

VESTUM

Year-end report

2021

Vestum AB (publ)

Q4



Continued high acquisition rate

As of the date of this report, Vestum has announced 42 acquisitions, of which 38 have been completed. The estimated 12-month rolling net sales for all 42 announced acquisitions amount to SEK 5,709 million with an adjusted EBITA of SEK 636 million. Pro forma accounts have been prepared for all acquisitions that were completed during 2021.

October – December 2021

- Vestum has completed 11 acquisitions during the fourth quarter out of which 7 have affected the result only in December
- Net sales amounted to SEK 987 million
- EBITA amounted to SEK 72 million
- Cash flow from operating activities before changes in working capital amounted to SEK 87 million
- EBITA per share amounted to SEK 0.20
- Strengthened financial position through directed share issue of SEK 2 billion and a senior unsecured bond of SEK 1.5 billion
- Johannes Lien and Helena Fagraeus Lundström were elected as new members of the Board of Directors

January – December 2021

- Vestum has completed 31 acquisitions during 2021. The acquisitions have been completed from June and onward
- Net sales amounted to SEK 1,316 million
- EBITA amounted to SEK 100 million
- Cash flow from operating activities before changes in working capital amounted to SEK 124 million
- EBITA per share amounted to SEK 0.28
- The Board of Directors proposes no dividends will be paid for 2021

This report is a translation of the Swedish original.
In the event of discrepancies, the Swedish version shall prevail



Significant events since the end of the quarter

- Estimated 12-month rolling net sales for all 42 announced acquisitions of SEK 5,709 million
- Estimated 12-month rolling adjusted EBITA for all 42 announced acquisitions of SEK 636 million
- Since the end of the fourth quarter, seven acquisitions have been completed
- Vestum has created a third segment labeled Water
- Carl-Johan Callenholm has been appointed Head of Vestum International and been made a new member of Vestum's Group Management
- A three-year incentive program was launched to key employees in the organization with great interest with a participation of 89 individuals where the majority consisted of key employees in the portfolio companies

SEK Million (unless otherwise stated)	Net sales	Adjust. EBITDA ¹	Adjust. EBITA ¹	Adjust. EBITDA margin	Adjust. EBITA margin
Pro forma, 12-month rolling, acquisitions completed at period-end ²	4,595	643	499	14.0%	10.9%
Estimated effect 12-month rolling, acquisitions completed after the quarter ²	682	116	91	17.0%	13.3%
Estimated effect 12-month rolling, acquisitions yet to be completed ²	432	54	47	12.4%	10.8%
Total	5,709	812	636	14.2%	11.1%

1) Adjusted for acquisition-related transaction costs

2) Includes proforma parent company costs

Pro forma, 12 months rolling

- Pro forma net sales amounted to SEK 4,595 million
- Pro forma EBITDA amounted to SEK 643 million
- Pro forma EBITA amounted to SEK 499 million
- Pro forma EBITA margin amounted to 10.9%
- Pro forma EBITA per share amounted to SEK 1.42
- Net debt in relation to pro forma EBITDA amounted to 2.3x

Vestum in summary as of December 31, 2021

SEK Million	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020	Proforma, LTM ²
Net sales	987	-	1,316	-	4,595
EBITDA	111	1	161	-1	643
EBITA	72	1	100	-1	499
EBITDA margin, %	11.2	-	12.2	-	14.0
EBITA margin, %	7.3	-	7.6	-	10.9
Adjusted EBITDA ¹	118	1	177	-1	643
Adjusted EBITA ¹	79	1	116	-1	499
Adjusted EBITDA margin, % ¹	12.0	-	13.4	-	14.0
Adjusted EBITA margin, % ¹	8.0	-	8.8	-	10.9
Number of shares at the end of the period, thousands	351,908	38,707	351,908	38,707	351,908
EBITA per share, SEK ³	0.20	0.01	0.28	-0.02	1.42
Adjusted EBITA per share, SEK ³	0.22	0.01	0.33	-0.02	1.42

1) Adjusted for acquisition-related transaction costs.

2) The pro forma report includes the 31 acquisitions that were completed at period-end. See also the section Pro forma accounting under Accounting principles.

3) Calculated in relation to the number of shares before and after dilution at the end of the reporting period



Comments by the CEO

Strong growth and solid profitability

Vestum continues to deliver strong growth with solid profitability and has entered into agreements to make 42 acquisitions since the Group was publicly announced on March 22, 2021, of which 38 have been completed. The total 12-month rolling net sales for all 42 acquisitions is estimated to be SEK 5,709 million with an adjusted EBITDA of SEK 812 million and adjusted EBITA of SEK 636 million. That corresponds to an adjusted EBITDA margin of 14.2% and adjusted EBITA margin of 11.1%. For all completed acquisitions in 2021, the organic growth was 7.5% compared to the previous year, and the organic EBITA margin increased from 10.8% to 11.1% during the same period. The previously announced process of moving Vestum's listing to Nasdaq Stockholm is proceeding according to plan.

Our acquisition rate remained high during the fourth quarter and we entered into agreements to make a total of eight acquisitions. The strategic acquisition of the Norwegian company Lakers Group, with net sales of approximately SEK 1.2 billion, gives Vestum a foothold in new markets in northern Europe and creates a strong platform for continued strong and profitable growth. Lakers Group provides us with a well-established organisation for making acquisitions, well-developed sustainability work and a competent and experienced management team. In connection with the transaction, we carried out a directed

share issue of SEK 2 billion and during the last quarter Vestum also issued an unsecured bond loan of SEK 1.5 billion with a framework of SEK 3 billion. The share issue and bond loan have helped strengthen both our financial position and shareholder base and paves the way for continued expansion and growth in both new and existing geographical markets. In connection with the above, we also raised our financial growth target and adjusted our capital structure target.

Since the end of the fourth quarter, and as part of the continued expansion outside Sweden, Carl-Johan Callenholm has been appointed Head of Vestum

“Proven competitive advantage in acquisition processes”

International and a new member of Vestum's Group Management. Carl-Johan Callenholm assumed his role on February 4, 2022 and has a background as the founder and CEO of Lakers Group with extensive experience in international expansion. During January 2022, Vestum established an office in Oslo and recruited key personnel within areas such as M&A, Finance, HR and Operations. Despite early days for Vestum's Norwegian operations, we are already seeing clear signs of a positive reception from Norwegian entrepreneurs and believe there are good possibilities of making key acquisitions in the near future that will pave the way for our continued roll-out.

In February 2022, we formed a third segment, Water, consisting of companies which specialise in improving the service industry for water infrastructure and are characterised by high profitability and structural growth. The segment includes portfolio companies that focus on pump technology and aftermarket services in the water and wastewater industry. We have extensive experience and knowledge in these areas and believe we are in a position to develop and consolidate the industry through further acquisitions. The Water segment will also be our spearhead when we make acquisitions outside our core markets Sweden and Norway, as shown in the acquisition of the Danish company Scanregn A/S, a market leading supplier of pumps and irrigation systems. Our acquisition model remains the same regardless of geographical market and we now have substantial sales volume outside our core markets.

Continued strong profitability despite operational challenges

The Group's profitability has remained strong, with an estimated 12-month rolling adjusted EBITA margin of 11.1%. This is despite operational challenges connected to integrating acquired companies and creating organisational structures, as well as the effects of restrictions and other consequences caused by the pandemic. The latter consists mainly of high levels of sick leave, postponed project starts, disruptions at the supplier level and higher raw material prices.

In a short period of time we have created an organisation in Sweden that is aimed towards developing our portfolio companies in the best way possible. And through our Group functions we have established effective routines and processes that make us well equipped for the future.

We always place our employees' safety first and our portfolio companies have handled the operational challenges and effects of the pandemic very well. This highlights the strength of Vestum's decentralised business model, with an efficient organisation, a strong leadership culture and customer-oriented decision making that enables us to switch gears and be flexible, efficient and fast in order to best meet the customer needs. Our diversified portfolio consisting of specialist companies within industries where Vestum has extensive experience also contributes to the Group's solid profitability.

Strengthened market position

During the fourth quarter, we entered into agreements to acquire eight specialist companies, including one add-on acquisition to an existing portfolio company. Since the end of the quarter, we have made another three add-on acquisitions to existing portfolio companies, where the work to create synergies is already in full flow. We are experiencing continued competition on the acquisition market, but also see proof of our competitive strength during acquisition processes where entrepreneurs often identify with Vestum and are attracted by our industry knowledge, entrepreneurial values and culture. I can proudly state that we have attracted many high-quality companies to Vestum and thereby consistently proven our competitiveness.

Sustainability

Working to improve sustainability is of strategic importance for Vestum's continued growth, and we have taken important initiatives during the year to support our companies in this area. Many of Vestum's companies are already well advanced when it comes to sustainability work and Lakers Group provides us with established routines and processes for sustainability reporting. Vestum's ambition is to be a sustainability leader within the companies' respective industries, and we made strategic recruitments during the year to strengthen our competence within the Group. Vestum recruited a head of sustainability during the

“Established platforms in Sweden and Norway”

fourth quarter and the board was expanded with the addition of Helena Fagraeus Lundström, Chief Sustainability & Strategy Officer at X Shore AB. Sustainability reporting at Group level will begin in connection to the annual report for 2021.

Robust platform for continued high growth with solid profitability

In summary we have, in a short period of time, created a well-diversified Group consisting of 42 specialist companies within the three segments Water, Services, and Infrastructure, driven by an efficient, scalable and proactive acquisition process. With established platforms in Sweden and Norway, strong company management teams and organisations, as well as operations in several geographical markets, we have created a solid platform for continued high and profitable growth, both organically and through acquisitions.

With 2021 behind us, we can conclude that we have generated strong growth with solid profitability despite a year that was marked by challenges connected to the effects of the pandemic as well as high

raw material prices and high levels of sick leave. We can still see the continued effects of the pandemic during the start of 2022, but we also see that our companies remain strong and are handling the challenges well and we anticipate a strong 2022 both in our core markets and internationally. We have started the year with 11 acquisitions, which is a higher acquisition rate compared to 2021, and we feel confident in achieving our financial target of an EBITA of SEK 3 billion in 2025. With a competent and driven organisation, combined with our extensive knowledge of the construction and infrastructure industries as well as entrepreneurial led companies, we are convinced that we are the market's leading Group for developing these specialist companies over time.



Conny Ryk
Chief executive officer, Vestum AB (plc)

About Vestum

Vestum is a Swedish acquisition-driven Group that acquires and develops specialist companies within the segments Water, Services and Infrastructure. Our portfolio companies are characterised by proven business models, strong market positions and predictable cash flows.

Our ambition is to grow into the leading Nordic acquisition-driven Group with a distinct focus on specialist companies within the construction services and infrastructure industries. We are continuously growing through the acquisitions of well-managed and profitable companies within our focus areas where we can

work together with ambitious entrepreneurs and company managements to develop the companies in order to drive profitable growth and high customer satisfaction. We do this by jointly addressing issues concerning sustainability, strategy, processes and implementation.

Financial goals

Vestum's overall goal is to create long-term profitable growth by acquiring and developing high-quality companies with proven business models, strong market positions and good cash flows. Vestum's current financial goals are as follows:

Growth

Vestum's goal is to achieve an adjusted EBITA of at least SEK 3 billion by the end of 2025, driven by acquisitions in combination with organic growth.

Margins

Vestum's goal is to achieve an adjusted EBITA margin of at least 10.0 percent.

Capital structure

Vestum's goal is to have a financial net debt to adjusted EBITDA ratio of 2.5-3.5x averaged over the past four quarters.

Dividend policy

All of Vestum's profits and available cash flows will be reinvested in the business and/or used for new acquisitions.



The Vestum Group's Development

Significant events during the fourth quarter

Vestum has completed 11 acquisitions during the fourth quarter. Of those, three were completed in October and eight in November. A directed share issue of SEK 2 billion has been carried out and an unsecured bond loan of SEK 1.5 billion has been issued.

Vestum has raised its financial growth target to achieving an adjusted EBITA of at least SEK 3 billion by the end of 2025. Vestum has also adjusted its capital structure target to have a financial net debt to adjusted EBITDA ratio of 2.5-3.5x averaged over the past four quarters.

Net sales

The Group's Net sales for the remaining operations for the fourth quarter amounted to SEK 987 million (0). The Group's net sales for the remaining operations for the whole year 2021 amounted to SEK 1,316 million (0).

Earnings

Earnings before amortisation and write-downs of acquired surplus values (EBITA) for the remaining operations for the fourth quarter amounted to SEK 72 million (1). The Group's profit after tax for the fourth quarter amounted to SEK -5 million (-4 million).

Earnings before amortisation and write-downs of acquired surplus values (EBITA) for the remaining operations for the whole year 2021 amounted to SEK 100 million (-1 million). Adjusted EBITA, i.e. EBITA, adjusted for transaction costs attributable to completed acquisitions, amounted to SEK 116 million (-1 million). Acquisitions completed during 2021 affected EBITA by SEK 126 million (0 million). The Group's profit after tax for the period amounted to SEK 6 million (-19 million).

Financial position and liquidity

The fourth quarter's cash flow from operating activities before changes in working capital amounted to SEK 87 million (1 million). The total current cash flow amounted to SEK 11 million (-4 million).

Cash flow from operating activities before changes in working capital for January to December 2021 amounted to SEK 124 million (0 million). The total current cash flow amounted to SEK -10 million (-8 million).

The Group's cash and cash equivalents at the end of the period amounted to SEK 1,518 million (2 million).

At the end of the period, the Group had a net debt of SEK 1,486 million. The net debt/ pro forma EBITDA ratio was 2.3x. Total liabilities amounted to SEK 4,726 million (35 million) as of December 31, 2021. Interest-bearing liabilities, including leasing liabilities, amounted to SEK 3,003 million as of December 31, 2021.

Shareholders' equity at the end of the period amounted to SEK 3,593 million (-9 million). Shareholders' equity in the Parent Company amounted to SEK 3,552 million (15 million).

Investments

The Group's investments during the fourth quarter excluding acquisitions amounted to SEK 39 million (0 million). The Group's investments during the year excluding acquisitions amounted to SEK 49 million (2 million). The total purchase price for the acquisition of subsidiaries amounted to SEK 2,131 million (0) during the fourth quarter and SEK 4,171 million (0) for the whole year. For more information, see the section Acquisitions.

Staff

The number of full-time employees as of December 31, 2021, amounted to 1,764 (0) people.

Parent company

During 2021, the Parent Company had net sales of SEK 7 million (3 million). Operating profit amounted to SEK -15 million (2 million). Net financial items amounted to SEK -26 million (-1 million). Profit for the period amounted to SEK -32 million (-12 million). The balance sheet total as of December 31, 2021, was SEK 5,552 million (46 million), of which shareholder equity amounted to SEK 3,552 million (15 million). Cash and cash equivalents in the Parent Company amounted to SEK 1,244 million (1 million).

Significant events since the end of the period

Since the end of the fourth quarter, Vestum has established a new segment, Water, which consists of specialist companies focusing on improving the services sector for water infrastructure. With the establishment of Water, Vestum's operations will be divided into three segments: Water, Services and Infrastructure.

Since the end of the fourth quarter, Vestum has entered into agreements to acquire 11 companies, of which three are add-on acquisitions to existing holdings. Seven acquisitions have been completed since the end of the fourth quarter. See more detailed information under the section Acquisitions below.

Carl Johan Callenholm has been appointed Head of Vestum International and been made a new member of Vestum's Group Management.

A three-year incentive program was launched to key employees in the organization with great interest with a participation of 89 individuals where the majority consisted of key employees in the portfolio companies.

Acquisitions

Vestum maintained a high acquisition rate during the fourth quarter. Eleven acquisitions have been completed during the quarter, seven acquisitions have been completed since the end of the quarter and four acquisitions have been agreed but not yet completed. In total during the period January to December 2021, Vestum has entered into agreements with 31 acquisitions, of which all were completed during the period. The corresponding figure as of the date of the report is 42 agreed acquisitions, of which 38 have been completed.

Acquisitions completed during the third quarter

During the period January to December 2021, Vestum completed a total of 31 acquisitions. In all cases, 100 percent of the shares were acquired. In accordance

Closed at the end of the period	Segment	Completed	Annual net sales pro forma	Number of employees
Rosenqvist Entreprenad AB	Infra	June	221	62
Skandinaviska Områdesskydd AB & Kenit Produkt AB	Infra	June	128	29
Sanera Stockholm AB	Services	June	42	28
Installera SW AB	Services	June	47	29
MTB Mark & Trädgårdsbyggarna AB	Infra	June	102	28
Mälardalens Spår & Anläggning AB	Infra	June	90	30
GGAL Group AB	Infra	June	151	61
FlexiRail AB	Infra	June	30	15
Containertjänst i Tyresö AB	Infra	June	93	23
We Ar(e) Group AB	Services	July	241	132
F Forsmans VVS AB	Services	July	40	18
Powerstruc AB	Infra	August	48	23
Plåtslagaren GH Johansson AB	Services	August	97	45
Paradox Security AB	Infra	September	9	7
Skåne Montage AB	Services	September	29	20
SweRör J.Borg AB	Services	September	108	52

with agreements on contingent considerations, the Group must pay cash compensation combined with the issue of shares linked to future earnings. The maximum non-discounted amount that may be paid to the previous owners amounts to SEK 610 million. The total debited contingent consideration amounts to SEK 465 million. Transaction costs for the acquisitions of SEK 16 million have been charged to the Group's earnings during the period. These are reported under Other operating expenses in the income statement. The goodwill of SEK 2,684 million that was generated by the acquisitions represents future financial benefits which are not individually identified and reported separately.

Closed at the end of the period	Segment	Completed	Annual net sales pro forma	Number of employees
Hyrex AB	Infra	September	120	87
Hanell Entreprenad i Gävle AB	Infra	September	94	46
Arctic Infra AB	Infra	September	267	52
Markax AB	Infra	September	188	56
Takakustik i Stockholm AB	Services	October	105	66
Universalisering Fredriksson AB	Services	October	70	49
Ekmans Ståldörrar AB	Services	October	94	13
GW Asfalt & Trädgårdsanläggningar AB	Infra	November	232	84
Lakers Group AS	Water	November	1,224	445
Amsler Hiss AB	Services	November	82	37
Elcentralen Nacka AB	Services	November	24	14
KWA Isolerteknik AB	Services	November	79	57
Malte Rutberg Entreprenad AB	Infra	November	113	17
Infracon Sverige AB	Infra	November	375	108
Tannefors Glas AB	Services	November	51	18
			4,595	1,751

Effects of acquisitions completed at period-end

The acquisitions made during the period January to December 2021 have had the following effects on the Group's assets and liabilities. The effects are preliminary in all cases. Any adjustments in connection with the final PPA are not expected to have a significant impact on the Group's earnings or financial position.

SEK Million	Lakers	Other acquisitions	Total
Intangible assets	1,117	1,030	2,147
Other non-current assets	75	206	281
Other current assets	422	807	1,229
Cash and cash equivalents	90	287	377
Non-current liabilities	-1,111	-41	-1,152
Deferred tax liabilities	-226	-253	-478
Current liabilities	-210	-707	-916
Non-controlling interests	-	-1	-1
Net assets and liabilities	157	1,329	1,487
Goodwill	914	1,770	2,684
Total purchase price	1,071	3,100	4,171
Impact on cash and cash equivalents			
Total purchase price	1,071	3,100	4,171
Conditional purchase price	-5	-353	-358
Settlement in shares	-258	-1,043	-1,301
Exchange rate adjustment	-2	-	-2
Cash and cash equivalents in acquired units	-90	-287	-377
Total impact on cash and cash equivalents	716	1,417	2,133
Impact on the income statement, Jan-Dec 2021			
Net sales	211	1,104	1,316
EBITA	5	121	126
Impact on the income statement if the acquisitions had been part of the Group on January 1, 2021			
Net sales	1,224	3,371	4,595
EBITA	156	360	516

Acquisitions completed after the end of the period

Vestum has made eleven acquisitions since the end of the fourth quarter, of which seven have been completed. The acquisitions were completed during January and February and consolidated from the same months. In all cases, 100 percent of the shares were acquired. In accordance with agreements on contingent considerations, the Group must pay cash compensation linked to future earnings. The maximum non-discounted amount that may be paid to the previous owners amounts to SEK 95 million, where the entire amount refers to acquisitions made after the fourth quarter of 2021.

Completed after the end of the period	Segment	Completed	Estimated annual Net sales	Number of employees
MCR-bolagen	Infra	January	124	36
NA Altanglas AB	Services	January	51	14
Malarmontage Glas & Metall AB	Services	January	30	11
KvalitetsMark R AB	Infra	January	169	11
Västsvensk Byggskruv AB	Services	January	167	19
Galore i Uppsala AB	Services	February	89	44
Lerums Tekniska Isolering LTI AB	Services	February	54	37
			682	172

Acquisitions that have been agreed but not yet completed

Vestum has entered into agreements to make four acquisitions which are expected to be completed after the publication of this report. In all cases, 100 percent of the shares will be acquired.

Yet to be completed	Segment	Completed	Estimated annual Net sales	Number of employees
Scanregn A/S	Water	February	97	18
Marbit AB	Infra	March	238	49
KylKontroll Göteborg AB	Services	March	86	32
Rockcon AB	Infra	March	11	2
			432	101

The Group's consolidated income statement in summary

SEK Million	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Net sales	987	-	1,316	-
Materials and purchased services	-505	-	-662	-
External expenses	-92	-0	-128	-2
Personnel costs	-270	-0	-349	-0
Other operating income	-1	1	0	1
Other operating expenses	-8	-	-16	-
EBITDA	111	1	161	-1
Depreciation excl. acquired surplus value	-39	-0	-61	-0
EBITA	72	1	100	-1
Depreciation and amortisation of acquired surplus value	-42	-	-55	-
EBIT	30	1	45	-1
Financial items net	-27	-0	-37	-1
Profit/loss before tax	3	1	9	-2
Corporation tax	-5	-	-6	-
Profit/loss from continuing operations	-2	1	2	-2
Profit/loss from operations held for sale	-4	-4	4	-17
Profit/loss for the period	-5	-4	6	-19

SEK Million	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
The profit/loss for the period attributable to:				
Parent company share holders	-5	-4	5	-19
Non-controlling interests	0	-	1	-
Average number of shares during the period, before and after dilution (in thousands of shares) ¹⁾	336,006	38,707	188,831	36,787
Number of shares issued at the end of the period	351,907,509	38,706,576	351,907,509	38,706,576
Diluted earnings per share, SEK	-0.01	-0.09	0.02	-0.49

1) The average number of shares is adjusted based on the reverse split and split

Consolidated statement of comprehensive income

SEK Million	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Profit for the period	-5	-4	6	-19
Other comprehensive income				
Exchange differences on translation of foreign operations	25	1	25	3
Total comprehensive income for the period	20	-3	31	-17

The Group's consolidated balance sheet in summary

SEK Million	31 Dec 2021	31 Dec 2020
Intangible assets	4,813	0
Property, plant and equipment	271	-
Right of use assets	486	-
Financial assets	7	-
Other non-current assets	2	-
Total non-current assets	5,580	0
Inventories	197	0
Accounts receivable	680	0
Contract assets	116	0
Other current assets	50	0
Prepaid expenses and accrued income	133	0
Assets held for sale	45	24
Cash and cash equivalents	1,518	2
Total current assets	2,738	26
Total assets	8,318	26
Equity attributable to owners of the company	3,591	-9
Non-controlling interests	2	-
Total equity	3,593	-9

SEK Million	31 Dec 2021	31 Dec 2020
Non-current provisions	7	-
Non-current interest-bearing liabilities	2,510	-
Non-current lease liabilities	362	-
Deferred tax liabilities	454	-
Other non-current liabilities	334	-
Total non-current liabilities	3,667	-
Current provisions	1	-
Current interest-bearing liabilities	12	-
Current lease liabilities	119	-
Accounts payable	322	1
Contract liabilities	68	-
Other current liabilities	315	1
Prepayment and deferred income	209	0
Liabilities relating to assets held for sale	13	34
Total current liabilities	1,059	35
Total liabilities	4,726	35
Total equity and liabilities	8,318	26

The Group's changes in equity

SEK Million	31 Dec 2021	31 Dec 2020
Opening equity	-9	-4
Profit/loss for the period	6	-19
Other comprehensive income for the period	25	3
Total comprehensive income for the period	31	-17
New issues	3,603	13
Expenses due to new issues	-34	-1
Ownership without decisive influence from acquisition of subsidiaries	1	-
Transactions with owners of the company	3,570	12
Closing equity	3,593	-9
Equity attributable to:		
Parent company shareholders	3,591	-9
Ownership without decisive influence	2	-

The Group's cash flow analysis

SEK Million	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Profit/loss before tax	3	1	9	-2
Adjustment for other non-cash items	83	-	115	2
Cash flow before changes in net working capital	87	1	124	0
Changes in working capital	-77	-5	-128	-8
Income taxes paid	2	0	-5	0
Cash flow from operating activities	11	-4	-10	-8
Purchase and sale of intangible assets	-33	-	-33	-2
Purchase of property, plant and equipment	-32	0	-42	-0
Purchase of subsidiaries and activities	-1,421	-0	-2,510	-0
Proceeds from other financial assets net	-0	-	0	-
Other	-0	1	-0	-0
Cash flow from investing activities	-1,486	1	-2,584	-2
Proceeds from borrowings	678	-	1,526	-
Repayments of lease liabilities	-23	1	-37	-0
Proceeds from capital increase	1,988	0	2,288	0
Changes in other non-current liabilities	4	-1	3	0
Cash flow from financing activities	2,647	1	3,780	0
Net cash flow from continuing operations	1,173	-3	1,187	-10
Net cash flow from operations held for sale	-4	3	-49	10
Net cash flow for the period	1,169	1	1,138	-0

SEK Million	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Cash and cash equivalents at the beginning of the period	183	2	2	3
Cash flow for the period	1,169	1	1,138	-0
Exchange rate adjustments on cash and cash equivalents	-0	-0	1	-0
Cash and cash equivalents and overdrafts from purchase/sale of subsidiaries	165	-	377	-
Cash and cash equivalents at the period end	1,518	2	1,518	2

The Parent company's statement of income in summary

SEK Million	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Net sales	7	-0	7	3
External expenses	-8	-1	-15	-2
Personnel costs	-4	-0	-6	-0
Other operating income	0	1	0	1
Other operating expenses	-	-	-0	-0
Depreciation	-0	-0	-0	-0
Profit/loss before tax	-6	0	-15	2
Income from investments in subsidiaries and associates companies	-	-12	-	-12
Financial items net	-18	-0	-26	-1
Profit/loss before tax	-24	-12	-41	-12
Corporation tax	8	-	8	-
Profit/loss for the period	-16	-12	-32	-12

The parent company's balance sheet in summary

SEK Million	31 Dec 2021	31 Dec 2020
Immaterial assets	0	0
Fixed assets	2	-
Financial assets	1,113	32
Other non-current assets	3,067	-
Total non-current assets	4,183	32
Current intercompany receivables	123	13
Other current assets	1	0
Prepaid expenses and accrued income	1	0
Cash and cash equivalents	1,244	1
Total current assets	1,369	14
Total assets	5,552	46
Equity attributable to owners of the company	3,552	15
Total equity	3,552	15
Non-current interest-bearing liabilities	1,479	-
Other non-current liabilities	299	-
Total non-current liabilities	1,779	-
Current intercompany liabilities	143	-
Accounts payable	4	1
Prepayment and deferred income	14	0
Other current provisions and liabilities	60	30
Total current liabilities	221	31
Total liabilities	2,000	31
Total equity and liabilities	5,552	46

Key figures

Definitions of alternative key figures

Key figure	Definition	Purpose
EBITDA	Earnings before taxes, financial items and depreciation of tangible and intangible fixed assets and consolidated surplus values.	EBITDA is used to measure profit (loss) from operating activities, independent of depreciation.
EBITDA margin	EBITDA as a percentage of Net sales.	EBITDA margin is used to put the underlying operating profit (loss), independent of depreciation, in relation to Net sales.
Adjusted EBITDA	Refers to EBITDA adjusted for acquisition-related transaction costs.	Adjusted EBITDA is used by company management to measure the underlying earnings development.
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of Net sales.	Adjusted EBITDA margin is used to put adjusted EBITDA in relation to Net sales.
EBITA	Operating profit before amortisation of consolidated surplus values.	EBITA is used to measure the underlying operating profit (loss) before amortisation of consolidated surplus values from operating activities.
EBITA margin	EBITA as a percentage of Net sales.	EBITA margin is used to put the underlying operating profit (loss) before amortisation on consolidated surplus values in relation to Net sales.
Adjusted EBITA	Refers to EBITA adjusted for acquisition-related transaction costs.	Adjusted EBITA is used by company management to measure the underlying earnings development.

Key figure	Definition	Purpose
Adjusted EBITA margin	Adjusted EBITA as a percentage of Net sales.	Adjusted EBITA margin is used to put adjusted EBITA in relation to Net sales.
EBIT	Operating profit. Profit before tax on income for the period and financial items.	EBIT is used to measure the underlying operating profit (loss) from operating activities.
EBIT margin	EBIT as a percentage of Net sales.	EBIT margin is used to put the underlying operating profit (loss) in relation to Net sales.
Net debt	Non-current and current interest-bearing liabilities (including leasing liabilities) less cash and cash equivalents.	Net debt is used to show the size of the debt minus current cash (which in theory could be used to repay loans).
Net debt in relation to pro forma EBITDA	Refers to net debt divided by pro forma EBITDA.	The key figure can be used to assess the Group's financial leverage.
Organic net sales growth in acquired companies	Refers to net sales growth in the acquired companies at fixed exchange rates and regardless of timing of the acquisition.	The key figure illustrates the underlying net sales development of the acquired companies regardless of timing of the acquisition.
Organic EBITA margin development in acquired companies	Refers to EBITA margin development in acquired companies at fixed exchange rates, excluding HQ costs and management fees, and regardless of timing of the acquisition.	The key figure illustrates the underlying EBITA margin development of the acquired companies regardless of timing of the acquisition.

Additional information

Accounting principles

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Boards (IASB) and the interpretations provided by the IFRS Interpretations Committee (IFRIC) that have been adopted by the European Commission for use within the EU. The standards and interpretations applied are those valid as of January 1, 2021, and which were adopted by the EU. In addition, the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups, has also been applied. The Group's interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. In addition, the applicable provisions of the Annual Accounts Act have been applied. The interim report for the Parent Company has been prepared in accordance with the Annual Accounts Act, which is in accordance with the provisions of RFR 2, Accounting for Legal Entities. The interim report uses the same accounting principles and valuation methods as were used in the most recent annual report (WeSC 2020). However, due to the company's change in operations, some standards and interpretations that were not previously relevant to the Group have been added. These refer to business acquisitions and leasing agreements and are described below. Amounts in tables and calculations can be rounded, which means the stated total amounts are not always an exact sum of the rounded individual amounts.

Business acquisitions

The Group applies the acquisition method when reporting business acquisitions. The remuneration transferred by the Group to obtain a controlling influence over a subsidiary is calculated as the sum of the fair values on the acquisition date of the transferred assets, the assumed liabilities and the equity shares issued by the Group, which includes the fair value of an asset or liability incurred in an agreement on contingent considerations. Acquisition-related costs are recognised as an expense when they are placed in the item Other Operating Expenses. Acquired assets and assumed liabilities are valued at fair value at the time of acquisition.

If, when a business is acquired, there is a positive difference between the acquisition value and the fair value of acquired identifiable assets and assumed liabilities, the difference is goodwill. Goodwill is valued at acquisition value less any accumulated impairment losses. Goodwill is tested annually for impairment.

Leasing agreements

The leasing agreements within the Group cover premises, cars, tools and machinery. The leasing agreements are reported in the balance sheet, with the exception of short-term leasing agreements (leasing agreements with a term of 12 months or less) and leasing agreements with a low underlying asset value. At the start of the agreement, the Group assesses whether the agreement provides the right to control the usage of an identified asset for a period of time in exchange for compensation, in which case it is classified as a leasing agreement. The Group reports a right of use (leasing asset) and a leasing liability at the start date of the leasing agreement. The use-of-right asset is initially valued at an acquisition value that includes the initial amount of the leasing liability adjusted for any lease payments paid before the commencement date plus any initial direct costs and an estimate of costs to restore the underlying asset, less any discounts received. The right-of-use asset is then amortised on a straight-line basis during the use period, which is considered the same as the leasing period. The Group's leasing agreements normally run for 3-5 years, with the exception of a limited number of premise leases that run for a longer period. The right-of-use asset is adjusted periodically for certain revaluations of the lease liability and any impairment losses. The lease liability is initially estimated at the present value of outstanding lease payments, discounted based on the implicit interest rate in the lease agreement or, if this interest rate cannot be determined, the Group's marginal borrowing rate. In general, the Group uses its marginal borrowing rate as the discount rate. The leasing liability is valued at accrued acquisition value using the effective interest method and is revalued when changes in future lease payments arise through changes in the index, or if the Group changes its assessment of whether it will purchase, extend or terminate the lease. A corresponding adjustment is made for

the reported right-of-use value with any surplus over the asset's carrying amount shown in the income statement. The Group has chosen not to report leasing assets and leasing liabilities for short-term leasing agreements (leasing agreements with a term of 12 months or less) and leasing of assets with a low underlying asset value. Asset values below the estimated market value of SEK 45,000 are not reported. The Group reports the rental costs in connection with these leasing agreements as an expense on a straight-line basis over the leasing period. All premise leases are assessed individually for each company.

New presentation form for the income statement and balance sheet

Due to the company's change in operations, Vestum has changed its presentation for the income statement and balance sheet. The new form of presentation has led to certain reclassifications, however those do not have a significant impact on the financial statements. Vestum reports the result from WeSC's operations separately in the income statement in accordance with IFRS 5 regarding discontinued operations. Also, certain fixed assets are reported as assets held for sale. The comparative figures for 2020 have been recalculated in terms of income statement, balance sheet and certain Alternative Key Figures. See the following section on IFRS 5 below.

New and additional accounting principles

At the date of publication of this interim report, other standards, amendments and interpretations of existing standards that have not yet entered into force or been published by the IASB have also not been applied by the Group.

IFRS 5

The Board of Directors has made a decision regarding the divestment of the operations conducted within the framework of the WeSC brand. The Board's assess-

ment is that a divestment is likely to take place within twelve months and therefore the result from this operation is reported separately in the income statement in accordance with IFRS 5 regarding discontinued operations. Assets and liabilities attributable to the business are reported as assets held for sale.

Pro forma accounting

Due to Vestum's rapid growth, the company has chosen to prepare a pro forma report. The purpose of the pro forma report is to provide an overview of the consolidated income statement and balance sheet for the period January 1, 2021 - December 31, 2021, as if the acquisitions which took place before December 31, 2021, as described above, were completed on January 1, 2021. The sole purpose of the pro forma report is to inform and highlight facts with the intention of describing a hypothetical situation. The pro forma financial information does not necessarily reflect the Group's actual results and/or financial position if the acquisitions had been made by the earlier date stated above, and such pro forma financial information should not be viewed as an indication of the Group's earnings trend or financial position for any future period. The pro forma information should be read together with all other information in this interim report. The pro forma accounts have been prepared in accordance with Vestum's accounting principles. In preparing the pro forma information, an analysis has been made of the effects of differences in accounting principles between Vestum and the acquired companies. The applicable parts of the acquired companies' financial information have been adapted to Vestum's accounting principles. This mainly applies to IFRS 16 - Leasing agreements and accrual of costs. In regards to IFRS 16, Vestum has analysed the acquired companies' leasing agreements as of the acquisition date and makes the assumption in the pro forma accounts that the effect those existing leasing agreements are expected to have over the coming twelve-month period would also apply to the pro forma period, i.e. January 1, 2021 - December 31, 2021.

Segment reporting

Vestum divides its operations into three segments: Water, Services and Infrastructure (Infra). Vestum has identified these three segments as complementary, both over a business cycle and seasonally. Press releases on future acquisitions will clearly state which segment the acquisition belongs to. Vestum's long-term goal is to maintain an even balance over time between the segments at Group level.

Water

The Water segment consists of specialist companies focusing on improving the services sector for water infrastructure. The segment, which is characterised by high profitability and structural growth, includes Lakers Group, which is made up of 25 specialist companies focusing on pump technology and aftermarket services within the water and wastewater industries.

Services

The Services segment includes specialist companies that provide various services for the construction industry. These companies usually act as subcontractors and can, for example, specialize in plumbing, suspended ceilings, electricity, installations, flooring, facades, demolition, etc.

Infrastructure

The Infrastructure segment includes specialist companies that carry out jobs within land & facilities, water & sewerage, roads, bridges, etc. The market is driven by large infrastructure investments and extensive maintenance needs and is often characterised by strong local players.

SEK Million	Water	Services	Infra	HQ/Elim.	Total
Net sales	211	400	704	0	1,316
EBITA ¹	5	34	87	-26	100
Adj. EBITA ^{1,2}	8	34	87	-14	116

1) EBITA for each segment include management fee to HQ.

2) Adjusted for acquisition-related transaction costs.

Risks and uncertainties

Vestum's main risk factors consist of market risks such as changes in the general market situation and/or the current competitive situation.

In addition, the Group is exposed to operational risks such as project, customer and quality risks.

The Group is also exposed to financial risks such as currency, interest rate, counterparty and credit risks. Vestum also refers to the company description published on its website for supplementary information on risks and uncertainties.

WeSC

The WeSC brand's operations have continued to develop positively with a sales YTD amounting to SEK 98 million (22 million). The increase in sales is attributable to the North American market. The earnings for 2021 amounted to SEK 4 million (-17 million).

In connection with changing the operations from clothing brand to an acquisition-driven Group focusing on specialist companies in construction services and infrastructure, it was determined that the subsidiary WeSC is no longer part of the Group's core business. On the back of WeSC's positive development and the fact that brand's operations are not part of the Group's core business, the Board has decided that the business will be divested. The Board's assessment is that a divestment can take place within the coming twelve months, and therefore the results from this business are reported separately in the income statement in accordance with IFRS 5 regarding discontinued operations. Furthermore, assets and liabilities attributable to the business are reported as assets held for sale and liabilities that are directly related to assets held for sale.

SEK Million	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Total sales from operations held for sale	11	11	98	22
Total costs from operations held for sale	-15	-15	-94	-39
Profit/loss from operations held for sale	-4	-4	4	-17

Owners

The ten largest shareholders as of January 31, 2022, according to Monitor.

Name	Number of shares	Share of total
Connv Ryk	56,400,000	16%
Anders Rosenqvist	29,686,350	8%
Per-Arne Åhlgren	21,929,661	6%
Handelsbanken Fonder	17,115,789	5%
Avanza Pension	16,668,040	5%
Swedbank Försäkring	16,455,496	5%
Olle Nykvist	13,577,586	4%
Olof Andersson	13,500,000	4%
Erkan Sen	13,500,000	4%
Simon Göthberg	13,500,000	4%
Total for the 10 largest shareholders based on no. of shares	212,332,922	60%
Total number of shares, other shareholders	140,910,295	40%
Total number of shares, January 31 2022 according to Monitor	353,243,217	100%

Related party transactions

Containertjänst i Tyresö Aktiebolag signed lease agreements during the third quarter for the properties Sollentuna Respiten 2 and Huddinge Kranbilen 1, which at that time were owned by Conny Ryk through companies. Conny Ryk has during the fourth quarter divested the properties Sollentuna Respiten 2 and Huddinge Kranbilen 1.

Vestum board member Johan Heijbel has been paid consultancy fees amounting to SEK 300,000. The compensation is market-based and is for work done outside the framework of regular board duties.

Board and CEO approval

The Board of Directors and the CEO ensure that the interim report gives a true and fair view of the Parent Company's and the Group's operations, position and results and describes the significant risks and uncertainties that the Parent Company and the companies that are part of the Group face.

2022-02-24



Per Åhlgren
Board chairman



Johan Heijbel
Board member



Johannes Lien
Board member



Helena Fagraeus
Lundström
Board member



Olle Nykvist
Board member



Anders Rosenqvist
Board member



Conny Ryk
CEO

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

This information is information that Vestum AB (publ) is obliged to publish in accordance with the EU Market Abuse Regulation. The information was provided by the contact person below for publication on February 24, 2022 at 07:30 CET.

Upcoming reports

The interim report for the first quarter of 2022 will be published on May 20, 2022.

The interim report for the second quarter of 2022 will be published on August 26, 2022.

Annual General meeting will be held on May 23, 2022

For more information, contact:

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Head of communications and IR

Business questions:

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CEO

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Vestum's share is traded under the short name VESTUM on Nasdaq First North Growth Market, the company's Certified Adviser is G&W Fondkommission: phone: +46 (0)8 503 000 50, e-mail: ca@gwkapital.se.

VESTUM