

Year-end report

1 January – 31 December

Fasadgruppen 

Fourth quarter highlights

- Net sales increased to SEK 419.0 million (299.5), corresponding to growth of 39.9 percent. Organic growth was a negative 12.1 percent.
- EBITA amounted to SEK 45.1 million (34.5) and the EBITA margin was 10.8 percent (11.5).
- Items affecting comparability¹ impacted earnings negatively by SEK 1.7 million (4.5). Adjusted EBITA (excluding items affecting comparability) amounted to SEK 46.9 million (39.0).
- Earnings for the period amounted to SEK 26.1 million (23.9), earnings per share before dilution amounted to SEK 0.64 (1.02) and earnings per share after dilution were SEK 0.63 (0.98).
- Operating cash flow rose to SEK 87.1 million (40.0).

Full year 2020 in summary

- Net sales increased to SEK 1,340.4 million (1,019.0) and growth amounted to 31.5 percent. Organic growth was a negative 6.9 percent.
- EBITA amounted to SEK 133.9 million (121.3) and the EBITA margin was 10.0 percent (11.9).
- Items affecting comparability¹ impacted earnings negatively by SEK 15.0 million (8.1). Adjusted EBITA (excluding items affecting comparability) amounted to SEK 148.9 million (129.3).
- Earnings for the period amounted to SEK 89.6 million (85.9), earnings per share before dilution amounted to SEK 2.71 (3.81) and earnings per share after dilution were SEK 2.65 (3.67).
- Operating cash flow rose to SEK 155.9 million (98.2).
- The Board of Directors proposes a dividend of SEK 0.60 per share for 2020 (0.0).

Significant events during the quarter

- On 20 November, the acquisition of all shares in Fasadrenoveringar Roland Karlsson i Mälardalen AB was completed with subsidiaries Front RK AB, rapid hyrstillningar AB and SmartFront AB (together the "Front Group").
- Fasadgruppen was listed on Nasdaq Stockholm on 9 December. In connection with the listing, new shares in the Company were issued for a value of SEK 300.0 million.
- Via its subsidiary, AB Karlssons Fasadrenovering, Fasadgruppen has signed a three-year, nationwide agreement with JSB Construction AB.

Events after the end of the quarter

- On 26 January, an asset acquisition of Mölnlycke Mur & Puts AB was completed.
- On 29 January, Mjøndalen Mur & Puss AS was acquired, one of Norway's largest masonry companies with a strong market position in Oslo and surrounding areas.
- Fasadgruppen's subsidiary Sterner Stenhus Fasad AB to renovate 'million program' buildings for Haninge Bostäder.
- Fasadgruppen's subsidiary Johns Bygg & Fasad AB to renovate Stjärnhusen buildings in Västra Frölunda for Balder.

Key figures²

	Oct-Dec 2020	Oct-Dec 2019	Δ	Jan-Dec 2020	Jan-Dec 2019	Δ
SEK million						
Net sales	419.0	299.5	39.9%	1,340.4	1,019.0	31.5%
EBITA	45.1	34.5	30.8%	133.9	121.3	10.4%
EBITA margin, %	10.8	11.5		10.0	11.9	
Adjusted EBITA	46.9	39.0	20.1%	148.9	129.3	15.1%
Adjusted EBITA margin, %	11.2	13.0		11.1	12.7	
Operating cash flow	87.1	40.0	117.9%	155.9	98.2	58.8%
Cash conversion, %	166.2	103.3		100.0	73.1	
Return on capital employed, %	-	-		10.3	19.3	
Return on capital employed excluding goodwill etc.,	-	-		58.1	184.7	
Return on shareholders' equity, %	12.1	72.4		15.0	95.6	
Profit/loss before tax	33.9	30.7	10.2%	114.2	109.2	4.5%
Order backlog	1,021.0	803.0	27.1%	1,021.0	803.0	27.1%

¹ For items affecting comparability in the respective period, see note 8.

² For definitions, see page 22.

Fasadgruppen Group AB is the largest façade work company in the Nordics and the only complete provider of sustainable façades operating in nationwide Sweden. The operations build on local enterprises that maintain a clear focus on cooperation, commitment and competence.

CEO comments

A year like no other

Putting 2020 behind us, I can conclude that it was a highly unusual year indeed – although it was also a year in which we achieved much, of which I am very proud. The Covid-19 pandemic has had a major impact on society, and on our operations mostly through postponed projects – at the same time, however, Fasadgruppen continued to grow, adding four new companies, an asset acquisition and 282 new employees. The crescendo came in December, with our successful IPO on Nasdaq Stockholm.

Full year sales amounted to SEK 1,340.4 million, an increase of 31.5 percent compared with 2019. Fourth quarter sales were SEK 419.0 million, corresponding to growth of 39.9 percent. As earlier in the year, we saw negative organic growth in the fourth quarter, although the decline slowed compared with the second and third quarters. As society returns to normal, we expect the postponed projects to increasingly return. These are, in particular, assignments in new production, as well as from property owners and tenant-owner associations, the boards of which had rescheduled maintenance measures for the future. Underlying needs for housing and renovations are structural driving forces that will generate demand for façade services for a long time to come.

In terms of profitability, we delivered a stable adjusted EBITA margin of 11.2 percent for the fourth quarter and of 11.1 percent for the full year. Although this was slightly lower than in 2019, it is still clearly above our financial target of 10 percent.

Market consolidation still in its infancy

At the time of writing, Fasadgruppen comprises 24 businesses in Sweden, Norway and Denmark. All of the markets are highly fragmented and have numerous smaller-scale local players. This generates substantial opportunities for us to continue delivering on our M&A strategy. We seek profitable companies in complementary geographies or with complementary operations where we perceive opportunities to achieve sustainable growth and synergies. Key to this approach is the readiness of founders, managers and salespeople to continue developing their companies within the broader context offered by Fasadgruppen.

We completed the acquisition of the Front Group in the fourth quarter and, so far in 2021, we also acquired Mölnlycke Mur & Puts and Mjøndalen Mur & Puss. The latter means that we now have two Norwegian subsidiaries, which together hold a strong position in both renovations and new production in the Oslo region. We will continue to expand in Norway, as we are in other markets.



“All of the markets are highly fragmented and have numerous smaller-scale local players. This generates substantial opportunities for us to continue delivering on our M&A strategy.”

More collaborations within the Group

In December, our subsidiary Karlssons Fasadenovering signed a three-year national agreement with JSB Construction, which, in my view, demonstrates the strength of our business model. The customer needs plastering work in concept homes throughout Sweden – and through the agreement, several of Fasadgruppen’s subsidiaries will be able to participate in the work. We are also receiving increasing numbers of enquiries from customers seeking to conduct different assignments, such as renovating both the façade and the roof, within the same project. Being able to have both services performed by a single contractor simplifies matters for all concerned. In my view, we have only scratched the surface of the partnerships facilitated by Fasadgruppen.

In conclusion, I would like to take this opportunity to welcome all of Fasadgruppen’s new shareholders. The response to the IPO in December was amazing and we are very proud of the considerable interest and commitment shown in our operations and long-term strategy. Although the listing process required many employees to devote much of their time, we can now focus fully on the business operations again and on delivering on our promises. Looking ahead at 2021, I take a confident view of the opportunities ahead.

Pål Warolin
Group CEO and President

Group development

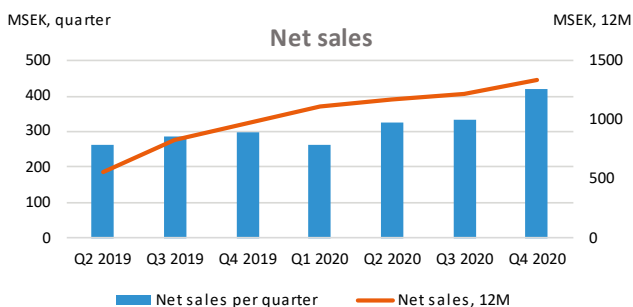
Fourth quarter

Net sales

Net sales for the fourth quarter of 2020 amounted to SEK 419.0 million (299.5), a 39.9 percent increase compared with the corresponding period in the preceding year. Organic growth amounted to a negative 12.1 percent and growth through acquisitions to 58.1 percent. The ongoing pandemic hampered the quarter's sales growth, project postponements being estimated to have a negative short-term impact – while growth in the comparison period, both organic and overall, was unusually strong. At the end of November, having acquired 100 percent of the shares, Fasadgruppen gained possession of Fasadrenoveringar Roland Karlsson i Mälardalen AB (with subsidiaries Front RK AB, rapid hyrstillningar AB and SmartFront AB). Between the fourth quarter of 2020 and the comparison period, the following companies had been acquired: Sterner Stenhus Fasad AB (Fasadgruppen's first acquisition in Norway), DVS Entreprenør A/S, as well as complementary acquisitions in Denmark of three companies under the Cortex brand – Cortex Facaderens ApS, Cortex Membran ApS and All-Tech ApS.

Earnings

EBITA for the quarter amounted to SEK 45.1 million (34.5) and adjusted EBITA to SEK 46.9 million (39.0). Items affecting comparability in the quarter can mainly be attributed to acquisition-related costs of SEK 3.0 million, costs of SEK 4.9 million for preparing the IPO, and the upwards revaluation of a contingent purchase consideration by SEK 7.5 million. The adjusted EBITA margin for the quarter amounted to 11.2 percent (13.0). The lower margin for the reported period can partly be explained by the expanded central organisation required in a listed environment and the strength of the comparison period in terms of sales and profitability. Net financial items increased to an expense of SEK 4.8 million (3.8). Interest expenses on loans from credit institutions amounted to SEK 2.4 million (1.1). Profit for the period amounted to SEK 26.1 million (23.9), corresponding to earnings per share of SEK 0.64 (1.02) before dilution. The effective tax rate was 23.1 percent (22.3).



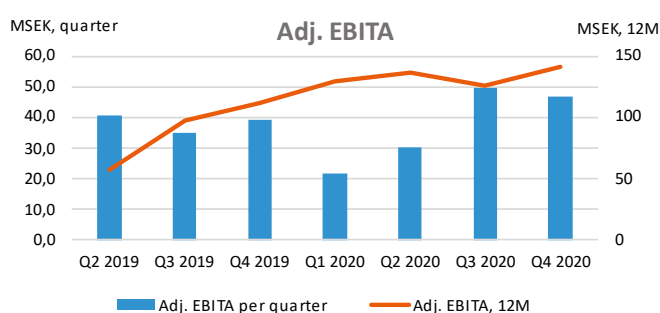
January-December

Net sales

Net sales for the period January–December 2020 amounted to SEK 1,340.4 million (1,019.0), a 31.5 percent increase compared with the corresponding period in the preceding year. Organic growth was a negative 6.9 percent and growth through acquisitions amounted to 39.9 percent. During 2020, Fasadgruppen completed five acquisitions, one of which was an asset acquisition. In June 2020, Fasadgruppen gained possession of the acquired company Sterner Stenhus Fasad AB. In July 2020, the operations in Proos Mur and Puts AB were acquired through an asset acquisition. At the end of the quarter, Fasadgruppen gained possession of DVS Entreprenør A/S, its first acquisition in Norway, together with complementary acquisitions in Denmark of three companies under the Cortex brand: Cortex Facaderens ApS, Cortex Membran ApS and All-Tech ApS. As a conclusion on a successful M&A year, at the end of November, having acquired 100 percent of the shares, Fasadgruppen gained possession of Fasadrenoveringar Roland Karlsson i Mälardalen AB (with subsidiaries Front RK AB, rapid hyrstillningar AB and SmartFront AB).

Earnings

EBITA for the period January–December 2020 amounted to SEK 133.9 million (121.3) and adjusted EBITA was SEK 148.9 million (129.3). Items affecting comparability for the period can mainly be attributed to a capital gain of SEK 5.3 million from the sale of a property, costs of SEK 17.0 million for preparing the IPO, acquisition-related costs of SEK 9.4 million and the upwards revaluation of a contingent purchase consideration by SEK 7.5 million. The adjusted EBITA margin for the period January–December 2020 amounted to 11.1 percent (12.7). Net financial items for the period amounted to an expense of SEK 13.2 million (12.1), interest expenses on loans from credit institutions amounted to SEK 6.8 million (3.8). Profit for the period amounted to SEK 89.6 million (85.9), corresponding to earnings per share of SEK 2.71 (3.81) before dilution. The effective tax rate was 21.5 percent (21.4).



Order backlog

At the end of December 2020, the order backlog amounted to SEK 1,021 million (803), an increase of 27.0 percent. At the end of December, the order backlog for comparable companies had decreased by 22.9 percent, while the acquired growth in the order backlog amounted to 64.7 percent.

Financial position and financing

At the end of the period, shareholders' equity was SEK 1,046.5 million (150.7). During the year, new and offset share issues increased shareholders' equity by SEK 811.7 million (see Note 7 for an account of the increase in shareholders' equity over time through new and offset share issues, as well as the change in the number of shares over 2020). As a step in the IPO on Nasdaq Stockholm in December 2020, a new share issue was implemented, raising SEK 288.8 million in shareholders' equity and cash and cash equivalents, after issue costs of SEK 11.2 million. Interest-bearing net debt on 31 December 2020 amounted to SEK 235.7 million (447.7). The interest-bearing net debt include shareholder loans amounting to SEK 0.0 million (294.0). In May, shareholder loans amounting to SEK 213.3 million were converted into shareholders' equity via an offset issue. The remaining shareholder loans were repaid in full during the fourth quarter of 2020 and replaced with external financing. The external, interest-bearing financing is subject to a covenant requiring that the key debt/equity ratio (external interest-bearing net debt in relation to adjusted EBITDA for a rolling 12-month period) not exceed a multiple of 2.5 on a pro forma basis. In the period January–December 2020, new financing was primarily raised in connection with the acquisitions of Sterner Stenhus Fasad AB in June, amounting to SEK 155.0 million, the acquisitions of DVS Entreprenør AS and the three Cortex companies for a total SEK 50.0 million, and the acquisition of Fasadrenoveringar Roland Karlsson i Mälardalen AB with subsidiaries for SEK 136.7 million. At the end of the period, Fasadgruppen's external, interest-bearing net debt in relation to adjusted EBITDA for a rolling 12-month period amounted to a multiple of 1.4 (3.1), which is within the parameters of the Company's target debt/equity ratio (not exceeding a multiple of 2.5). On 31 December 2020, the Group held cash and cash equivalents and other short-term investments amounting to SEK 409.3 million (48.4). In addition to cash and cash equivalents and other short-term

investments, there were unutilised credit facilities of SEK 330.0 million at the end of the period. For the period January–December, the change in working capital was SEK 14.3 million (negative 26.5). The positive change for the period can mainly be attributed to a decrease in the Group's accounts receivable in the fourth quarter.

Investments and cash flow

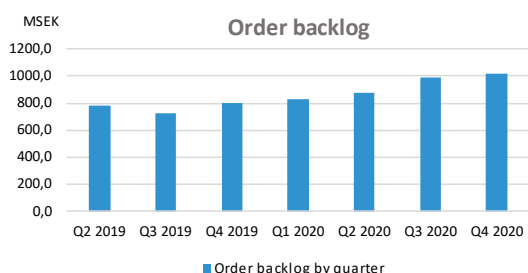
Operating cash flow increased to SEK 87.1 million (40.0) for the quarter but increased to SEK 155.9 million (98.2) for the period January–December 2020. For the period January–December 2020, the Group's net investments, excluding company acquisitions, amounted to SEK 25.8 million (9.6). In the first quarter 2020, one property was divested which delivered positive cash flow of SEK 11.5 million. Depreciation on fixed assets amounted to SEK 28.5 million (13.1) for full year 2020, of which depreciation on acquired intangible assets, such as customer relationships, amounted to SEK 6.5 million (0.0). Investments in company acquisitions for the period January–December 2020 amounted to SEK 465.9 million (51.5). This amount pertains to the acquisition of Sterner Stenhus Fasad AB in June 2020, which resulted in a liquidity effect of SEK 202.8 million, following deductions for acquired cash and cash equivalents. At the end of September 2020, DVS Entreprenør AS in Norway and the three Cortex companies in Denmark were also acquired, which had a combined liquidity effect of SEK 48.9 million, following deductions for acquired cash and cash equivalents. In November 2020, Fasadrenoveringar Roland Karlsson i Mälardalen AB (with subsidiaries) was acquired, giving a liquidity effect of SEK 183.5 million, following deductions for acquired cash and cash equivalents. Other than this, the amount for 2020 primarily comprises contingent considerations related to settlements for acquisitions from previous years.

Personnel

The Group had 812 employees (532) on 31 December 2020, of whom 32 were women (14). The average number of employees for the period January–December 2020 was 654 (431).

Parent Company

Fasadgruppen Group AB had up to 30 June 2020 purely acted as a holding company for the Group without any employees. From 1 July 2020, the business also includes head office functions such as Group-wide management, administration and a finance department. The Parent Company accordingly had limited operations in the current period, which also applied to the comparison period. Income comprises invoiced management fees to Group companies for Group-wide services and costs covered by the Parent Company. Profit for the period January–December 2020 amounted to SEK 13.6 million (3.9). Assets primarily consist of participations in, and receivables from, Group company Fasadgruppen Norden AB and amounted to SEK 1,239.1 million (497.2) at the end of the period.



Shareholders' equity amounted to SEK 911.6 million (86.2) on the balance sheet date.

At the end of the period, the Parent Company had 3 employees (0).

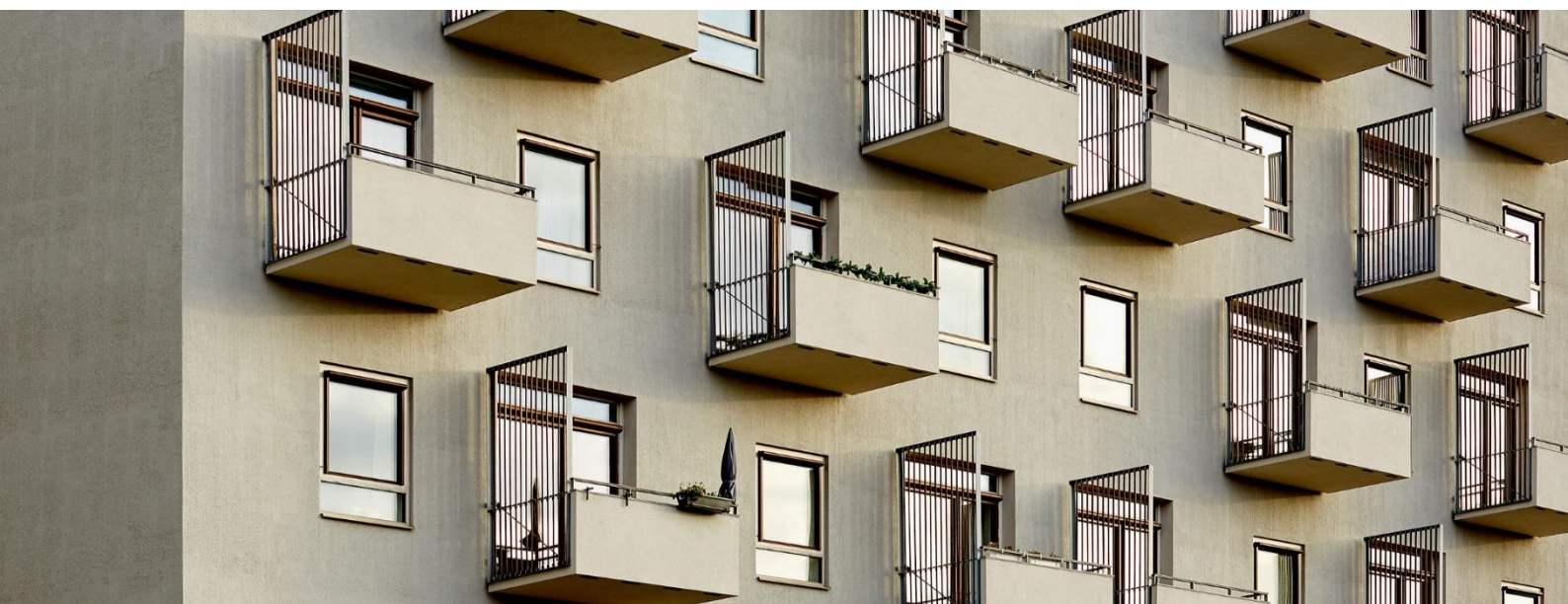
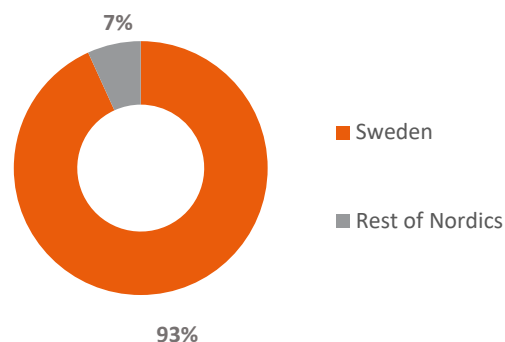
Market overview

Fasadgruppen is the leading complete provider of sustainable façades with a local presence in Sweden, Norway and Denmark. The Group's main customers are property owners, construction companies, property management companies, consultants, cooperative apartment associations, government, municipalities and county council authorities.

According to a market survey, sales in the Scandinavian façade market is estimated at around SEK 97 billion. The Swedish market is estimated at around 37 bn, the Norwegian market 31 bn and the Danish approx. 29 bn. Big city regions account for around half this turnover.

Fasadgruppen's markets are characterised by long-term stability, driven by an underlying need to renovate both residential and commercial properties. In connection with new construction, façade work also comprises a crucial and specialised activity that construction companies to a large extent are outsourcing. In addition to the underlying need for façade work, the trend towards more energy efficient façade solutions is also assessed as being able to further drive market growth.

Fasadgruppen is active in the mid-size segment of the market where projects are in the magnitude of SEK 1–100 million. Based on this, the Group has created a diversified structure with many smaller, flexible companies in a large number of geographic areas. Local subsidiary company CEOs can take quick business decisions independently and adapt to customer requirements. This means the Group has a stable platform from which to enjoy profitable growth moving forward.



Acquisitions

Fasadgruppen has completed 12 business combinations and three asset acquisitions, 15 acquisitions in total since 2019. These acquisitions are a key part of the Group's growth strategy and are carefully chosen based on selective criteria that are defined in the Fasadgruppen growth strategy.

Since early 2019, the Group has acquired an estimated SEK 1,441 million in annual sales and added around 530 new employees, that bring new know-how and working capacity to the Group.

Goodwill totalling SEK 1,258.3 million within the Group is a result of continuous and consciously targeted acquisitions over a number of years. Accumulated goodwill primarily relates to growth expectations, expected future profitability, the significant knowledge and expertise

possessed by subsidiary company personnel and expected synergies on the costs side.

Five new acquisitions have been completed in 2020. Sterner Stenhus Fasad AB, an asset acquisition from Proos Mur & Puts AB, DVS Entreprenør AS in Norway, the acquisition in Denmark of three companies under the Cortex brand, Cortex Facaderens ApS, Cortex Membran ApS, All-Tech ApS, as well as Fasadrenoveringar Roland Karlsson i Mälardalen. All acquisitions have been completed in accordance with the Fasadgruppen strategy and all companies complement and strengthen the Group's competitiveness. DVS and the Cortex companies comprise important steps on the Norwegian and Danish markets.

For more information on acquisitions, please see Note 9.

Acquisitions of companies

Since 2019, Fasadgruppen has gained possession of the following acquired operations.

Access	Acquisitions	Country	Estimated annual sales at time of acquisition, SEK million	No. of employees
January 2021	Mjøndalen Mur & Puss AS	Norway	175	95
January 2021	Mölnlycke Mur & Puts AB (inkräftsförvärv)	Sweden	12	11
November 2020	Fasadrenoveringar Roland Karlsson i Mälardalen	Sweden	400	120
September 2020	Cortex	Denmark	55	40
September 2020	DVS Entreprenør AS	Norway	175	70
July 2020	Proos Mur & Puts AB (asset acquisition)	Sweden	9	10
June 2020	Sterner Stenhus Fasad AB	Sweden	270	22
December 2019	Karlaplans Plåtslageri AB	Sweden	120	54
November 2019	P. Andersen & Søn Entreprise A/S	Denmark	40	21
September 2019	Åsälvs Mureri AB (asset acquisition)	Sweden	5	4
August 2019	Ume Fasad AB	Sweden	10	6
July 2019	Fasadteknik i Nyköping AB	Sweden	25	18
July 2019	Mellansvenska Fasad, Lars Svensson AB	Sweden	50	30
June 2019	Allt i Murning i Karlshamn AB	Sweden	25	15
March 2019	Simtuna Bygg och Betong Teknik AB	Sweden	70	13

The Fasadgruppen M&A strategy

In addition to activities to create organic growth, Fasadgruppen has an active M&A strategy. Acquisitions are primarily implemented with the aim of broadening the Group geographically and to strengthen its offer. In addition to adding new companies to the Group, add-on acquisitions are also made to existing companies with the aim of adding expertise, framework agreements and critical mass.

Fasadgruppen has established a number of acquisition criteria with requirements such as good profitability, geographic locations and long-term management. In Sweden, over 500 potential acquisition candidates have been identified. The corresponding figure for the other Nordic countries is over 1,800 potential companies.

Other information

Risks and uncertainty factors

Fasadgruppen's business is affected by a number of risks whose effects on earnings and our financial position can be controlled to varying degrees. When assessing the Group's future development, it is of importance to consider the risk factors in addition to possible opportunities for earnings growth. The Group is exposed to different types of risk in its business, both strategic, operational and financial. The strategic risks in the Group's business primarily consist of a worsening macroeconomic growth on the Group's main markets. Operational risks are related to day-to-day operations such as tendering, capacity utilisation, percentage of completion and price risks. The financial risks include liquidity and loan financing risks. Risk management is clearly defined in the Fasadgruppen management system, which is designed to prevent and reduce the Group's risk exposure. Risk management in the Group aims to identify, measure, control and limit risks in the business.

Like the rest of society, Fasadgruppen was affected by the ongoing Covid-19 pandemic in 2020. The principal impact took the form of project postponements, particularly related to tenant-owner association customers but also to property owners and new construction. Because most of Fasadgruppen's services are performed outdoors, however, the impact on project execution has been limited, and employees have been able to follow the authorities' recommendations for mitigating workplace contagion without major disruption to their work. For white-collar workers, teleworking from home as much as possible has been advocated. In line with the Fasadgruppen's business model, the individual subsidiaries have been able to adapt their operations locally and at their own discretion. The Group continues to monitor developments closely as part of its ongoing risk management work, making adjustments when necessary. No additional risks and uncertainties, beyond those presented, are deemed to have arisen during the period.

For further information on the Group's risks, please see the 2019 Annual Report.

Seasonal variations

Fasadgruppen's market is shaped to a certain extent by seasonal variations, where the first quarter of the year is the weakest as winter conditions can hamper roof work, for example. The Company's diversified structure with regard to both market offer and geography, limits exposure to season effects, however.

Future projections

The Nordic market is expected to continue to offer a stable underlying renovation market in the future. Underlying driving forces such as low interest rates for the foreseeable future, are assessed as leading to a continuing willingness to invest among the Group's customer groups, which points to continued long-term growth potential for Fasadgruppen. The Group has a well underpinned acquisition strategy and future acquisition opportunities are assessed as continuing to be good. Business operations in the rest of the Nordic region are under development and talks about acquisitions are being held with a number of companies outside Sweden. The Group's financial strength creates the stability that aids both investments and acquisitions. Fasadgruppen continues to develop its sustainability work with the focus on profitability and those products that are being developed for the sustainable façade solutions of the future to boost the competitiveness of customers. The Group is firmly resolved to drive both daily improvement work in the business and the transformation of the façade sectors towards safe and more sustainable solutions.

The ongoing pandemic put a brake on sales growth over the second, third and fourth quarters in the form of an assessed short-term negative effect of postponed projects. It is too early to say what the full effects will be in the longer term for Fasadgruppen. Read more about how the Group is working to counter possible risks as a consequence of the ongoing Coronavirus pandemic in the section on Risks and uncertainty factors.

IPO

Fasadgruppen's share was listed on Nasdaq Stockholm's Mid Cap list on 9 December 2020. The listing included a new issue of shares in the Company for a value of SEK 300.0 million and a sale of shares offered by existing shareholders for a value of SEK 697.6 million. The Company's three largest owners at the end of 2020 were Connecting Capital, Capital Group and A.M. Karlsson i Kvicksund AB.

A detailed description of the offer and its outcome can be found under "IPO" on the Company's website, <https://fasadgruppen.se/en/investors>. A summary of the Company's shareholder structure can be found under "Share information".

Shares and share capital

In December, the number of shares and votes in Fasadgruppen Group AB increased as a result of the new issue of 5,000,000 shares implemented in connection with the admission to trading of the Company's shares on Nasdaq Stockholm. See also Note 7 for an account of the increase in shareholders' equity over time through new and offset share issues, as well as the change in the number of shares over 2020. As of 30 December 2020, the number of shares and votes amounted to 45,132,480 with a share capital of SEK 2.3 million, corresponding to a quota value of SEK 0.05.

Proposed dividend

The Board of Directors proposes to the Annual General Meeting that a dividend of SEK 0.60 (0.00) per share be paid for the year, which is in line with Fasadgruppen's dividend policy to distribute 30 percent of the Group's consolidated net profit, taking into account factors such as financial position, cash flow and growth opportunities. The total dividend thus amounts to SEK 27.1 (0,0). The proposed dividend corresponds to 30.2 percent of the Group's net profit.

Events after the end of the period

- Fasadgruppen's subsidiary Frillesås Mur & Puts AB has acquired the operations of Mölnlycke Mur & Puts AB as an asset acquisition. For the 2019/2020 financial year, net sales amounted to approximately SEK 12 million and the number of employees to 11. Fasadgruppen gained possession of the acquisition in January 2020. An acquisition analysis is currently being prepared.
- Fasadgruppen has acquired Mjøndalen Mur & Puss AS, one of Norway's largest masonry companies, with a strong market position in Oslo and its environs. The Company has 95 full-time employees and generated sales of approximately NOK 180 million in the 2020 financial year. Fasadgruppen gained possession of the acquisition in January 2020. An acquisition analysis is currently being prepared.
- Fasadgruppen's subsidiary Johns Bygg & Fasad has signed a contract with Balder for exterior renovations in the million program residential buildings 'Stjärnhusen' in Västra Frölunda in Gothenburg. The project comprises 13 buildings and the renovations are to be completed by early 2022.
- Fasadgruppen's subsidiary Sterner Stenhus Fasad has signed a contract with the municipal property company Haninge Bostäder for renovations in four residential buildings that were constructed as part of the Swedish 'million program' in the late 1960s in Jordbro outside Stockholm. The project will be carried out over two years.



Financial reports

Group income statement and statement of comprehensive income, summary

SEK million	2020 Oct–Dec	2019 Oct–Dec	2020 Jan–Dec	2019 Jan–Dec
Net sales	419.0	299.5	1 340.4	1 019.0
Other operating income	15.7	7.3	36.8	17.0
Operating income	434.8	306.8	1 377.2	1 036.0
Materials and consumables	-207.1	-140.4	-672.5	-521.3
Remuneration to employees	-140.7	-99.2	-432.0	-309.2
Depreciation and impairments of tangible and intangible non-current assets	-13.7	-4.2	-28.5	-13.1
Other operating costs	-34.5	-28.5	-116.8	-71.3
Total operating costs	-396.1	-272.3	-1 249.8	-914.8
Operating profit/loss	38.7	34.5	127.4	121.3
Net financial items	-4.8	-3.8	-13.2	-12.1
Profit/loss after financial items	33.9	30.7	114.2	109.2
Tax on profit for the period	-7.8	-6.8	-24.6	-23.3
Profit/loss for the period	26.1	23.9	89.6	85.9
Other comprehensive income for the period	-	-	-	-
<i>Items that will not be reclassified to income statement</i>	-	-	-	-
<i>Items that can be reclassified to income statement</i>	-	-	-	-
Exchange rate differences on recalculation of foreign activities	-4.2	-0.7	-5.5	-0.7
Other comprehensive income for the period, net after tax	-4.2	-0.7	-5.5	-0.7
Comprehensive income for the period	21.8	23.2	84.1	85.1
<i>Comprehensive income for the period attributable to:</i>	-	-	-	-
Shareholders in the Parent Company	21.8	23.2	84.1	85.1
Holdings without controlling interest	-	-	-	-
Earnings per share for the period before dilution SEK	0.64	1.02	2.71	3.81
Earnings per share for the period after dilution SEK	0.63	0.98	2.65	3.67
Average no of shares, before dilution	40,784,516	23,429,870	33,124,594	22,552,553
Average no of shares after dilution	41,264,422	24,271,970	33,876,146	23,394,653
Actual no of shares at the end of the period	45,132,480	23,635,500	45,132,480	23,635,500

Group balance sheet, summary

SEK million	31 Dec 2020	31 Dec 2019
ASSETS		
Brand	119.8	-
Customer relationships	13.6	-
Goodwill	1,258.3	634.3
Other intangible assets	0.6	0.8
<i>Total intangible assets</i>	<i>1,392.2</i>	<i>635.2</i>
Right-of-use assets	81.4	48.8
Tangible non-current assets	45.9	30.3
<i>Total tangible non-current assets</i>	<i>127.3</i>	<i>79.1</i>
Financial non-current assets	1.3	0.9
Total non-current assets	1,520.8	715.2
Inventories	6.5	4.1
Accounts receivable	187.0	131.2
Revenues from contracts with customers and similar receivables	74.7	59.1
Prepaid costs and accrued income	18.9	13.0
Other receivables	5.4	-
Cash and cash equivalents	409.3	48.4
Total current assets	701.8	255.8
TOTAL ASSETS	2,222.6	971.0
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity	1,046.5	150.7
Provisions	33.8	1.8
Non-current interest-bearing liabilities	513.7	199.1
Non-current lease liabilities	59.2	35.8
Other non-current liabilities	96.8	35.7
Total non-current liabilities	669.7	270.6
Current interest-bearing liabilities	131.2	297.0
Short-term lease liabilities	19.9	10.8
Accounts payable	88.5	64.5
Contract liabilities	100.5	91.5
Accrued costs and prepaid income	101.1	70.4
Other current liabilities	31.3	13.6
Total current liabilities	472.5	547.9
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	2,222.6	971.0

Summary of changes in shareholders' equity

SEK million	Share capital	Other contributed capital	Retained earnings including profit/loss for the period	Reserves	Total shareholders' equity
Shareholders' equity					
1 Jan 2019	1.1	-	27.9	-	29.0
Profit/loss for the period	-	-	85.9	-	85.9
<i>Other comprehensive income:</i>					
Exchange rate differences on recalculation of foreign activities	-	-	-	-0.7	-0.7
Total comprehensive income	-	-	85.9	-0.7	85.1
New share issue	-	-	2.4	-	2.4
Transactions with owners	0.1	34.0	-	-	34.1
Shareholders' equity	0.1	34.0	2.4	-	36.6
31 Dec 2019	1.2	34.0	116.2	-0.7	150.7
Shareholders' equity					
1 Jan 2020	1.2	34.0	116.2	-0.7	150.7
Profit/loss for the period	-	-	89.6	-	89.6
<i>Other comprehensive income:</i>					
Exchange rate differences on recalculation of foreign activities	-	-	-	-5.5	-5.5
Total comprehensive income	-	-	-	-5.5	-5.5
New share issue	-	-	89.6	-5.5	84.1
Transactions with owners	1.1	810.6	-	-	811.7
Shareholders' equity	1.1	810.6	-	-	811.7
31 Dec 2020	2.3	844.7	205.8	-6.2	1,046.5

¹ See also Note 7 for an account of the increase in shareholders' equity over time through new and offset share issues, as well as the change in the number of shares over 2020.

Group cash flow analysis, summary

SEK million	2020 Oct–Dec	2019 Oct–Dec	2020 Jan–Dec	2019 Jan–Dec
Operating activities				
Profit/loss after financial items	33.9	30.7	114.2	109.2
Adjustments for items not included in cash flow	0.3	7.5	15.9	25.7
Interest paid	-4.9	-1.5	-9.7	-5.2
Tax paid	14.1	7.0	-9.4	-23.5
Changes in working capital	41.7	-2.4	14.3	-26.5
Cash flow from operating activities	85.1	41.4	125.2	79.7
Investing activities				
Acquisition of subsidiaries and businesses	-183.9	-19.1	-465.9	-51.5
Net investments in non-current assets	-7.0	3.7	-25.8	-9.6
Property sale	-	-	11.5	-
Net investments in financial assets	-0.2	0.2	-0.4	1.3
Cash flow from investing activities	-191.1	-15.3	-480.6	-59.8
Financing activities				
New share issue	301.7	-	379.0	0.6
Payment of warrants	-	2.5	-	2.5
Proceeds from borrowings	645.0	43.0	910.9	55.1
Repayment of loans	-465.8	-35.0	-555.0	-63.5
Repayment of lease liability	-6.5	-1.9	-16.8	-8.0
Cash flow from financing activities	474.3	8.5	718.1	-13.4
Cash flow for the period	368.3	34.6	362.7	6.5
Cash and cash equivalents at start of period	41.8	13.9	48.4	41.9
Calculation difference cash and cash equivalents	-0.8	0.0	-1.8	0.0
Cash and cash equivalents at end of period	409.3	48.4	409.3	48.4

Parent Company income statement, summary

SEK million	2020 Oct–Dec	2019 Oct–Dec	2020 Jan–Dec	2019 Jan–Dec
Net sales	5.9	-	5.9	-
Operating costs	-8.3	-0.0	-13.7	-0.1
Operating profit/loss	-2.3	-0.0	-7.7	-0.1
Net financial items	-2.6	-2.6	-6.4	-9.6
Profit/loss after net financial items:	-4.9	-2.6	-14.1	-9.7
Appropriations	31.5	15.0	31.5	15.0
Profit/loss before tax	26.5	12.4	17.3	5.3
Tax on profit for the period	-5.7	-3.0	-3.7	-1.4
Profit/loss for the period*	20.9	9.4	13.6	3.9

*There are no items recognised in other comprehensive profit/loss in the Parent Company and therefore the statement of comprehensive profit/loss is the same as profit/loss for the

Parent Company balance sheet, summary

SEK million	31 Dec 2020	31 Dec 2019
ASSETS		
Financial non-current assets	1,239.1	497.2
Total non-current assets	1,239.1	497.2
Current receivables	1.5	1.7
Cash and bank	312.3	2.3
Total current assets	313.8	4.0
TOTAL ASSETS	1,552.9	501.2
SHAREHOLDERS' EQUITY AND LIABILITIES		
Restricted shareholders' equity	2.3	1.2
Unrestricted shareholders' equity	909.3	85.0
Total shareholders' equity	911.6	86.2
Non-current liabilities	513.7	199.1
Accounts payable	2.0	-
Other current liabilities	122.2	208.4
Accrued costs and prepaid income	3.5	7.5
Total liabilities	641.3	415.0
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,552.9	501.2

Notes

Note 1 Accounting principles

Fasadgruppen Group AB applies the International Financial Reporting Standards (IFRS) as they have been adopted by the European Union. The consolidated accounts in this interim report have been prepared in accordance with IAS 34 Interim Financial Reporting plus applicable regulations in the Swedish Annual Accounts Act. The Parent Company accounts have been prepared in accordance with the Swedish Annual Accounts Act and RFR 2, Accounting for Legal Entities. The interim report should be read together with the annual accounts for the financial year ending on 31 December 2019. Accounting principles and calculation basis are in accordance with those that were applied in the annual accounts for 2019 with the exception of the application of IAS 20 Accounting for Government Grants and Disclosure of Government Assistance that was applied when reporting government grants for sick leave payments. Information in accordance with IAS 34 16A also appears in other parts of the interim report in addition to the financial reports and associated notes.

Amounts in the interim report are stated in millions of Swedish Kronor (SEK million), unless otherwise stated. Amounts in brackets are for the comparison period.

Account of government subsidies as a consequence of the impact of the corona virus

Due to Covid-19, the Swedish parliament and government have introduced temporary rules under which all employers received full compensation for sick pay expenses during the period April–July 2020. A different calculation applies to sick pay expenses reported during the period August–December 2020. Sick pay expenses are reimbursed in accordance with different percentages depending on the scale of the employer's expenses. Payment received comprises a government grant in accordance with both IFRS and RFR 2 and is reported in line with IAS 20 Accounting for Government Grants and Disclosure of Government Assistance. Such payments are recognised when there is reasonable certainty that the Group will meet the conditions for the grant and grants will be received with reasonable certainty. Government grants are systematically recognised in the income statement over the same periods as the costs the grants are intended to compensate for. Sick pay is presented in the financial reports as other income and claims.

The total payment for sick pay expenses reported in 2020 amounts to SEK 4.2 million.

Note 2 Significant estimates and assessments

Preparation of the interim report requires company management to make critical judgements and estimates and assessments and assumptions that affect the application of accounting principles and the figures disclosed for assets, liabilities, earnings and costs. The actual outcome can deviate from these estimates and assessments. The critical assessments and estimates made

when preparing this interim report are the same as in the most recent annual report.

Note 3 Allocation of income

Group, SEK million	2020 Oct–Dec	2019 Oct–Dec
Sweden	357.6	292.4
Rest of Nordics	61.4	7.1
Total	419.0	299.5

Group, SEK million	2020 Jan–Dec	2019 Jan–Dec
Sweden	1,249.2	1,011.9
Rest of Nordics	91.2	7.1
Total	1,340.4	1,019.0

The Fasadgruppen business consists of one operating segment. Income comes from external customers, of which no individual customer accounts for ten percent or more of sales. Income outside Sweden consists of less than five percent of the Group's total income. The Group applies the percentage of completion method.

Note 4 Related party transactions

The character and scale of related party transactions are described in the Group Annual Report for 2019.

Transactions with related parties arise in current operations and are based on business terms and conditions and market prices. In addition to ordinary transactions between Group companies and remuneration to executives and directors, the following transactions with related parties have occurred in the period:

During the period 1 January to 31 December 2020, Fasadgruppen has bought services from companies controlled by senior executives for SEK 5.4 million and has sold project-related services to companies controlled by senior executives for SEK 29.0 million. As of 31 December 2020, Fasadgruppen's current liabilities to companies controlled by senior executives amounted to SEK 1.2 million and current receivables to SEK 36.2 million for project-related services.

After the resolution of 8 May 2020 on a directed share issue, new subscriptions to ordinary shares by senior executives amounted to SEK 1.2 million and new subscriptions by companies controlled by senior executives amounted to SEK 37.5 million.

On 8 May 2020, a new issue was also resolved on, via the conversion of shareholder loans to new shares. During the month of May, shareholder loans amounting to SEK 0.3 million (including accrued market-based interest) from senior executives and amounting to SEK 192.6 million from companies controlled by senior executives were converted into shareholders' equity via an offset share issue. During the fourth quarter of 2020, the remaining shareholder loans from companies controlled by senior executives, amounting to SEK 87.1 million, were repaid in full.

Note 5 Pledged securities and contingent liabilities

It was possible to negotiate the removal of pledged assets from external financing agreements in connection with the signing of a new, comprehensive financing agreement in the fourth quarter of 2020.

Group, SEK million	31 Dec 2020	31 Dec 2019
Pledged securities:		
Company mortgages	78.6	13.7
Net assets, Group	-	574.4
Other	19.4	1.1
Contingent liabilities:		
Pledged securities	122.4	3.9
Parent Company, SEK million	31 Dec 2020	31 Dec 2019
Pledged securities:		
Shares in subsidiary companies	-	450.0

Note 6 Fair value of financial instruments

The Group has financial instruments where level 3 has been used to determine fair value. Financial liabilities are measured at fair value via the income statement concerning contingent earnouts not yet resolved, and as of 1 January 2020, amounted to SEK 52.6 million. For the period January–December 2020, earnouts of SEK 29.2 million were settled. New additional earnouts from the acquisitions of DVS Entreprenör A/S, Cortex Facaderens ApS, Cortex Membran ApS, All-Tech ApS and Fasadrenoveringar Roland Karlsson i Mälardalen AB amounted to SEK 91.5 million. At the end of the period, earnouts not yet resolved amounted to SEK 107.5 million. The earnouts are valued using a probability assessment where it has been assessed that they will be paid in the agreed amount. Management has here considered the risk on the outcome of future cash flows, where the time factor given the prevailing interest situation, has not been assessed as important. In the assessed valuation as of 31 December 2020, the values of earnouts yet to be resolved have been revised down by a net SEK 7.5 million.

Fair value of Group financial assets and liabilities is estimated as equal to their book value. The Group does not apply netting for any of its significant assets or liabilities. No transfers between levels or valuation categories occurred in the period.

Changes in contingent earnouts, SEK million	
Opening contingent earnouts 1 Jan 2020	52.6
Contingent earnouts added in 2020	91.5
Contingent earnouts disbursed in 2020	-29.2
Estimated contingent earnouts in 2020	-7.5
Closing contingent earnouts 31 Dec 2020	107.5
Expected disbursements	
Expected disbursements in 2021	-10.6
Expected disbursements in 2022 –	-96.9

Note 7 Changes in shareholders' equity due to new and offset share issues

Group 2020	Date	Number of shares*	Issue amount, SEK million
New share issue, acquisition	31 Jan 2020	359,940	10.1
New share issue	31 May 2020	2,891,400	75.9
Offset share issue, shareholder loan	31 May 2020	8,126,660	213.3
New share issue, acquisition	30 Jun 2020	2,408,760	90.5
New share issue, acquisition	22 Sep 2020	739,880	44.5
New share issue, acquisition	25 Sep 2020	378,060	25.8
New share issue, acquisition	19 Nov 2020	750,180	50.0
Redemption of warrants	23 Nov 2020	842,100	12.9
New share issue in connection with IPO	9 Dec 2020	5,000,000	288.7
		21,496,980	811.7

*Number of shares adjusted for 20/1 split on 9 December 2020.

Note 8 Items affecting comparability¹

The table below presents items affecting comparability during the quarter and period.

Group, SEK million	2020 Oct–Dec	2019 Oct–Dec	2020 Jan–Dec	2019 Jan–Dec
Property divestment	-	-	5.3	-
Preparatory costs IPO	-4.9	-2.8	-17.0	-3.6
Acquisition related costs	-3.0	-1.0	-9.4	-2.5
Restructuring IT, ISO certification	-	-0.5	-	-1.4
Revaluation of earnouts	7.5	-	7.5	-
Other	-1.4	-0.1	-1.5	-0.5
Total	-1.7	-4.4	-15.0	-8.0

¹ The definition of items affecting comparability has been adjusted as of the fourth quarter of 2020 to also include revaluations of earnouts implemented during the quarter. The adjustment has no effect on the comparison periods and has thus not caused any recalculation of comparative figures. For a complete definition, see page 22.

Note 9 Business acquisitions

Share transfers January–December 2020

During the period, Fasadgruppen has completed acquisitions of all shares in Sterner Stenhus Fasad AB, DVS Entreprenør AS and three companies under the Cortex brand: Cortex Facaderens ApS, Cortex Membran ApS and All-Tech ApS, as well as Fasadrenoveringar Roland Karlsson i Mälardalen AB with subsidiaries Front RK AB, rapid hyrstillningar AB and SmartFront AB.

Sterner Stenhus Fasad AB

On 5 June, Fasadgruppen Norden AB completed the acquisition of the façade business of Sterner Stenhus Holding AB via the acquisition of Sterner Stenhus Fasad AB. Sterner Stenhus, founded in 1960, offers complete solutions for new build and renovation façade projects, from planning to end product. Sterner Stenhus strengthens the Group's façade platform with professional property services and knowledgeable workforce and assures Fasadgruppen's continued development in offering sustainable turnkey solutions to a broader market.

Sterner Stenhus Fasad AB's net sales in 2019 amounted to SEK 271.0 million and EBITA amounted to SEK 49.8 million. Since the time of the acquisition on 5 June and until 31 December 2020, Sterner Stenhus has contributed SEK 103.4 million to the Group's net sales and SEK 25.5 million to Group EBITA.

The combined purchase consideration amounted to SEK 355.8 million, with SEK 204.1 million being paid in cash and cash equivalents on gaining possession (subsequently adjusted down by SEK 0.2 million), and with SEK 61.4 million being paid via the transfer of a

promissory note issued by the Parent Company and SEK 90.5 million being paid in newly-issued shares. The consideration includes a contingent performance-based element that means that the vendors can be required to repay part of the consideration if Sterner Stenhus does not achieve an average EBITDA of SEK 50 million per year, SEK 150 million in total, during a qualification period extending to the end of the 2021 financial year. The theoretical repayment lies in the range SEK 0–300 million, but based on the history of the acquired company, Fasadgruppen assesses it unlikely that any repayment will be made.

Acquisition costs totalling SEK 0.8 million are recognised as other external costs.

DVS Entreprenør AS

On 22 September, Fasadgruppen Norden AB completed the acquisition of DVS Entreprenør AS. The Company was founded in 1998 and offers renovation services for façades, windows, balconies and roofs, plus consulting and planning services for renovation projects. The business primarily operates in the Oslo area where it has its head office.

DVS Entreprenør is one of Norway's largest companies within façade renovation, with around 70 employees and a broad customer portfolio including cooperative apartment associations, construction companies and public authorities. Via the acquisition, Fasadgruppen has become established in Norway and thereby strengthened its position as the largest façade Group in the Nordic region in line with the Group's growth strategy.

DVS Entreprenør AS's net sales in 2019 amounted to SEK 175.3 million and EBITA amounted to SEK 18.1 million. The business only made a marginal contribution to the Group's net sales and EBITA in the fourth quarter.

The combined purchase consideration amounted to SEK 122.2 million, of which SEK 59.4 million has been paid via cash and cash equivalents on gaining possession and SEK 43.1 million via shares issued. SEK 19.1 million comprised an earnout. The outcome of the earnout that is dependent on future operating profits achieved by the Company has been valued via a probability assessment where it is assessed that the agreed amount will be paid within the term of the earnout period that is three years.

Acquisition costs totalling SEK 3.5 million are recognised as other external costs.

Cortex

On 25 September Fasadgruppen Norden AB completed the acquisition of three companies under the Cortex brand: Cortex Facaderens ApS, Cortex Membran ApS and All-Tech ApS. The Company was founded in 1991 and is the market leader in façade maintenance and property renovation in Denmark. Cortex also offers a membrane system, where they insert stainless steel moisture barriers in brick foundations to prevent damp damage in the property. The business covers the whole of Denmark with a head office in Hvidovre. The three companies have around 40 employees in total.

Via the acquisition, Fasadgruppen has strengthened its presence in Denmark and thereby its position as the largest façade Group in the Nordic region in line with the Group's growth strategy. The acquisition is fully in line with Fasadgruppen's sustainability profile via Cortex's sustainable renovation and environmental remediation services.

Cortex had net sales in 2019 of SEK 55.3 million and EBITA of SEK 9.5 million. The business only made a marginal contribution to the Group's net sales and EBITA in the fourth quarter.

The combined purchase consideration amounted to million 73.9 million, of which SEK 25.8 million has been paid via cash and cash equivalents on gaining possession and SEK 25.8 million via shares issued. SEK 22.3 million comprised an earnout. The outcome of the earnout that is dependent on future operating profits achieved by the Company has been valued via a probability assessment where it is assessed that the agreed amount will be paid within the term of the earnout period that is three years.

Acquisition costs totalling SEK 0.4 million are recognised as other external costs.

Fasadrenoveringar Roland Karlsson i Mälardalen

On 20 November, Fasadgruppen Norden AB completed the acquisition of all shares in Fasadrenoveringar Roland Karlsson i Mälardalen AB with subsidiary companies Front RK AB, rapid hyrställningar AB and SmartFront AB was announced. The company is based in Eskilstuna. The business in Front RK includes façade, balcony and roof work. Via rapid hyrställningar rental and assembly of façade scaffolding, climbing platforms and weather protection are offered. SmartFront offers a patented ventilation solution that, in connection with renovations of façades, ventilation and windows, can provide substantial energy savings. The companies have about 120 employees and their customers are mainly property owners, construction companies and tenant-owner associations.

The acquisition strengthens Fasadgruppen's position in Mälardalen. The sustainability offer is broadened with all Group companies gaining access to SmartFront, a patented system offering increased energy savings while also giving Fasadgruppen a unique product in the market.

Fasadrenoveringar Roland Karlsson i Mälardalen AB's net sales in 2019 amounted to SEK 400.2 million and EBITA amounted to SEK 35.4 million. The business only made a marginal contribution to the Group's net sales and EBITA in the fourth quarter.

The combined purchase consideration amounted to million 300.8 million, of which SEK 200.0 million has been paid in cash and cash equivalents on gaining possession and SEK 50.0 million in shares issued. SEK 50.0 million comprises an earnout. The outcome of the earnout that is dependent on future operating profits achieved by the Company has been valued via a probability assessment where it is assessed that the agreed amount will be paid no later than in June 2023.

Acquisition costs totalling SEK 0.6 million are recognised as other external costs.

Other acquisitions January–December 2020

Proos Mur & Puts AB

On 1 July, Fasadgruppen Norden AB completed the acquisition of the business from Proos Mur & Puts AB via the transfer of agreed assets and liabilities. The combined purchase consideration amounted to SEK 1.5 million.

As a consequence of their size, the assets and liabilities are not considered substantial in relation to the Group's financial position and earnings.

Earnouts resolved

During the period, earnouts have been resolved totalling SEK 29.2 million attributable to the acquisitions of Mellansvenska Fasad, Lars Svensson AB of SEK 5.1 million, Simtuna Bygg och Betong Teknik AB of SEK 9.1 million, Ume fasad AB of SEK 0.3 million, Malmö Mur & Puts AB of SEK 5.2 million, P. Andersen & Søn Entreprise A/S of SEK 4.9 million plus Cortex of SEK 4.6 million. Settlement of the earnouts is in line with assessments previously made.

Acquisition analyses

Some of the overvalues in the preliminary acquisition analyses have been allocated to the Company brand and customer relationships while unallocated overvalues have been attributed to goodwill.

The brands consist of the acquired company brands that are retained and utilised indefinitely, which is a key part of the Fasadgruppen strategy. Goodwill is primarily attributable to the growth expectations of the business, expected future profitability, the significant knowledge and expertise possessed by the personnel and synergies on the costs side. Customer relationships derive from the written agreements comprising the order book at the time of acquisition. Most of the agreements have a shorter term than 12 months and all are deemed to have been terminated within a maximum of 24 months.

Goodwill and brands have an indeterminable usage period and are not depreciated but tested for impairment annually or if such is indicated. The assessed value of customer relationships is depreciated over the term of the order book.

Value according to acquisition analysis – Sterner Stenhus Fasad AB

SEK million	Carrying amount	Fair value, adjustment	Fair value
Brand	-	33.9	33.9
Customer relationships	-	8.3	8.3
Other intangible assets	0.0	-	0.0
Tangible non-current assets	0.8	-	0.8
Trade receivables and other receivables	96.5	-	96.5
Cash and cash equivalents	1.2	-	1.2
Deferred tax liabilities	-7.1	-9.0	-16.1
Other liabilities	-28.8	-	-28.8
Accounts payable and other payables	-14.1	-	-14.1
Identifiable net assets	48.5	33.2	81.7
Goodwill			274.2
Consideration			355.8
Of which cash and cash equivalents transferred			204.2
Acquired cash and cash equivalents			-1.2
Change in Group cash and cash equivalents			-203.0

Value according to acquisition analysis – DVS Entreprenør AS

SEK million	Carrying amount	Fair value adjustment	Fair value
Brand	-	30.8	30.8
Customer relationships	-	6.6	6.6
Right-of-use assets	-	8.6	8.6
Tangible non-current assets	0.8	-	0.8
Trade receivables and other receivables	19.5	-	19.5
Cash and cash equivalents	26.0	-	26.0
Deferred tax liabilities	-	-8.2	-8.2
Lease liabilities	-	-8.6	-8.6
Appropriations	-1.8	-	-1.8
Other liabilities	-14.5	-	-14.5
Accounts payable and other payables	-12.4	-	-12.4
Identifiable net assets	17.6	29.2	46.8
Goodwill			75.4
Consideration			122.2
Of which earnout			19.1
Of which cash and cash equivalents transferred			59.4
Acquired cash and cash equivalents			26.0
Change in Group cash and cash equivalents			-33.4

Value according to acquisition analysis – Cortex

SEK million	Carrying amount	Fair value adjustment	Fair value
Brand	0.0	5.5	5.5
Right-of-use assets	0.5	-	0.5
Tangible non-current assets	1.8	-	1.8
Inventories	1.1	-	1.1
Trade receivables and other receivables	14.5	-	14.5
Cash and cash equivalents	10.2	-	10.2
Deferred tax liabilities	0.0	-1.2	-1.2
Lease liabilities	-0.5	-	-0.5
Appropriations	-0.4	-	-0.4
Other liabilities	-11.2	-	-11.2
Accounts payable and other payables	-0.8	-	-0.8
Identifiable net assets	15.2	4.3	19.5
Goodwill			54.4
Consideration			73.9
Of which earnout			22.3
Of which cash and cash equivalents transferred			25.8
Acquired cash and cash equivalents			-10.3
Change in Group cash and cash equivalents			-15.5

Value according to acquisition analysis – Fasadrenoveringar Roland Karlsson i Mälardalen

SEK million	Carrying amount	Fair value adjustment	Fair value
Goodwill	2.8	-2.8	-
Brands	-	49.9	49.9
Customer relationships	-	5.2	5.2
Right-of-use assets	-	18.1	18.1
Tangible non-current assets	19.9	-	19.9
Inventories	0.2	-	0.2
Trade receivables and other receivables	62.2	-	62.2
Cash and cash equivalents	17.2	-	17.2
Appropriations	-1.6	-	-1.6
Lease liabilities	-	-18.1	-18.1
Deferred tax liabilities	-9.7	-11.8	-21.5
Accounts payable and other payables	-43.8	-	-43.8
Other liabilities	-9.4	-	-9.4
Identifiable net assets	37.9	-40.5	78.4
Goodwill			222.3
Consideration			300.8
Of which earnout			50.0
Of which cash and cash equivalents transferred			200.8
Acquired cash and cash equivalents			17.2
Change in Group cash and cash equivalents			-183.5

Signatures

The Board of Directors and the Chief Executive Officer hereby confirm that the year-end report gives a true and fair view of the Company's and the Group's operations, financial position and performance, and describes significant risks and uncertainties faced by the Company and the companies in the Group.

Stockholm, 17 February 2021

Fasadgruppen Group AB

Per Sjöstrand
*Chairman of the
Board*

Ulrika Dellby
Board Member

Tomas Georgiadis
Board Member

Mikael Karlsson
Board Member

Tomas Ståhl
Board Member

Gunilla Öhman
Board Member

Pål Warolin
*Group President and
CEO*

This interim report has not been reviewed by the Company's auditors.

This report is a translation of the original report in Swedish. Should any discrepancy occur between the Swedish and English version, the Swedish version shall prevail.

The information in this report is such that Fasadgruppen Group AB (publ) is obliged to publish under the EU Market Abuse Regulation. The information was submitted, under the auspices of the CEO, for publication on 18 February 2021 at 7.30 a.m. CET.

Presentation of the Year-end report

The Year-end report will be presented via a telephone conference and webcast today, 18 February at 8:15 a.m. CET via <https://tv.streamfabriken.com/fasadgruppen-group-q4-2020>. Number for participation by telephone: +46 8 566 42 707.

Definitions

Fasadgruppen reports key ratios to describe the underlying profitability of the business and to improve comparability. The Group applies the ESMA guidelines on alternative performance measures. A reconciliation of alternative performance measures is available at www.fasadgruppen.se

Growth in net sales

Change in net sales as a percentage in the comparison period, previous year.

The change in net sales reflects the sales growth achieved by the Group over time.

Organic growth

Change in net sales as a percentage of net sales during the comparison period, previous year, for the companies that were part of the Group throughout the comparison period and the current period unadjusted for any currency effects.

Organic growth reflects the Group's realised sales growth, excluding acquisitions, over the measurement period.

EBITA

Earnings before interest and taxes (EBIT) before depreciation, amortisation and impairment of goodwill, brands and customer relationships.

EBITA provides a picture of earnings generated from current operations

EBITDA

Net earnings (EBIT) before depreciation and impairments of tangible and intangible non-current assets.

EBITDA provides a picture of a company's current operating profitability before depreciation.

EBIT margin

EBIT as a percentage of net sales

The EBIT margin is used to measure operating profitability.

EBITA margin

EBITA as a percentage of net sales

The EBITA margin is used to measure operating profitability.

Items affecting comparability*

Items affecting comparability are, property sales, acquisition related costs, costs in association with refinancing, preparatory costs floatation and floatation costs, restructuring costs and revaluations of earnouts.

Excluding items affecting comparability, makes it easier to compare earnings between periods.

Adjusted EBIT

EBIT adjusted for items affecting comparability.

Adjusted EBIT improves comparability between periods.

Adjusted EBITA

EBITA adjusted for items affecting comparability.

Adjusted EBITA improves comparability between periods.

Adjusted EBITA margin

Adjusted EBITA as a percentage of net sales

The adjusted EBITA margin is used to measure operating profitability.

Adjusted EBITDA

EBITDA adjusted for items affecting comparability.

Adjusted EBITDA improves comparability between periods.

Cash flow from operating activities

EBITDA with deductions for net investments in tangible and intangible non-current assets plus adjustments for cash flow from change in working capital.

Cash flow from operating activities is used to follow the cash flow from operating activities.

Cash conversion

Operating cash flow as a percentage of EBITDA.

Cash conversion is used to follow how efficiently the Group manages investment activities and working capital.

Order book

The value of outstanding, not yet accrued project income from orders received at the end of the period.

The order book is an indicator of the Group's outstanding project income from orders already received.

Return on shareholders' equity

Earnings for the period as a percentage of average shareholders' equity, (shareholders' equity at the start and end of the period respectively divided by two). Calculated return during the period annualised by adjusting to a return on an annual basis. The return for the first three months of the year is multiplied by four, the first six months multiplied by two, etc.

Return on shareholders' equity is important for investors who want to be able to compare their investment with alternative investments.

Return on capital employed

Earnings before tax increased by financial costs on an annual basis as a percentage of capital employed (sum of capital employed at the start and end of the period respectively, divided by two). Calculated return during the period annualised by adjusting to a return on an annual basis. The return for the first three months of the year is multiplied by four, the first six months multiplied by two, etc.

Return on capital employed is important to assess profitability on externally financed capital and shareholders' equity.

Return on capital employed, excluding goodwill

Earnings before tax plus financial costs on an annual basis as a percentage of capital employed with deductions for goodwill and other acquisition related intangible non-current assets (the sum of capital employed minus goodwill and other acquisition related intangible non-current assets at the start and end of the period, divided by two). Calculated return during the period annualised by adjusting to a return on an annual basis. The return for the first three months of the year is multiplied by four, the first six months multiplied by two, etc.

The return on capital employed, excluding goodwill and other acquisition related intangible non-current assets is important to assess profitability on externally financed capital and shareholders' equity adjusted for the goodwill arising via acquisitions.

Capital employed

Total capital with or without goodwill minus non-interest-bearing liabilities and appropriations.

Capital employed shows by how much company assets are financed by the return on this capital.

Interest-bearing net debt

Current and non-current liabilities to credit institutions, bonds and interest-bearing appropriations for pensions minus cash and cash equivalents.

Interest-bearing net debt is used as a measure showing the Group's total indebtedness.

Net debt to EBITDA ratio

Interest-bearing net debt at the end of period divided by EBITDA, for a rolling twelve months.

Net debt to EBITDA ratio provides an estimate of the Company's ability to reduce its debt. It represents the number of years it would take to repay the debt if net liabilities and EBITDA remain constant, without taking into consideration cash flow related to interest, tax and investments.

Net debt to equity ratio

Interest-bearing net liabilities as a percentage of total shareholders' equity.

The net debt to equity ratio measures the extent to which the Group is financed by loans. As cash and cash equivalents and other current investments can be used to pay off debt at short notice, net debt is used instead of gross debt in the calculation.

* The definition of items affecting comparability has been adjusted as of the fourth quarter of 2020 to also include revaluations of earnouts implemented during the quarter. The adjustment has no effect on the comparison periods and has thus not caused any recalculation of comparative figures.



Fasadgruppen in brief

Vision

Fasadgruppen aims to create sustainable façades and so contribute to a more sustainable and enduring society with beautiful buildings and a good living environment for people.

Business concept

Fasadgruppen's business concept is to offer competitive, multidisciplinary solutions by enabling collaboration between local leading and specialised subsidiaries to achieve economies of scale and synergy effects between the companies.

Business model

Fasadgruppen's business model is based on a decentralised structure with extensively delegated responsibilities to entrepreneurial subsidiaries supported by a Group-wide organisation with functions for, among other things, purchasing, business development, acquisitions and finance. Four geographical business areas simplify regional coordination through resource sharing and best practice, identification of cross-selling opportunities and joint sales initiatives. In this way, the locally based company's drive, proximity and limited overheads are combined with the Group's opportunities to achieve economies of scale and to offer comprehensive solutions to customers.

Offering

Fasadgruppen possesses expertise in everything related to property façades. The offering includes services within façade renovation, energy efficiency, window replacement, balcony and roof renovation.

Projects and customers

Fasadgruppen mainly focuses on medium size projects with an order value from SEK 1–100 million. Our customers operate in the Nordic construction and renovation market and include owners of public, commercial and residential properties, tenant-owner housing associations, construction companies and private homeowners.

Strategy

Developing local market leaders

Fasadgruppen will maintain and develop its position in the local markets by attracting and retaining the best contractors and personnel in each local market.

Fostering collaboration

Synergy effects between the local units are to be achieved by means of an organisation that promotes collaboration effectively. The Group applies a proven model to achieve economies of scale that are implemented directly upon the acquisition of a new acquisition, ensuring optimal integration and synergies throughout the Fasadgruppen Group.

Efficient processes

Through continuous efforts to optimise the processes, the Group can be managed appropriately, and the subsidiaries are afforded the conditions for increasing their profitability.

Growth through acquisitions.

Acquisitions play an important role in Fasadgruppen's strategy for profitable growth. Acquisitions enable the Group to expand geographically, broaden its offer, enhance its expertise and achieve economies of scale within existing companies.

Financial targets

Fasadgruppen's financial targets aim to ensure long-term and stable profitability and growth in value to give our shareholders a good return.

Net sales growth >15%

We should achieve an average growth in net sales of at least 15 percent per year over an entire economic cycle. Growth should be both organic and via acquisitions.

EBITA margin >10%

Our EBITA margin should be at least 10 percent per year over an entire economic cycle.

Cash conversion 100%

Cash conversion shall amount to 100 percent.

For sustainable development

Sustainability is an integral part of Fasadgruppen's operations and strategy. Via clear goals, long-term thinking and complete commitment, we aim to contribute towards sustainable development. Fasadgruppen supports Agenda 2030 and have identified five of the global sustainable development goals as the most relevant for our business.



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Financial calendar

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