same

Bravida is undertaking a transformation that will take us to an entirely new market position within a few years. Intensive work is underway throughout the company. We are investing, developing, digitalising and improving.

But our business concept is ultimately based on the same foundations as always. We help customers create better properties and industrial facilities. We install and maintain electrical, heating and plumbing, HVAC and other technical functions. Margin always takes precedence over volume, even in a tougher market.

That's how we have created the profitable, solid business we have today. And it is from these firm foundations that we are now taking Bravida into the future.

Mattias Johansson
President and CEO
Stockholm, 2021

Targets & outcomes

Target	Description	Outcome for 2020

EBITA margin

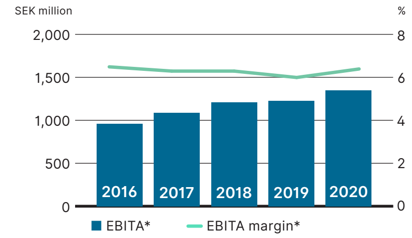
> 7%

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

6.4%

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

*Adjusted for specific costs in 2016–2017.



Sales growth

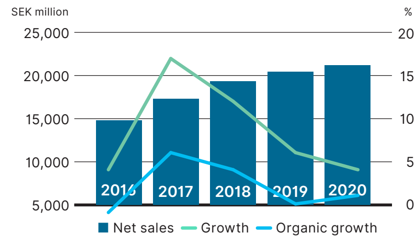
> 5%

per year

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

4%

(6 percent excluding foreign-exchange fluctuations) Sales have increased by an average of 9 percent over the past 5 years.



Cash conversion

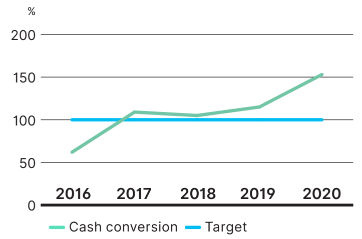
> 100%

12-month EBITDA* +/- change in working capital and investment in machinery and equipment in relation to 12-month EBIT.

*Excluding IFRS 16 Leases.

153%

Average cash conversion for the past five years totalled 109 percent.



Net debt/EBITDA

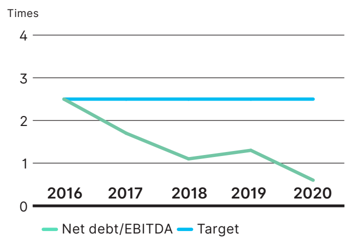
< 2.5x

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.

0.6x

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



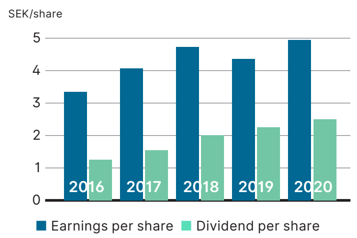
Dividend policy

> 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.

51%

Proposed dividend of SEK 2.50 per share corresponds to a total of SEK 507 million.



Target	Description	Outcome for 2020

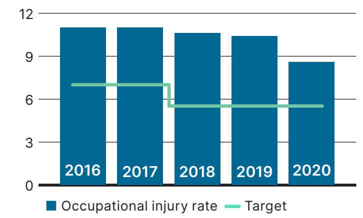
Occupational injury rate LTIR

< 5.5

LTIR, lost time injury 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 goal is to achieve a LTIR of less than 5.5 by 2023.

8.6



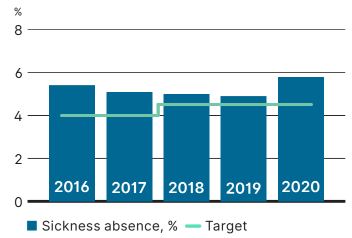
Sickness absence

< 4.5%

Total hours of sickness absence in relation to planned working hours

We work systematically to create a safe, pleasant working environment. The goal is to reduce sickness absence to below 4.5 percent.

5.8%



CO_2 emissions

-3%

Change in fuel-related CO_2 emissions per kilometre driven compared with previous year.

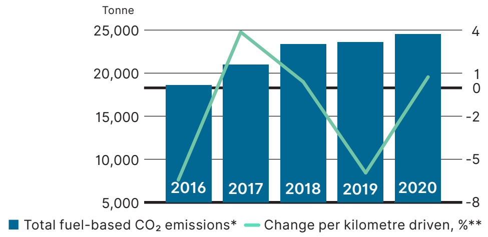
New target from 2021: -10% per year

Bravida aims to reduce the carbon footprint of its own business operations every year.

*Total CO_2 emissions for 2016 and 2017 include vehicles from business operations in Sweden, Norway and Denmark.

**The change in CO_2 emissions/km in 2016 and 2017 relates to Bravida's vehicle fleet in Sweden.

0.9%



Percentage of evaluated suppliers

100%

Percentage of suppliers in Sweden* with billing over SEK 100,000 that have conducted a sustainability self-assessment.

Bravida endeavours to ensure its suppliers meet the requirements of its code of conduct.

*Work is underway to determine how supplier assessments should be conducted in future and to apply a structure for the entire Group.

40%

Follow-up is carried out every other year, most recently in 2019.

eNPS – employee Net Promoter Score

10

eNPS: employee Net Promoter Score

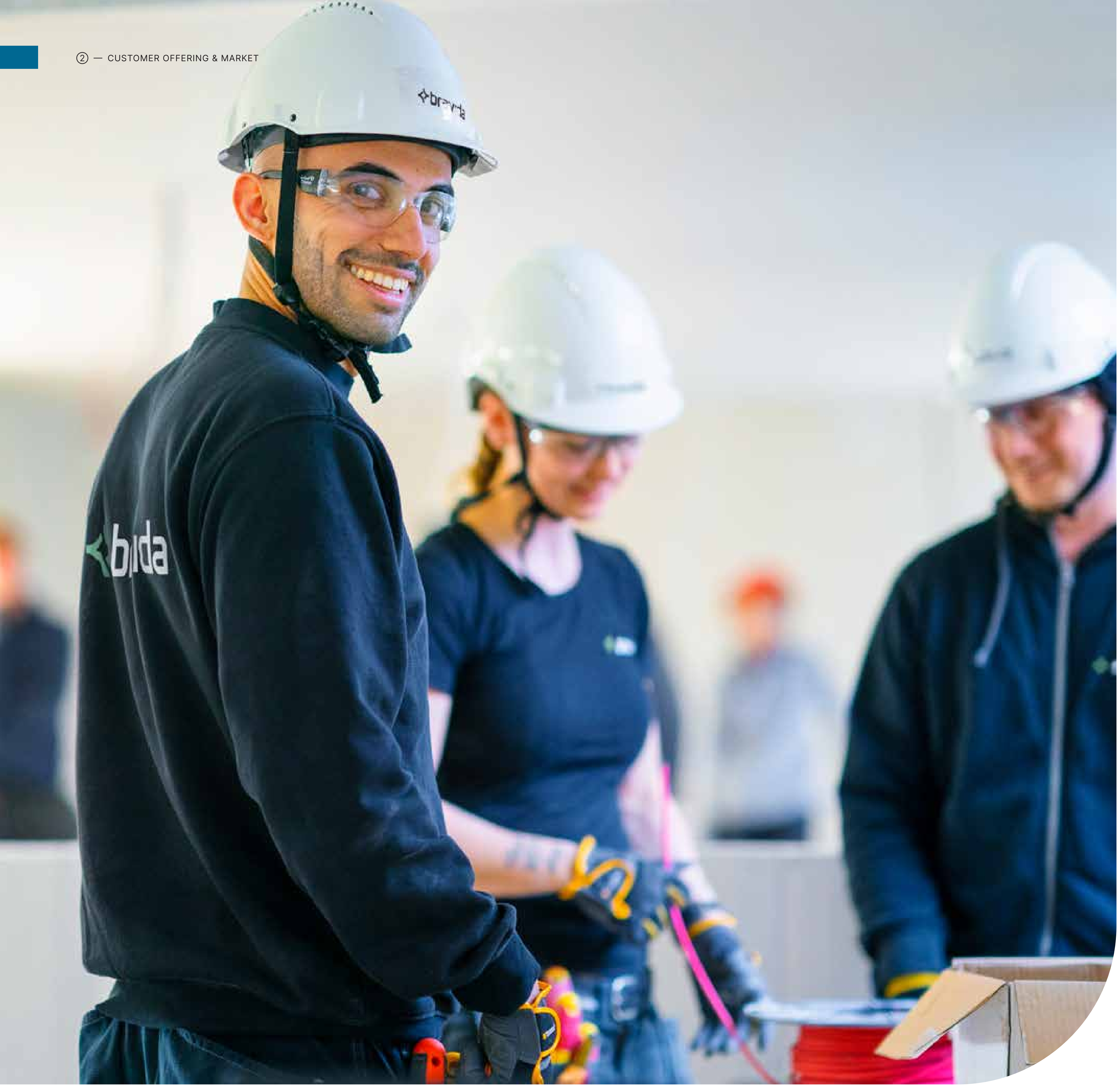
New target from 2021: eNPS > 20 by 2023

Bravida aims to have a large proportion of employees who recommend us as an employer.

The eNPS scale goes from -100 to 100. According to survey company Brilliant, the industry average is 22 for the Construction sector.

8

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



Hashem, Service Technician,
Bravida Sweden

2

Customer offering and market

Society is transitioning, as are our customers. This means a significant change in the market, but also significant opportunities. We want to help every customer realise the full potential of their properties. →

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

We ensure our customers' properties function cohesively

In Bravida, our customers have a partner that looks after all technical functions. We create sustainable solutions throughout the entire property life cycle.

Buildings and industrial facilities have all kinds of technical functions. Electricity, water, HVAC, heating, cooling, security, automation, solar panels, lifts and fire safety. Everything has to work seamlessly throughout a property's life cycle.

This demands professional project design, effective implementation of construction projects and sustainable installations. Once a property is complete, the tenants should be satisfied, operation has to be seamless and maintenance should be regular.

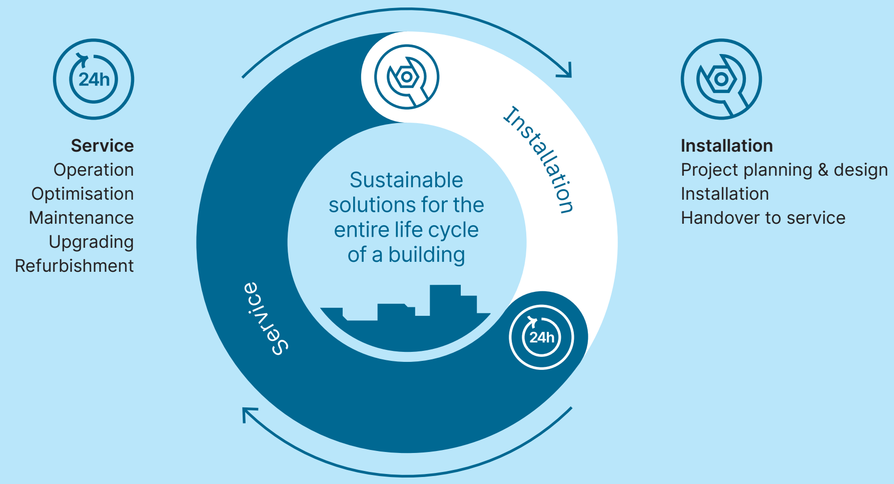
Taking care of all this could normally require 10 different suppliers. Bravida, however, believes one is enough.

Bravida brings buildings to life

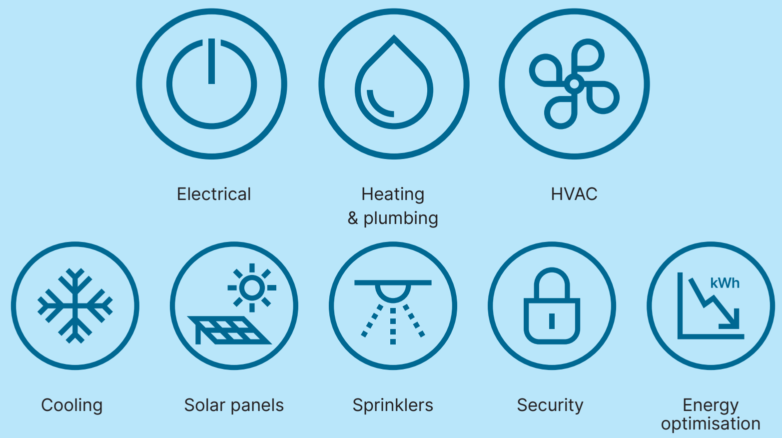
Bravida ensures all technical fittings work cohesively throughout the life cycle of a property. We are a partner and advisor to our customers. We create end-to-end solutions that make the complex simple and boost the value of properties. We always work closely with our customers, listening attentively and suggesting solutions. We help our customers make sustainable choices. Above all, we keep our promises and take responsibility for our work.

And having Bravida as the supplier makes this work a lot easier. We bring buildings to life.

We are specialists in the technical functions of buildings



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.

Cooling. Design, installation and service of all types of cooling systems, including systems based on HFCs, CO_2, propane and ammonia, as well as energy optimisation.

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

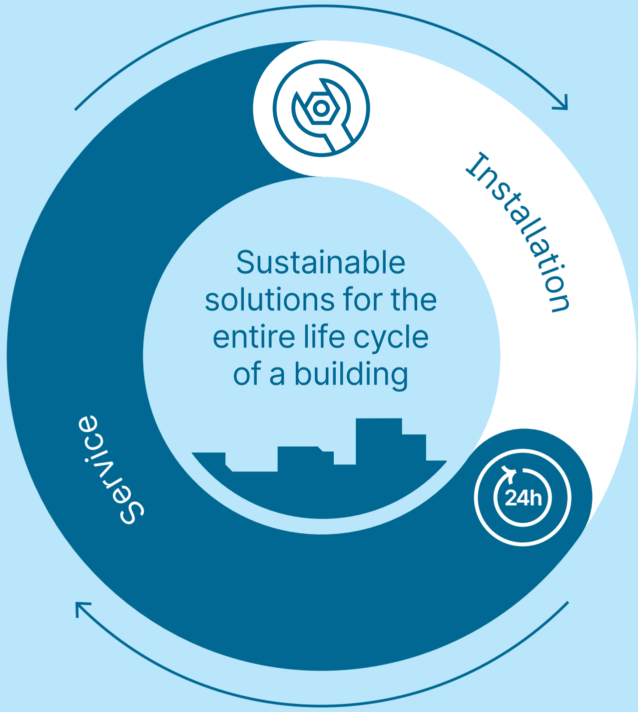
Sprinklers. Everything relating to sprinkler systems: project planning, design and documentation, remodelling and expansion, and regular maintenance.

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

Energy optimisation. A diagnostic energy audit of all of a property's technical installations that results in a maintenance and energy plan with both short- and long-term measures.

Sustainable solutions for the entire life cycle of a building

Bravida ensures the technical solutions in properties and industrial facilities work cohesively. But what does that mean in reality? Here we showcase some of our customer projects, over the entire property life cycle.



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Service of hospital facilities during the pandemic

In the current conditions, Bravida sometimes needs to take additional measures to prevent spreading coronavirus, for instance at Haraldsplass Diakonale Hospital in Bergen. Service Manager Bjørn Forstad-Solberg and his colleague Magne Solberg are shown here in full personal protection equipment, troubleshooting UVC lamps used for disinfecting isolation areas for infected patients.

© Cubo Arkitekter

Comprehensive energy-related work on university properties

When Aarhus University decided to renovate the Bartholin complex, Bravida was tasked with the technically challenging assignment to refurbish the office and laboratory buildings. The project includes an extensive package of technology, comprising exterior energy-related upgrade work and total refurbishment of the interior, including making laboratories and offices more environmentally sustainable. The project is due to be completed in 2022.

© Content Innovation

Sustainable installations for swimming centre

Enköping's new swimming and leisure centre, Pepparrotsbadet, is due to be completed in 2021. The project has a strong emphasis on sustainability and Bravida is responsible for installing the centre's electrical, ventilation, heating and plumbing systems. Project manager Henrik Wall explains Bravida's involvement. "We're doing a lot of work relating to recycling energy. For instance, a lot of waste heat is generated from cooling systems in the gym, the office and the adjacent ice rink. We're ensuring that waste heat is used to heat the water in the swimming pool."

Service and installation market trends

A number of megatrends are impacting the market: population growth, an increasing emphasis on sustainability and technological development are creating new opportunities. This is having knock-on effects for our industry. Bravida is seeing several strong trends that are driving demand for its services.

Katarina and Victoria, Service Technicians, Bravida Sweden

Katarina, Service Technician, Bravida Sweden

⊕ Increased requirements for energy-efficient buildings

Properties have a significant carbon footprint, both from their construction (materials and transportation) and their use (energy consumption and emissions). The Nordic region is seeing growing requirements for sustainable, energy-efficient properties.

- Highly efficient, sustainable installation solutions are needed in all properties, both new-builds and refurbishment projects. A large percentage of properties in the Nordic region need to be refurbished to meet growing energy efficiency requirements.
- Regular service and maintenance of technical installations reduce energy consumption and extend the life of existing properties.
- There is growing demand in the market for the installation and service of solar panels, geothermal heating and other solutions for transition to sustainable sources of energy. Charging infrastructure for electric vehicles needs to be built on a large scale.

Bravida is well positioned to support customers and develop its offering to meet this demand.

⊕ Increased demand for end-to-end solutions

Smart, energy-efficient properties place stringent demands on their technical functions, which increasingly have to work cohesively and be controlled digitally. Interest in end-to-end solutions has grown in recent years. Many customers want to purchase all technical installation and service from a single supplier: consulting, project planning, coordination and subsequent service across all technical areas.

Bravida also experiences greater demand for end-to-end solutions. We aim to be involved from the planning stage in order to create effective construction projects. This allows us to coordinate different types of installations to ensure we create a cohesive system. And through regular service we ensure the installations work correctly over the long term.

Digitalisation is improving cooperation in installation projects and enabling real-time tracking of progress.

⊕ Technical developments and digitalisation increase abilities to manage properties

Technological developments offer new opportunities for the service and installation industry. This applies both to the construction process and the completed property.

The construction process: Digitalisation improves cooperation on installation projects, 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 assignments relating to advanced technical solutions.

The Nordic service and installation market

Bravida operates on the Nordic service and installation market. The size of the market decreased slightly in 2020 as a result of the Covid-19 pandemic.

Bravida operates on the Nordic market for the service and installation of technical functions in buildings, industrial facilities and infrastructure. Bravida's core market was worth around SEK 286* billion in 2020. Bravida has a market share of over 7 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 in small installation and service assignments within one particular technical area. 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 expertise and sufficient financial capacity.

Market performance

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.

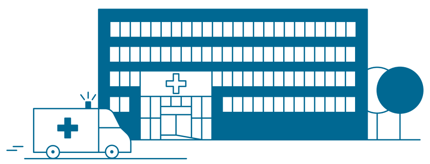
The service market is less sensitive to fluctuations in the economy, as service and maintenance are needed to ensure fittings work correctly and last for a long time in existing properties and industrial facilities.

Market performance in 2020

Since the outbreak of the pandemic, the market has performed differently and not followed its usual pattern in an economic downturn. Service demand decreased in 2020 owing to customers closing their premises to external visitors as a precaution.

Bravida's overall market decreased by around 1 percent in 2020. Service declined by approximately 5 percent, while the installation market was stable and grew by about 1 percent.*

*Prognosesenteret, December 2020.



⊕ 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

Viktoria and **Emelie**, Service Technicians, and **Erkan**, Project Manager, Bravida Sweden

SEK 286

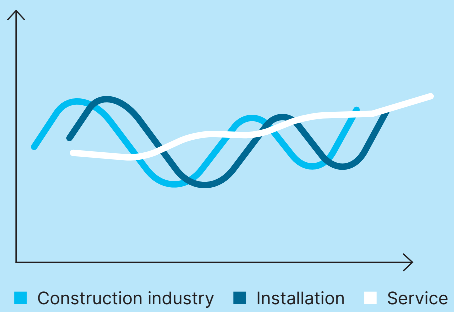
bn, Bravida's core market, Sales in 2020

7%

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. The economic downturn of 2020, however, did not follow the usual pattern. The market has declined due to customers shutting their premises 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's customers and assignments
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.

Most of our customers belong to one of three large categories:

- Building contractors 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.

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

Bravida's sales mainly consist of a large number of small and medium-sized projects and assignments. Of Bravida's more than 65,000 customers, no individual customer accounts for more than 4 percent of Bravida's sales, which provides for significant risk diversification.

In 2020, our three largest customers accounted for 10 percent of net sales. All three are large construction firms with numerous different projects and points of contact. Many of our clients are recurrent customers. Of those customers that accounted for sales over SEK 5 million, 94 percent were also customers in 2019.

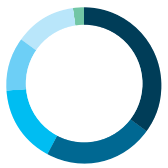
Additional stability is provided by our numerous orders from the public sector, which is less dependent on economic conditions.

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 Group's economies of scale. Moreover, with its size and coverage, the Bravida Group is also able to compete against other major international operators for large projects. We therefore adopt a strategic, targeted approach to be the largest or second-largest in every location where we operate.

Broad, diverse customer base

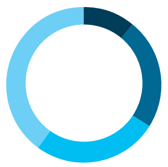
65,000

customers



Customer groups

- 35% Construction companies
- 23% Other commercial
- 16% Public sector
- 13% Property companies
- 11% Industry
- 2% Private individuals



Sales by project size

- 11% > SEK 50 million
- 23% SEK 10–50 million
- 26% SEK 1–10 million
- 40% SEK 0–1 million

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Bravida installs Northern Norway's largest solar array

Demand for low-carbon electricity generation is growing, including north of the Arctic Circle. In 2020 Bravida Norway delivered a facility that makes use of the region's midnight sun.

Demand for the installation and service of low-carbon electricity generation has expanded steadily in recent years, and green technology accounts for an increasing proportion of Bravida's offering. Bravida's experience and expertise grow with each assignment. In 2020 we installed a facility that is now generating locally produced green electricity.

Northern Norway's largest solar array is in place on the roof of the University of Tromsø's teacher training institution. The array, manufactured by Solbes, has 720 solar modules covering an area of around 1,200 m². It was switched on in June 2020 and is expected to produce 108 MWh of electricity in its first normal year of operation. Electricity is generated from the end of April until early November.

The solar array is located in an area with challenging weather conditions, placing stringent requirements on the materials used. But it also allows electricity to be generated from the region's midnight sun. The assignment provided Bravida with unique experience in large solar panel systems in the Nordic climate.

Local markets

Sweden
Mattias Johansson

SEK 97 bn Market sales

11% Bravida's market share

#1 Bravida's market position

How did the service and installation market perform in your country in 2020?

"Despite the pandemic, we continued to be involved in a large volume of tenders and order intake was high. The market wasn't as affected as we feared in the spring of 2020. The service market during the year was impacted by some customers closing their premises. This is hopefully only a short-term effect; in the longer term we believe service will grow more than installation.

"The installation market remained healthy in 2020. There has been a slight slowdown in the last quarter, but that was from a high level. We believe the pandemic's impact on the order backlog has been small."

What major trends are affecting your local market at the moment?

"Sustainability requirements have increased and we're seeing customer demand for green options for materials, smart energy solutions and lower-carbon transportation, as well as a good work environment for our employees.

"Another key trend is the growth in project partnering. A lot of customers want us to be involved at the early stages of projects so that as a contractor we can help find cost-effective solutions."

Sweden, SEK million	2019	2020
Sales	10,664	11,313
EBITA margin	6.8%	7.1%
Share of Group's EBITA	59%	60%
Share of Group's net sales	52%	53%
Main competitors	Caverion, Assemblin, Instalco, Eitech and Midroc Electro.	

Norway
Tore Bakke

SEK 74 bn Market sales

5% Bravida's market share

#1 Bravida's market position

How did the service and installation market perform in your country in 2020?

"It's been a very unusual year. At the start of the year the market was solid with a good outlook. Since the lockdown in Norway on 12 March the market has been more challenging.

"Measures to prevent the spread of infection led to many of our service assignments being postponed. In installation we're seeing a decrease in the construction of both new apartments and office buildings. The refurbishment and remodelling market is relatively solid."

What other major trends are affecting your local market at the moment?

"Public investment in Norway is currently at a high level, particularly in transport and health. We are also seeing changes in customer requirements. Customers are increasingly selecting suppliers based on criteria other than price, such as expertise, health and safety and implementation capabilities.

"The sustainability trend has really taken off this year. Our customers want a supplier that has a cutting-edge offering, especially on the environment and emissions. This relates to how we can help our customers be more sustainable and how we as a company manage these issues."

Norway, SEK million	2019	2020
Sales	4,867	4,304
EBITA margin	5.0%	5.7%
Share of Group's EBITA	20%	19%
Share of Group's net sales	24%	20%
Main competitors	OneCo, Caverion, GK, Instalco, Assemblin and Midroc Electro.	

Denmark
Johnny Hey

SEK 57 bn Market sales

7% Bravida's market share

#1 Bravida's market position

How did the service and installation market perform in your country in 2020?

"The pandemic impacted the Danish market in a lot of sectors, but the construction and installation industry coped. However, our service business was hit in spring 2020 by the shutdown of customers. That impact has eased at the moment. A lot of customers are taking the opportunity to have work done on their premises while employees are working from home. In installation we're seeing a lot more projects in which we are involved at the planning stage, and significantly more design and build contracts, at more than 50 percent of tenders."

What other major trends are affecting your local market at the moment?

"In Denmark we're seeing a real focus on the green transition, including electrification of vehicles, charging points, eco-friendly heat pumps, heat recovery and automation of buildings. There is also significant investment going into reducing energy consumption in the public-housing sector.

"Large customers are making increasingly stringent sustainability demands of our offering, such as waste management, electric vehicles, health and safety and the number of apprentices. And in a few years' time suppliers will have to be able to report their carbon footprint. We're seeing a strong focus on documentation, start-up and digitalisation of construction processes."

Denmark, SEK million	2019	2020
Sales	3,773	4,217
EBITA margin	5.4%	5.2%
Share of Group's EBITA	17%	17%
Share of Group's net sales	18%	20%
Main competitors	Kemp & Lauritzen, Wicotec Kirkebjerg and Caverion.	

Finland
Marko Holopainen

SEK 59 bn Market sales

2% Bravida's market share

#4 Bravida's market position

How did the service and installation market perform in your country in 2020?

"We were affected by the pandemic, but less than we thought when it first hit. Volumes on the Finnish construction market decreased slightly over the year. Refurbishment and solar panel work were affected most in our business. There was also less activity on the service market than expected.

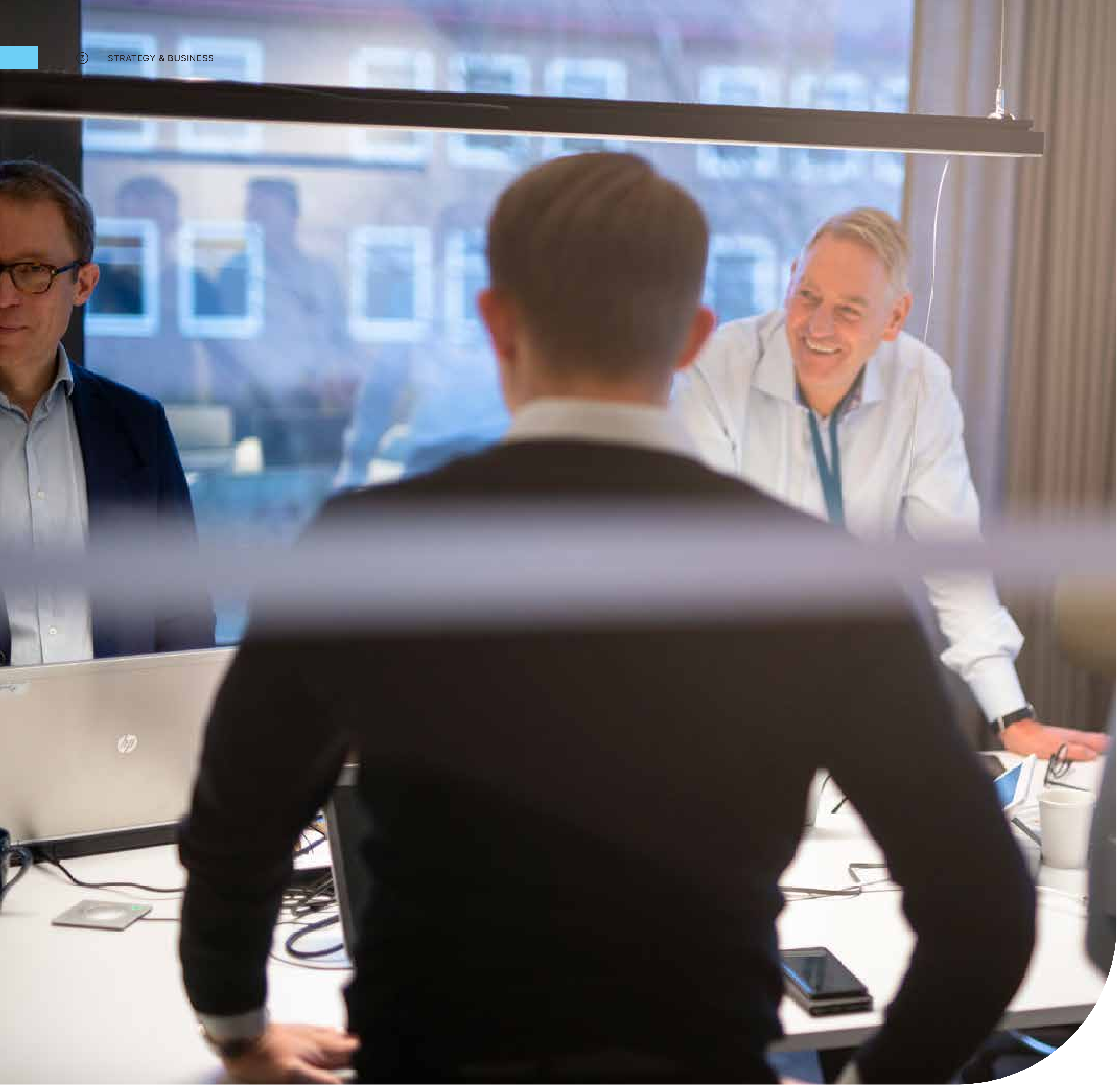
"Despite the uncertainty, there has been constant demand in the installation and service market. There has been fairly significant geographic variation in how volumes developed in the market."

What other major trends are affecting your local market at the moment?

"Customers are currently waiting longer before starting construction and installation work on projects. On the service market, many customers are only ordering those services that are necessary for their property. There were fewer upgrade projects relating to energy saving or technical systems in 2020.

"Sustainability will be a major issue in the future. For instance, the number of environmentally certified residential buildings increased significantly in 2020. And demand for energy-efficient buildings is also growing. We think sustainability requirements will increase sharply over the next few years."

Finland, SEK million	2019	2020
Sales	1,182	1,392
EBITA margin	1.9%	4.0%
Share of Group's EBITA	2%	4%
Share of Group's net sales	6%	7%
Main competitors	Caverion, Are, QMG, Consti and Assemblin.	



Adam, Purchasing Controlling & Business Development,
and **Lars**, Chief Purchasing Officer, Bravida

3

Strategy and business

In 2020 Bravida undertook numerous strategic measures. This resulted in a new business plan that is now being rolled out in the organisation. We will be reviewing our customer offering, increasing our emphasis on sustainability and taking our digital development to the next level. →

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 achieve this, each branch works actively to implement our strategies every day.

The best customer offering

Bravida has the best customer offering on the market. Our customers choose us because we create end-to-end solutions that make the complex simple. We listen to our customers and proactively suggest solutions for the entire life cycle of a property. We assist in making sustainable choices and creating sustainable solutions. We provide customers with feedback after completing assignments, 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. What unites us is our drive to constantly improve. That is why the best managers and employees choose to work with us. We actively promote gender equality and diversity with a view to becoming a stronger company. We are passionate about service and are experts in project management and delivering assignments. We work as a team, we help each other out and we have fun together at work. In addition, we provide all kinds of opportunities to grow and develop at our company.

Efficient delivery

Bravida takes a highly professional approach to everything it does. All our employees do their utmost every day to provide a great customer experience. We are efficient, cost conscious and ensure our workplaces are well run. We always apply our group-wide working methods and ensure purchasing is carried out correctly. We also plan meticulously, monitor our productivity and have control over all aspects of our assignments.

Sustainable business

We take responsibility for our business and take a proactive approach to long-term sustainability. We ultimately aim to eliminate all occupational injuries, and each branch works systematically to create a safe, pleasant work environment. We endeavour to ensure sustainable use of resources and to limit our carbon footprint. We set high standards for both our suppliers and ourselves on business ethics, legal requirements and human rights.

Profitable growth: margin over volume

Margin over volume. Bravida constantly endeavours to improve profitability and achieve the full potential of each branch. We do this by ensuring we provide the best customer offering, the best team, efficient delivery of assignments and a sustainable business. We only take on assignments and projects with a good margin. We are cost conscious and use resources efficiently. We always use Bravida's group-wide resources and systems and aim to achieve low fixed costs.

Licence to grow. When a branch is profitable and has firm foundations in place, we focus on growth. We grow organically by developing our offering and by increasing our emphasis on sales and recruitment. We also grow through acquisitions. Our profitable branches and regions are always on the lookout for good local businesses, and we acquire companies that we would like to be part of our own business. Bravida also makes strategic acquisitions to establish itself on new markets or in new technical areas.

Bravida's objective is to be the largest or second-largest player in all the locations where we choose to operate.

A high level of service. Bravida is responsible for the service and maintenance of the Great Belt Fixed Link in Denmark.

Vision

Bravida enables customers to leverage the full potential of their buildings. Through service and installation, we bring buildings to life – leading the way towards 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 Nordics. We have a local presence for customers and take long-term responsibility for our work.

Our employees are our most important asset. With shared values, working methods and tools, together we create sustainable and profitable business for us and our customers.

Our values

Bravida's values provide guidance on how we should behave and what we prioritise in our day-to-day work. During the year we established new core values that better reflect today's world and demonstrate the kind of company we want to be.

Care for business

- We are passionate about our business
- We constantly aim to enhance customer value and identify new business opportunities
- We are cost conscious
- We create great results together

Take responsibility

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

Keep it simple

- We are service minded and easy to work with
- We apply group-wide working methods
- We work together to deliver effective end-to-end solutions for customers

Be proactive

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

The Bravida Way

Bravida is a large company with a local presence throughout the Nordic region. Our business model is based on us operating as ONE company: all our branches share the same corporate culture, working methods and strategies. Together, we provide the best customer offering on the market. We call it the Bravida Way.

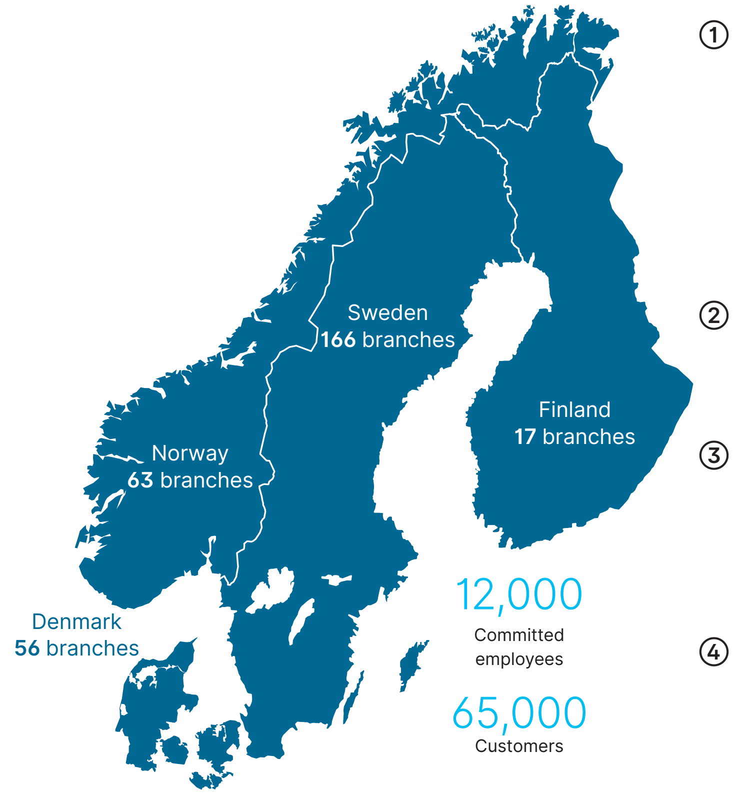
Bravida has 302 branches in the Nordics, and the Group's profitability depends on the performance of its branches. Our recipe for success is called the Bravida Way. We operate as ONE company, with a single corporate culture and strategy. All branches use Bravida's group-wide working methods, systems and tools.

Each local branch specialises in a particular technical area, but we all share the same customers. Close cooperation between branches locally and within Bravida creates a unique end-to-end offering for each customer.

Ensuring everyone works according to the same methods saves both time and money at every branch and makes it easy for customers to work with Bravida. And it allows us to generate economies of scale.

The basis for profitable growth

We know the Bravida Way works. Branches that apply the Bravida Way always focus on business with a healthy margin, and good control over costs. Branches that are already profitable can focus on growth.



How we help customers

1. **We have a local presence, but we are ONE company**
   We approach and help our customers on local markets. Bravida's group-wide corporate culture, working methods and strategy ensure each branch creates the market's best customer offering and a profitable business.
2. **Corporate culture**
   Together, we are Bravida. Our entire company shares the same corporate culture, values and leadership.
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' most important task is to implement Bravida's strategy. Each branch is proactive in creating the best customer offering, the best team, efficient operations and a sustainable business.

Alexandra, Group M&A Manager, and **Nima**, supervisor, Bravida Sweden

How we achieve organic growth

Bravida's objective is to be the largest or second-largest player in those locations where we operate. Margin always takes precedence over volume. Once a branch has achieved profitability, we focus on growth.

Increased sales of end-to-end offerings and service
Increased sales in all locations is key to our growth. Bravida is a large company with a local presence throughout the Nordic region. Each local branch specialises in a particular area, but we all share the same customers. Close co-operation between branches locally and within Bravida creates an end-to-end offering for each customer. This gives us an advantage over local competitors and is crucial to sales going forward.

We are endeavouring to strengthen our end-to-end offering and grow, particularly in our service business. This is because service, operation and maintenance is recurring business that creates long-term stability in our organisation.

That's why we're taking significant measures in our service business. Key goals include bolstering the service organisation, enhancing our offering and increasing service agreement sales. 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.

Ensuring we recruit the right skills
As a business grows, so does its need for personnel. Bravida works at various levels to find and attract the right expertise. Find out more on page 36.

Events in 2020
Overall, Bravida achieved organic growth of 1 percent in 2020. There were, however, significant differences between countries. In Sweden and Finland the business grew organically by 2 percent and 18 percent, respectively. In Denmark, organic growth was 0 percent, while Norway experienced negative organic growth of 4 percent.

Digital working methods take installation to a new level with BIM

In the future most construction and installation projects will be designed using BIM (building information modelling) and 5D modelling, offering a new kind of overview of projects. Bravida is taking digital project design and automated review to a whole new level in the huge E4 Stockholm Bypass Project.

Anton, construction planner, and **Nima**, supervisor, Bravida Sweden

The Swedish Transport Administration is currently building a new north-south road link under Lake Mälaren. Bravida is in charge of project design and the installation of electrical systems, sprinklers, water supply and sanitation alongthe 21 km stretch of road. The project is the largest in Bravida's history, and the most cutting-edge in its use of digital working methods.

Long-term planning from the start
Design management for this project is based on a 3D model, which is then linked to existing business systems for reviewing and checking. This allows Bravida to create a 5D building information model that provides a detailed multi-dimensional overview throughout the installation process. Mika Sundholm, Bravida's Project Manager, explains.

"This automated way of working allows us to plan long term from the outset and track the plans.

5D modelling allows real-time project tracking
5D modelling also improves the way we work over the course of a project. The model allows the project manager to review and adjust lots of different parameters in real time, such as fitting status, risk assessment, purchasing, inventory status, time reports and costs. This provides numerous advantages and ensures high-quality delivery of work,for fitters, project managers and the end client," explains Mika Sundholm.

"Fitters can see the digital model on their tablet or phone while on site, giving them easy access to information that helps them carry out their work effectively. Fitters also report completed work, risk assessments, purchasing and other aspects directly using the system.

"At project manager level that gives us direct control over what happens. We immediately see when someone submits their time report and purchasing. This allows us to continually adjust the progress of a project in real time to ensure we stay on schedule and budget," adds Mika Sundholm.

5D modelling takes installation to a new level
Bravida is increasingly finding customers are specifically requiring 5D modelling and digital project planning. At the moment this is mainly for large projects, but Mika Sundholm believes this will change in the future.

"This involves advanced digitalisation of the construction process. We already have the technology and are now enhancing how we use it. Within five to ten years most large customers will require us to use it. It will be reality before you know it," adds Mika Sundholm.

Acquisitions an important element of growth

Acquisitions are one of the fundamental elements of Bravida's growth strategy. Local involvement and integration into Bravida are key to ensuring the success of acquisitions.

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, a new geographical locations, new know-how or personnel, or the acquisition of a service business.

Two types of acquisition

Bravida makes two types of acquisition: bolt-on acquisitions, which involve smaller companies with a strong local presence; and strategic acquisitions, which are larger and cover a wider geographic region or a new technical area.

Acquisition candidates must have a long, stable history and a corporate culture that's a good fit with Bravida's. 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.

To identify and assess small, local acquisitions as well as larger companies, Bravida conducts a continual acquisition process, with potential acquisitions being identified at various points in the organisation. Bolt-on acquisitions are always made by our businesses locally. Our experienced central acquisition unit helps by reviewing the candidate business, drawing up agreements and establishing an integration plan.

Events in 2020

Bravida paused its acquisition work for a while as a result of the pandemic, so we made slightly fewer acquisitions in 2020 than in 2019.

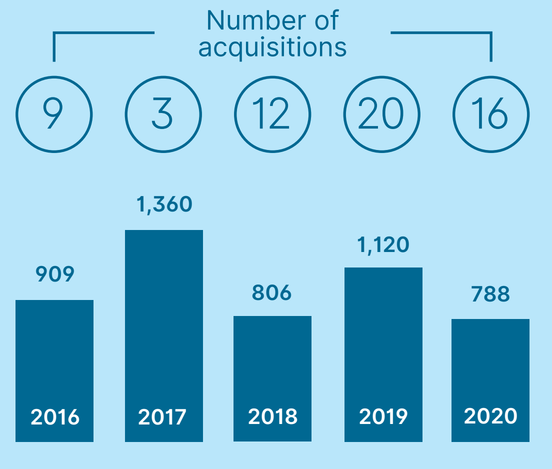
Over the year 16 acquisitions were made, adding annual sales of SEK 788 million. Two of these were strategic acquisitions to strengthen Bravida's customer offering in solar panel installation: Solkraft EMK AB in Sweden and Savon Aurinkoenergia Oy in Finland.

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 60 acquisitions, which have increased annual sales by SEK 4,983 million.

Annual sales, acquired companies, SEK million



Acquisition multiple — before synergies: 5 × EBITA

Successful integration is key

Bravida places a strong emphasis on the importance of successfully integrating businesses into the Group. The crucial aspects of integration are:

- Group-wide purchasing platform
- Group-wide IT systems
- The Bravida Way
- Group-wide brand

Successful integration leads to major advantages, including a higher profile and a stronger local market position. Many acquired businesses also increase their profitability by using Bravida's group-wide resources.

© Jonas Forsberg

Anders Bylund, previous owner of A Bylunds Elektriska, and **Johan Byström**, Branch Manager, Bravida Örnsköldsvik El

"Bravida is a great fit for an entrepreneur"

One of 2019's acquisitions was A Bylunds Elektriska in Örnsköldsvik, Sweden. Anders Bylund, former owner, describes the journey from business owner to becoming an integral part of Bravida.

A Bylunds Elektriska i Örnsköldsvik was founded in 1991 by Anders Bylund. For almost 30 years the company provided electrical, telecom, data and security solutions to customers in the Örnsköldsvik area in Sweden.

Growth brought new requirements

A Bylunds Elektriska had been working with Bravida in Örnsköldsvik for some time. In autumn 2018 Anders Bylund was asked if he would consider becoming part of Bravida.

"We had grown quite a lot in recent years, and that brings with it other requirements on issues like health and safety, environment, certifications and IT systems. It made sense to become part of a larger company to get help with addressing these things."

Smooth integration process

Once the agreement was complete, Anders Bylund told his employees. They were surprised, but positive about the news.

"They'd thought about me getting older and had wondered what would happen," says Anders Bylund.

Then the integration process began, to make Bylunds El part of Bravida.

"There was a lot involved, but it was a smooth process. We received training and were brought into Bravida's systems. It was a new world for us. You get a great overview of things at Bravida," explains Anders Bylund.

Gradual transition of the brand

A Bylunds Elektriska has been a strong brand in Örnsköldsvik for some time. So the transition to Bravida was done gradually.

"Some customers want to have things local. We feel we are still local, but that we've become stronger and wider-ranging. And it has worked well, most of our customers have stayed with us."

A great fit for an entrepreneur

Anders Bylund himself has stayed on at Bravida, but is approaching retirement. He says he's pleased with the decision to sell to Bravida.

"Bravida is a great fit for an entrepreneur. We manage ourselves and are almost like our own little company in Örnsköldsvik. My experience has been one of lots of support and freedom to make our own decisions. Bravida's tools allow us to increase profit through lower costs.

"I'm really pleased with the decision to sell to Bravida. It just would have been nice if we could have agreed on the sale a bit earlier so I could have been at Bravida for longer. It's been a great experience."

Finds the best in both companies

Johan Byström, branch manager of the new Bravida Örnsköldsvik El, is positive about the future:

- It's an interesting challenge to identify the best elements of the two companies' ways of operating. In 2021, we'll be enhancing our working methods and creating the best possible team. Our branch aims to be a place where employees enjoy working and want to remain, and where they know they can develop professionally. With prudent targets and appropriate action plans in place, we will be well prepared for what the future holds.

Mattias, Head of Group Accounting, **Marcus**, Regional Manager, and **Linnea**, Communication Officer, Bravida Sweden

Together we build the best team

Bravida aims to build the best team in the industry, wherever we operate. A top-class team always delivers value for customers and attracts other talented people with the right approach.

Over the next few years Bravida will supply even better solutions for its customers. But there is a real shortage of trained personnel and significant competition for skilled fitters, service technicians and engineers throughout the Nordic region. This is becoming increasingly clear as digitalisation accelerates. As well as skilled tradespeople and engineers, we need more and more capabilities in the automation and design of advanced technical solutions.

Our goal: the best team in every branch

Bravida works every day to ensure our customers' properties reach their full potential. That's why we need the best team wherever we work. Our managers and specialists take a systematic approach to building a good team spirit and encouraging pride in our work. A top-class team always delivers value for customers and tends to attract other talented people.

Teams built around strong leadership

Every manager 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 adopting a structured approach to attracting, recruiting, developing and retaining the best people in the market.

To achieve our goals we focus on developing our leaders and creating leadership that makes a difference. We emphasise the role of managers as coaches, get people involved and encourage commitment. Our management training is based on the model of transformational leadership.

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 skills. Gender equality and diversity ensure we have a broad recruitment base and makes us a stronger company.

We 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 progression of skills. We also have a structured process for recruiting the personnel we need and for internal recruitment.

Events in 2020

The pandemic affected many aspects of Bravida's business in 2020. We have furloughed employees in all the countries in which we operate, primarily in the service business as customers have restricted some access of external parties to the workplace. During the year, we temporarily reduced the rate of new recruitment and took measures to ensure we have the right skills for our forthcoming efforts under our new business plan.

Number of employees, average	2019	2020
Total in Group	11,722	11,906
Of whom women	914	908
Sweden	5,978	5,928
Norway	2,975	2,997
Denmark	2,173	2,315
Finland	596	666

Age structure, %	2019	2020
Over 60	7.9	8.0
51–60	18.8	19.6
41–50	19.5	20.0
31–40	22.4	23.1
21–30	26.5	25.7
Under 20	4.7	3.7

How we create the sector's best team

Attract	Strong common brand	Active presence on social media, locally and centrally	Collaboration with schools, vocational colleges and universities
Recruit	Local recruitment of employees and apprentices	HR support from division and Group	Group-wide HR and recruitment processes
Develop & retain	Day-to-day practical development	Continual training through the Bravida School	Internal recruitment and career within the company

Structured leadership training

Structured activities to recruit, assess, develop and support leaders	Trainee programme	Talent review to identify future leaders

Follow-up for 2020

8 (8)

eNPS (employee Net Promoter Score) The survey is conducted every other year, most recently in January 2021. Scale -100 to 100. Industry average is 22 for the Construction sector, Bravida's target >10. New target from 2021 is >20 by 2023.

1,086 (1,345)

apprentices worked at Bravida during the year.

28 (35)

'BraIngenjör' graduates undertook our trainee programme in 2020.

Eveline, Service Technician, Bravida Sweden

About Bravida's code of conduct for employees

Bravida aims to have a healthy corporate culture in which employees are happy and treat each other with respect. The basis for Bravida's ethical values is provided by our code of conduct. It forms the basis for our day-to-day behaviour and covers important issues such as gender equality and diversity, human rights, working conditions, the environment, sustainability, leadership and business ethics.

Our aim is for every employee and manager to be familiar with our code of conduct and comply with it. Training on our code of conduct is therefore now part of manager training and induction activities for new employees. Ethical values are regularly discussed in internal information, training courses and meetings. We take follow-up measures and internal controls to ensure that no one disregards the code of conduct.

Anyone not complying with the code of conduct and legislation not only puts themselves but also the whole of Bravida at significant risk, for example, of penalty charges, fines, a prison sentence and damaging our brand.

Whistleblower function

If an employee or other person who comes into contact with our business believes we are not complying with our code of conduct, suspects that something isn't right or feels they have been treated wrongly, it is recommended they initially contact the relevant manager or the manager's manager. They can also contact the HR department or Bravida's legal department. Bravida's website has a whistleblower function that can be used to submit a report completely anonymously.

A workplace that welcomes and respects difference

Bravida is a workplace for everyone. We promote gender equality and diversity to make the most of my employees' differences, skills and experience. HR processes 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.

To further ensure we are the company we want to be, we also use:

- Policies, training and plans on equal rights and opportunities;
- Training, targets and measures to increase gender equality and diversity;
- Cooperation with employer organisations and training boards;
- Regular employee surveys;
- Internal audits and independent inspections that monitor 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. Suspicions or knowledge of discriminatory treatment should be reported using our work environment management system, BIA. Reported events are investigated in accordance with our action plan.

Magnus, Linus, Kenneth, Adam, Alexander, Magnus, Anna and **Murat,** Bravida Sweden

Per, Purchasing Manager Heating & Plumbing, Bravida Sweden

Leading the way on purchasing

Every year Bravida purchases large quantities of materials, components and services for projects and assignments. Our strong purchasing organisation gives us an advantage on the market.

Professional purchasing is an important part of our customer offering. Each year Bravida purchases approximately SEK 11 billion of materials, components and supplier services, which corresponds to around half its sales. We achieve large purchasing volumes by grouping together our branches' purchases. That makes us a significant operator that can make a difference in the market.

Bravida's branches have a major focus on purchasing, which is crucial to ensuring successful delivery of projects and a good end product for customers, as well as supporting the profitability of each project and assignment.

Our group-wide purchasing organisation supports our branches and develops tools that make their purchasing work easier.

A strong purchasing organisation

A strong purchasing organisation helps ensure Bravida is leading the way on purchasing. This includes making material flows more efficient. This will be made easier with new technical solutions such as 5D modelling, which links purchasing systems and digital technical drawings.

Direct imports will be crucial

Direct imports, purchasing directly from foreign suppliers, is high up on Bravida's agenda and growing in importance. Having its own direct imports allows Bravida to offer customers broader range of materials and products at competitive prices.

When making direct imports, our purchasing organisation has a strong emphasis on evaluating and choosing the right suppliers to ensure good quality and a supply chain that considers people, the environment and the climate.

Events in 2020

- When the pandemic hit in the spring we made a concerted effort to secure supply chains for the most critical components through constructive cooperation with our suppliers.
- We have updated the Bravida Assortment.
- During the year, we established a concept for electric vehicle charging infrastructure in Sweden and an agreement on the supply of new electric vehicles for the service business in all countries.
- We have put in place a warehouse and logistics function for the import of installation materials and a greater proportion of international purchasing.
- We specified and increased the percentage of environmentally rated BraVal products in the Bravida Assortment
- We undertook supplier assessments in all countries and put in place a supplier review process in Sweden.

Follow-up for 2020

55% (52%)

of purchasing is from the Bravida Assortment, our own recommended range (only applies to groups of products relevant to the assortment).

Group-wide purchasing strengthens our branches

⊕ Tools that make purchasing easier for local branches

Bravida's purchasing system
Our group-wide purchasing system allows us to work together and organise local branches' purchasing.

Direct import tools
Tools with instructions and templates to allow a branch or project to make purchases directly from foreign suppliers in the correct way.

Supplier evaluation tool
Our supplier evaluation tool assesses things like the extent to which suppliers meet the requirements of Bravida's code of conduct.

The Bravida Assortment
The Bravida Assortment is a standardised range of suppliers and products based on function, quality, environmental sustainability, price and ease of fitting. A large and growing percentage of installed materials are included in the Bravida Assortment.

BraVal labelling
Bravida's purchasing system includes the environmentally rated BraVal own brand, which helps branches make more sustainable product choices.

Tools for tender-based and special materials
We also have tools and portals for the purchase of tender-based and specialist materials to make branches' purchasing easier.

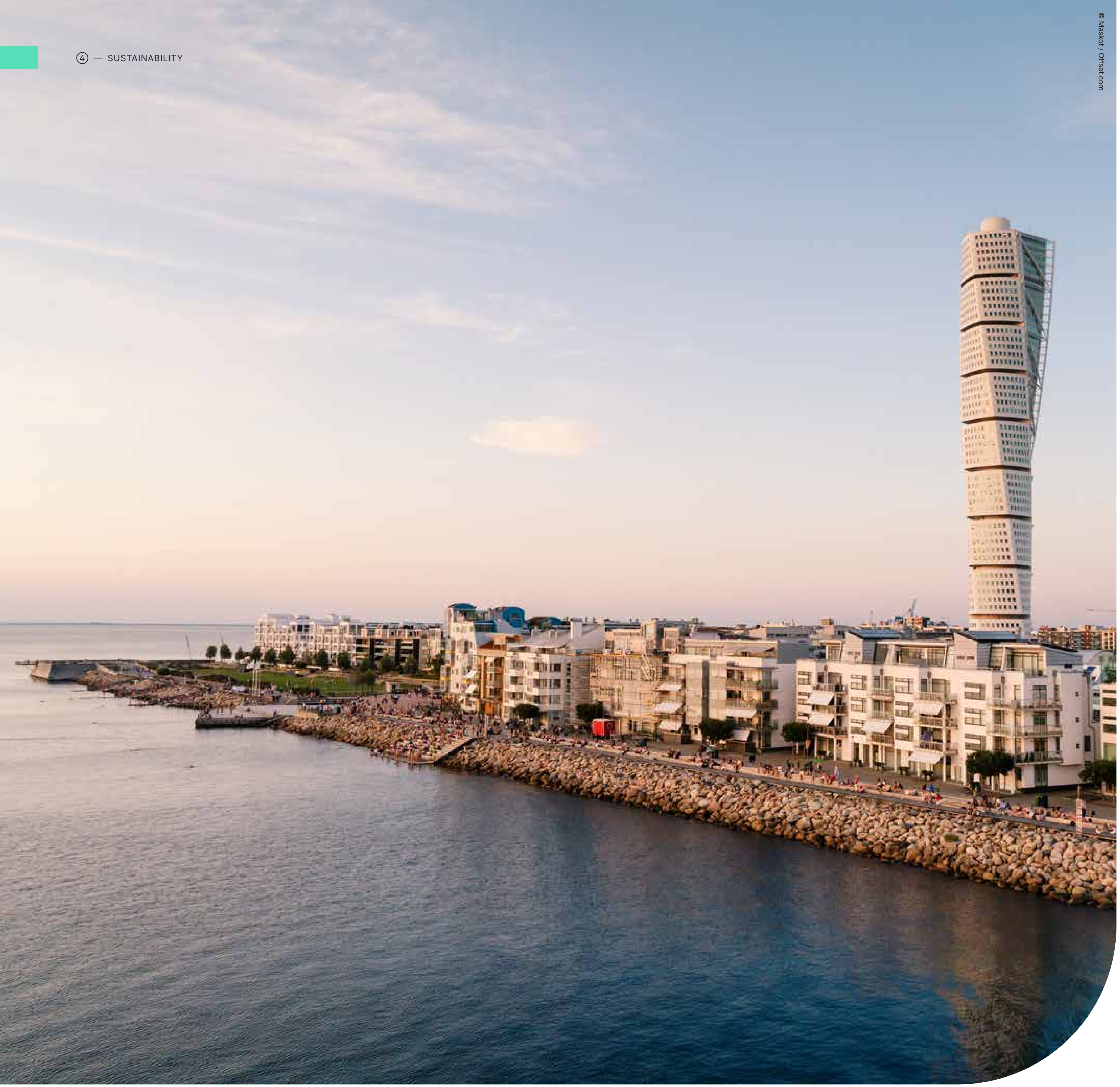
Louise, Management Assistant, and **Emil**, CIO, Bravida

⊕ Coordinated purchasing generates economies of scale

A group-wide purchasing organisation

Having a purchasing organisation at division and Group level allows us to work together and organise local branches' purchasing. The group-wide purchasing organisation develops and improves:

- the range of products and services
- cooperation with suppliers, distributors and subcontractors
- direct purchasing from abroad
- supplier assessments
- central purchasing agreements
- group-wide purchasing systems, tools and the range of standard products



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Sustainability at Bravida

The Nordic region is transitioning to climate-neutral societies and Bravida can make a difference. We help our customers create solutions that help society to function better, now and in the future. →

A good building makes a difference. That's why Bravida exists.

Its customer offering gives Bravida a clear role in the transition to a more sustainable society. As a major operator we have good opportunities to lead the way in our industry and contribute to a better future.

The world's population is growing and cities are getting bigger. Meanwhile, it's becoming increasingly clear that global societal development needs to be more sustainable: We need to meet our needs in a way that does not jeopardise the opportunities of future generations. This is made clear in the UN's 17 Sustainable Development Goals and the Paris Agreement's targets for limiting global warming.

We help our customers to make a difference
Properties account for a significant percentage of the world's greenhouse gas emissions, both when they are constructed and when they are used. Many of our customers have ambitious plans relating to the environment and climate, including resource-efficient properties.

Bravida helps make properties more energy efficient. We always ensure the technology functions cohesively throughout the property life cycle. This helps our customers cut their properties' energy and resource usage, and extends the lifespan and value of the property.

"As a major operator, we can make a difference and lead the way in the industry."

Aiming to lead the way in our industry
The transition of society offers significant opportunities for Bravida. As a major operator, we can make a difference and lead the way in the industry. Bravida's sustainability work is part of future-proofing and developing our business.

In recent years we have laid the foundations for this, based on the sustainability strategy adopted in 2015. But a lot has changed since then. Yesterday's plan won't suffice for tomorrow.

So we are working intensively to take our sustainability efforts to the next level. Part of this is to clarify how our customer offering contributes to lower use of resources for our customers. Another important aspect is raising the level of ambition for our sustainability work as we look ahead. The first step is the new sustainability policy, which was adopted by Bravida's Group management in January 2021. Alongside this, we are developing a new governance model for Bravida's sustainability work. The next stage will be to improve how we review the key performance indicators we use to measure the impact of our own business operations.

Our priority sustainability issues
Our aim is to contribute to the achievement of the world's shared sustainability goals, both through our customer offering and in our own business operations.

In recent years we have focused on improving our business in three priority areas of sustainability. As part of our ongoing strategic measures, we are currently reviewing our sustainability priorities for the future.

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Our priority sustainability issues

Good work environment

Employee safety, and physical and mental health
No employee should suffer from work-related physical or mental ill health; our long-term aim is to eliminate this entirely.

Sustainable use of resources

Efficient operations and energy-efficient offerings
We aim to offer our customers energy-efficient and environmentally sustainable solutions, and to reduce our own environmental impact.

Good business ethics

In relation to customers, employees and suppliers
All our business relationships should be managed in a responsible and proper manner.

Work environment: health and safety

Bravida's vision is to eliminate occupational injuries entirely. We believe every employee should be healthy at the end of each working day. We therefore adopt a systematic approach to the physical, social and organisational work environment to achieve a sustainable working life.

Murat, Fitter, Bravida Sweden

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.

Sometimes these risks lead to accidents and serious occupational injuries. We want to prevent this.

Aiming for zero occupational injuries and a healthier workplace

Bravida's vision is to eliminate occupational injuries entirely. Our initial target is to cut the occupational injury rate, LTIR (lost time injury rate), i.e. the number of occupational injuries that lead to at least one day's absence per million hours worked, to below 5.5.

Another important strategic target is to reduce sickness absence to below 4.5 percent. In recent years we have got closer to this target but we still have important work to do. We train all our managers in creating 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 those risks that exist in 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.

Events in 2020

In 2020 Bravida continued to see benefits from the health and safety initiatives taken in recent years. The rate of occupational injuries decreased to a LTIR of 8.6 (10.4). The biggest difference was in Finland, where the LTIR decreased by 55 percent. Sickness absence, however, increased slightly in 2020 as a result of the Covid-19 pandemic.

We also maintained efforts in 2020 to achieve a sustainable working life:

- **Health and Safety Week 2020.** Every year Bravida holds a Health and Safety Week to place extra emphasis on health and safety in the organisation. Health and Safety Week in 2020 was largely held digitally to reduce the risk of spreading Covid-19 during the pandemic. The goal for this year's week was both to increase the number of risk observations reported in BIA, our work environment management system, and to increase managers' knowledge about investigating incidents.
- **In-house training.** During the year we launched a number of new in-house training courses to improve systematic health and safety measures, including about risk observations and effective incident investigation work. Bravida's basic health and safety training is part of the induction process for all new employees.
- **Reporting of discriminatory treatment.** During the year we improved our ability to report, investigate and monitor discriminatory treatment. BIA, our work environment management system, now has a special category for reporting and investigating inappropriate behaviour in the workplace.
- **Proactive measures to reduce sick leave.** We are endeavouring to reduce sick leave by contacting, following up and supporting colleagues on sick leave at an early stage.
- **Better investigations.** Bravida also launched a new process for reviewing investigations of serious accidents in order to improve managers' investigation methodology and reduce the number of occupational accidents and undesirable events.

Follow-up for 2020

Occupational injury rate

	2016	2017	2018	2019	2020
Sweden	9.5	9.5	9.9	9.1	8.8
Norway	7.6	3.0	5.1	4.5	3.0
Denmark	17.6	19.0	16.2	17.0	14.1
Finland	41.3	33.8	31.6	29.9	13.5
Group	**11.0**	**11.0**	**11.0**	**10.4**	**8.6**

Sickness absence

	2016	2017	2018	2019	2020
Sweden	5.1	4.7	4.9	4.9	5.8
Norway	6.5	5.8	5.9	5.5	6.8
Denmark	4.1	4.8	4.2	4.3	4.7
Finland	6.7	4.5	4.8	5.1	5.7
Group	**5.4**	**5.1**	**5.0**	**4.9**	**5.8**

‘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 (Zero Accidents 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. In 2021 a new industry standard for protective clothing, developed by the ‘Håll Nollan’ initiative, will be implemented in Bravida's business operations.

Systematic work environment measures

Bravida applies the principles of systematic work environment measures (‘SAM’ in Swedish). Work environment deviations are managed using our BIA system, which provides employees with a simple way of reporting risk observations, near misses, occupational injuries and discriminatory treatment using a mobile app. Line managers are responsible for investigating and taking action about reported events. We regularly analyse data from the system to establish focal areas and effective targeted measures.

Sustainable use of resources

Society is changing and Bravida is adapting. Our offering helps our customers create well-functioning properties and achieve their sustainability goals. We are also endeavouring to cut the environmental and carbon footprint of our own business operations.

Our new vision puts sustainability at the heart of our customer offering. We already contribute to the efficient use of resources and reducing the carbon footprint of customers' properties. And in the future we'll be doing this even more. We want to ensure that technical systems work together, that they are energy efficient and tailored to society's environmental needs. We ensure a property generates value over a long period of time and contributes towards the customer's and society's environmental and emissions goals.

How we make a difference in our customers' properties

To make a difference for our customers we strive to initiate discussions as early as possible in an installation project. This allows us to propose solutions that are cost effective, reliable and environmentally sustainable. Over the longer term, we offer regular maintenance that cuts energy usage, as well as status and energy diagnostics and the replacement of components with more energy-efficient parts.

We work with our suppliers to ensure more installation products are environmentally assessed to further improve our sustainable customer offering. Making information about assessed products easily accessible in our purchasing system makes it easier for our employees to evaluate the energy efficiency and environmental performance of the products we offer our customers.

Working to cut our own environmental impact

Bravida is a services company, and our 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. Our most significant internal environmentally related aspects are instead travel, transportation and waste.

Travel, transport and waste

The Group leases around 7,000 vehicles, which we use to travel to customers premises and assignments. An important target is to restrict direct fuel-related carbon dioxide emissions. The transition to fossil-free transport has begun. We have set a target for 30 percent of our service vehicles to be fossil-free by 2025. We are now expanding electric vehicle charging infrastructure at our offices in order to take this next step. We are also developing a plan to replace our service vehicles with lower-carbon alternatives.

Another key issue is efficient delivery. We want to use our resources in the best possible way, irrespective of whether this involves skills, materials, time or money. Our group-wide working methods and supportive systems provide the basis for this. Good planning and control provides reassurance and predictability, both for customers and for us. And it also has a number of environmental benefits. Planning allows us to cut the percentage of collection orders, i.e. unplanned purchases made directly from wholesalers. Good planning cuts our CO_2 emissions, the amount of surplus materials and the generation of waste. Waste generated is managed in accordance with the waste management hierarchy. We handle waste on site and, where possible, we use our customers' recycling systems. Bravida also has permits for transporting hazardous waste for recycling and disposal.

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.

Events in 2020

The proportion of collection orders decreased during the year in both service and installation, partly because the pandemic restricted opportunities to visit wholesalers in person.

A halt in purchasing meant that vehicles could not be replaced with electric and hybrid vehicles as quickly as planned. The number of vehicles in the Group is growing due to acquisitions, and travel by car has become more attractive compared with public transport during the pandemic. This resulted in Bravida's carbon dioxide emissions increasing slightly during the year.

In 2020, Bravida's renewable energy solutions offering to customers was expanded through the acquisition of solar panel companies in Sweden and Finland.

Follow-up for 2020

42% (46%)

Service (target <30%)

18% (21%)

Installation (target <10%)

Percentage of collection orders
Percentage of the total purchase orders we purchase on site at wholesalers.

+0,9% (-6%)

Change in fuel-related CO_2 emissions/km compared with previous year*

24,685 tonnes (23,634)

Total CO_2 emissions comprise direct emissions from leased vehicles and company cars from businesses in Sweden, Norway, Denmark and Finland.*

*To make it easier to analyse Bravida's action on CO_2 emissions over time, reported figures are calculated according to the European standard excluding biofuel. In practice, a number of fuels include bioethandol/biodiesel, which makes actual emissions lower than those reported.

Aziz, Project Manager, Bravida Sweden

»We want to ensure that technical systems work together, that they are energy efficient and tailored to society's environmental needs.«

Making a difference to our customers' properties

Our customer offering helps our customers create well-functioning properties and achieve their sustainability goals. The right installation solutions and regular service make a property smarter, help ensure more efficient use of resources and can generate value over a long period of time.

- **Installation**: Installations are becoming increasingly advanced, with rising demand for energy-efficient and low-emissions solutions. We aim to be involved at an early stage of building projects, to be able to plan, design and coordinate all the installation work of projects. Our expertise can help customers create coordinated installation solutions that are cost effective and reliable, with the least possible environmental impact and lowest possible carbon emissions.
- **Service**: Bravida service customers don't need to worry about the technical installations in their properties. We contribute in a number of ways over the life cycle of a property, optimising the operation of installations and providing regular maintenance and upgrade work, along with energy optimisation and automation. Our technicians look for ways to improve the energy efficiency of facilities.

Working to reduce our own environmental impact

The most significant environmental factors of Bravida's own business operations are travel, transportation and waste. Together we are endeavouring to cut the environmental footprint of our own activities.

- We are expanding electric vehicle charging infrastructure at our premises
- We are gradually replacing our service vehicles and company cars with appropriately sized low-emissions models.
- We are improving the energy efficiency of the premises we lease.
- Good planning of our projects and assignments allows us to have materials delivered on site, reducing collection orders from wholesalers. That cuts both the distance driven and emissions.
- We adopt a life cycle approach to our projects and choose environmentally rated products.
- We plan in order to minimise waste and surplus materials in customer projects and follow our procedures for efficient waste management.
- We minimise the use of chemicals and are making substitutions to less harmful alternatives.
- All employees attend our group-wide environmental training.

Linnea, Communication Officer,
Bravida Sweden

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. Bravida's code of conduct is binding and extends to all Bravida's suppliers.

Good business ethics

Good business ethics are vital at Bravida. All employees are expected to act professionally and with good judgement in relationships with customers and suppliers.

A fundamental aspect of Bravida's corporate culture is that we grow and learn from each other; we keep to our commitments, we follow up and we constantly improve. We call it the Bravida Way. Together with Bravida's code of conduct and values, the Bravida Way provides guidance on how we should behave towards each other and towards others.

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 commercially based without any personal benefit for those involved. The following guidelines are therefore included in our code of conduct:

- We should always avoid acting in a way that results in us and business partners becoming dependent on one another;
- We should take a very restrictive approach to gifts to and from business partners, including travel and hospitality;
- We should never use Bravida's resources for private use.

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 a leading operator in our industry, we set high standards for ourselves and our suppliers. Together we can and want to make a difference throughout the supply chain and take responsibility for people, the environment and society. We therefore place the same requirements on our business partners as we place on ourselves.

Bravida has a large number of suppliers and our objective is for all suppliers to comply with Bravida's code of conduct for suppliers. Suppliers and subcontractors undergo a supplier assessment before being entered into the purchasing system. The assessment, which is partly 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 suppliers on the Nordic market. All centrally procured suppliers must approve Bravida's code of conduct.

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

Follow-up for 2020

40% (40%)

Percentage of suppliers* in Sweden that have carried out a self-assessment based on the requirements of our code of conduct**.

70% (68%)

Percentage of materials purchased from contract suppliers, all of which have signed Bravida's code of conduct.

*Supplier with which we have a purchasing volume of over SEK 100,000.
**Follow-up is carried out every other year, the most recent took place in 2019. Work is underway to determine how supplier assessments should be conducted in future and to apply a structure for the entire Group.

How we create value

Using our resources...

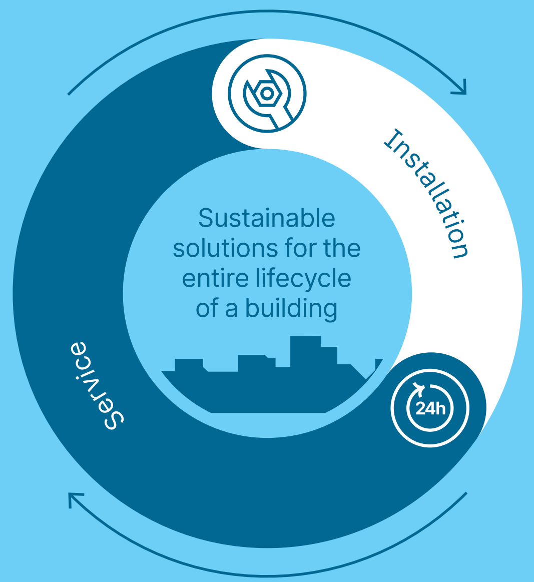
Revenue
> SEK 21 billion

Employees
~ 12,000

Suppliers
> 1,500*

*Suppliers invoiced > SEK 1 million.

...we conduct business...



45%	55%
SERVICE	INSTALLATION

Operation and maintenance	Refurbishment and extension work	New-builds

The Bravida Way

Our corporate culture and our shared way of working

...that creates both financial value...

SEK billion

	SEK billion
Employees Wages, benefits and pension	7,3
Suppliers Purchase of materials, products and services	10,5
Society Social security costs and corporation tax paid	1,3
Shareholders Dividend to shareholders	0,5
The business Profit reinvested in the business	1,2

...and added value for our stakeholders

Employees
We offer plenty of opportunities for our employees, including day-to-day development, training and career opportunities. We're also making significant efforts in the areas of work environment, and health and safety.

Customers
Bravida creates energy-efficient installation solutions in customers' properties. With the right installations and regular service, we contribute to better operation of installation systems and reduced energy consumption.

Suppliers
Our purchases create long-term business opportunities and jobs for both small and large suppliers.

Society
Bravida helps customers reduce their properties' emissions. And we employ around 12,000 people in four countries. Every year we train a large number of apprentices within the professional trades.

Shareholders
We endeavour to increase shareholder value by operating a business that is both profitable and sustainable in the long term.

Governance and monitoring of sustainability work

Bravida aims to conduct long-term, responsible and sustainable business that integrates economic, environmental and social considerations into its business operations. The Board is responsible for approving and monitoring the company's overall strategic focus and goals.

Strategies and goals for our sustainability work are set by Group management. Ultimately responsibility lies with the Chief Executive Officer.

The Head of Operational Development is a member of group management and leads the work on establishing and developing the company's sustainability strategy, long-term goals and sustainability-related policies. Responsibility for implementation of the sustainability 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 material 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 also includes our most important sustainability targets. The results are published in Bravida's interim reports and annual report.

Stakeholder engagement

Bravida's business affects and is affected by a wide range of stakeholders. We interact closely with customers, employees, suppliers, investors and shareholders. Much of this engagement takes place through meetings in person in our day-to-day work. In addition, Bravida holds regular surveys and forums to understand the needs and expectations of stakeholders. Stakeholder engagement allows us to find out what's important for stakeholders and what we're doing well in our business, as well as what we can improve.

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 our policies are consistent with the UN Global Compact on issues concerning human rights, labour conditions, the environment and anti-corruption.

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, incorporates the management of quality, environmental, and health and safety issues into our working methods. The Bravida Way 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 and environmental management in Sweden, Norway and Denmark. In Denmark the certification also covers health and safety. Our Finnish business follows the Bravida Way and has recently taken the decision at country level to begin the process to gain certification for all three standards.

Percentage of ISO-certified branches per country	ISO9001 (Quality Management)	ISO 14001 (Environmental Management)	ISO 45001 (Occupational Health and Safety Management)
Sweden	89%	89%	–
Norway	100%	100%	–
Denmark	89%	89%	89%
Finland	–	–	–

Group-wide policies

- Bravida's code of conduct
- Code of conduct for suppliers
- Environmental policy (replaced by Bravida's sustainability policy from February 2021)
- 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.

Overview of stakeholders

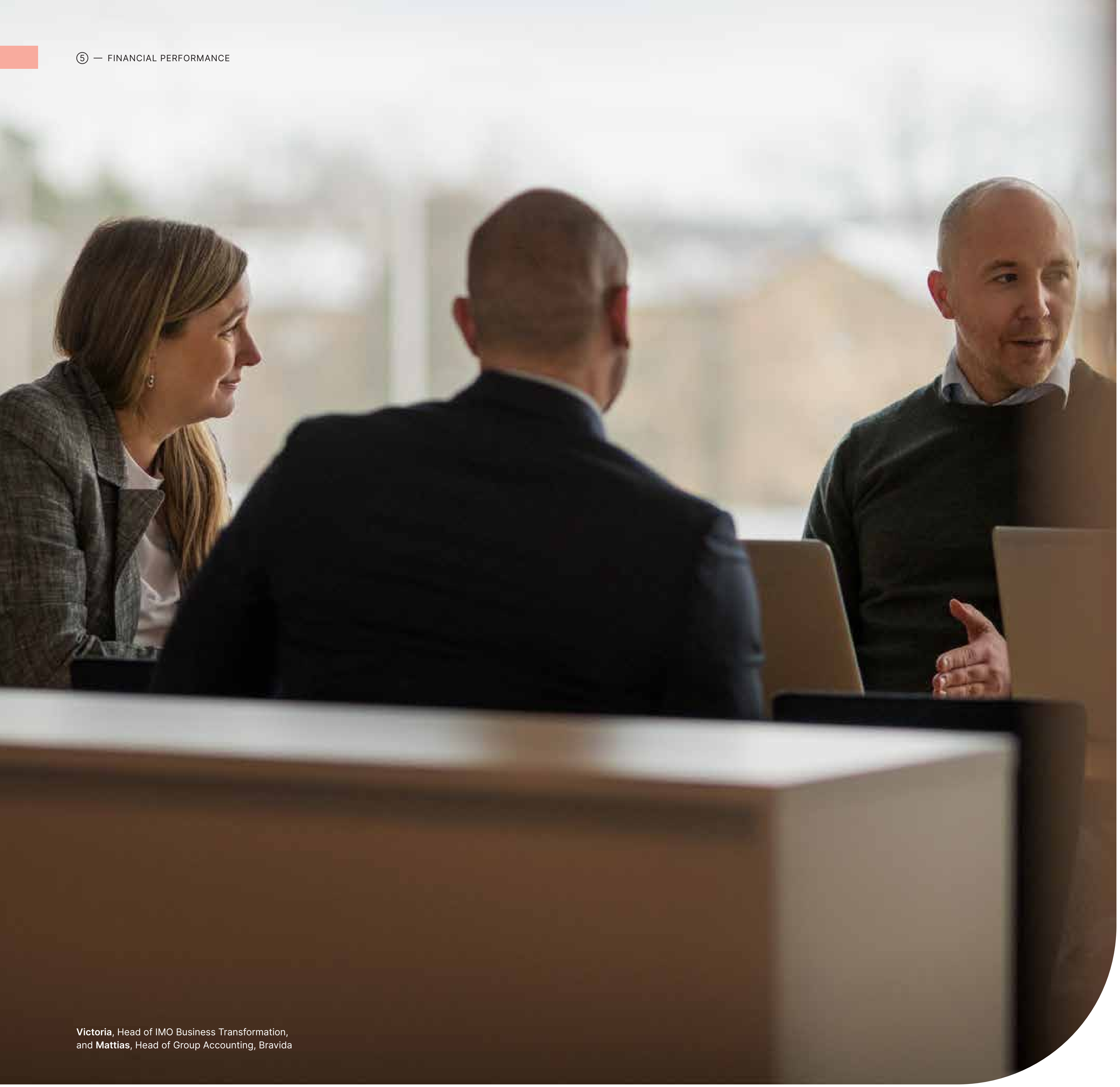
Stakeholder	Engagement channels	Important issues
Customers	• Customer interaction through day-to-day work • Customer and market surveys • Review by customers	• Work environment: health and safety • Environmental and climate impact • Suppliers and purchasing • Gender equality and diversity • Working conditions, skills and development
Employees	• Daily check-ins • Annual performance reviews • Training and conferences • Employee survey • Intranet and digital social platforms • Engagement with trade unions	• Working conditions, skills and development • Long-term stability and development • Work environment: health and safety • Remuneration and benefits • Gender equality and diversity • Values and ethical issues
Suppliers and partners	• Supplier meetings • Supplier assessment • Contract negotiations	• Anti-corruption and bribery • Work environment, labour conditions and human rights • Environmental and climate impact • Energy efficiency
Shareholders and investors	• Financial reporting • Webcasts/conference calls • Presentations • Annual general meeting • Investor meetings	• 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 • Sustainability in our customer offering and own business operations • Gender equality and diversity

Bravida's sustainability work in summary

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

Legal requirement	Environment	Personnel & social conditions	Human rights	Anti-corruption
Business model	Bravida's business model, the Bravida Way, is described on page 31.			
Policies	• Environmental policy (replaced by Bravida's sustainability policy from February 2021)	• 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 • Sponsorship policy • Foreign travel policy
Audit procedures	• Internal audits • Regular follow-up of key figures (percentage of collection orders, etc.) • Analysis of CO_2 reports from leasing suppliers • External ISO audit	• Employee survey • Employee discussions and engagement with trade unions • Regular follow-up of key figures (occupational injuries, sickness absence, etc.)	• Employee survey • Employee discussions and engagement with trade unions • Supplier assessment	• Follow-up and internal control • The purchases ledger is centralised and fulfils an investigative function • Supplier assessment
Results of policy	Sustainable use of resources, page 48-49	Employees, pages 36-39 Work environment: health and safety, page 46-47 Good business ethics, page 50-51	Good business ethics, page 50-51	Good business ethics, page 50-51
Risks	Deficient management of environmental aspects and emissions affects trust in Bravida as a responsible supplier, sustainable investment and attractive employer. This is associated with risks of negative impact on business opportunities, willingness to invest and recruitment.	Accidents and health and safety deficiencies at Bravida's worksites can lead to injuries and ill health, and result in legal sanctions and damage to our brand. Find out more under 'Risk and risk management' on page 72-73	Risk and risk management, page 72-73	Risk and risk management, page 72-73
Risk management	Sustainable use of resources, page 48-49 Risk and risk management, page 72-73	Risk and risk management, page 72-73 Employees, page 36-39 Work environment: health and safety, page 46-47 Good business ethics, page 50-51	Risk and risk management, page 72-73	Risk and risk management, page 72-73
Performance indicators	• Total CO_2 emissions in tonnes from vehicles and CO2 emissions per kilometre driven • Reduce the percentage of collection orders • Increase the percentage of BraVal products in the Bravida Assortment	• Employee survey results • Reduction of occupational injuries • Reduction of sickness absence • Percentage of women in the Group • Employee Net Promoter Score	• Employee survey results • Percentage of suppliers that have signed up to Bravida's code of conduct	• Percentage of suppliers that have signed up to Bravida's code of conduct

Cecilia, HR Specialist, Bravida Sweden



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

5

Annual Report 2020

2020 was an unusual and challenging year. Despite the pandemic, Bravida achieved its best ever earnings. We're now looking ahead. Bravida's new business plan aims for more sustainability, more advanced digital solutions and even better profitability. →

Our best ever earnings, despite the pandemic

Bravida's decentralised business model has again been tested and has demonstrated its strength in an uncertain market. Amid the pandemic, Bravida delivered its best ever EBITA margin in 2020, at 6.4 percent (6.0), and is starting 2021 in good shape.

Clearly, 2020 was a tough year for many. Overall, however, Bravida coped very well. Our strong balance sheet has brought stability, allowing us to continue developing the company in a challenging year.

Best ever earnings amid challenging year

For some time now Bravida has had a clear strategy of prioritising profitability over growth. We take a long-term, consistent approach to constantly enhance our business and working methods. These sustained efforts enabled parts of Bravida's business to actually improve their margins during the year, despite the pandemic. In 2020 Bravida achieved its best ever EBITA margin, which was 6.4 percent.

However, there are significant local variations. We had to furlough parts of the workforce in many locations during the year. We also had to review businesses with low profitability and manage high levels of sick leave at some units. Our Finnish business made significant progress, delivering an EBITA margin of 4.0 percent and growth of 18 percent as a result of the measures and restructuring we implemented. Our Swedish business is also performing well and has made major improvements, particularly in the Stockholm region. Our Norwegian operations were hit hardest by the pandemic, as lockdowns impacted the service side of the business. Norway and Denmark also had some project write-downs, which dragged down their margins, and they are continuing to take systematic measures to improve project management.

In total, Bravida's sales grew by 4 percent in 2020. The service business declined by 1 percent overall, mainly because of measures to prevent the spread of infection by customers, but this was offset by 8 percent growth in installation. We believe that the decrease in service is temporary and that the market will bounce back with fewer lockdowns.

Investing in the future thanks to strong finances

Bravida's financial position remains robust. Net debt in 2020 was 0.6X (net debt/EBITDA). Our strong cash flow and low debt were an advantage early on in the pandemic amid significant uncertainty and varying availability of capital. Our healthy cash flow of SEK 866 million for the year allows us to continue growing through acquisitions and to pay shareholders a dividend. In the autumn we repaid furlough support in Sweden and were consequently able to pay our shareholders a dividend.

Our strong financial position is also allowing us to continue investing in the future. We are now rolling out our new business plan, which focuses on improving our end-to-end offering for customers. We are also implementing significant measures to take our digital tools and market offering to the next level. In addition, we have set a completely new level of ambition for our sustainability work, both from a customer perspective and within our business. This will make us an even more attractive partner for our customers in future.

Firm foundations for an exciting journey ahead

Bravida operates in a key sector for the future. Our offering helps customers achieve their emissions targets and creates profitable installation and service assignments.

Our stable and robust business model provides us with firm foundations for the future. We are now advancing our market positions further. I am pleased to be a part of Bravida. We have an exciting journey ahead of us.

Åsa Neving, CFO
Stockholm, 2021

About

Åsa Neving
CFO since 2019

Comes from: Luleå, Sweden

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

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

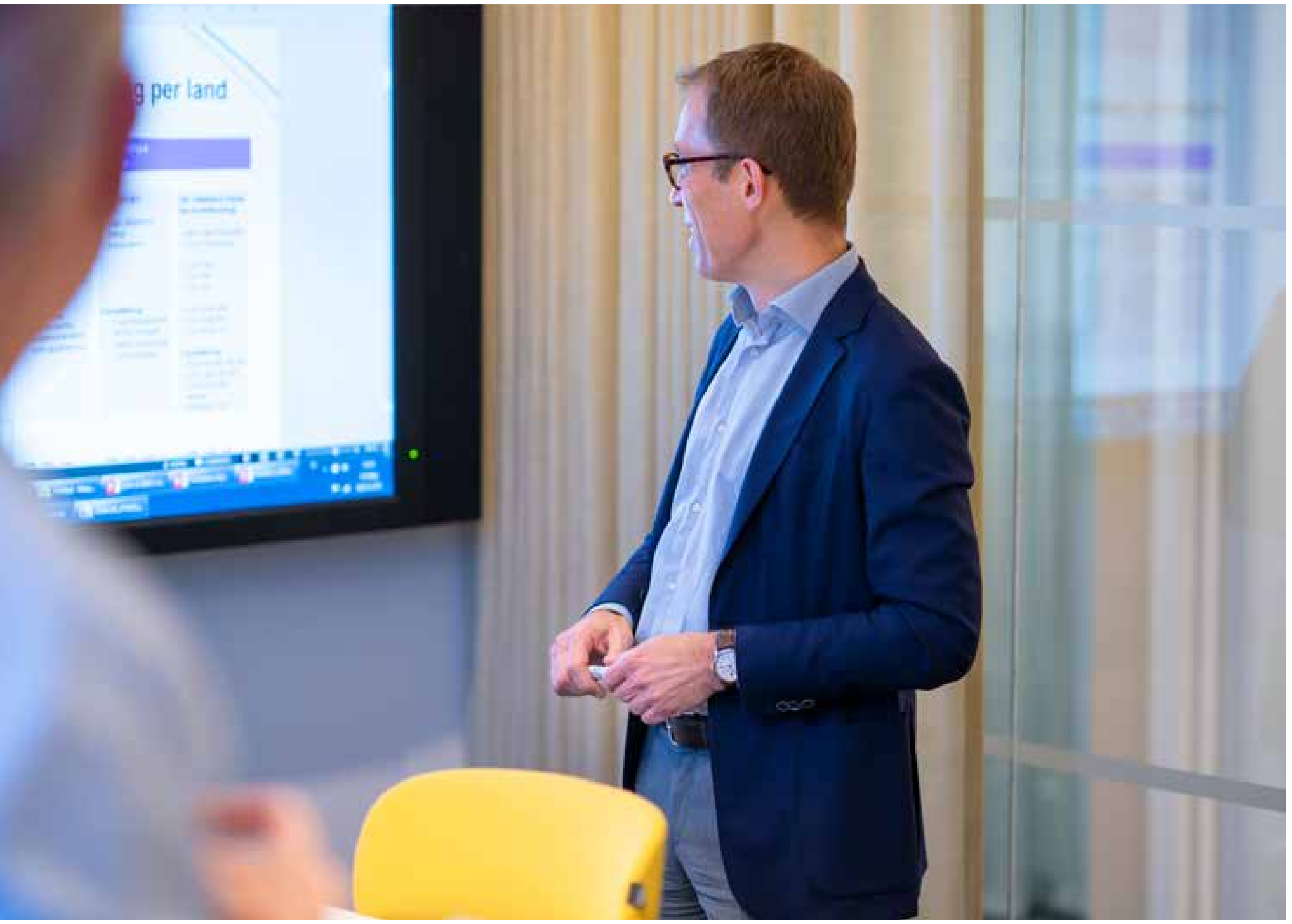
Best thing about 2020: Delivering our best ever profitability despite a challenging year

Goal for 2021: To take our entire business to the next level

Five-year overview*

INCOME STATEMENT, SEK MILLION	2016	2017	2018	2019	2020
Net sales	14,792	17,293	19,305	20, 404	21,147
Production costs	-12,562	-14,718	-16,502	-17,503	-18,093
Gross profit/loss	2,230	2,575	2,803	2,901	3,054
Selling and administrative expenses	-1,286	-1,502	-1,596	-1,678	-1,706
Operating profit/loss	**944**	**1,072**	**1,207**	**1,224**	**1,348**
Adjustments relating to specific costs	10	8	–	–	–
Adjusted operating income	**954**	**1,080**	**1,207**	**1,224**	**1,348**
Net financial items	-67	-54	-16	-73	-74
Profit/loss after financial items (EBT)	**877**	**1,019**	**1,191**	**1,151**	**1,274**
Tax	-203	-199	-235	-267	-276
Profit/loss for the period	**674**	**820**	**956**	**884**	**997**
BALANCE SHEET, SEK MILLION					
Goodwill	7,599	7,844	8,210	8,731	8,904
Right-of-use assets	–	–	–	1,029	1,002
Other non-current assets	144	154	168	179	179
Current assets	3,933	4,523	5,211	5,599	5,220
Cash and cash equivalents	286	839	735	972	1,748
Total assets	**11,962**	**13,360**	**14,324**	**16,510**	**17,053**
Equity	4,079	4,662	5,238	5,596	5,876
Long-term loans	2,700	1,700	1,300	500	500
Other non-current liabilities	245	356	667	1,001	1,270
Lease liabilities	–	–	–	1,040	1,022
Current interest-bearing liabilities	–	1,000	800	1,495	1,350
Current liabilities	4,938	5,642	6,319	6,879	7,035
Total equity and liabilities	**11,962**	**13,360**	**14,324**	**16,510**	**17,053**
CASH FLOW, SEK MILLION					
Cash flow from operating activities	428	1,038	1,052	1,599	2,171
Cash flow from investing activities	-280	-231	-249	-503	-316
Cash flow from financing activities	-504	-254	-914	-881	-990
Cash flow for the period	**-356**	**553**	**-111**	**215**	**866**
KEY RATIOS					
Operating margin, %	6.4	6.2	6.3	6.0	6.4
Adjusted operating margin, %	6.5	6.2	6.3	6.0	6.4
EBITA margin, %	6.4	6.2	6.3	6.0	6.4
Adjusted EBITA margin, %	6.5	6.3	6.3	6.0	6.4
Return on equity, %	17.5	18.3	18.7	16.1	16.7
Net debt	-2,417	-1,862	-1,365	-2,063	-1,124
Capital structure (net borrowings/adj. EBITDA)	2.5	1.7	1.1	1.3	0.6
Cash conversion, %	62	109	105	115	153
Interest coverage, multiple	15.5	22.9	38.6	23.5	28.2
Equity/assets ratio, %	34.1	34.9	36.6	33.9	34.5
Order intake	15,990	17,972	20,652	22,534	20,242
Order backlog	8,644	10,271	11,992	14,485	13,791
Average number of employees	9,730	10,643	11,475	11,722	11,906
Administrative expenses as % of sales	8.7	8.6	9.2	8.2	8.1
Working capital as % of sales	-5.8	-5.5	-4.9	-5.6	-7.5
Basic earnings per share, SEK	3.34	4.07	4.73	4.36	4.94
Diluted earnings per share, SEK	3.34	4,06	4.72	4.35	4.93

*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.



Adam, Purchasing Controlling and Business Development, Bravida

The Bravida share

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 2020 was SEK 109.50.

Return and market capitalisation

In 2020 the share price increased by 20.4 percent (50.8) and total shareholder return, including the dividend, was 22.9 percent (54.2). Over the same period Nasdaq Stockholm's OMXPI rose by 12.9 percent (30). Bravida's market capitalisation at year-end was SEK 22,226 million (18,429).

Share capital

Bravida's share capital is divided into 202,975,544 ordinary shares and 341,054 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 2018.

Ownership structure

At year-end 2020 Bravida had 9,665 (9,304) shareholders. The 10 largest shareholders based on voting rights accounted for 60 percent (60) of votes and the number of shares. Swedish shareholders owned 50 percent (49) of the number of shares.

Dividend policy and dividend

The Board proposes to the AGM a dividend payment of SEK 2.50 (2.25) per share for the 2020 financial year. The objective is to pay out more than 50 percent of net income per year. The proposed dividend corresponds to 51 percent (52) of earnings per share.

2021 Annual General Meeting

The AGM of Bravida Holding AB will take place on 26 April.

Summary

Distribution of Bravida's shares at 31 Dec 2020

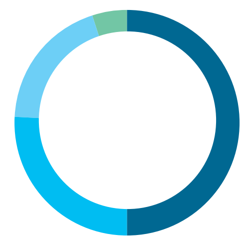
Categories	Number of shareholders	Percentage of votes, %
1–500	7,442	0.5
501–1,000	1,007	0.4
1 001–5,000	779	0.9
5,001–10,000	126	0.5
10,001–15,000	46	0.3
15,001–20,000	32	0.3
20,001–	233	97.2
Total	**9,665**	**100.0**

Bravida's 10 largest shareholders at 31 Dec 2020

Name	Percentage of capital, %
Mawer Investment Management Funds	11.0
Swedbank Robur Funds	9.0
Fourth Swedish National Pension Fund (AP4)	7.3
Lannebo Funds	7.3
SEB Funds	5.9
Didner & Gerge Funds	5.6
Handelsbanken Funds	4.5
Mondrian Investment Partners	3.5
Vaunguard	2.7
Norges Bank	2.7
Total	**59.5**

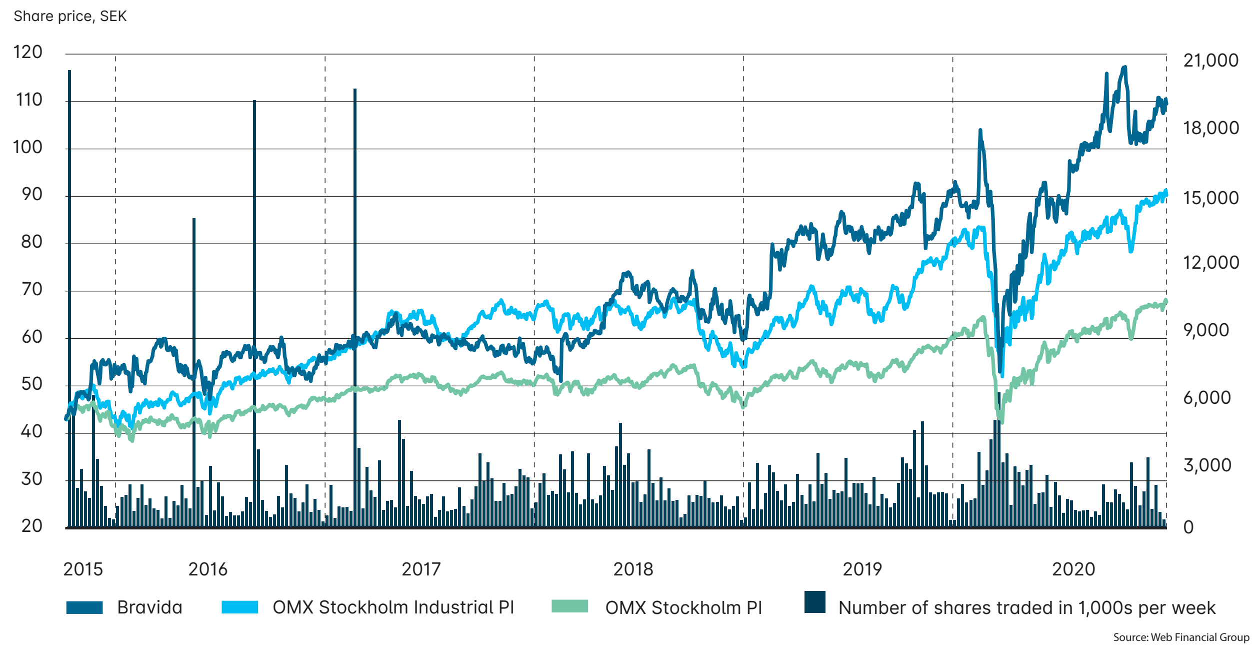
Share data

Price-related share data	2019	2020
Share price at year-end, SEK	91.0	109.5
Highest share price in the year, SEK	93.2	119.4
Lowest share price in the year, SEK	59.9	51.2
Market capitalisation at year-end, SEK million	18,429	22,226
Number of ordinary shares outstanding	202,625,490	202,975,544
Number of shares traded	94,053,112	90,629,811
Turnover ratio, %	47	45
P/E ratio	20.9	22.2
Yield, %	2.5	2.3
Total shareholder return, %	54.2	22.9
Data per share		
Net profit, SEK	4.36	4.94
Equity, SEK	27.57	28.85
Cash flow from operating activities, SEK	7.90	10.70
Proposed dividend, SEK	2.25	2.50



Ownership per country, %

- 50% Sweden
- 26% US and Canada
- 19% Rest of the world
- 5% Anonymous ownership



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	2020	2019	2018	2017	2016
Net sales	21,147	20,404	19,305	17,293	14,792
Operating profit/loss	1,348	1,224	1,207	1,072	944
Operating margin, %	6.4	6.0	6.3	6.2	6.4
EBITA	1,351	1,226	1,211	1,078	948
EBITA margin, %	6.4	6.0	6.3	6.2	6.4
Adjusted EBITDA	1,351	1,226	1,211	1,086	958
Adjusted EBITA margin, %	6.4	6.0	6.3	6.3	6.5
Profit/loss after tax	997	884	956	820	674
Cash flow from operating activities	2,171	1,599	1,052	1,038	428
Interest coverage, multiple	28.2	23.5	38.6	22.9	15.5
Cash conversion, %	153	115	105	109	62
Net debt/adjust. EBITDA, 12 m	0.6	1.3	1.1	1.7	2.5
Order intake	20,242	22,534	20,652	17,972	15,990
Order backlog	13,791	14,485	11,992	10,271	8,644
Average number of employees	11,906	11,722	11,475	10,643	9,730

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 2020 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 HVAC. Bravida also offers service and installation of security and sprinkler systems, cooling, power, lifts, solar panels and services in project management, energy optimisation, technical property service and uninterrupted technical infrastructure. 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 180 regions. 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

2020 was a challenging year that was characterised by the Covid-19 pandemic and its consequences. The pandemic's impact on the business remains uncertain. Demand for service decreased during the year as a result of the pandemic, as infection prevention measures restricted service access to many properties.

Bravida strengthened its customer offering in the year and established a new technical area within installation and service in the form of solar panels through two strategic acquisitions in Sweden and Finland.

Activities in 2020

Bravida's net sales rose by 4 percent in the year, 1 percent of which was organic and 5 percent was through acquisitions. The Swedish krona strengthened during the year, resulting in a negative currency effect of -2 percent.

Service sales decreased, particularly in Denmark and Norway. Installation sales increased in Sweden, Denmark and Finland.

EBITA rose by 10 percent and the margin increased to 6.4 percent as a result of improved margins in Sweden, Norway and Finland.

Order intake decreased by 7 percent, while the order backlog declined by 5 percent. The order backlog decreased in Sweden and Norway. Cash flow from operating activities increased by 36 percent compared with 2019.

During the year 16 acquisitions were made, adding annual sales of approximately SEK 788 million.

Net sales

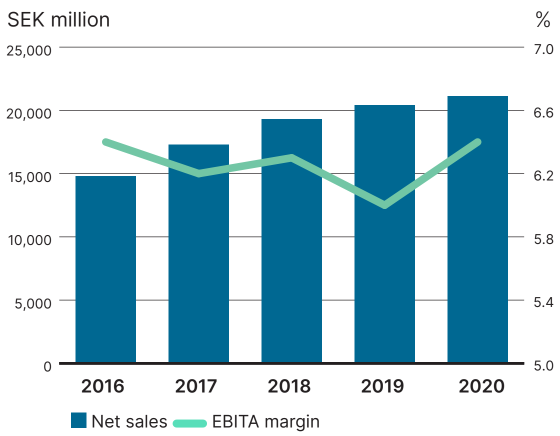
Net sales increased by 4 percent to SEK 21,147 million (20,404). Organic growth was 1 percent, acquisitions boosted net sales by 5 percent and currency effects had a negative impact of -2 percent. Net sales rose in Sweden, Denmark and Finland.

Compared with same period in 2019, net service sales decreased by 1 percent and net installation sales increased by 8 percent. The service business accounted for 45 percent (47) of total net sales.

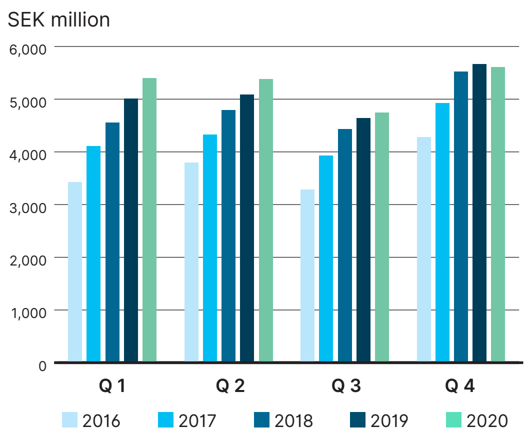
Earnings

Operating profit was SEK 1,348 million (1,224). EBITA increased by 10 percent to SEK 1,351 million (1,226), resulting in an EBITA margin of 6.4 percent (6.0). The EBITA margin increased in Sweden, Norway and Finland. The EBITA margin was lower in Denmark. Group-wide income was SEK 29 million (30).

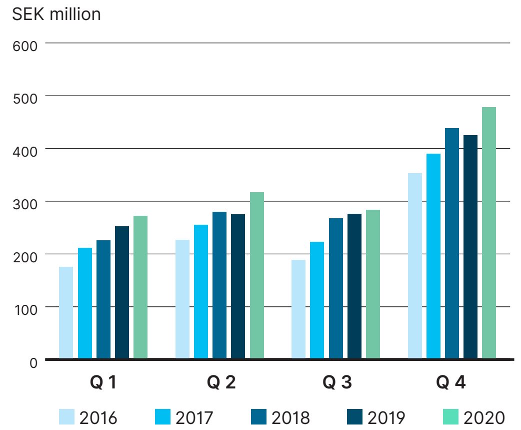
Net sales and EBITA margin



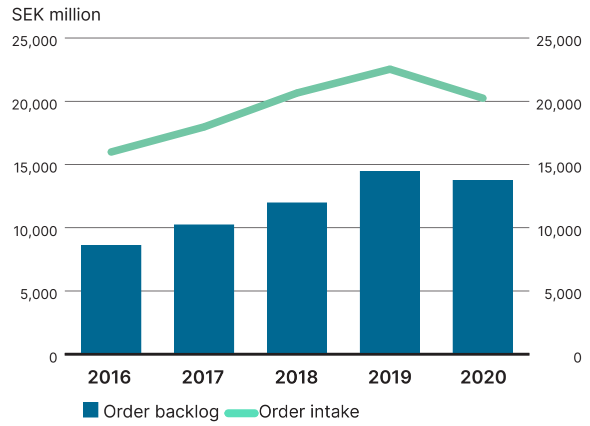
Net sales by quarter



EBITA by quarter



Order intake and order backlog



Depreciation and amortisation

Depreciation and amortisation totalled SEK -434 million (-417), SEK -399 million (-382) of which related to the amortisation of right-of-use assets.

Net financial income/expense

Net financial income/expense amounted to SEK -74 million (-73). Profit after financial items was SEK 1,274 million (1,151).

Profit/loss after tax

The tax expense was SEK -276 million (-267). Profit after tax was SEK 1,274 million (1,151). The effective tax rate was 22 percent (23). Tax paid totalled SEK -244 million (-154).

Profit for the year after tax was SEK 997 million (884).

Earnings per share

Profit for the year, attributable to owners of shares in the parent company, increased by 13 percent to SEK 997 million (884), which corresponds to basic earnings per share of SEK 4.94 (4.36). Diluted earnings per share were SEK 4.93 (4.35).

Order intake and order backlog

Order intake for the year decreased by 10 percent to SEK 20,242 million (22,534). The order backlog, which solely consists of installation projects, totalled SEK 13,791 million (14,485), a decrease of 5%.

Acquisitions

During the year, Bravida made 16 acquisitions, all in line with Bravida's strategy to expand within its priority markets and technical areas. Nine acquisitions were made in Sweden, four in Denmark, one in Finland and two in Norway.

The combined annual sales of the acquisitions made are estimated at around SEK 788 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 1,599 million (1,420). The change in working capital increased cash flow by SEK 572 million (179). Current receivables decreased by SEK 342 million, current liabilities rose by SEK 218 million and inventory decreased by SEK 12 million. Cash flow from operating activities was SEK 2,171 million (1,599). Cash flow from investing activities was SEK -316 million (-503), of which acquisitions of subsidiaries and businesses totalled SEK -281 million (-469).

Cash flow from financing activities, which refers to net repayment of borrowing, dividends and amortisation of lease liabilities, was SEK -990 million (-881).

Cash flow for the year was SEK 866 million (215).

Cash flow	2020	2019
Cash flow from operating activities	2,171	1,599
Cash flow from investing activities	-316	-503
Cash flow from financing activities	-990	-881
Cash flow for the year	866	215

Financial position

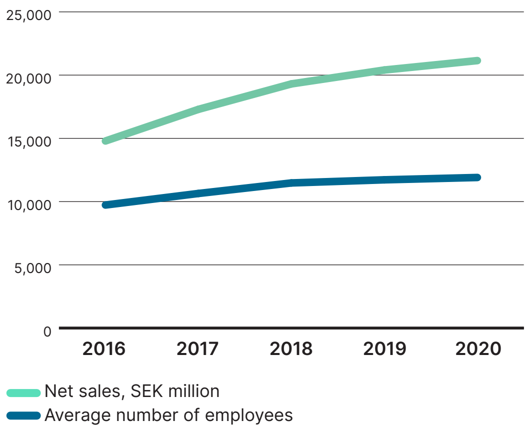
Bravida's net debt at 31 December was SEK -1,124 million (-2,063), corresponding to a capital structure ratio (net debt/EBITDA) of 0.6 (1.3). Consolidated cash and cash equivalents were SEK 1,748 million (972). Interest-bearing liabilities totalled SEK -2,872 million (-3,035), of which SEK -1,150 million (-1,495) was commercial paper and SEK -1,022 million (-1,040) was leases. Total credit facilities were SEK 3,000 million (3,000), of which SEK 2,300 million (1,900) was unused at 31 December. At the end of the period, equity totalled SEK 5,876 million (5,596). The equity/assets ratio was 34.5 percent (33.9).

Employees

The average number of employees at 31 December was 11,906 (11,722), an increase of 2 percent. See Note 5 for further information about employees.

Average number of employees in relation to net sales

Group



Geographical markets

Operations in Sweden

Net sales in Sweden rose by 6 percent to SEK 11,313 million (10,664). The increase in net sales was attributable to both service and installation business. Organic growth was 2 percent. EBITA increased by 11 percent to SEK 801 million (723), while the EBITA margin rose to 7.1 percent (6.8).

Order intake decreased by 14 percent to SEK 10,677 million (12,358). The decrease was partly due to a high comparative figure, as an order of SEK 1,144 million relating to the Stockholm Bypass Project was received in the first quarter of 2019 and an order of SEK 681 million was received in the fourth quarter of 2019. The order backlog at the end of the quarter was 7 percent lower than for the same period of the previous year and amounted to SEK 8,400 million (9,020).

Sweden	2020	2019
Net sales	11,313	10,664
EBITA	801	723
EBITA margin, %	7.1	6.8
Order intake	10,677	12,358
Order backlog	8,400	9,020
Average number of employees	5,831	5,887

Operations in Norway

Net sales decreased by 12 percent to SEK 4,304 million (4,867). Net sales were 3 percent lower in local currency. Net sales decreased in both the installation and service business. Currency fluctuations had a negative 9 percent impact on net sales. Organic growth was negative at -4 percent. EBITA was unchanged at SEK 245 million (245), while the EBITA margin rose to 5.7 percent (5.0).

Order intake decreased by 21 percent to 3,848 million (4,867), while in local currency order intake decreased by 6 percent. The order backlog at the end of the quarter was 18 percent lower than for the same period of the previous year and amounted to SEK 2,097 million (2,553).

Norway	2020	2019
Net sales	4,304	4,867
EBITA	245	245
EBITA margin, %	5.7	5.0
Order intake	3,848	4,867
Order backlog	2,097	2,553
Average number of employees	2,997	2,975

Operations in Denmark

Net sales increased by 12 percent to SEK 4,217 million (3,773). The increase in net sales was attributable to installation business. Organic growth was 0 percent. Currency fluctuations had a negative 1 percent impact on net sales. EBITA increased by 7 percent to SEK 220 million (206), while the EBITA margin decreased to 5.2 percent (5.4).

Order intake increased by 6 percent to SEK 4,277 million (4,049). The order backlog at the end of the quarter was 12 percent higher than for the same period of the previous year and amounted to SEK 2,451 million (2,196).

Denmark	2020	2019
Net sales	4,217	3,773
EBITA	220	206
EBITA margin, %	5.2	5.4
Order intake	4,277	4,049
Order backlog	2,451	2,196
Average number of employees	2,315	2,173

Operations in Finland

Net sales increased by 18 percent to SEK 1,392 million (1,182). The increase in net sales was attributable to both service and installation business. Organic growth was 13 percent. Currency fluctuations had a negative 1 percent impact on net sales. EBITA increased by SEK 34 million to SEK 56 million (22), while the EBITA margin rose to 4.0 percent (1.9).

Order intake increased by 13 percent to SEK 1,518 million (1,340). The order backlog at the end of the quarter was 18 percent higher than for the same period of the previous year and amounted to SEK 842 million (716).

Finland	2020	2019
Net sales	1,392	1,182
EBITA	56	22
EBITA margin, %	4.0	1.9
Order intake	1,518	1,340
Order backlog	842	716
Average number of employees	666	596

Significant disputes

There were no 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 60 acquisitions, increasing net sales by approximately SEK 5 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.

Market development is uncertain in the short term due to the COVID-19 situation. Bravida's management 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 for 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 : 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 of the Group's 2020 Annual Accounts.

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.

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 118-123.

The work of the Board

According to the Articles of Association, the Board of Bravida Holding AB should consist of a minimum of three and a maximum of 10 ordinary members. In addition to this, there are four employee representatives as full members and two deputy Board members. 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 2020 financial year, the Board held 14 Board meetings, five of which were extraordinary Board meetings and one was a constitutive Board 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 ahead of the 2021 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 2021 AGM and additional information about proposed Board members are published in conjunction with the convening notice and will be presented at the 2021 AGM. All documentation relating to the AGM will be available at www.bravida.com.

Sustainability Report

Bravida aims to operate a responsible business and ensure efficient management of its own and others' resources. Its sustainability work is linked to the Group's strategic areas of Best Customer Offering, Best Team, Efficient Delivery, Sustainable Business and Profitable Growth and encompasses the entire business. By integrating sustainability factors at all levels in the company and continually evaluating performance, we develop a profitable business for the long term that does not compromise the future. Bravida's priority sustainability goals relate to a good working environment, the sustainable use of resources, and sound business ethics. Bravida has clear interim targets for occupational injuries, absence due to sickness, carbon dioxide emissions, environmentally sound selection of materials and compliance with Bravida's code of conduct.

The Sustainability Report can be found on pages 42–57 and among the financial reports at www.bravida.com, in connection with the annual report.

Parent company

Bravida Holding AB's net sales for the year were SEK 193 million (184). All sales are internal. Operating profit was SEK 38 million (46). Profit after net financial items was SEK 17 million (21). Cash and cash equivalents were SEK 1,626 million (811). At year-end, equity totalled SEK 4,100 million (4,448).

Bravida shares

Bravida Holding AB's ordinary shares are listed on the Nasdaq Stockholm Large Cap list. At 30 December Bravida had 9,665 shareholders. The five largest shareholders were Mawer Investment Management funds, Swedbank Robur funds, the Fourth Swedish National Pension Fund (AP4), Lannebo Funds and SEB Funds. Mawer Investment Management funds hold 11 percent of the votes.

The listed share price at 30 December 2020 was SEK 109.50, which corresponds to a market capitalisation of SEK 22,226 million based on the number of ordinary shares. Total shareholder return over the past 12 months was just under 23 percent.

Share capital totals SEK 4 million, divided among 203,316,598 shares, of which 202,975,544 are ordinary shares and 341,054 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

On 1 January Bravida acquired Profire Sprinkler AB in Sweden, with 35 employees and annual sales of approximately SEK 70 million.

On 1 February in Denmark Bravida acquired J. Beese VVS & Blik AS with 12 employees and annual sales of around SEK 14 million and Fiberkom ApS with 8 employees and annual sales of approximately SEK 11 million.

On 11 February Bravida acquired SKM Service OY in Finland, which specialises in industrial piping, with annual sales of around SEK 130 million.

On 11 February the Board took the decision to issue 500,000 C shares that will be owned by Bravida in order to ensure the supply of ordinary shares for employees participating in the LTIP 2020 performance-based incentive programme.

In March Bravida signed an agreement to acquire Volt Elektro As in Norway with 6 employees and annual sales of around SEK 11 million. This takes effect from 1 April 2021.

Proposed allocation of profit

The Board of Directors proposes that the parent company's non-restricted equity of SEK 4,095,545,624 be allocated as follows:

Shareholders receive a dividend of SEK 2.50 per ordinary share	507,363,020*
Share premium reserve	3,517,757,028
Carried forward	70,425,576
Total	**4,095,545,624**

*The company's holds 30,336 treasury shares, which has reduced the total dividend amount by SEK 75,840.

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 26 April. The convening notice for the 2021 AGM has been available since 19 March 2021 on www.bravida.com.

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.

The impact of the Covid-19 pandemic on our business remains uncertain, with a risk to the health of employees, customers and suppliers and of a decline in our financial position.

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. In addition, refurbishment and maintenance account for around 15% of sales. Bravida is not dependent on any individual customers, as the Group has more than 55,000 customers across a range of segments. Bravida has a diversified customer structure with a large percentage of relatively small 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 developing its organisation and systems to take advantage of these new business opportunities. A few pilot projects are being conducted to gain knowledge and experience in this field.

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 financial policy, which stipulates short fixed-interest 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
Safety	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.

AREA OF RISK	DESCRIPTION	MANAGEMENT
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. Retaining and recruiting the right personnel is a key issue for Bravida.	Over the past year, Bravida has continued working on its employment offering and has developed a competitive offering to attract employees. The Group invests in continuous training, skills enhancement and leadership development through initiatives such as the Bravida School with the aim of retaining and encouraging employees.
Labour market shortages	Being unable to find the right personnel, i.e. a shortage of in-demand labour on the employment market.	As there is a general shortage of skilled labour it is necessary to expand our search for labour into other sectors.
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. Furthermore, training efforts are underway 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 on a regular basis. In addition, Bravida also takes a reactive approach in the form of monitoring and internal controls.
Projects	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.
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. Bravida's acquisitions take place locally and have the endorsement of the local organisation. 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. We regularly review our vehicle fleet and monitor emissions centrally. By working on vehicle policy and fuel choices, we aim to provide the business with cost-effective vehicles that contribute to gradually reducing our environmental impact.
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.
Information security and cyber-risk	Incidents in this risk area are becoming increasingly common. Risk of information theft and sabotage of information assets. In recent years, there has been an increased trend of information theft through 'social engineering' whereby users face various attempts at email fraud in order to get them to carry out financial transactions.	During the year Bravida continued working on information and cyber security based on the previous year's review, and conducted a maturity assessment of the company's information and cyber security. The company works continually on this basis to achieve a higher level of 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. 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	1 Jan 2020 –31 Dec 2020	1 Jan 2019 –31 Dec 2019
Net sales	2, 3	21,147	20,404
Production costs		-18,093	-17,503
Gross profit/loss		**3,054**	**2,901**
Administrative and selling expenses		-1,706	-1,678
Operating profit/loss	3, 5, 6, 7, 28	**1,348**	**1,224**
Financial income		14	7
Financial expenses		-88	-80
Net financial income/expense	8	**-74**	**-73**
Profit/loss before tax		**1,274**	**1,151**
Tax on profit/loss for the year	9	-276	-267
Profit/loss for the year		**997**	**884**
Profit/loss for the year attributable to:			
Owners of the parent company		1,002	882
Non-controlling interests		-5	2
Profit/loss for the year		**997**	**884**
Basic earnings per share, SEK	10	4.94	4.36
Diluted earnings per share, SEK	10	4.93	4.35

Consolidated statement of comprehensive income

AMOUNT IN SEK MILLION	Note	1 Jan 2020 –31 Dec 2020	1 Jan 2019 –31 Dec 2019
Profit/loss for the year		**997**	**884**
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	-150	15
Items that cannot be transferred to profit/loss for the year			
Revaluation of defined-benefit pensions		10	-204
Tax attributable to the revaluation of pensions		-2	44
Other comprehensive income for the year		**-142**	**-145**
Comprehensive income for the year		**855**	**739**
Comprehensive income for the year attributable to:			
Owners of the parent company		853	737
Non-controlling interests		2	2
Comprehensive income for the year		**855**	**739**

Consolidated balance sheet

AMOUNT IN SEK MILLION	Note	31 Dec 2020	31 Dec 2019
ASSETS			
Intangible assets	11	8,905	8,734
Right-of-use assets	12	1,002	1,029
Property, plant and equipment	13	110	102
Interests in associates	14	0	0
Pension assets	15	3	3
Securities held as non-current assets	16	13	12
Non-current receivables	17	17	18
Deferred tax asset	9	34	40
Total non-current assets		**10,084**	**9,939**
Inventories		135	122
Current tax assets		125	82
Trade receivables	25	3,391	3,540
Contract assets	18	1,257	1,514
Other receivables	19	313	341
Other financial assets		0	–
Cash and cash equivalents		1,748	972
Total current assets		**6,969**	**6,571**
TOTAL ASSETS	24	**17,053**	**16,510**
EQUITY	20		
Share capital		4	4
Other contributed capital		3,518	3,518
Reserves		-85	65
Retained earnings including profit/loss for the year		2,418	2,000
Equity attributable to owners of the parent company		**5,855**	**5,587**
Non-controlling interests		21	9
Total equity		**5,876**	**5,596**
LIABILITIES			
Non-current interest-bearing liabilities	21	500	500
Lease liability	21, 26	679	700
Non-current non-interest-bearing liabilities		216	89
Pension provisions	15	647	577
Other provisions	22	85	77
Deferred tax liabilities	9	322	258
Total non-current liabilities		**2,449**	**2,200**
Current interest-bearing liabilities	21	1,350	1,495
Lease liability	21, 26	343	340
Trade payables		2,123	2,239
Tax liabilities		101	127
Contract liabilities	18	2,049	2,004
Other liabilities	23	2,536	2,365
Provisions	22	226	144
Total current liabilities		**8,728**	**8,714**
Total liabilities	24	**11,177**	**10,914**
TOTAL EQUITY AND LIABILITIES		**17,053**	**16,510**

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 contribut-ed capital	Translation reserve	Retained earnings, incl. profit/loss for the year	Non-controlling interests	Total equity
2019						
Opening equity at 1 Jan 2019	4	3,518	50	1,651	15	5,238
Profit/loss for the year	–	–	–	882	2	884
Other comprehensive income for the year	–	–	15	-160	–	-145
Total comprehensive income for the year	–	–	**15**	**722**	**2**	**739**
Dividend	–	–	–	-404	–	-404
Change in non-controlling interests	–	–	–	7	-7	0
Share incentive programme	–	–	–	24	–	24
Closing equity at 31 Dec 2019	**4**	**3,518**	**65**	**2,000**	**9**	**5,596**
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**

Further information on equity is provided in Note 20.

Consolidated cash flow statement

AMOUNT IN SEK MILLION	Note	1 Jan 2020 –31 Dec 2020	1 Jan 2019 –31 Dec 2019
OPERATING ACTIVITIES			
Profit/loss before tax		1,274	1,151
Adjustments for non-cash items	30	569	423
Income taxes paid		-244	-154
Cash flow from operating activities before changes in working capital		**1,598**	**1,420**
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in inventories		12	3
Increase (-)/Decrease (+) in operating receivables		342	-87
Increase (+)/Decrease (-) in operating liabilities		218	263
Cash flow from operating activities		**2,171**	**1,599**
INVESTING ACTIVITIES			
Acquisition of subsidiaries	4, 29	-267	-469
Acquisition of assets and liabilities	4	-15	–
Acquisition of intangible assets	11	0	0
Acquisition of property, plant and equipment	13	-34	-34
Cash flow from investing activities		**-316**	**-503**
FINANCING ACTIVITIES			
Loans raised	21, 30	2,052	600
Repayment of loans	30	-2,197	-705
Repayment of lease liabilities		-388	-372
Change in utilisation of overdraft facility	21, 30	–	–
Dividend paid		-457	-404
Cash flow from financing activities		**-990**	**-881**
Cash flow for the year		**866**	**215**
Cash and cash equivalents at start of year		972	735
Exchange gains/losses on cash and cash equivalents		-90	22
Cash and cash equivalents at year-end		**1,748**	**972**

Parent company income statement

AMOUNT IN SEK MILLION	Note	1 Jan 2020 –31 Dec 2020	1 Jan 2019 –31 Dec 2019
Net sales		192	184
Administrative and selling expenses	5, 6, 7	-154	-139
Operating profit/loss		**38**	**46**
Income from financial items			
Interest and similar income		21	23
Interest and similar expenses		-42	-48
Net financial income/expense	8	**-21**	**-25**
Profit/loss after financial items		**17**	**21**
Appropriations			
Provision for tax allocation reserve		-40	-6
Group contributions		140	11
Profit/loss before tax		**117**	**26**
Tax	9	-26	-7
Profit/loss for the year[1]		**91**	**20**

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

Parent company balance sheet

AMOUNT IN SEK MILLION	Note	31 Dec 2020	31 Dec 2019
ASSETS			
Non-current assets			
Investments in Group companies	29	7,341	7,341
Non-current receivables		0	0
Deferred tax asset		0	0
Total non-current assets		**7,342**	**7,342**
Current assets			
Receivables from Group companies	28	1,225	1,629
Current tax assets		27	–
Other receivables	19	18	21
Cash and bank balances		1,626	811
Total current assets		**2,897**	**2,461**
TOTAL ASSETS	24	**10,238**	**9,803**
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		487	906
Profit/loss for the year		91	20
Total non-restricted equity		**4,096**	**4,444**
Total equity		**4,100**	**4,448**
Untaxed reserves			
Tax allocation reserves		520	480
Provisions			
Pension provisions	15	1	1
Non-current liabilities			
Interest-bearing liabilities	21	500	500
Current liabilities			
Liabilities to credit institutions	21	1,350	1,495
Trade payables		15	4
Liabilities to Group companies	28	3,708	2,838
Tax liabilities		0	7
Other liabilities	23	45	31
Total current liabilities		**5,118**	**4,374**
TOTAL EQUITY AND LIABILITIES	24	**10,238**	**9,803**

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
2019					
Opening equity at 1 Jan 2019	**4**	**3,518**	**1,094**	**193**	**4,809**
Profit/loss for the year	–	–	–	20	20
Appropriation of profits	–	–	193	-193	-1
Dividend	–	–	-404	–	-404
Share incentive programme	–	–	24	–	24
Closing equity at 31 Dec 2019	**4**	**3,518**	**906**	**20**	**4,448**
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**

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	1 Jan 2020 –31 Dec 2020	1 Jan 2019 –31 Dec 2019
Operating activities			
Profit/loss after financial items		17	21
Adjustments for non-cash items	30	18	24
Income taxes paid		-25	-35
Cash flow from operating activities before changes in working capital		**10**	**10**
CASH FLOW FROM CHANGES IN WORKING CAPITAL			
Increase (-)/Decrease (+) in operating receivables		1,250	645
Increase (+)/Decrease (-) in operating liabilities		17	31
Cash flow from operating activities		**1,277**	**685**
INVESTING ACTIVITIES			
Acquisition of non-current financial assets		0	–
Cash flow from investing activities		**0**	**–**
FINANCING ACTIVITIES			
Loans raised	21, 30	2,052	600
Repayment of loans	21	-2,197	-705
Dividend paid		-457	-404
Group contributions paid		-40	-53
Group contributions received		180	64
Cash flow from financing activities		**-462**	**-498**
Cash flow for the year		815	187
Cash and cash equivalents at start of year		811	624
Cash and cash equivalents at year-end		**1,626**	**811**

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 Bravida Holding AB in full or as the parent company. The consolidated accounts for 2020 consist of 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 2021

A number of new or amended standards and interpretations come into effect for financial years starting 1 January 2021 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 balance sheet date rate
- income and expenses for each of the income statements are translated at the average rate
- all resulting foreign exchange differences are recognised through other comprehensive income as a separate part 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.

Income
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 the percentage-of-completion method) 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 by applying 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.

Impairment losses
At each balance sheet date, the carrying amounts of property, plant and equipment and intangible fixed assets and rights of uses for leases are analysed to determine whether there is any indication that these 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 calculatedto be able to determine the value 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 payments 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.

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 period.

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 – equityinstrumentinvestment or fair value through profit or 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 tax
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. 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. For funded plans, the tax is payable on the return on plan assets and is 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 payments 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 paid 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 reserve

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, while changes in value are 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 lessor, 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 Jan 2020 –31 Dec 2020			01 Jan 2019 –31 Dec 2019		
Distribution of revenues by category	**Service**	**Installation**	**Total**	**Service**	**Installation**	**Total**
Sweden	5,439	5,874	11,313	5,285	5,378	10,664
Norway	2,176	2,128	4,304	2,452	2,414	4,867
Denmark	1,557	2,660	4,217	1,592	2,180	3,773
Finland	329	1,063	1,392	282	900	1,182
Eliminations	**-49**	**-30**	**-79**	**-40**	**-41**	**-81**
Group	**9,452**	**11,695**	**21,147**	**9,572**	**10,832**	**20,404**

	Group	
Contract balances	**31 Dec 2020**	**1 Jan 2020**
Receivables included in trade receivables and other receivables	3,401	3,559
Contract assets – accrued but not invoiced	1,257	1,514
Contract liabilities – invoiced but not accrued	-2,049	-2,004

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 2020.

Revenue recognised during the period ended 31 December 2020 from performance commitments fulfilled (or partially fulfilled) in previous periods amounts to SEK -4 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 that are not met at year-end in respect of projects over more than 1 year total SEK 5,015 million, 36% of revenue, is expected to be recognised within 1 year and 31% within 2 years, with the remainder recognised 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 HVAC. Bravida also offers service and installation of security and sprinkler systems, cooling, power, lifts and services within project management and technical service management.

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**

2019	Sweden	Norway	Denmark	Finland	Group-wide	Eliminations and other	Total
External net sales	10,590	4,861	3,770	1,179	4	–	20,404
Internal net sales	74	6	2	3	398	-482	–
Net sales	**10,664**	**4,867**	**3,773**	**1,182**	**402**	**-482**	**20,404**
Operating expenses	-9,940	-4,621	-3,567	-1,160	-371	482	-19,178
Amortisation of non-current intangible assets	-3	–	0	0	–	–	-3
Operating profit/loss	**720**	**245**	**205**	**22**	**30**	**0**	**1,224**
Net financial items	-11	9	-1	-2	-67	–	-73
Profit/loss before tax	**709**	**254**	**204**	**20**	**-36**	**0**	**1,151**
Other information							
Goodwill	5,375	1,817	1,158	382	–	–	8,731
Other non-current assets*	647	296	197	26	3	–	1,168
Total non-current assets	**6,021**	**2,113**	**1,354**	**407**	**3**	**–**	**9,899**

*Excluding a deferred tax asset.

NOTE 4. Acquisition of operations

Acquisitions made in 2020 and 2019 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 60 million (85). 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.

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 Själevad AB	Sweden	Heating and plumbing, HVAC	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, HVAC	Company	July	100%	44	87
Vesthimmerlands VVS A/S	Denmark	Heating and plumbing, HVAC	Company	July	100%	18	28
Nielsen & Brostrøm A/S	Denmark	Heating and plumbing, HVAC	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	
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**

2019

Bravida made the following acquisitions in 2019:

Acquired unit	Country	Technical area	Type	Date	Percentage of votes	No. of employees	Estimated annual sales, SEK million
Insight Building Automation A/S	Denmark	Automation	Company	January	100%	22	35
Carrier Refrigeration Sweden	Sweden	Cooling	Assets and liabilities	January	–	37	50
Elbolaget Glödlampan AB	Sweden	Electrical	Company	January	100%	18	20
Cura VVS A/S	Denmark	Heating and plumbing, HVAC	Company	March	100%	60	130
H.Helbo Hansen A/S	Denmark	Electrical	Company	March	100%	75	110
Bylunds Elektriska AB	Sweden	Electrical	Company	April	100%	43	40
Buchreitz A/S	Denmark	Electrical	Company	April	100%	45	55
San Tek Kameraövervakning AB	Sweden	Security	Company	May	100%	20	30
MIH VVS ApS	Denmark	Heating and plumbing, HVAC	Company	May	100%	70	100
Jyväskylän LVI-Palvelu Oy	Finland	Heating and plumbing, HVAC	Company	May	100%	10	20
Herberts Rör AB	Sweden	Heating and plumbing, HVAC	Company	June	100%	37	55
El-teknik i Gävle AB	Sweden	Electrical	Company	June	100%	34	40
AB Venair	Sweden	HVAC	Company	July	100%	11	200
Karby VVS AB	Sweden	Heating and plumbing, HVAC	Company	September	100%	14	40
Sprinklerinstallationer Sverige AB	Sweden	Sprinklers	Company	September	100%	9	5
Östervåla VVS AB	Sweden	Heating and plumbing, HVAC	Assets and liabilities	September	–	14	20
NPI Ventilation AB	Sweden	HVAC	Company	November	100%	16	45
AM Elektriska AB	Sweden	Power	Company	November	100%	29	50
Alpedalens VVS A/S	Denmark	Electrical	Assets and liabilities	December	100%	35	55
Orkdal Installasjon AS	Norway	Electrical, safety	Assets and liabilities	December	–	14	20

If the acquisitions had taken place at 1 January 2019, consolidated sales for 2019 would have increased by around 2%.

Effects of acquisitions in 2019

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]	146
Income accrued but not invoiced	37
Other current assets	54
Cash and cash equivalents	109
Non-current liabilities	-23
Trade payables	-80
Income invoiced but not accrued	-20
Other current liabilities	-105
Net identifiable assets and liabilities	**129**
Consolidated goodwill	**466**
Consideration	-594
Cash and cash equivalents, acquired	109
Net effect on cash and cash equivalents	**-485**
Cash consideration paid	-457
Consideration recognised as a liability[2]	-138
Consideration	**-594**

[1] There are no material impairments of trade receivables.
[2] Of the total consideration recognised as a liability, SEK 60 million (85) consists of contingent consideration. In addition to the total consideration recognised as a liability for the year's acquisitions, non-controlling interests' option to sell shares held is recognised as a liability at the net present value of the expected amount to be paid upon exercise of the option, at an amount of SEK 136 million (-).

NOTE 5. Employees and personnel costs

Average number of employees	2020 Total	2020 Percentage women	2020 Percentage men	2019 Total	2019 Percentage women	2019 Percentage men
PARENT COMPANY						
Sweden	17	65%	42%	15	66%	34%
Total in Parent company	**17**	**65%**	**35%**	**15**	**66%**	**34%**
GROUP COMPANIES						
Sweden[1]	5,911	8%	92%	5,963	9%	91%
Norway	2,997	6%	94%	2,975	6%	94%
Denmark	2,315	7%	93%	2,173	7%	93%
Finland	666	8%	92%	596	7%	93%
Total in Group companies	**11,889**	**8%**	**92%**	**11,707**	**8%**	**92%**
Group total	**11,906**	**8%**	**92%**	**11,722**	**8%**	**92%**

[1] Bravida Sweden conducts development operations at a branch office in Slovakia. These employees are reported in Sweden and total 15 (14) persons, of whom 1 (2) are women.

Distribution in company management[2]	31 Dec 2020 Proportion of women	31 Dec 2020 Proportion of men	31 Dec 2019 Proportion of women	31 Dec 2019 Proportion of men
PARENT COMPANY				
Board of Directors	50%	50%	33%	67%
Other senior executives	8%	92%	15%	85%
GROUP, TOTAL				
Board of Directors	50%	50%	33%	67%
Other senior executives	8%	92%	15%	85%

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

Salaries, other remuneration and social security contributions	2020 Salaries and remuneration	2020 Social security contributions	2019 Salaries and remuneration	2019 Social security contributions
PARENT COMPANY	47	13	47	12
(of which pension)	(6)	(1)	(6)	(1)
GROUP COMPANIES	7,277	1,301	7,403	1,231
(of which pension)	(547)	(64)	(556)	(66)
Group total	**7,324**	**1,314**	**7,450**	**1,242**
(of which pension)	(553)	(65)	(561)	(67)

Salaries and other remuneration	2020 CEO and other senior executives[3]	2020 Other employees	2019 CEO and other senior executives[3]	2019 Other employees
PARENT COMPANY				
Sweden	32	15	33	14
(of which bonuses, etc.)	(10)	(0)	(10)	(0)
GROUP COMPANIES				
Sweden	28	3,345	25	3,437
(of which bonuses, etc.)	(13)	(88)	(9)	(87)
Norway	6	1,708	5	1,938
(of which bonuses, etc.)	(3)	(30)	(1)	(35)
Denmark	7	1,752	6	1,604
(of which bonuses, etc.)	(2)	(26)	(2)	(27)
Finland	4	427	4	382
(of which bonuses, etc.)	(1)	(4)	(1)	(3)
Total for Group companies	**46**	**7,231**	**40**	**7,361**
(of which bonuses, etc.)	(19)	(149)	(14)	(152)
Group total	**78**	**7,246**	**73**	**7,376**
(of which bonuses, etc.)	(29)	(149)	(24)	(152)

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

Remuneration and other benefits for the Board

SEK thousand	Board fees	Committee fee[4]	Other fees	Total recognised cost for 2020	Total recognised cost for 2019
CHAIRMAN OF THE BOARD					
Fredrik Arp	1,183	117	–	1,300	1,260
OTHER BOARD MEMBERS					
Jan Johansson	467	160	–	627	550
Mikael Norman[5]	150	60	–	210	630
Marie Nygren	467	90	–	557	550
Staffan Påhlsson	467	97	–	563	530
Karin Stålhandske[5]	317	70	–	387	–
Cecilia Daun Wennborg	467	83	–	550	530
	3,517	**677**		**4,193**	**4,050**

[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 extraordinary general meeting on 23 October 2020. 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 an extraordinary general meeting in 2020. Since the constitutive Board meeting in 2020, 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 resolution at an extraordinary general meeting in 2020. Since the constitutive Board meeting in 2020, the Remuneration Committee has consisted of Fredrik Arp as chairman and Cecilia Daun Wennborg and Marie Nygren as members.

CEO and senior executives' benefits

See page 69 of the directors' report for further information.

Remuneration and other benefits of senior executives

2020 SEK thousand	Basic salary	Variable remuneration	Other benefits[7]	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	7,711	6,119	60,419
	30,723	**29,089**	**9,004**	**8,065**	**77,702**

2019 SEK thousand	Basic salary	Variable remuneration	Other benefits[7]	Pension expense	Total
CEO and Group President Mattias Johansson	6,217	6,060	1,820	1,968	16,066
Other senior executives[6]	23,730	17,636	9,464	6,185	57,015
	29,946	**23,636**	**11,285**	**8,153**	**73,081**

[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 12 (13) persons.
[7]Includes the market value of earned shares in incentive programmes at the time of vesting.

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 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. Any allocation takes place after the first-quarter report for 2021 has been published.

LTIP 2017
The 2017 AGM resolved upon another incentive programme (LTIP 2017), to run from 2017 until the 2020 AGM.

Participation in LTIP 2017 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 and at the point of allocation. 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.

For each share held under the LTIP 2017, participants may be assigned, at no cost, a minimum of one and a maximum of five new shares in Bravida. The number of shares allocated depends on the extent to which the set performance target is met. The set performance target for all participants is Group EBITA for 2019. Final allocation took place in May 2020, which as a result of achieved EBITA under the programme amounted to 70% of maximum allocation. Of the 147 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 76.70.

Number of rights to shares at start of programme	Number of shares:	Number of participants	Maximum number Matching shares	Maximum number Performance shares
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
LTIP 2017	591,078	147	128,924	462,154

Share savings programme, LTIP	2017	2018	2019	2020
Number of rights to shares at 1 January 2017	–	–	–	–
Allocated during the year	591,078	–	–	–
Forfeited during the year	-15,384	–	–	–
Number of rights to shares at 31 December 2017	**575,694**	**–**	**–**	**–**
Number of rights to shares at 1 January 2018	575,694	–	–	–
Allocated during the year	–	606,000	–	–
Forfeited during the year	-38,308	-31,950	–	–
Performance shortfall	–	–	–	–
Number of rights to shares at 31 December 2018	**537,386**	**574,050**	**–**	**–**
Number of rights to shares at 1 January 2019	537,386	574,050	–	–
Allocated during the year	–	–	604,530	–
Forfeited during the year	-40,155	-38,850	–	–
Performance shortfall	–	–	–	–
Number of rights to shares at 31 December 2019	**497,231**	**535,200**	**604,530**	**–**
Number of rights to shares at 1 January 2020	497,231	535,200	604,530	–
Allocated during the year	–	–	–	483,267
Forfeited during the year	–	-37,800	-34,030	–
Performance shortfall	-147,177	–	–	–
Final allocation at end of programme	-350,054	–	–	–
Number of rights to shares at 31 December 2020	**–**	**497,400**	**570,500**	**483,267**

Share savings programme, LTIP	2018	2019	2020
Number of participants stillemployed at 31 December 2020	132	175	176
Vesting period	Jan 2018 –Dec 2020	Jan 2019 –Dec 2021	Jan 2020 –Dec 2022
Performance target	EBITA 2020	EBITA 2021	Ebita 2022
Fair value per right to share	62.72	75.63	98.87

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	2020	2019
Share programme, LTIP 2016	–	5
Share savings programme, LTIP 2017	-1	12
Share savings programme, LTIP 2018	9	10
Share savings programme, LTIP 2019	15	7
Share savings programme, LTIP 2020	1	–
	23	**35**

Costs for the share programmes are included in operating profit and recognised in the balance sheet as equity and accrued costs (social security contributions).

The cost is based on the fair value of the share rights that are expected to be allotted. 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	
	1 Jan 2020 –31 Dec 2020	1 Jan 2019 –31 Dec 2019	1 Jan 2020 –31 Dec 2020	1 Jan 2019 –31 Dec 2019
KPMG				
Audit assignment	6	5	2	2
Audit work in addition to audit engagement	0	0	–	–
Tax advice	0	0	–	–
Other services	0	1	0	0
Other audit firms				
Audit assignment	1	0	–	–
Other services	–	–	–	–
	7	**7**	**2**	**2**

Audit engagements 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 engagement.

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	
	1 Jan 2020 –31 Dec 2020	1 Jan 2019 –31 Dec 2019	1 Jan 2020 –31 Dec 2020	1 Jan 2019 –31 Dec 2019
Costs of materials	6,135	5,732	–	–
Subcontractors and purchased services in production	3,048	2,906	–	–
Employee costs	8,638	8,692	60	59
Depreciation and amortisation	434	417	–	–
Vehicle expenses	322	335	0	0
Premises expenses	107	125	–	–
IT expenses and telecoms	130	124	–	0
Other operating expenses	985	849	94	80
	19,799	**19,181**	**154**	**139**

NOTE 8. Net financial items

	Group		Parent company	
	1 Jan 2020 –31 Dec 2020	1 Jan 2019 –31 Dec 2019	1 Jan 2020 –31 Dec 2020	1 Jan 2019 –31 Dec 2019
FINANCE INCOME				
Interest income, external	2	2	2	2
Interest income, internal	–	–	20	21
Other	12	5	–	–
	14	**7**	**21**	**23**
FINANCIAL EXPENSES				
Interest expenses, external	-19	-27	-15	-23
Interest expenses, internal	–	–	-3	-5
Interest expenses, leases	-28	-24	–	–
Foreign exchange losses	-11	-10	-11	-10
Other	-30	-19	-13	-9
	-88	**-80**	**-42**	**-48**
Net financial items	**-74**	**-73**	**-21**	**-24**

NOTE 9. Tax

	Group		Parent company	
	1 Jan 2020 –31 Dec 2020	1 Jan 2019 –31 Dec 2019	1 Jan 2020 –31 Dec 2020	1 Jan 2019 –31 Dec 2019
CURRENT TAX				
Tax expense for the period	-185	-207	-26	-7
Adjustment of tax in respect of prior years	0	-16	–	0
	-184	**-224**	**-26**	**-7**
DEFERRED TAX				
Deferred tax expense	-92	-43	0	–
Total recognised tax expense	**-276**	**-267**	**-26**	**-7**

	Group		Parent company	
	1 Jan 2020 –31 Dec 2020	1 Jan 2019 –31 Dec 2019	1 Jan 2020 –31 Dec 2020	1 Jan 2019 –31 Dec 2019
RECONCILIATION OF EFFECTIVE TAX				
Profit/loss before tax	1,274	1,151	117	26
Tax at tax rate applying to parent company	-273	-246	-25	-6
Effect of different tax rates for foreign subsidiaries	-2	-2	–	–
Non-deductible expenses	-15	-12	0	0
Deductible items not affecting earnings	10	8	–	–
Non-taxable income	5	3	–	–
Tax in respect of prior years	0	-16	–	0
Effect of changed tax rates	-3	–	0	–
Effects of utilised loss carry-forwards	4	0	–	–
Deferred tax asset attributable to previous years	-1	0	0	–
Other	-2	-1	-1	-1
Recognised effective tax	**-276**	**-267**	**-26**	**-7**
Effective tax	21.7%	23.2%	22.2%	25.3%

Corporate tax rate in each country: Sweden 21.4% (21.40%), Norway 22.0% (22.0%), Denmark 22% (22%), Finland 20.0% (20.0%).

From 1 January 2019 the tax rate in Sweden is 21.4% for companies with a financial year starting 1 January 2019 or later; for financial years starting 1 January 2021 or later the tax rate is 20.6%.

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable as follows:

	31 Dec 2020		31 Dec 2019	
Group	**Deferred tax asset**	**Deferred tax liability**	**Deferred tax asset**	**Deferred tax liability**
Intangible non-current assets	24	–	35	–
Property, plant and equipment	9	–	5	–
Trade receivables	15	–	12	–
Pension provisions	116	–	108	–
Provisions for projects	–	-306	–	-260
Warranty provisions	29	–	27	–
Untaxed reserves	–	-202	–	-165
Loss carry-forwards	14	–	10	–
Other	14	–	10	–
Tax assets/liabilities	**220**	**-507**	**207**	**-425**
Net tax assets/liabilities	**-288**		**-218**	

Deferred tax assets amounted to SEK 220 million, SEK 14 million of which is expected to be used within 12 months. Deferred tax liabilities amounted to SEK 507 million, SEK 0 million of which is due within 12 months.

Change in deferred tax in temporary differences and loss carry-forwards

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	–	5	–	14
Total	**-218**	**-94**	**-2**	**29**	**-2**	**-288**

Group 2019	Amount at 1 Jan 2019	Recognised in profit/loss for the year	Recognised in other comprehensive income	Translation differences and other	Acquisitions/ disposals of companies	Amount at 31 Dec 2019
Intangible non-current assets	42	-8	–	2	–	35
Property, plant and equipment	3	2	–	-1	–	5
Trade receivables	10	1	–	1	0	12
Pension provisions	53	13	44	-2	–	108
Provisions for projects	-240	-9	–	-8	-4	-260
Warranty provisions	31	-5	–	1	–	27
Untaxed reserves	-132	-35	–	2	–	-165
Loss carry-forwards	11	-1	–	0	–	10
Other	11	-2	–	1	–	10
Total	**-211**	**-43**	**44**	**-4**	**-4**	**-218**

NOTE 10. Earnings per share

	2020	2019
Profit/loss for the year attributable to parent company shareholders, SEK thousand	997,180	884,040
Weighted average number of ordinary shares outstanding:		
basic	202,858,859	202,472,526
Effect of long-term incentive programme	395,385	492,117
diluted	203,254,244	202,964,643
Basic earnings per share, SEK	4.94	4.36
Diluted earnings per share, SEK	4.93	4.35

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 2018 (LTIP 2018). Rights to shares in LTIP 2019 and 2020 are not yet dilutive but could be if the performance terms are met. With regard to LTIP 2017, these rights to shares were dilutive until allocation in May 2019. 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 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**

Group 31 Dec 2019	Goodwill	Other intangible assets	Total
ACCUMULATED COST			
At start of year	8,218	31	8,248
Business combinations	494	0	494
Foreign exchange differences for the year	27	0	27
At year-end	**8,739**	**31**	**8,769**
ACCUMULATED SCHEDULED AMORTISATION			
At start of year	–	-25	-25
Scheduled amortisation for the year	–	-3	-3
Foreign exchange differences for the year	–	0	0
At year-end	**–**	**-28**	**-28**
ACCUMULATED IMPAIRMENT			
At start of year	-8	–	-8
At year-end	**-8**	**–**	**-8**
Carrying amount at start of period	**8,210**	**6**	**8,216**
Carrying amount at end of period	**8,731**	**3**	**8,734**

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 Dec 2020	31 Dec 2019
Sweden	5,520	5,375
Norway	1,756	1,817
Denmark	1,211	1,158
Finland	416	382
	8,904	**8,731**

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). Calculations of value in use are based on a weighted discount rate before tax of 7.9 (7.1–7.7), with the range being due to the variation in the nominal interest rate in the different segments.

NOTE 12. Right-of-use assets

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**

Other lease disclosures can be found in Note 26.

Group 31 Dec 2019	Buildings and land	Vehicles	Total
At start of year	627	391	1,018
New contracts	205	174	380
Extension option	32	42	74
Contracts terminated	-68	-7	-75
Depreciation/amortisation	-182	-200	-382
Foreign exchange differences for the year	10	5	14
At year-end	**624**	**405**	**1,029**

NOTE 13. Property, plant and equipment

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**

Group 31 Dec 2019	Buildings and land	Machinery and equipment	Total
ACCUMULATED COST			
At start of year	21	246	267
Purchases	3	31	34
Business combinations	–	12	12
Divestments and disposals	-1	-14	-16
Reclassification	2	-2	–
Foreign exchange differences for the year	0	3	3
	25	**276**	**301**
ACCUMULATED SCHEDULED AMORTISATION			
At start of year	-2	-179	-180
Divestments and disposals	1	14	16
Reclassification	-1	1	–
Scheduled amortisation for the year of acquisition costs	-2	-31	-32
Foreign exchange differences for the year	0	-2	-2
	-3	**-195**	**-199**
Carrying amount at end of period	**22**	**80**	**102**

NOTE 14. Interests in associates

Group	31 Dec 2020	31 Dec 2019
ACCUMULATED COST		
At start of year	0	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	**0**	**0**

Specification of investments in associates

31 Dec 2020 Associate, Company reg. no., Reg. office	Profit/loss for the year	Owned share	Value of investment	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**

31 Dec 2019 Associate, Company reg. no., Reg. office	Profit/loss for the year	Owned share	Value of investment	Book value
Kraftkompaniet Sweden HB, 969740-4755, Stockholm, Sweden	–	50%	0	0
MT Højgaard ApS, CVR 36905026, DK-2605 Brøndby, Denmark	–	50%	0	0
			0	**0**

NOTE 15. Pension assets and provisions 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 88% 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. The pension plan requires 107% consolidation and is reinsured with PRI. 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 2020, Alecta's surplus in the form of the collective consolidation level was 148% (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 Dec 2020	31 Dec 2019
Present value of fully or partly funded obligations	-1,858	-1,866
Fair value of plan assets	1,454	1,464
Total fully or partly funded obligations	**-404**	**-399**
Present value of unfunded defined-benefit obligations	-240	-176
Net obligations	**-644**	**-574**
The net amount is recognised in the following items on the balance sheet:		
Pension assets	3	3
Provisions for pensions and similar obligations	-647	-577
Total	**-644**	**-574**
Distribution of net amount by country:		
Sweden	-644	-574
Norway	0	0
Total	**-644**	**-574**

Changes in the present value of the obligation for defined-benefit plans

Group	31 Dec 2020	31 Dec 2019
Obligation for defined-benefit plans at 1 January	2,042	1,590
Cost of vested benefits during period	76	74
Liability taken over	-1	108
Interest expense	29	40
Pension payments	-67	-67
Actuarial gains (-) and losses (+)		
– Changes in financial assumptions	34	289
– Experience-based adjustments	1	2
Currency translation	-3	5
Obligation for defined-benefit plans at 31 December	**2,111**	**2,042**
of which funded obligations	-1,858	-1,866

The average maturity period for obligations is 18 years (18).

Changes in fair value of plan assets

Group	31 Dec 2020	31 Dec 2019
Fair value of plan assets at 1 January	1,468	1,305
Acquired asset	–	106
Interest income recognised in the income statement	21	33
Withdrawn	-65	-66
Insurance premium (-) paid from plan assets	–	0
Paid in	2	0
Return on plan assets excluding interest income	45	86
Currency translation	-3	5
Fair value of plan assets at 31 December	**1,467**	**1,468**

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 Dec 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**

31 Dec 2019	Parent company	Other Sweden	Norway	Total
Active	10	1,161	13	1,184
Holders of paid-up policies	–	2,417	59	2,476
Retired	–	3,280	375	3,655
Total	**10**	**6,858**	**447**	**7,315**

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	-190	217
Change in inflation assumption	0.5 percentage point	0.5 percentage point
Effect on obligation	166	-161
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 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Discount rate	1.00%	1.40%	1.50%	1.80%
Assumed long-term salary increases	1.90%	2.20%	2.00%	2.25%
Long-term increase in income base amount	1.90%	2.20%	2.00%	2.00%
Assumed long-term inflation	1.50%	1.80%	0.70%	0.70%
Expected increase in base amount (price base amount)	–	–	1.75%	2.50%
Future increases in pensions	–	–	1.00%	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 Dec 2020	31 Dec 2019
ACCUMULATED COST		
At start of year	12	12
Acquisition of subsidiaries	0	0
Divestments and disposals	0	0
Changes in value	1	0
Foreign exchange differences for the year	0	0
Carrying amount at end of period	**13**	**12**
BREAKDOWN OF SECURITIES		
Tenant-owner property	7	7
Other	7	6
	13	**12**

NOTE 17. Non-current receivables

Long-term receivables that are non-current assets

	Group		Parent company	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Deposit for rental of premises	16	16	–	–
Other	1	1	0	0
	17	**18**	**0**	**0**

NOTE 18. Contract assets and contract liabilities

CONTRACT ASSETS

Group	31 Dec 2020	31 Dec 2019
Accrued income from work not yet completed	13,273	12,459
Invoicing of work not yet completed	-12,016	-10,945
	1,257	**1,514**

CONTRACT LIABILITIES

Group	31 Dec 2020	31 Dec 2019
Invoicing of work not yet completed	22,570	15,912
Accrued income from work not yet completed	-20,521	-13,908
	2,049	**2,004**

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 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Other operating receivables	58	65	0	11
Prepaid insurance premiums	16	5	9	–
Prepaid credit facility charge	7	9	7	9
Accrued income	149	165	–	–
Other prepayments	83	97	1	1
	313	**341**	**18**	**21**

NOTE 20. Equity

Parent company	31 Dec 2020 Ordinary shares	31 Dec 2020 C shares	31 Dec 2020 Total	31 Dec 2019 Ordinary shares	31 Dec 2019 C shares	31 Dec 2019 Total
SHARES OUTSTANDING						
Opening number of shares	202,625,490	691,108	203,316,598	202,166,598	1,150,000	203,316,598
Consolidation	350,054	-350,054	–	458,892	-458,892	–
Number of shares at year-end	**202,975,544**	**341,054**	**203,316,598**	**202,625,490**	**691,108**	**203,316,598**
- of which held by Bravida Holding AB*	-30,336	-341,054	-371,390	-35,720	-691,108	-726,828
Total shares outstanding at year-end	**202,945,208**	**–**	**202,945,208**	**202,589,770**	**–**	**202,589,770**

*Custodial, intended for long-term incentive programme.

Share capital totals SEK 4,066,332. The quotient value of one share is SEK 0.02. The share capital is divided into 202,975,544 ordinary shares and 341,054 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 Dec 2020	31 Dec 2019
TRANSLATION RESERVE		
Opening translation difference	65	50
Translation differences for the year, foreign subsidiaries	-150	15
Closing translation difference	**-85**	**65**

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 26 April 2021.

A cash dividend of SEK 2.50 (2.25) per ordinary share, totalling SEK 507,363,020 (455,826,983) 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 provides 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 2020 it was 0.6.

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 4,095,545,624 be allocated as follows:

Shareholders receive a dividend of SEK 2.50 per ordinary share	507,363,020
Share premium reserve	3,517,757,028
Carried forward	70,425,576
Total	**4,095,545,624**

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 Dec 2020	Group 31 Dec 2019	Parent company 31 Dec 2020	Parent company 31 Dec 2019
NON-CURRENT LIABILITIES				
Credit institution loans	500	500	500	500
Lease liability	679	700	–	–
	1,179	**1,200**	**500**	**500**
CURRENT LIABILITIES				
Utilised facility	200	600	200	600
Commercial paper	1,150	895	1,150	895
Lease liability	343	340	–	–
	1,693	**1,835**	**1,350**	**1,495**
Amount out of liability item that is expected to be paid within 12 months from balance sheet date	1,693	1,835	1,350	1,495
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 2020 the first option was used and the facility was extended until 2023.

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 1,150 million (895).

	2020 Maturity	2020 Nominal interest	2020 Nominal value	2020 Carrying amount	2019 Nominal value	2019 Carrying amount
Utilised bank facility	2023	0.85%	200	200	600	600
Credit institution loans	2022	0.75%	500	500	500	500
Commercial paper	2021	0.61%	1,150	1,150	895	895
Total interest-bearing liabilities			**1,850**	**1,850**	**1,995**	**1,995**

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 Dec 2020	Group 31 Dec 2019	Parent company 31 Dec 2020	Parent company 31 Dec 2019
Credit facilities/limits granted	2,500	2,500	2,500	2,500
Unutilized amount	-2,300	-1,900	-2,300	-1,900
Drawn credit facilities	**200**	**600**	**200**	**600**
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 Dec 2020	Group 31 Dec 2019	Parent company 31 Dec 2020	Parent company 31 Dec 2019
Floating charges	84	43	–	–
	84	**43**	**–**	**–**

For information regarding assets pledged as collateral, see also Note 27.

NOTE 22. Provisions

	Group	
	31 Dec 2020	31 Dec 2019
PROVISIONS THAT ARE NON-CURRENT LIABILITIES		
Warranties	79	70
Other	6	7
	85	**77**
PROVISIONS THAT ARE CURRENT LIABILITIES		
Warranties	79	70
Disputes	33	15
Restructuring measures	4	6
Provision for project losses	55	15
Other	56	38
	226	**144**
Total provisions	**312**	**221**

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 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**

Change in provisions in 2019	Warranty commitments	Disputes	Restructuring measures	Provision for project-related and other losses	Total
Carrying amount at start of period	140	26	3	78	247
Provisions made during the period	73	2	7	77	159
Amount used during the period	-78	-14	-4	-106	-202
Provisions in acquired companies	4	–	–	10	14
Foreign exchange difference	1	1	–	1	3
Carrying amount at year-end	**140**	**15**	**6**	**60**	**221**

NOTE 23. Other liabilities

	Group		Parent company	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Value-added tax liability	230	254	–	–
Employee withholding taxes	150	151	5	1
Other operating liabilities	325	281	1	0
Accrued holiday pay and salaries	1,337	1,216	27	21
Accrued social security contributions	439	422	9	7
Accrued interest expenses	2	2	2	2
Accrued expenses and deferred income	52	39	0	1
	2,536	**2,365**	**45**	**31**

NOTE 24. Measurement of financial assets and liabilities at fair value

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 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**

Group 31 Dec 2019	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	12	–	–	12	12
Non-current receivables	–	13	–	13	13
Trade receivables	–	3,540	–	3,540	3,540
Accrued income	–	165	–	165	165
Other receivables	–	1	–	1	1
Cash and cash equivalents	–	972	–	972	972
Total assets	**12**	**4,691**	**–**	**4,703**	**4,703**
Non-current liabilities to credit institutions	–	–	500	500	500
Current liabilities to credit institutions	–	–	600	600	600
Commercial paper	–	–	895	895	895
Overdraft facilities	–	–	–	–	–
Trade payables	–	–	2,239	2,239	2,239
Other liabilities	–	–	370	370	370
Accrued expenses	–	–	41	41	41
Total liabilities	**–**	**–**	**4,645**	**4,645**	**4,645**

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**

Parent company 31 Dec 2019	Financial assets measured at amortised cost	Other financial liabilities measured at amortised cost	Total carrying amount	Fair value
Current receivables from Group companies	1,629	–	1,629	1,629
Cash and cash equivalents	811	–	811	811
Total assets	**2,440**	**–**	**2,440**	**2,440**
Non-current liabilities to credit institutions	–	500	500	500
Current liabilities to credit institutions	–	600	600	600
Commercial paper	–	895	895	895
Current liabilities to Group companies	–	2,838	2,838	2,838
Trade payables	–	4	4	4
Other liabilities	–	1	1	1
Accrued expenses	–	3	3	3
Total liabilities	**–**	**4,840**	**4,840**	**4,840**

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 0.45% (1.48), while in SEK it was 0.08% (0.00). 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 0.70% (0.71). 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). SEK 200 million of the revolving facility was used at the turn of the year. 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 1,748 million (972) .

Nominal liquidity reserve totalled SEK 4,748 million (3,972), of which the portion utilised was SEK 700 million (1,100). The available liquidity reserve was SEK 4,048 million (2,872). The remaining term of the revolving credit is 34 (34) months.

Maturity structure of financial liabilities

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**	**–**	**–**

Group 31 Dec 2019*	2020	2021	2022	2023
Borrowings	614	5	503	–
Overdraft facilities	–	–	–	–
Trade payables	2,239	–	–	–
Commercial paper	895	–	–	–
Accrued interest expenses	2	–	–	–
Total	**3,750**	**5**	**503**	**–**

*Lease maturity structure can be found in Note 26.

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**	**–**	**–**

Parent company 31 Dec 2019	2020	2021	2022	2023
Borrowings	614	5	503	–
Overdraft facilities	–	–	–	–
Trade payables	4	–	–	–
Commercial paper	895	–	–	–
Accrued interest expenses	2	–	–	–
Total	**1,515**	**5**	**503**	**–**

Credit facilities

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**

Group 31 Dec 2019	Nominal	Drawn	Available
Credit institution loans	500	500	–
Revolving facilities	2,500	600	1,900
Overdraft facilities	–	–	–
Cash and cash equivalents	972	–	972
Liquidity reserve	**3,972**	**1,100**	**2,872**

Fixed-rate period for drawn credit	31 Dec 2020	31 Dec 2019
Amount	1,850	1,995
Average effective interest rate, %	0.70%	0.71%
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

	Group	
Local currency	**31 Dec 2020**	**31 Dec 2019**
NOK	1,475	1,468
DKK	337	293
EUR	14	12

A 10% strengthening of the Norwegian krone at 31 December 2020 would have a positive translation effect on equity of SEK 141 million. The same increase in the value of the Danish krone would have a positive translation effect on equity of SEK 45 million. The same increase in the value of the euro would have a positive translation effect on equity of SEK 14 million.

The foreign exchange difference for the year in comprehensive income was SEK -83 million (15).

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 1,748 million (972).

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 million (7). 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.

2020

	Group			
Loss matrix – trade receivables and contract assets	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**

2019

	Group			
Loss matrix – trade receivables and contract assets	Trade receivables, gross	Contract assets	Weighted loss percentage	Loss reserve
Not past due	2,788	1,514	0.01	-1
Past due 1–15 days	355	–	0.32	-1
Past due 16–30 days	68	–	4.49	-11
Past due 31–60 days	67	–	12.03	-31
Past due > 60 days	376	–	26.92	-70
Total	**3,654**	**1,514**		**-114**

	Group	
Loss provision/impaired trade receivables	**31 Dec 2020**	**31 Dec 2019**
Opening balance	-114	-81
Change for the year	-25	-33
Closing balance	**-139**	**-114**

	Group	
Sensitivity analysis	**Change +/-**	**Effect on profit before tax +/-**
Sales	1%	16
EBITA margin	1 percentage point	214
Payroll costs	1%	71
Materials and subcontractors	1%	92
Share of productive installer time	1 percentage point	104
Interest rate on loans	1 percentage point	10
Exchange rate DKK	10%	21
Exchange rate NOK	10%	23
Exchange rate EUR	10%	5

NOTE 26. Leases

The Bravida Group leases mainly properties and vehicles. For a specification of the rights-of-use assets see Note 12 'Right-of-use assets'. Interest expenses for the year attributable to leases totalled SEK 28 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 and five years, and there are also leases with a longer term. 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 payments 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 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

Maturity structure of lease debt at 31 Dec 2019	**Properties**	**Cars**	**Total**
2020	158	195	352
2021	140	111	251
2022	107	72	179
2023	67	34	101
2024	46	9	54
After 2024 and not later than 2029	108	0	108
After 2029	16	–	16
Total payments	**641**	**420**	**1,061**
Total liability according to the balance sheet			**1,040**
of which short liability			340
of which long liability			700

NOTE 27. Pledged assets and contingent liabilities

	Group		Parent company	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
PLEDGED ASSETS				
For own liabilities and provisions				
Floating charges	84	43	–	–
Funds, endowment policies	25	27	–	–
	109	**70**	**–**	**–**
CONTINGENT LIABILITIES				
For own liabilities and provisions				
Guarantee commitments, FPG/PRI	25	24	–	–
Guarantee commitments, for Group companies	–	–	1,141	1,148
	25	**24**	**1,141**	**1,148**

Bravida Holding AB has acted as guarantor for Bravida Sverige AB's pension liabilities, which in turn are guaranteed by PRI. Bravida Sverige AB also has a pension fund containing assets that more than cover the liability.

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 Dec 2020	31 Dec 2019
Revenue		
Sales	192	184
Dividend	216	86
Group contributions	180	64
Interest income	20	21
Costs		
Operating expenses	64	-8
Group contributions	-40	-53
Interest expense	-3	-5
Receivables	**1,225**	**1,629**
Liabilities	**3,708**	**2,838**

NOTE 29. Investments in Group companies

The parent company's investments in Group companies	Parent company	
	31 Dec 2020	31 Dec 2019
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 Dec 2020		
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		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		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
NPI Ventilation AB, 556833-0871, Kristinehamn		50	100.0	7,870
AM Elektriska AB, 556515-5529, Gothenburg		1,000	100.0	11,945
Solkraft EMK AB, 556988-3407, Mölndal		25,500	51.0	56,058
Rörteamet Själevad AB, 556398-8251, Örnsköldsvik		1,000	100.0	1,860
Kylteknik i Bohuslän AB, 556540-6625, Tjörn		1,000	100.0	7,980
Direct Larm i Bergslagen AB, 556486-1705, Norberg		1,200	100.0	996
Ventfyran i Göteborg AB, 556739-2823, Gothenburg		1,000	100.0	3,393
Flysta Elservice AB, 556238-7737, Stockholm		1,000	100.0	3,574
Svagströmsinstallationer i Norrköping AB, 556774-3231, Norrköping		1,000	100.0	6,423
SanTek Kameraövervakning AB, 559197-4570, Jönköping		50,000	100.0	1,087
El-teknik i Gävle AB, 556281-3948, Gävle		4,000	100.0	1,842
Karby VVS AB, 556627-5151, Stockholm		1,000	100.0	8,523
Sprinklerinstallationer Sverige AB, 556886-1404, Säffle[2]		500	100.0	37
Bravida Danmark A/S, 14769005, Brøndby, Denmark		4	100.0	260,859
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 Norway	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
Energibygg AS, 920 666 442, Oslo Norway	NOK thousand	2,000	100.0	3,500
Bravida Finland Oy, 2528874-1, Helsinki, Finland		2,500	100.0	172,509
Ab Hangö Elektriska - Hangon Sähkö Oy, 1998764-2, Hanko Finland	EUR thousand	1,000	100.0	6,469
Savon Aurinkoenergia Oy, 3100091-9, Kuopio Finland	EUR thousand	1,625	65.0	5,193

[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 initiated in 2020 and completed in the first quarter of 2021.

NOTE 30. Statement of cash flows

	Note	Group 1 Jan 2020 –31 Dec 2020	Group 1 Jan 2019 –31 Dec 2019	Parent company 1 Jan 2020 –31 Dec 2020	Parent company 1 Jan 2019 –31 Dec 2019
ADJUSTMENTS FOR NON-CASH ITEMS, ETC.					
Depreciation/amortisation and impairment of assets	7, 11, 12, 13	434	417	–	–
Capital gain/loss on disposals of businesses/subsidiaries		2	–	–	–
Pension provisions		25	17	–	–
Change in provisions		83	-42	–	–
Costs for share incentive programme		17	24	17	24
Other		9	7	–	–
Total		**569**	**423**	**17**	**24**
INTEREST RECEIVED AND PAID					
Interest received		2	2	21	23
Interest paid		-47	-51	-18	-29
UNDRAWN CREDITS					
Undrawn credit facilities total	21	-2,300	-1,900	-2,300	-1,900

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 1 Jan 2019	**-1,300**	**-800**	**-1,018**	**–**	**-3,118**	**735**	**-2,383**
Cash flow	800	-695	372	–	477	215	692
Non-cash items	–	–	-379	–	-379	–	-379
Foreign exchange differences	–	–	-15	–	-15	22	7
Balance at 31 Dec 2019	**-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**

Reconciliation of net debt

Group	31 Dec 2020	31 Dec 2019
Non-current loan liabilities	-500	-500
Short-term loan liabilities	-1,350	-1,495
Lease liabilities	-1,022	-1,040
Overdraft facilities	–	–
Total	**-2,872**	**-3,035**
Cash and cash equivalents	1,748	972
Net debt	**-1,124**	**-2,063**

NOTE 31. Events after the balance sheet date

On 1 January Bravida acquired Profire Sprinkler AB in Sweden, with 35 employees and annual sales of approximately SEK 70 million.

On 1 February in Denmark Bravida acquired J. Beese VVS & Blik AS with 12 employees and annual sales of around SEK 14 million and Fiberkom ApS with 8 employees and annual sales of approximately SEK 11 million.

On 11 February Bravida acquired SKM Service OY in Finland, which specialises in industrial piping, with annual sales of around SEK 130 million.

On 11 February the Board took the decision to issue 500,000 C shares that will be owned by Bravida in order to ensure the supply of ordinary shares for employees participating in the LTIP 2020 performance-based incentive programme.

In March Bravida signed an agreement to acquire Volt Elektro As in Norway with 6 employees and annual sales of around SEK 11 million. This takes effect from 1 April 2021.

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, 18 March 2021

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

Anders Mårtensson
Employee representative

Örnulf Thorsen
Employee representative

Our audit report was submitted on 19 March 2021.
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 18 March 2021. 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 26 April 2021.

Audit report

To the general meeting of the shareholders of Bravida Holding AB (publ), corp. id 556891-5390

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Bravida Holding AB (publ) for the year 2020, except for the corporate governance statement on pages 118-123 and the sustainability report on pages 42-57 The annual accounts and consolidated accounts of the company are included on pages 42-57, 65-114 and 118-123 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 2020 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 2020 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 118-123 and sustainability report on pages 42-57 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 the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for opinions

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

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

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 disclosures 2 and 18 and accounting principles on pages 82 and 84 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

Performance obligations relevant to installation contraction are normally being achieved over time. This means that revenues are being recognized over time when the course are being measured against a complete achievement of such performance obligation.

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 significant measure of judgement involved which impacts the accounting of revenue and earnings.

Response in the audit

We have evaluated the Group´s processes for review and assessment of installation contracts, including the identification of loss-making projects and / or high-risk projects and the process of assessing income and project costs for these.

We have, among other things:

– evaluated the financial performance against budget and historical outcomes to assess the Group's ability to deliver the forecasted margins
– challenged management's forecasts take into account unforeseen expenses and identified claims from customers assessed whether the risks and opportunities in projects seems to have been reflected in a balanced way.

We have also reviewed the completeness in underlying data and circumstances presented in the annual report och assessed whether the information is enough in order to understand management judgements and applied key assumptions.

Valuation of goodwill (Group) and Participations in group companies (parent company)

See disclosure 11 (Group) and 29 (parent company) and accounting principles on page 84 (Group) and page 87 (parent company) in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

The Group's balance sheet includes goodwill amounting to SEK 8.9 billlion, principally arising from historical acquisitions. The risk is that the goodwill allocated to cash generating units ('CGU') is not recoverable and should be impaired. Due to the inherent uncertainty involved in forecasting and discoun¬ting future cash flows, which are the basis of the assessment of recoverability, this is one of the key judgemental areas for our audit.

The Group annually carries out an impairment assessment of goodwill using a value-in-use model which is based on the net present value of the forecast earnings of the cash-generating unit ('value-in-use'). This is calculated using certain assumptions around discount rates, growth rates and cash flow forecasts.

A similar impairment assessment is performed by the parent company for the ownership in subsidiaries ("Shares in subsidiaries") where the conditions are similar to the ones described above for goodwill.

Response in the audit

Our procedures included assessing the key assumptions applied by the Group in determining the recoverable amounts of each CGU. In particular, we:

- considered the consistency and appropriateness of the allocation of businesses and related goodwill balances into CGUs;
- considered the underlying assumptions in determining the cash flows and growth assumptions applied with reference to historical forecasting accuracy and wider macro environment conditions;
- challenged the assumptions used in the calculation of the discount rates used by the Group, including comparisons with external data sources and consideration of the potential risk of management bias;
- assessed the Group'ssensitivity analysis, including a reasonably possible reduction in assumed growth rates and cash flows to identify areas to focus our procedures on.

We also assessed whether the Group's disclosures appropriately describes the assumptions made in the impairment test.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-65 and 124-130. The other information comprises also of the remuneration report which we expect to receive subsequent to the release of our audit report.

The Board of Directors and the Managing Director are responsible for this other information.

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

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

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

Responsibilities of the Board of Directors and the Managing Director

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

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

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

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 used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director'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 accounts. 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 accounts, including the disclosures, and whether the annual accounts and consolidated accounts 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 entities or business activities within the group to express an opinion on the consolidated accounts. 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 and timing of the audit. We must also inform of 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures that have been taken to eliminate the threats or related safeguards.

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 accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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 2020 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 Managing Director be discharged from liability for the financial year.

Basis for Opinions

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

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

Responsibilities of the Board of Directors and the Managing Director

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

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

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

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

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

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

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

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 violations 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 of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 118-123 has been prepared in accordance with the Annual Accounts Act.

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

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

The auditor's opinion regarding the statutory sustainability report

The Board of Directors is responsible for the sustainability report on pages 42-57 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.

KPMG AB, Box 382, 101 27, Stockholm, was appointed auditor of Bravida Holding AB (publ) by the general meeting of the shareholders on the 24 April 2020. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2012.

Stockholm, 19 March 2021

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). In 2020 there was a deviation from the Code. Under the Code, the vesting period for incentive programmes should be at least three years and the period between the opening of the incentive programme and the actual allocation of shares should also be at least three years. Because of the uncertainty relating to Covid-19, the Board withdrew its proposal regarding LTIP 2020 from the AGM and then proposed that LTIP 2020 would be adopted at an extraordinary general meeting in 2020. LTIP 2020 was therefore adopted at an extraordinary general meeting on 23 October 2020. This postponement of the adoption means that the period from the programme being adopted until the shares can be allocated in the second quarter of 2024 can be assumed to be slightly shorter than three years. The vesting period is still three years. The company has complied with the Code in all other respects. 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 2020 Bravida had 9,665 holders of ordinary shares according to the shareholder register maintained by Euroclear Sweden. The five largest shareholders at 31 December 2020 were Mawer Investment Management funds with 11.0 percent of votes, Swedbank Robur funds with 9.0 percent of votes, the Fourth Swedish National Pension Fund (AP4) with 7.3 percent of votes, Lannebo funds with 7.3 percent of votes and SEB funds with 5.9 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 2021 AGM will take place on 26 April. Shareholders wishing to submit a proposal to the Nomination Committee or to have a matter addressed by the AGM may submit such proposal to the Nomination Committee and such 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 vote in proportion to the shares 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 2021 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 2021 AGM and additional information about proposed Board members are published in conjunction with the convening notice and will be presented at the 2021 AGM.

Composition of the Board

According to the Articles of Association, Bravida's Board of Directors must consist of not fewer than three and not more than 10 Board members and a maximum of five deputy members, who are appointed by the AGM. The members and deputies are elected at the Annual General Meeting for the period until the end of the next Annual General Meeting. In 2020, six Board members were elected by the AGM. Employees are represented on the Board through representatives appointed by employees. The number of employee representative members was four, with two deputies, throughout the year.

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.

The AGM of 24 April 2020 elected Karin Stålhandske as a Board member and re-elected Fredrik Arp, Jan Johansson, Cecilia Daun Wennborg, Staffan Påhlsson and Marie Nygren. Fredrik Arp was elected as Chairman for the period until the next AGM. For further information about the Board of Directors, refer to page 124 and www.bravida.com.

The composition of Bravida's Board meets the requirements regarding independent Board members.

The Board's work

The Board held 14 meetings during the year, including five extraordinary Board meetings and one constitutive meeting. Board member attendance is shown in the table on page 121. 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 worked actively with company management on various strategic issues, including at a Group strategy meeting in June 2020.

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 particularly monitored and focused on the impact of the Covid-19 pandemic on the company, and was involved in developing a new business plan for the forthcoming period, changing the company's bank, and following up on plans for the business submitted by management and the potential for development in Bravida's various business areas.

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 2020, the Audit Committee held four minuted meetings, as well as a thematic meeting focusing on securing and tracking projects and the company's risk management. 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 of internal auditing and reviewed the company's sustainability strategy. In addition, the committee examined 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. This committee is also attended by the company's Chief Executive Officer and Chief Legal Officer. 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 minuted meetings in 2020. 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 drafted new guidelines on the remuneration of senior executives, which were presented to the 2020 AGM, in accordance with new remuneration report guidelines. The committee also prepared proposals for a long-term incentive programme and a new proposal for an amended bonus calculation model for line managers and certain administrative personnel. In addition, the committee reviewed the results of the company's employee survey and action plans. The Chief Executive Officer's succession planning and leadership development for senior executives were also addressed.

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 2020. 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 125.

Group management holds meetings once a month, 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 2020, Group management reviewed in particular the pandemic's impact on the company, and its focus has been on developing the business plan for the 2021–2023 period. The focus has also been within the project process, mainly project management and project follow-up. In addition, efforts relating to service were strengthened, plans to reduce CO_2 emissions in the vehicle fleet were fleshed out, and initiatives in IT and digitalisation progressed. 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. 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.

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

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 cycle (see figure below). 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.

Board of Directors

List of Board and committee meetings and attendance in 2020.

Board members elected by the AGM	Year elected	Independent [1]	Attendance of Board meetings	Attendance of the Audit Committee[4]	Attendance of remuneration committee[4]	Board fees SEK thousand[2]	Committee fees SEK thousand[2]	Number of shares in Bravida
Fredrik Arp	2018	Yes	14/14	–	6/6	1,200	120	20,000
Jan Johansson	2014	Yes	13/14	5/5	–	475	190	37,895
Mikael Norman[3]	2016	Yes	6/6	1/1	–	–	–	–
Marie Nygren	2018	Yes	14/14	1/1	4/4	475	85	0
Staffan Påhlsson	2016	Yes	14/14	3/4	2/2	475	105	1,673,745
Karin Stålhandske[3]	2020	Yes	8/8	4/4	–	475	105	0
Cecilia Daun Wennborg	2016	Yes	14/14	–	5/6	475	85	7,000
Ordinary employee representatives								
Jan Ericson			14/14					
Geir Gjestad			13/14					
Anders Mårtensson			14/14					
Örnulf Thorsen			14/14					

[1] Independent of the company, company management and owners.
[2] Fees set at an extraordinary general meeting in 2020.
[3] Karin Stålhandske was elected as a Board member by the 2020 AGM. Mikael Norman declined re-election at the 2020 AGM.
[4] The constitutive Board meeting in April 2020 established the Board members' roles in the committees and the attendance for each 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 Board fee for 2020 was set by an extraordinary general meeting in 2020. 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 2020

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. It should be noted that 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.

Guidelines' support for the company's business strategy, long-term interests and sustainability

The company's business strategy, in brief, is to offer technical end-to-end solutions over the life of a property, from consulting and project design to installation and service. Bravida is a large company with local presence throughout the Nordics. Bravida has a local presence for customers and take long-term responsibility for its work. The company's employees are its most important asset. With shared values, working methods and tools, employees jointly create a sustainable and profitable business for the company and its customers. Bravida's vision is to be the best in the Nordic region at providing sustainable service and installation of the functions that bring buildings to life. Bravida aims to be the first choice for customers and the most attractive employer in the industry.

For further information about the company and its business strategy, see www.bravida.com.

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. These guidelines allow senior executives to be offered competitive remuneration packages.

The company has established long-term share-based incentive programmes. These have been determined by the general meeting of the company and are consequently not covered by these guidelines. The long-term share-based incentive programme that the Board has proposed that the 2021 AGM adopt also is not covered for the same reasons. The proposed programme corresponds to existing programmes in all material respects. Such programmes cover Group management, regional managers, branch managers, other personnel in Group functions 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 of the Group's 2020 Annual Accounts.

Variable cash remuneration covered by these guidelines should aim to promote the company's business strategy and long-term interests, including its sustainability.

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.

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 their respective annual salary, or in accordance with an 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.

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

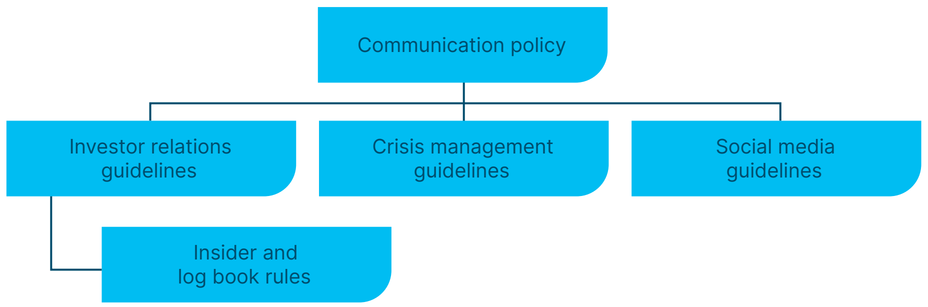
Preparation of the Board's proposals for these remuneration guidelines takes account of salary and terms of employment for the company's employees by information on employees' total remuneration, remuneration components and the increase and rate of increase in remuneration over time forming part of the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

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.



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 or 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 2020 AGM re-elected the registered auditing firm KPMG AB as auditor for the period until the end of the 2021 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), Switch Nordic Green AB and Workforce Logiq 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 managed 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 organisation 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

From left to right: Cecilia Daun Wennborg, Jan Johansson, Fredrik Arp, Karin Stålhandske, Staffan Påhlsson, Marie Nygren.

Fredrik Arp

Chairman of the Board since 2018
Year of birth: 1953
Other current positions: Chairman of Nolato AB, Gränges AB, Hövding AB and 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 positions: 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 from Lund University
Number of shares: 37,895

Marie Nygren

Board member since 2018
Year of birth: 1965
Other current positions: CEO of KF Ekonomisk Förening; Chairwoman of Coop Sverige AB and Coop Stormarknader och Butiker AB; board member of Coop Online AB, Lyko Group AB, Freima and Svensk Kooperation
Previous positions: Vice President of Systembolaget AB; CEO of companies including 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
Year of birth: 1952
Other current positions: Chairman of Laholms sparbank, Spolargruppen Sverige AB and Båstad Fritidshamn Ekonomisk Förening; board member of the employers' organisation EFA, Eleda Group AB, Båstad Tennis och Hotell AB, Sparbankernas Riksförbund 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 electrical engineering qualification, Tycho Braheskolan School
Number of shares: 1,673,745, directly and through companies

Karin Stålhandske

Board member since 2020
Year of birth: 1972
Other current positions: CEO of Upplands Motor Stockholm
Previous positions: 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 3 Group
Education: MSc in Economics and Business from Stockholm School of Economics; Bachelor of Laws from Lund University
Number of shares: 0

Cecilia Daun Wennborg

Board member since 2016
Year of birth: 1963
Other current positions: Board member of ICA Gruppen AB, Getinge AB, Loomis AB, Hoist Finance 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

Year of birth: 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 is a representative of the Swedish Electricians Union ('Svenska Elektrikerförbundet').
Number of shares: 500

Geir Gjestad

Born: 1964
Geir Gjestad is a Board member in the capacity of employee representative for Bravida and has been employed as an electrician with Bravida since 1997. Board member of Bravida Norway. Geir Gjestad is a representative of the Electrician and IT Workers Union in Norway ('EL og IT Forbundet').
Number of shares: 0

Anders Mårtensson

Year of birth: 1965
Anders Mårtensson is a Board member in the capacity of employee representative for Bravida and has been employed as a plumber with Bravida since 1988. Anders Mårtensson is a representative of the Swedish Building Workers' Union ('Byggnads').
Number of shares: 250

Örnulf Thorsen

Year of birth: 1966
Örnulf Thorsen is a Board member in the capacity of employee representative for Bravida and has been employed as an electrician since 1984, but has been a service manager at Bravida since 2018. Örnulf Thorsen represents Ledarna, the organisation for managers in Sweden.
Number of shares: 0

Bravida Group management

From left to right: Anders Ahlquist, Tore Bakke, Magnus Hamerslag, Magnus Liljefors, Lars Täuber, Mattias Johansson, Johnny Hey, Marko Holopainen, Åsa Neving, Lars Korduner, Sven Klockare, Thommy Lundmark.

Mattias Johansson

CEO and Group President since 2015
Year of birth: 1973
Employed by Bravida since: 1998
Previous positions: Many years' 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: 693,427

Åsa Neving

CFO since 2019
Year of birth: 1965
Employed by Bravida since: 2019
Previous positions: CFO at Svevia AB; Vattenfall Group – various management positions in Vattenfall Markets; Head of Finance at Nordic Heat and SSC
Board assignments: Chairman of Calefactio Investments AB
Education: MSc in Economics and Business
Number of shares: 6,550

Magnus Hamerslag

Head of Operations Development since 2011
Year of birth: 1973
Employed by Bravida since: 2008
Previous positions: Group Manager at ÅF & SWECO; CEO of Erfator Projektledning
Board assignments: –
Education: Upper-secondary engineering qualification
Number of shares: 12,000

Lars Korduner

Chief Purchasing Officer since 2005
Year of birth: 1966
Employed by Bravida since: 2005
Previous positions: Group Purchasing Manager at Cramo AB, Sales and Business Development Manager at Cramo Sverige AB
Board assignments: Chairman of Resultatfabriken AB
Education: Business Administration and Accounting and Finance
Number of shares: 31,745

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: 35,769

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 engineering qualification
Number of shares: 171,040

Sven Klockare

Head of Division National (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: 15,769

Thommy Lundmark

Head of Division North (Sweden) since 2016
Year of birth: 1964
Employed by Bravida since: 1983
Previous positions: Many years of experience at 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 of Communication at Eltel Sweden; Head of Business Area/CEO at ISS Sweden; Head of Division at YIT; Regional Manager at ABB Contracting
Board assignments: –
Education: BSc in Control and Maintenance
Number of shares: 5,700

Tore Bakke

Head of Division Norway since 2015
Year of birth: 1970
Employed by Bravida since: 2009
Previous positions: Branch Manager, Siemens AS; Head of Region East, Bravida Norway
Board assignments: Chairman of HeLa Bakke AS
Education: BSc in Engineering
Number of shares: 66,752

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: 28,575

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: 7,947

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.

Reconciliation of key ratios, not defined under IFRS.	2020	2019	2018	2017	2016
			IAS 17		
Net debt					
Interest-bearing liabilities	-2,872	-3,035	-2,100	-2,701	-2,703
Cash and cash equivalents	1,748	972	735	839	286
Total net debt	**-1,124**	**-2,063**	**-1,365**	**-1,862**	**-2,417**
EBITA/adjusted EBITDA					
Operating profit, EBIT	1,348	1,224	1,207	1,072	944
Amortisation and impairment of non-current intangible assets	2	3	4	6	4
EBITA	**1,351**	**1,226**	**1,211**	**1,078**	**948**
Adjustments relating to specific costs	–	–	0	8	10
Adjusted EBITDA	**1,351**	**1,226**	**1,211**	**1,086**	**958**
EBITDA/adjusted EBITDA					
Operating profit, EBIT	1,348	1,224	1,207	1,072	944
Depreciation, amortisation and impairment losses	434	417	33	34	26
EBITDA	**1,782**	**1,641**	**1,240**	**1,107**	**970**
Adjustments relating to specific costs	–	–	0	8	10
Adjusted EBITDA	**1,782**	**1,641**	**1,240**	**1,115**	**980**
Working capital					
Current assets	6,969	6,571	5,946	5,362	4,219
Cash and cash equivalents	-1,748	-972	-735	-839	-286
Current liabilities	-8,728	-8,714	-7,120	-6,642	-4,938
Lease, current liability	343	340	–	–	–
Short-term loans	1,350	1,495	800	1,001	3
Current provisions	226	144	169	172	143
Total working capital	**-1,587**	**-1,136**	**-940**	**-946**	**-859**
Interest coverage ratio					
Profit/loss before tax	1,274	1,151	1,191	1,019	877
Interest expense	47	51	32	46	61
Total	**1,320**	**1,202**	**1,223**	**1,065**	**938**
Interest expense	47	51	32	46	61
Interest coverage, multiple	**28.2**	**23.5**	**38.5**	**22.9**	**15.5**
Cash conversion*					
12-month EBITDA	1,363	1,244	1,241	1,107	970
Non-cash items in EBITDA in last 12 months.	135	-2	69	18	21
Change in working capital, last 12 months	572	179	-25	67	-387
Investments in machinery and equipment, last 12 months	-34	-34	-12	-21	-19
Total operating cash flow	**2,036**	**1,387**	**1,273**	**1,171**	**585**
Operating profit/loss, last 12 months	1,328	1,209	1,207	1,072	944
Cash generation, last 12 months, %	153	115	105	109	62

*Excluding IFRS 16 Leases

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.

Adjusted EBITA*
EBITA adjusted for specific costs. Adjusted EBITA item improves the ability to make comparisons over time by excluding items that are irregular in frequency or size.

Adjusted EBITA margin*
EBITA excluding specific costs as a percentage of net sales. The adjusted EBITA margin excludes the effect of specific costs, which improves the ability to make comparisons over time by excluding items that are irregular in frequency or size.

Adjusted EBITDA*
Earnings before interest, taxes, depreciation, and amortisation, adjusted for specific costs. Improves the ability to make comparisons over time by excluding items that are irregular in frequency or size.

Capital structure
(Net debt/EBITDA)

Average net debt divided by EBITDA excluding specific costs, based on a rolling 12-month calculation.

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*
(Excluding IFRS 16 Leases)

Total 12-month EBITDA, change in working capital and investment in plant and equipment, as well as adjustment for non-cash items in EBITDA in relation to 12-month EBIT (operating profit). This key ratio measures the percentage of profit that is 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.

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/EBITDA adjusted for specific costs
Average net debt divided by EBITDA excluding specific costs, based on a rolling 12-month calculation.

Net debt*
Interest-bearing liabilities, (including lease 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.

Operating cash flow*
Operating profit/loss adjusted for non-cash items, investments in machinery and equipment and changes in working capital.

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.

Specific costs
Transactions and items that are irregular in occurrence and size and consequently have an impact on earnings and key ratios.

*'Alternative key performance ratios' used by Bravida; see page 126 for reconciliation. From 1 January 2018 Bravida has chosen to report and monitor EBITA and EBITA margin, as well as adjusted EBITA and the adjusted EBITA margin in order to reflect internal monitoring. These key ratios replace operating margin, adjusted operating profit and adjusted operating margin.

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.

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.

Heating & Plumbing
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 and technical service management.

History

Bravida emerged from BPA, a Swedish building and installation company dating back to the 1920s.

Bravida was formed in 2000 through a merger of BPA and the installation business of the Norwegian company Telenor. In 2003, Bravida acquired the Danish company Semco A/S, which is now Bravida's Danish business.

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.

The private equity firm Bain Capital took over the role of principal shareholder in 2012. In 2015, Bravida acquired the Finnish Peko Group and established 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.

In 2020 Bravida established a new sustainable end-to-end offering focusing on energy efficiency improvements, and also raised its ambitions for the sustainability of its own business.

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

Alexander, Project Manager, Bravida Sweden

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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 is growing, 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.

Bravida Way provides 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 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