Historical financial information

Revised consolidated financial statements of Francks Kylindustri Holding for the financial years 2023 and 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK '000	Note	1 Jan 2024 –31 Dec 2024	1 Jan 2023 –31 Dec 2023
Net sales	**6**	1,764,590	1,689,475
Other operating income	**9**	15,671	9,874
Total		**1,780,261**	**1,699,349**
Operating expenses			
Cost of Goods		-899,677	-933,726
Other external expenses	**7, 17**	-178,523	-155,628
Personnel costs	**8**	-550,669	-484,502
Amortisation of intangible assets and depreciation of property, plant and equipment	**15, 16, 17**	-61,192	-49,396
Other operating expenses	**10**	-3,804	-3,839
Operating profit		**86,395**	**72,258**
Financial income	**11**	10,555	7,469
Financial expense	**11**	-77,525	-49,403
Net financial expense		**-66,970**	**-41,934**
Profit before tax		**19,425**	**30,324**
Income tax	**12**	-13,921	-16,067
Profit for the year		**5,503**	**14,257**
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Foreign exchange differences on translation of foreign operations		-5,633	-20,365
Other comprehensive income for the year		**-5,633**	**-20,365**
Total comprehensive income for the year		**-130**	**-6,108**
Net profit for the year attributable to:			
Shareholders of the Parent Company		5,533	14,370
Non-controlling interests		-30	-113
Total comprehensive income attributable to:			
Shareholders of the Parent Company		-65	-5,846
Non-controlling interests		-65	-262

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED BALANCE SHEET

Amounts in SEK '000	Note	31 Dec 2024	31 Dec 2023	1 Jan 2023
ASSETS				
Non-current assets				
Goodwill	16	583,123	551,345	548,762
Other intangible assets	16	39,966	18,445	1,949
Right-of-use assets	17	155,371	150,901	139,216
Property, plant and equipment	15	16,788	14,895	14,549
Investment in associates		15	0	0
Deferred tax asset	26	9,070	1,540	65
Total non-current assets		**804,333**	**737,126**	**704,541**
Current assets				
Inventories	18	41,188	31,694	35,194
Trade receivables	19, 20	351,868	296,453	280,363
Derivative instruments	19, 21	0	40	461
Contract assets	6	77,070	76,224	68,949
Current tax assets		2,115	0	4,169
Other current receivables	19, 22	14,325	15,735	9,923
Prepaid expenses and accrued income	19, 23	48,807	42,102	55,791
Cash and cash equivalents	19, 24	139,095	11,466	18,565
Total current assets		**647,468**	**473,714**	**473,415**
TOTAL ASSETS		**1,478,801**	**1,210,840**	**1,177,956**

CONSOLIDATED BALANCE SHEET, cont.

Amounts in SEK '000	Note	31 Dec 2024	31 Dec 2023	1 Jan 2023
EQUITY AND LIABILITIES				
Equity	25			
Share capital		540	540	540
Additional paid-in capital		338,531	299,916	284,850
Reserves		-25,814	-20,216	0
Retained earnings (including profit/loss for the year)		-18,821	-24,330	-39,954
Total equity attributable to shareholders of the Parent Company		**294,436**	**255,910**	**247,436**
Non-controlling interests		1,948	2,013	2,275
Total equity		**296,384**	**257,923**	**247,711**
LIABILITIES				
Non-current liabilities				
Liabilities to credit institutions	19, 27	0	0	368,090
Bonds	19, 27	541,116	0	0
Lease liabilities	17	101,783	101,456	96,601
Other provisions	36	2,877	1,618	1,478
Other non-current liabilities	28	935	964	5,587
Deferred tax liability	26	24,342	14,482	13,611
Total non-current liabilities		**671,053**	**118,520**	**485,367**
Current liabilities				
Liabilities to credit institutions	19, 27	0	406,776	39,361
Overdraft facility	19, 27	0	9,635	666
Trade payables	19	133,317	118,156	116,757
Lease liabilities	17	51,747	44,875	36,376
Contract liabilities	6	126,150	71,337	82,891
Derivative instruments	19, 21	198	1,206	32
Current tax liabilities		16,415	15,280	11,612
Liability to shareholders	32	9,365	20,050	19,965
Other current liabilities	29	82,436	65,910	68,203
Other provisions	36	11,507	6,473	5,913
Accrued expenses and deferred income	30	80,231	74,669	63,102
Total current liabilities		**511,365**	**834,397**	**444,878**
TOTAL EQUITY AND LIABILITIES		**1,478,801**	**1,210,840**	**1,177,956**

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in SEK '000	**Attributable to shareholders of the Parent Company**						
	Share capital	**Additional paid-in capital**	**Reserves**	**Retained earnings (including profit for the year)**	**Total**	**Non-controlling interests**	**Total**
Opening balance at 1 Jan 2023	**540**	**284,850**	**0**	**-39,954**	**245,436**	**2,275**	**247,711**
Profit for the year	0	0	0	14,370	**14,370**	-113	**14,257**
Other comprehensive income	0	0	-20,216	0	**-20,216**	-149	**-20,365**
Total comprehensive income	**0**	**0**	**-20,216**	**14,370**	**-5,846**	**-262**	**-6,108**
Transactions with shareholders							
Shareholder contributions	0	15,066	0	0	**15,066**	0	**15,066**
Group contributions Group Holding	0	0	0	-106	**-106**	0	**-106**
Change in Group structure	0	0	0	1,360	**1,360**	0	**1,360**
Total transactions with shareholders	0	15,066	0	1,254	**16,320**	0	**16,320**
Closing balance at 31 Dec 2023	**540**	**299,916**	**-20,216**	**-24,330**	**255,910**	**2,013**	**257,923**
Opening balance at 1 Jan 2024	**540**	**299,916**	**-20,216**	**-24,330**	**255,910**	**2,013**	**257,923**
Profit for the year	0	0	0	5,533	**5,533**	-30	**5,504**
Other comprehensive income	0	0	-5,598	0	**-5,598**	-35	**-5,633**
Total comprehensive income	**0**	**0**	**-5,598**	**5,533**	**-65**	**-65**	**-130**
Transactions with shareholders							
Shareholder contributions	0	38,615	0	0	**38,615**	0	**38,615**
Group contributions Group Holding	0	0	0	-24	**-24**	0	**-24**
Total transactions with shareholders	**0**	**38,615**	**0**	**-24**	**38,591**	**0**	**38,591**
Closing balance at 31 Dec 2024	**540**	**338,531**	**-25,814**	**-18,821**	**294,436**	**1,948**	**296,384**

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in SEK '000	Note	1 Jan 2024– 31 Dec 2024	1 Jan 2023– 31 Dec 2023
Cash flow from operating activities			
Operating profit		86,395	72,258
Adjustment for non-cash items	35	60,034	45,885
Interest received		4,856	3,627
Interest paid		-71,868	-35,943
Income taxes paid		-23,721	-15,087
Cash flow from operating activities before changes in working capital		**55,696**	**70,739**
Cash flow from changes in working capital			
Increase/decrease in inventories		-5,406	5,887
Increase/decrease in trade receivables		-29,895	-7,272
Increase/decrease in current receivables		-10,475	-6,439
Increase/decrease in trade payables		10,877	-407
Increase/decrease in current liabilities		80,295	-11,327
Total changes in working capital		**45,396**	**-19,558**
Cash flow from operating activities		**101,092**	**51,181**
Cash flow from investing activities			
Acquisition of subsidiaries net of acquired cash and cash equivalents	34	-62,093	-21,160
Sale of subsidiaries		18,468	0
Investments in intangible assets	16	0	-1,857
Sale of property, plant and equipment	16	564	1,193
Investments in property, plant and equipment	15	-6,722	-7,408
Sale of property, plant and equipment	15	3,594	9,471
Investments in non-current financial assets		0	-493
Sales of non-current financial assets		0	300
Cash flow from investing activities		**-46,189**	**-19,954**
Cash flow from financing activities			
Repayment of lease liabilities	33	-55,762	-46,630
Borrowings (liabilities to credit institutions)	33	0	44,602
Repayment of borrowings (liabilities to credit institutions)	33	-412,207	-44,862
Change in overdraft facility	33	-9,635	8,969
Borrowings (bonds)	33	550,000	0
Share issue in cash		0	400
Cash flow from financing activities		**72,396**	**-37,521**
Decrease/increase in cash and cash equivalents		**127,299**	**-6,293**
Cash and cash equivalents at beginning of year		11,466	18,565
Foreign exchange difference in cash and cash equivalents		330	-806
Cash and cash equivalents at end of year		**139,095**	**11,466**

The accompanying notes form an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 General information

These consolidated financial statements has been prepared for the specific purpose of being published with regards to the prospectus for the admission to trading of Senior Secured Floating Rate Bonds. This is not the Groups Annual Report for financial year 2024. These consolidated financial statements include the Parent Company Francks Kylindustri Holding AB, corporate identity number 559174-4767, and its subsidiaries. A list of the subsidiaries is included in Note 14.

Francks Kylindustri Holding AB is a parent company registered in Sweden, with its registered office in Norrköping, Sweden, and with the address BOX 238, SE-601 04 NORRKÖPING.

The Parent Company and its subsidiaries are engaged, directly or indirectly, in the installation, manufacture and repair of electrical, refrigeration and freezer equipment, as well as installation, service and consultancy in connection therewith.

The Board of Directors approved these consolidated financial statements for publication on 7th of April 2025.

Unless otherwise stated, all amounts are presented in thousands of Swedish kronor (kSEK). Figures in parentheses refer to the comparative period.

Not 2 Summary of significant accounting policies

The note contains a list of significant accounting policies that have been applied in preparing these consolidated financial statements. These policies have been applied consistently for all years presented. The consolidated financial statements include Francks Kylindustri Holding AB and its subsidiaries.

Basis of preparation of financial statements

The financial information contains Francks Kylindustri Holdings consolidated financial statements and the accounting principles chosen for the preparation of these are IFRS (International Financial Reporting Standards). The consolidated financial statements of the Francks Kylindustri Holding AB Group have been prepared in accordance with the Swedish Annual Accounts Act, Recommendation RFR 1 Supplementary Financial Reporting Rules for Corporate Groups of the Swedish Corporate Reporting Board, the International Financial Reporting Standards (IFRS) and the interpretations of the IFRS Interpretations Committee (IFRS IC), as adopted by the EU

The consolidated financial statements have been prepared using the cost method, apart from:

derivative instruments at fair value

These consolidated financial statements are Francks Kylindustri Holding AB's first consolidated financial statements prepared in accordance with IFRS. The Group has not previously published consolidated financial statements. For information on the exemptions applied in preparing the opening balance sheet (1 January 2023) for the first consolidated financial statements in accordance with IFRS, see Note 37 First-time adoption of International Financial Reporting Standards (IFRS).

The preparation of financial statements in compliance with IFRS requires the use of critical accounting estimates. Management is also required to make certain judgements in applying the Group's accounting policies. Areas which involve a high degree of judgement, complexity, or where assumptions and estimates have a material impact on the consolidated financial statements are disclosed in Note 5.

New and amended standards that have not yet been applied by the Group

A number of new standards and amendments to standards that have been published, are effective for annual periods beginning on or after 1 January 2025 and have not been adopted in preparing these financial statements. The Group's assessment of the impact of these new standards and amendments is explained below.

IFRS 18 Presentation and Disclosure in Financial Statements (applicable for annual periods beginning on or after 1 January 2027). IFRS 18 will replace IAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide users with more relevant information and transparency. IFRS 18 will not affect the recognition or measurement of items in the financial statements but its introduction is expected to have a considerable impact on presentation and disclosures, particularly those related to the income statement and those providing management-defined performance measures in the financial statements The impact of applying IFRS 18 on the consolidated financial statements will be assessed. The Group will apply IFRS 18 from its mandatory effective date of 1 January 2027. Retrospective application is required and comparative information for the financial year ending 31 December

2026 will therefore be restated in accordance with IFRS 18. None of the other published standards and amendments to standards that have been published but are not yet effective are expected to have any impact on the Group.

Consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are included in the consolidated financial statements from the date on which control is transferred to the Group. They are excluded from the consolidated financial statements from the date when control is lost.

The purchase method of accounting is used to account for the Group's business combinations.

Intercompany transactions and balances, and unrealised gains and losses on transactions between Group companies are eliminated. Intercompany losses may be an indication of impairment that needs to be recognised in the consolidated financial statements. Where appropriate, the accounting policies for subsidiaries have been changed to ensure consistent application of the Group's policies.

Non-controlling interests in the results and equity of subsidiaries are recognised separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and balance sheet.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the function responsible for allocating resources and assessing the performance of the operating segments. In the Group, this function has been identified as the CEO. The CEO of Francks Kylindustri Holding AB assesses the performance of the business based on the Group's three operating segments: Sweden, Norway and Denmark. These segments are also the Group's reportable segments. The CEO primarily uses EBITA to assess the segments' performance. In 2024, an additional operating segment was added leading to that the Group´s operating segments for 2024 consist of Sweden, Norway, Denmark and Finland.

Foreign currency translation

Functional currency and reporting currency

Items included in the financial statements of the various entities of the Group are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Swedish kronor (SEK), which is the Parent Company's functional currency and the Group's reporting currency.

Transactions and balances

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or the date on which the items are revalued. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Foreign exchange gains and losses relating to loans and cash and cash equivalents are recognised in the income statement as financial income or expense. All other foreign exchange gains and losses are recognised in operating profit in the income statement.

Group companies

The results and financial position of all Group entities that have a functional currency different from the reporting currency are translated into the reporting currency of the Group as follows:

- assets and liabilities for each of the balance sheets are translated at the closing rate;
- income and expenses for each of the income statements are translated at the average exchange rate (if that average rate is a reasonable approximation of the cumulative effect of the rates prevailing on the transaction date; otherwise, income and expenses are translated at the rate prevailing on the transaction date); and
- all resulting foreign exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of that operation and translated at the closing rate.

Revenue recognition

Accounting policies Revenue
The Group's revenue streams consist of contract work related to the installation and assembly of various types of cooling and heating systems at various customers' properties/facilities and various types of service related to cooling and heating systems.

Revenue is recognised based on a principle-based five-step model applied to all contracts with customers. Revenue recognition is based on the principle that revenue is recognised when the Group has satisfied a performance obligation, which occurs when a promised good or service is delivered to the customer, and the customer takes control of the good or service. Revenue represents the consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price for each customer contract is allocated to identified performance obligations. For all customer contracts, an assessment has been made as to whether existing performance obligations are distinct or not.
The Group has identified the following separate performance obligations:
* Construction contracts involving installation/assembly work and associated supplies of materials.
* Service work (on an as needed or contractual basis)

Construction contracts
The sale of cooling/heating equipment includes essential installation and assembly services. The overall promise to the customer is to install and commission the cooling/heating equipment. The heating/cooling installations are always sold together with the installation/assembly service. The installation and the service cannot be identified separately from each other because the overall promise is to transfer an installed/assembled cooling/heating installation, as described above. The promise to transfer the equipment and the promise to provide the service (installation/assembly) are not distinct from each other. The construction projects are therefore considered as a separate performance obligation.

The transaction price is normally a fixed consideration paid by the customer at an agreed point in time or at several points in time. Revenue is recognised over time as the work is performed, in accordance with the percentage of completion method. This is because control is transferred to the customer as the construction contract is completed. The method used to assess revenue when applying the percentage of completion method is based on costs incurred in relation to the total expected costs of the contract.
When executing construction contracts, the Group provides customary warranties linked to the product and installation. Warranty obligations are recognised as provisions. For description of the recognition of provisions, see "Provisions" below.

Contract modifications (changes and additions) in construction contracts
In construction activities, changes are sometimes made to the original contract. In the Group, modifications are usually made by adding additional goods/services to the construction contract. Francks assesses whether the modification should be recognised as part of the original contract or as a new contract based on whether the additional goods/services are substantially separate from the basic contract and whether the price of the goods/services is equivalent to the stand-alone selling price. If both conditions are met, the substance of the contract modification is recognised as a new contract.

When the services provided by the Group exceed the invoiced amounts, a contract asset is recognised. If the invoiced amounts exceed the value of the services provided, a contract liability is recognised. Contract assets and contract liabilities are recognised on separate lines in the balance sheet.

Service contracts
The Group has mainly the following types of service contracts:
* Ongoing service
* Service contracts with scheduled fixed visits, and
* Service contracts for preventive maintenance and contingency work

In all contracts, the customer receives the benefit when the obligation is satisfied. Revenue is therefore recognised over time as the obligation is satisfied. For contracts linked to ongoing service, the compensation is based on a fixed price per hour and a fixed mark-up for materials. Francks thus applies the practical expedient in paragraph B16 of IFRS 15 and revenue is recognised at the amount that Francks is entitled to invoice. For service contracts with scheduled fixed visits, revenue is recognised at the time the service is performed. For preventive maintenance and contingency contracts, revenue is recognised on a straight-line basis over the term of the contract as the customer is expected to use these services evenly over the contract term.

There is no significant financing component in either service contracts or construction contracts.

Interest income
Interest income is recognised using the effective interest method.

Government grants
Government grants are recognised at fair value, as there is reasonable assurance that the grants will be received and that the Group will meet the conditions attached to the grants.

Government grants relating to cost recovery are accrued and recognised in the income statement over the same periods as the costs they are intended to compensate.

Current and deferred income tax
The tax expense for the period comprises current tax calculated on the taxable profit for the period at the applicable tax rates, adjusted for changes in deferred tax assets and liabilities arising from temporary differences and unused tax losses.

The current tax expense is calculated based on the tax rules enacted or substantively enacted at the balance sheet date in the countries where the Parent Company and its subsidiaries operate and generate taxable income. Management regularly evaluates claims made in tax returns regarding situations where the applicable tax rules are subject to interpretation and assesses whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its recognised taxes based on either the most likely amount or the expected value, depending on which method best predicts the outcome of the uncertainty.

Deferred tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, a deferred tax liability is not recognised if it arises from the initial recognition of goodwill. Deferred tax is also not recognised if it arises from a transaction that is the initial recognition of an asset or liability that is not a business combination and, at the time of the transaction, affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is calculated by applying tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be offset.

Deferred taxes arising from temporary differences relating to investments in subsidiaries are not recognised when the Parent Company can control the timing of the reversal of the temporary differences, and it is not considered probable that such a reversal will occur in the foreseeable future.

Deferred tax assets and liabilities are recognised on a net basis when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to taxes levied by the same taxation authority and relate either to the same taxable entity or to different taxable entities, where there is an intention to settle the balances on a net basis.

Current and deferred tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In such cases, the tax is also recognised in other comprehensive income or equity.

Leases
The Group leases premises and cars. Leases are normally written for fixed periods between 3 and 5 years, but there may be options to extend.

The contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to lease and non-lease components based on their relative stand-alone prices. However, in respect of lease payments for properties for which the Group is the lessee, it has been decided not to separate the lease and non-lease components and instead recognise these as a single lease component.

The terms are negotiated separately for each lease and contain a wide variety of contract terms. The leases do not contain any specific conditions or restrictions other than that the lessor retains the rights to pledged leased assets. The leased assets may not be used as collateral for loans.

Assets and liabilities arising from leases are initially recognised at present value.
Lease liabilities include the present value of the following lease payments:
- fixed payments (including in-substance fixed payments), net of any lease incentives receivable, variable lease payments that depend on an index or price, initially measured using the index or price at the commencement date
- amounts expected to be paid by the lessee under guaranteed residual value
- the exercise price of an option to buy if the Group is reasonably certain to exercise such an option
- penalties payable on termination of the lease, if the lease term reflects that the Group will exercise an option to terminate the lease.

If the Group is reasonably certain of exercising an option to extend a lease, lease payments for that extension period are included in the measurement of the liability.

Lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, as is normally the case for the Group's leases, the lessee's incremental borrowing rate is used, which is the rate that the individual lessee would have to pay to borrow the necessary funds to purchase an asset of similar value to the right-of-use asset in a similar economic environment with similar terms and collateral.

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

Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. In the income statement, the finance charge is allocated over the lease term to reflect a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost, which includes the following:
• the initial measurement of the lease liability; and
• payments made on or before the date when the leased asset is made available to the lessee.
The right-of-use asset is depreciated on a straight-line basis over the asset's useful life or the lease term whichever is less. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is amortised over the useful life of the underlying asset.

Lease payments under short-term leases and leases for which the underlying asset is of low value are expensed on a straight-line basis over the lease term. Short-term leases are leases with a term of 12 months or less. Leases for which the underlying asset has a low value essentially relate to IT equipment and office equipment.

Options to extend and terminate leases
Options to extend or terminate leases are included in the Group's lease contracts for premises. The terms are used to maximise flexibility in the management of the contracts. Options to extend or terminate leases are included in the asset and liability when it is reasonably certain that they will be exercised.

Recognition in subsequent periods
The lease liability is remeasured if there are any changes to the lease or if there are changes in the cash flows based on the original terms of the lease. Changes in cash flows based on the original terms of the lease occur when: the Group changes its initial assessment of whether extension and/or termination options will be exercised, there are changes in previous assessments of whether a purchase option will be exercised, lease payments change due to changes in an index or interest rate. Any remeasurement of the lease liability, results in a corresponding adjustment of the right-of-use asset. If the carrying amount of the right-of-use asset has already been reduced to zero, the remaining amount of the remeasurement is recognised in the income statement. The right-of-use asset is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Intangible assets
Goodwill
Goodwill arising from business combinations is included in intangible assets. Goodwill is not amortised but is tested for impairment annually or more frequently if events or changes in circumstances indicate a potential impairment. Goodwill is stated at cost less accumulated impairment losses. When an entity is sold, the carrying amount of goodwill is included in the resulting gain or loss.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill has been allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. The lowest level at which goodwill is monitored is an operating segment.

Trademarks and customer relationships
All trademarks and customer relationships have been acquired through business combinations. Trademarks and customer relationships acquired through a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are recognised at cost less accumulated amortisation and impairment losses. The estimated useful life of trademarks is between 3 and 5 years and the useful life of customer relationships is 5 years.

Capitalised development expenditure
Development expenditure that is directly attributable to the development and testing controlled by the Group is recognised as an intangible asset when the criteria in paragraph 57 of IAS 38 are met.

Directly attributable expenditure that is capitalised includes expenditure on employees and a reasonable proportion of indirect costs.

Capitalised development expenditure is recognised as intangible assets and amortised from the date the asset is available for use. Capitalised development expenditure is amortised over 5 years.

Property, plant and equipment
Property, plant and equipment are stated at cost less depreciation. Cost includes expenditure directly attributable to the acquisition of the asset.

Subsequent expenditure is added to the carrying amount of the asset and recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of the replaced component is derecognised. All other repairs and maintenance are expensed in the statement of comprehensive income in the period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost of an asset, less its estimated residual value, over its estimated useful life. The useful lives are as follows:

Leasehold improvement costs	10–15 years
Equipment, tools and installations	3–5 years

The residual values and useful lives of assets are tested at the end of each reporting period and adjusted where necessary.

The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount exceeds the estimated recoverable amount. Gains and losses on disposal are determined by comparing the disposal proceeds with the carrying amount and are recognised as other operating income or other operating expenses in the income statement.

Impairment of non-financial assets
Goodwill and intangible assets with an indefinite useful life or intangible assets that are not ready for use are not amortised but are tested for impairment annually or whenever there is an indication of impairment. Assets that are amortised are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash flows (cash-generating units). Assets (other than goodwill) that have been previously impaired are reviewed at each balance sheet date to determine whether a reversal is required.

Financial instruments

The Group's financial assets and liabilities comprise the following items: trade receivables, liabilities to shareholders, derivative instruments, accrued income, cash and cash equivalents, liabilities to credit institutions, bonds, other non-current liabilities, other current liabilities (part of the item), derivative instruments, trade payables and accrued expenses.

a) Initial recognition

Financial assets and financial liabilities are recognised when the Group becomes party to the contractual obligation of the instrument. Purchases and sales of financial assets and liabilities are recognised on the trade date, which is the date on which the Group commits to purchase or sell the asset.

Financial instruments are initially recognised at fair value plus, in case of assets or financial liabilities not measured at fair value through profit or loss, transaction costs directly attributable to the acquisition or issue of a financial asset or financial liability, such as fees and commissions. Transaction costs for financial assets and liabilities at fair value through profit or loss are recognised in the income statement.

b) Financial assets – Classification and measurement

The Group classifies and measures its financial assets in the following categories: amortised cost and fair value through profit or loss. The classification of investments in debt instruments depends on the Group's business model for managing financial assets and the assets' contractual cash flow characteristics.

Financial assets at amortised cost

Assets held for the purpose of collecting contractual cash flows that are solely payments of principal and interest are measured at amortised cost. The carrying amount of these assets is adjusted for any expected credit losses that have been recognised. The Group's financial assets at amortised cost comprise trade receivables, accrued income and cash and cash equivalents.

Financial assets at fair value through profit or loss

Financial assets at fair value consist of derivatives. Derivatives are recognised in the balance sheet on the trade date and are measured at fair value, both initially and on subsequent remeasurement. All changes in the fair value of derivative instruments are recognised directly in Other operating income/expenses in the income statement.

c) Financial liabilities – Classification and measurement

Financial liabilities at amortised cost

The Group classifies and measures its financial liabilities in the following categories: amortised cost and fair value through profit or loss.

Financial liabilities at fair value through profit or loss are classified as current liabilities if they are due within 12 months of the balance sheet date and as non-current liabilities if they are due later than 12 months from the balance sheet date.

Financial liabilities at amortised cost

After initial recognition, the Group's financial liabilities are measured at amortised cost using the effective interest method, with any difference between the proceeds (net of transaction costs) and the redemption value being recognised in the income statement over the period of the borrowings using the effective interest method. Fees paid for borrowing facilities are recognised as transaction costs of the borrowings to the extent that it is probable that some or all of the facility will be drawn down. In such cases, the fee is recognised when the facility is drawn down. When there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is recognised as an advance payment for financial services and allocated over the life of the loan commitment.

Financial liabilities at amortised cost comprise liabilities to credit institutions, bonds, trade payables, liabilities to shareholders, other liabilities (deferred consideration) and accrued expenses.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value are recognised in the balance sheet on the trade date and are measured at fair value both initially and on subsequent remeasurement. All changes in fair value are recognised directly in the income statement in the item other operating income/expenses. Derivative instruments do not qualify for hedge accounting. Financial liabilities at fair value through profit or loss consist of derivative instruments. Derivative instruments are recognised on separate lines in the balance sheet.

d) Derecognition of financial assets and financial liabilities

Financial assets are derecognised from the statement of financial position when the right to receive cash flows from the instrument has expired or been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Financial liabilities are removed from the statement of financial position when the obligation arising from the agreement has been fulfilled or otherwise been extinguished. When the terms of a financial liability are renegotiated, and not derecognised, a gain or loss is recognised in the income statement. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate.

e) Impairment of financial assets

Assets at amortised cost

The Group assesses expected future credit losses on assets at amortised cost. The Group recognises a loss allowance for such expected credit losses at each reporting date. For trade receivables and contract assets, the Group applies the simplified approach for expected credit losses, under which the allowance is equal to the expected loss over the life of the trade receivable/contract asset. To measure the expected credit losses, trade receivables and contract assets are grouped based on allocated credit risk characteristics and days past due. The contract assets relate to work not yet invoiced and have substantially the same risk characteristics as work already invoiced for the same type of contract. The Group therefore considers that the loss rates for trade receivables are a reasonable approximation of the loss rates for contract assets. The Group uses forward-looking variables for expected credit losses. Expected credit losses are recognised in the consolidated income statement in the item other external costs.

Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of merchandise is determined net of any discounts. Net realisable value is the estimated selling price in the ordinary course of business less any applicable variable selling expenses.

Share capital

Ordinary shares are classified as equity. Transaction costs directly attributable to the issue of new shares are recognised in equity net of tax as a deduction from the proceeds of the issue.

Provisions

Provisions consist entirely of provisions for warranty obligations relating to installation and installed products. The provision is based on historical information about costs incurred to settle claims under the terms of the warranty. A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. The timing or amount of the outflow may still be uncertain.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits and paid absences, that are expected to be settled within 12 months of the end of the financial year are recognised as current liabilities at the undiscounted amount expected to be paid when the liabilities are settled. The cost is recognised in the statement of comprehensive income as the services are rendered by the employees. The liability is recognised as an employee benefit obligation in the consolidated balance sheet.

Retirement benefit obligations

The Group has both defined contribution and defined benefit pension plans (ITP 2).

For defined contribution plans, the Group pays contributions to publicly or privately administered pension schemes on a mandatory, contractual or voluntary basis. Once the contributions have been paid, the Group has no further payment obligations. The contributions are recognised as personnel costs when they fall due.

Pension obligations for Swedish salaried employees that are secured through insurance with Alecta are recognised as a defined contribution plan. According to a statement from the Swedish Financial Reporting Board, UFR 10 Accounting for the ITP 2 Pension Plan Financed through Insurance with Alecta, this is a multi-employer defined benefit plan. For the financial years covered by this annual report, the Group has not had access to information that would enable it to recognise its proportional share of the plan’s obligations, plan assets and costs, and it has therefore not been possible to recognise the plan as a defined benefit plan.

The Group has made pension commitments to employees and in connection therewith has purchased an endowment policy that has been pledged as security for these employees’ pensions. Under the arrangement, the individuals concerned will receive the value of the endowment policy less special payroll tax. As there are no guaranteed benefit levels, the Group’s net obligation will always be zero. These endowment policies are considered to be plan assets and are recognised net of the obligation. On 31 December 2024, the endowment policies had a value kSEK 1,876 (31 Dec 2023: kSEK 1,220).

Dividends

Dividend payments to the shareholders of the Parent Company are recognised as a liability in the consolidated financial statements in the period in which the dividend is approved by the shareholders of the Parent Company.

Statement of cash flows

The statement of cash flows is prepared using the indirect method. The reported cash flow only includes transactions involving cash inflows or outflows.

Note 3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks, such as: various market risks, credit risk, liquidity risk and refinancing risk. The Group seeks to minimise potential adverse effects on its financial performance. The objectives of the Group's financial management are to:

- ensure that the Group is able to fulfil its payment obligations,
- manage financial risks,
- ensure access to necessary financing; and
- optimise the Group's net financial income/expense.

The Group's risk management is handled by a central treasury department that identifies, assesses and hedges financial risks in close collaboration with the Group's operating units. The Board of Directors has prepared both written instructions for general risk management and guidelines for specific areas such as currency risk, interest rate risk, credit risk, liquidity risk and refinancing risk and the use of derivative and non-derivative financial instruments and the investment of surplus liquid.

(a) Market risk

Currency risk
The Group is exposed to currency risks arising from exposures to various currencies, in particular the EUR. These risks arise when purchases and sales are made in a currency other than the company's functional currency (transaction exposure). The Group enters into forward exchange contracts to economically hedge future foreign currency flows. The Group does not meet the criteria for hedge accounting.

The Group's risk exposure expressed in SEK (kSEK) translated at the closing rates:

	31 Dec 2024 NOK	**31 Dec 2023 NOK**	**1 Jan 2023 NOK**	**31 Dec 2024 EUR**	**31 Dec 2023 EUR**	**1 Jan 2023 EUR**
Trade receivables	927	0	0	3,113	6,809	4,106
Trade payables	0	0	0	9,347	5,888	11,636
Bank loans	0	95,361	66,271	0	0	0

In addition to the transaction exposures described above, currency risk in the Group arises primarily from the translation of foreign subsidiaries' income statements and balance sheets into the Group's reporting currency, SEK (balance sheet translation exposure). The Group has foreign subsidiaries in Norway and Denmark, which means that its translation risk arises from NOK and DKK. In 2024, a subsidiary was established in Finland, and there is accordingly also a minor translation risk arising from EUR for 2024.

Sensitivity analysis – trade receivables and payables
If the SEK had weakened/strengthened by 10 per cent against the EUR, with all other variables held constant, the restated profit after tax for the financial year 2024 would have been kSEK 500 (2023: kSEK 92) lower/higher, mainly as a result of gains/losses on translation of trade receivables and payables.

Sensitivity analysis – bank loans in foreign currency
On 31 December 2024, all bank loans had been repaid and the bonds issued to replace the loans are denominated in SEK. In the comparative period there were bank loans in NOK. If the SEK had weakened/strengthened by 10 per cent against NOK, with all other variables held constant, the restated profit after tax for the financial year 2023 would have been kSEK 6,137 lower/higher, mainly as a result of gains/losses on translation of bank loans.

Interest rate risk
Until 24 April 2024, the Group's borrowings consisted of bank loans in SEK and NOK. All loans had variable interest rates, exposing the Group to cash flow interest rate risk. The variable rate is based on STIBOR for SEK loans and NIBOR for NOK loans plus a fixed premium. At 31 December 2023, the variable interest rates were 4.5–5.5 (2.4–3.3) per cent. The Group does not hedge its future cash flow interest rate risk.

In early 2024, the Group refinanced its debt and on 24 April 2024 it issued SEK-denominated bonds and repaid all previous bank loans. The bonds mature on 26 April 2027 and have a variable interest rate based on STIBOR plus a premium of 7 per cent. As the bonds have a variable interest rate, the Group is exposed to cash flow interest rate risk.

Sensitivity analysis
If the interest rates on the Group's borrowings at 31 December 2024 had been 100 basis points higher/lower, with all other variables held constant, the estimated profit after tax for the financial year would have been kSEK 5,500 (31 December 2023: kSEK 4,074) lower/higher, mainly as an effect of higher/lower interest expenses on variable rate borrowings.

(b) Credit risk

Credit risk arises from deposits with banks and financial institutions and customer credit exposures, including outstanding receivables. Only banks and credit institutions with a minimum credit rating of "A" from an independent assessor are accepted.
Credit risk is managed at Group level, except for credit risk arising from outstanding trade receivables, for which an analysis is made by each Group company. Each Group company is responsible for monitoring and assessing the credit risk of each new customer. In the absence of an independent credit assessment, a risk assessment of the customer's creditworthiness is carried out, considering the customer's financial position, past experience and other factors. Individual risk limits are set based on internal or external credit assessments in accordance with the limits set by the Board of Directors. The use of credit limit is monitored regularly.

No credit limits were exceeded during the reporting period and management does not expect any losses due to non-payment by counterparties. The Group expects credit losses on trade receivables and contract assets to be negligible and no adjustment has therefore been made in the financial statements.

The maximum credit exposure for trade receivables is their carrying amount in the balance sheet.

At 1 Jan 2023	**Receivables within due date**	**1 to 30 days past due**	**31 to 120 days past due**	**More than 120 days past due**	**Total**
Gross carrying amount – trade receivables	209,750	64,464	7,105	3,370	**284,688**

At 31 Dec 2023	**Receivables within due date**	**1 to 30 days past due**	**31 to 120 days past due**	**More than 120 days past due**	**Total**
Gross carrying amount – trade receivables	265,620	18,050	13,827	13,143	**310,640**

At 31 Dec 2024	**Receivables within due date**	**1 to 30 days past due**	**31 to 120 days past due**	**More than 120 days past due**	**Total**
Gross carrying amount – trade receivables	325,609	11,108	17,239	1,883	**355,839**

The change in the loss allowance during the financial year is specified below:

	Trade receivables 31 Dec 2024	**Trade receivables 31 Dec 2023**
At 1 January	**14,187**	**4,325**
Increase/decrease in loss allowance, change recognised in the income statement	1,421	11,057
Increase/decrease in loss allowance, attributable to acquired/divested subsidiaries	-9,621	0
Trade receivables written off during the year	-1,937	-416
Reversal of unutilised amount	-80	-779
At 31 December	**3,971**	**14,187**

(c) Liquidity risk

Through prudent liquidity management, the Group ensures that sufficient cash is available to meet its operational requirements. For further information on agreed credit facilities, see Note 27 Borrowings. Management monitors rolling forecasts of the Group's liquidity reserve (including undrawn credit facilities) and cash and cash equivalents based on expected cash flows. The assessments are normally made by the operating companies based on the guidelines and restrictions established by Group management. The restrictions vary from region to region as the liquidity of different markets are taken into account. The Group also monitors balance sheet-based liquidity measures against internal and external requirements and ensures access to external financing.

Refinancing risk
Refinancing risk is defined as the risk that it will be difficult to refinance the Group, that financing cannot be obtained, or that it can only be obtained at increased cost. The risk is limited by the fact that the Group continuously assesses various financing solutions.

The table below shows an analysis of the Group's financial liabilities by remaining maturity from the balance sheet date. The amounts shown in the table are the contractual, undiscounted cash flows. Future cash flows denominated in foreign currencies have been calculated using the exchange rates prevailing at the balance sheet date and future cash flows linked to variable interest rates are based on the interest rates prevailing at the balance sheet date.

At 1 Jan 2023	**Less than 3 months**	**Between 3 months and 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**After more than 5 years**	**Total contractual cash flows**	**Carrying amount**
Financial liabilities excluding derivatives							
Liabilities to credit institutions	18,146	44,134	68,784	344,217	0	**475,281**	**407,451**
Liabilities to shareholders*	19,965	0	0	0	0	**19,965**	**19,965**
Lease liabilities	11,035	25,341	44,875	105,668	42,921	**229,840**	**132,977**
Trade payables	116,757	0	0	0	0	**116,757**	**116,757**
Other liabilities deferred consideration	3,378	8,420	5,587	0	0	**17,385**	**0**
Total	**149,316**	**77,895**	**119,246**	**449,885**	**42,921**	**839,263**	**657,185**
Derivatives							
Gross forward exchange contracts							
- inflow	0	-9,375	0	0	0	**-9,375**	**0**
- outflow	0	9,427	0	0	0	**9,427**	**0**
Total	**0**	**52**	**0**	**0**	**0**	**52**	**0**

At 31 Dec 2023	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	After more than 5 years	Total contractual cash flows	Carrying amount
Financial liabilities excluding derivatives							
Liabilities to credit institutions	421,842	0	0	0	0	**421,842**	**416,411**
Liabilities to shareholders*	20,050	0	0	0	0	**20,050**	**20,050**
Lease liabilities	11,860	33,015	45,033	80,058	32,850	**202,816**	**146,331**
Trade payables	118,156	0	0	0	0	**118,156**	**118,156**
Other liabilities deferred consideration	5,055	2,562	964	0	0	**8,580**	**0**
Total	**576,963**	**35,577**	**45,997**	**80,058**	**32,850**	**771,444**	**700,948**
Derivatives							
Gross forward exchange contracts							
- inflow	-11,503	-24,237	0	0	0	**-35,740**	**0**
- outflow	12,086	25,150	0	0	0	**37,236**	**0**
Total	**583**	**913**	**0**	**0**	**0**	**1,496**	**0**

At 31 Dec 2024	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	After more than 5 years	Total contractual cash flows	Carrying amount
Financial liabilities excluding derivatives							
Bonds	13,131	39,394	52,525	576,263	0	**681,313**	**541,116**
Lease liabilities	9,181	42,566	39,900	60,153	16,316	**168,116**	**153,530**
Trade payables	133,317	0	0	0	0	**133,317**	**0**
Other liabilities deferred consideration	2,944	937	0	0	0	**3,882**	**0**
Total	**158,573**	**82,897**	**92,425**	**636,416**	**16,316**	**986,626**	**704,011**
Derivatives							
Gross forward exchange contracts							
- inflow	-12,618	-14,806	0	0	0	**-27,424**	**0**
- outflow	12,633	14,923	0	0	0	**27,556**	**0**
Total	**15**	**117**	**0**	**0**	**0**	**131**	**0**

*** Liability to shareholders**
The liability relates to unpaid group contributions and is settled at the request of the Parent company.

In addition to the above financial liabilities, there is a liability to shareholders that is contractually convertible into a shareholder contribution at the beginning of 2025. Accordingly, there is no obligation to repay the liability in cash as at the balance sheet date.

Calculation of and information on fair value
The table below shows financial instruments at fair value based on the classification in the fair value hierarchy. The levels are defined as follows:

(a) Level 1 financial instruments
Quoted prices (unadjusted) in active markets for identical assets or liabilities.

(b) Level 2 financial instruments.
Inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly in the form of quoted prices or indirectly, i.e. derived from quoted prices.

(c) Level 3 financial instruments.
Where one or more significant inputs are not based on observable market information.

The following table shows the Group's financial assets and liabilities at fair value through profit or loss:

	Level	31 Dec 2024	31 Dec 2023	1 Jan 2023
Financial assets				
Financial assets at fair value through profit or loss				
Derivative instruments, forward exchange contracts	2	0	40	461
Total		**0**	**40**	**461**
Financial liabilities				
Financial liabilities at fair value through profit or loss				
Derivative instruments, forward exchange contracts	2	198	1,206	32
Total		**198**	**1,206**	**32**

Specific measurement techniques used to value financial instruments include:

The fair value of forward exchange contracts is calculated as the present value of estimated future cash flows based on forward exchange rates at the balance sheet date.

No transfers between the levels were made during the year.

Note 4 Capital management

The Group's goal with regards to its capital structure is to safeguard its ability to continue as a going concern with a view to continuing to generate returns for the shareholders and benefits for other stakeholders, and to maintain an optimal capital structure in order to keep the cost of capital down.

To maintain, or adjust, its capital structure, the Group may change the dividend that is paid to the shareholders, return capital to the shareholders, issue new shares or sell assets to reduce its liabilities.

The Group assesses its capital on the basis of the debt/equity ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (comprising the items Long-term liabilities to credit institutions, Short-term liabilities to credit institutions and Bonds) less cash and cash equivalents.

The Group's strategy is to have a balanced capital structure where the debt/equity ratio is monitored continuously based on the Group's capital debt/equity ratio requirements at each closing date, as follows:

	31 Dec 2024	**31 Dec 2023**	**1 Jan 2023**
Total borrowings	541,116	416,411	408,117
Less: cash and cash equivalents	-139,095	-11,466	-18,565
Net debt	**402,021**	**404,945**	**389,552**
Total equity	296,384	257,923	247,711
Debt/equity ratio	**136%**	**157%**	**157%**

The decrease in the debt/equity ratio from 31 December 2023 to 31 December 2024 is mainly due to shareholder contributions and the profit for the period.

Note 5 Critical accounting estimates and judgements

The Group makes estimates and assumptions about the future. The resulting accounting estimates will by definition seldom equal the related actual results.

Goodwill impairment testing
The Group tests goodwill for impairment annually in accordance with the accounting policy described in Note 2. For detailed information on goodwill impairment testing and significant parameters included in the test, see Note 16.

Significant estimates and judgements regarding the lease term
In determining the lease term, management considers all available information that provides an economic incentive to exercise an option to extend, or not to terminate, a lease. Options to extend a lease are included in the lease term only if it is reasonable to assume that the lease will be extended (or not terminated). The assessment is reviewed if a significant event or change in circumstances occurs that affects the assessment and the change is within the control of the lessee.

Note 6 Segment information and disclosure of net sales

The Group's chief operating decision maker is the CEO, who uses EBITA to assess the performance of the operating segments.

Segment information is reported in a manner consistent with the internal reports provided to the chief operating decision maker. The chief operating decision maker is the function responsible for allocating resources and assessing the performance of the operating segments. In the Group, this function has been identified as the Chief Executive Officer (CEO), who assesses the Group's financial position and makes strategic decisions. The CEO has defined the operating segments based on the information handled by the CEO, which is used as a basis for decisions on the allocation of resources and for assessing performance. The CEO assesses the business on the basis of the four operating segments Sweden, Norway, Denmark and Finland. Denmark was established in 2023 and therefore has limited revenue for 2023. Finland was established in 2024 and did not generate any revenue in 2024.

The revenue from external parties reported to the CEO is measured in the same way as in the consolidated statement of comprehensive income. The Group's main revenue streams are sales from construction contracts and service. All revenue is recognised over time.

All contracts have an initial expected term of one year or less. In accordance with the rules of IFRS 15, the transaction price of these unsatisfied obligations is not disclosed.

1 Jan 2023–31 Dec 2023

	Sweden	**Norway**	**Denmark**	**Total**
Revenue by segment	1,191,089	500,826	1,089	**1,693,004**
Of which revenue from other segments	-3,529	0	0	**-3,529**
Revenue from external customers	**1,187,560**	**500,826**	**1,089**	**1,689,475**
Depreciation of property, plant and equipment	-35,173	-10,177	-303	-45,653
EBITA	**33,606**	**49,847**	**-7,452**	**76,001**
EBITA margin, %	3%	10%	neg	4%

1 Jan 2024–31 Dec 2024

	Sweden	**Norway**	**Denmark**	**Finland**	**Total**
Revenue by segment	1,195,728	470,534	115,580	0	**1,781,842**
Of which revenue from other segments	-6,534	0	-10,718	0	**-17,251**
Revenue from external customers	**1,189,194**	**470,534**	**104,862**	**0**	**1,764,590**
Depreciation of property, plant and equipment	-35,467	-14,864	-3,298	0	-53,629
EBITA	**71,723**	**29,953**	**-5,873**	**-1,844**	**93,958**
EBITA margin, %	6%	6%	neg	neg	5%

The CEO uses EBITA as the measure for assessing the performance of the operating segments. Interest income and interest expense are not allocated to the segments, as this type of activity is driven by the central treasury function, which manages the Group's liquidity.

A reconciliation between EBITA and profit before tax is provided below:

	1 Jan 2024 31 Dec 2024	**1 Jan 2023 31 Dec 2023**
EBITA	**93,958**	**76,001**
Amortisation of intangible assets	-7,563	-3,743
Net financial expense	-66,970	-41,934
Profit before tax	**19,425**	**30,324**

The following is a breakdown of revenue by significant category of revenue

1 Jan 2023–31 Dec 2023	**Sweden**	**Norway**	**Denmark**	**Total**
Construction	675,603	264,887	0	**940,490**
Service	511,957	235,939	1,089	**748,985**
Revenue from external customers	**1,187,560**	**500,826**	**1,089**	**1,689,475**

1 Jan 2024–31 Dec 2024	**Sweden**	**Norway**	**Denmark**	**Finland**	**Total**
Construction	623,970	229,762	76,067	0	**929,799**
Service	565,224	240,772	28,795	0	**834,791**
Revenue from external customers	**1,189,194**	**470,534**	**104,862**	**0**	**1,764,590**

All revenue is recognised over time.

Revenue from external customers by country, based on where customers are located:	1 Jan 2024 31 Dec 2024	1 Jan 2023 31 Dec 2023
Sweden	1,155,921	1,161,434
Norway	474,082	501,885
Denmark	124,079	6,340
Other	10,508	19,817
Total	**1,764,590**	**1,689,475**

Non-current assets, other than financial instruments, and deferred tax assets (there are no assets related to post-employment benefits or rights under insurance contracts):

	31 Dec 2024	31 Dec 2023	1 Jan 2023
Sweden	388,596	412,947	409,017
Norway	331,257	319,483	295,459
Denmark	76,058	3,156	0
Finland	599	0	0
Total	**796,510**	**735,586**	**704,476**

Assets and liabilities arising from contracts with customers
The Group has recognised the following assets and liabilities arising from contracts with customers:

	31 Dec 2024	31 Dec 2023	1 Jan 2023
Contract assets	77,070	76,224	68,949
Contract liabilities	126,150	71,337	82,891

Significant changes in contract assets and contract liabilities
Contract assets are at the same level as before. Contract liabilities have increased mainly due to more and larger advance payments at the end of the year following good order intake at the end of the year.

Revenue recognised in relation to contract liabilities
The table below shows how much of the revenue recognised in the financial year relates to contract liabilities.

Revenue recognised in respect of contract liabilities existing at the beginning of the period:

	1 Jan 2024 31 Dec 2024	1 Jan 2023 31 Dec 2023
Contract liabilities	69,650	79,746

Note 7 Audit fees

Audit fees	1 Jan 2024 31 Dec 2024	1 Jan 2023 31 Dec 2023
PwC		
Audit engagement	1,280	1,370
Tax advisory services	0	133
Other services	1,257	146
Other auditors		
Audit engagement	805	718
Tax advisory services	0	62
Other services	117	30
Total	**3,460**	**2,459**

Note 8 Employee benefits etc.

Employee benefits	1 Jan 2024 31 Dec 2024	1 Jan 2023 31 Dec 2023
Salaries and other benefits	394,452	351,375
Social security contributions	112,153	103,210
Retirement benefit costs:		
Defined contribution plans	28,281	19,336
Total	**534,885**	**473,921**

	1 Jan 2024–31 Dec 2024		1 Jan 2023–31 Dec 2023	
Salaries, other benefits and social security contributions	**Salaries and other benefits**	**Social security contributions (of which retirement benefit costs)**	**Salaries and other benefits**	**Social security contributions (of which retirement benefit costs)**
Board members, chief executives and other senior executives	7,098	3,053 (1,235)	5,878	3,049 (1,497)
Other employees	387,353	137,381 (27,046)	345,497	119,497 (17,839)
Total, Group	**394,452**	**140,434 (28,281)**	**351,375**	**122,546 (19,336)**

Average number of employees by country	**Average number of employees**	**Of which men**	**Average number of employees**	**Of which men**
Sweden	404	375	391	364
Norway	160	145	162	148
Denmark	26	23	11	10
Finland	1	1	0	0
Total, Group	**591**	**544**	**564**	**522**

Gender distribution in the Group (incl. subsidiaries) for Board members and other senior executives	**Number at balance sheet date**	**Of which men**	**Number at balance sheet date**	**Of which men**
Board members	4	4	4	4
Chief executives and other senior executives	3	2	3	3
Total, Group	**7**	**6**	**7**	**7**

Remuneration and other benefits 1 Jan 2024–31 Dec 2024	***Basic salary/ Fee***	**Variable remuneration**	**Other benefits**	**Retirement benefit cost**	**Total**
Chairman of the Board - Tomas Johansson	250	0	0	0	250
Board member - Håkan Bergqvist	125	0	0	0	125
Board member - Marcus Planting-Bergloo	0	0	0	0	0
Board member- Oskar Oxenstierna	0	0	0	0	0
Chief Executive Officer - Sören Jensen (from 1 Apr 2024)	2,250	0	0	309	2,559
Chief Executive Officer – Magnus Detterholm (until 31 Mar 2024*)	624	0	0	266	890
Other senior executives (3 persons*)	6,718	104	72	661	7,555
Total	**9,967**	**104**	**72**	**1,235**	**11,378**

Remuneration and other benefits 1 Jan 2023–31 Dec 2023	*Basic salary/ Board member's fee*	Variable remuneration	Other benefits	Retirement benefit cost	Total
Chairman of the Board - Tomas Johansson	250	0	0	0	250
Board member - Håkan Bergqvist	125	0	0	0	125
Board member - Marcus Planting-Bergloo	0	0	0	0	0
Board member- Oskar Oxenstierna	0	0	0	0	0
Chief Executive Officer - Magnus Detterholm	2,556	0	0	917	3,473
Other senior executives (2 persons)	2,947	200	94	580	3,821
Total	**5,878**	**200**	**94**	**1,497**	**7,669**

*Magnus Detterholm was CEO until 31 March 2024. From 1 April 2024 to 30 June 2024, Magnus Detterholm was employed as Country Manager for Denmark and was part of the group other senior executives. Since 1 July 2024, Magnus has no longer been employed by the Group and the fee has been invoiced instead. The total invoiced remuneration is kSEK 2,869.

Other benefits mainly refer to company cars.

Guidelines

The Chairman and members of the Board of Directors are remunerated in accordance with the decision of the general meeting of shareholders of 3 May 2024. No member of the Board of Directors receives a salary from employment in any Group company.

The general meeting of shareholders has adopted the following guidelines for management remuneration. The remuneration paid to the CEO and other senior executives consists of a basic salary, variable remuneration, other benefits and pension contributions, etc. Other senior executives refer to the CFO and the Country Managers. The CEO acts as the Country Manager in Sweden, and in 2023 and 2024 only the Country Manager in Norway was employed.

The balance between basic salary and variable remuneration must be proportionate to the executives' responsibilities and authority. For the CEO, variable remuneration is capped at 50 per cent of the basic salary (6 months' salary). For other senior executives, variable remuneration is capped at 25 per cent of the basic salary. Variable remuneration is based on the achievement of individual targets.

Pension benefits and other benefits for the CEO and other senior executives form part of the total remuneration.

Pension

The retirement age for the CEO is not specified in the employment contract and is thus 66. The pension contribution is 30 per cent of the pensionable salary. Pensionable salary refers to the basic salary plus the average variable remuneration for the last three years. For other senior executives, the retirement age varies between 66 and 67 years. The pension agreement states that the pension contribution should be 15 per cent of the pensionable salary.

No pension commitments have been made to Board members who are not permanent employees of any Group company.

Severance pay

The contract between the company and CEO is subject to 12 months' notice by either party. In the event of dismissal by the company, the CEO will receive severance pay of 12 months' salary. Severance pay is not offset against other income. No severance pay is payable in the event of termination by the CEO.

The contracts between the company and other senior executives are subject to 3–9 months' notice by either party. In the event of dismissal by the company, the senior executive will receive severance pay of between 3- and 9-months' salary. Severance pay is not offset against other income. No severance pay is payable in the event of termination by the senior executive.

Incentive programme
The Group has an incentive programme under which certain employees, senior executives and Board members may purchase shares in Francks Kylindustri Group Holding, which is the parent company of Francks Kylindustri Holding AB. The shares are acquired at market value at the respective acquisition dates. The consideration is paid in cash and the shares acquired consist partly of preference shares and partly of ordinary shares. The fair values of the ordinary and preference shares are calculated quarterly in accordance with the International Private Equity and Venture Capital Valuation (IPEV) Guidelines. The preference shares have a 13 per cent annual cumulative dividend entitlement, which means that the return is compounded annually and added to the capital amount (not paid in cash on an ongoing basis).

These incentive programmes are considered as share-based payments as the shareholder agreements concluded with the employees contain clauses for the repurchase of the shares in case the employee leaves the company. However, no cost in accordance with IFRS 2 is recognised for these programmes as all employees paid market value at the respective acquisition dates. The total number of ordinary shares held by employees is 325,257 (312,141) and the total number of preference shares held by employees is 5,599,117 (4,774,748). The Board of Directors, CEO and other senior executives of the Group hold 14,394 (57) ordinary shares and 251,654 (2,500) preference shares.

Note 9 Other operating income

Other operating income	**1 Jan 2024 31 Dec 2024**	**1 Jan 2023 31 Dec 2023**
Rents	598	144
Foreign exchange gains	2,185	1,557
Gain on sale of non-current assets	3,225	6,303
Gain on derivative instruments held for trading	1,053	0
Gain on disposal of subsidiary	3,279	0
Other income	5,330	1,869
Total	**15,671**	**9,874**

Note 10 Other operating expenses

Other operating expenses	**1 Jan 2024 31 Dec 2024**	**1 Jan 2023 31 Dec 2023**
Foreign exchange losses	-3,699	-2,222
Loss on derivative instruments held for trading	-92	-1,566
Loss on sale of non-current assets	-14	-51
Total	**-3,804**	**-3,839**

Note 11 Financial income and financial expense

Financial income	**1 Jan 2024 31 Dec 2024**	**1 Jan 2023 31 Dec 2023**
Interest income	6,164	3,600
Foreign exchange differences	4,360	3,846
Other financial income	31	23
Total	**10,555**	**7,469**

Financial expense	**1 Jan 2024 31 Dec 2024**	**1 Jan 2023 31 Dec 2023**
Foreign exchange differences	-4,473	-2,678
Interest expense, lease liability	-8,375	-7,971
Interest expense on liabilities to credit institutions and bonds	-59,815	-35,964
Transaction costs for early repayment of loans and refinancing	-4,601	-2,364
Other financial expense	-260	-427
Total	**-77,525**	**-49,403**
Net financial expense	**-66,970**	**-41,934**

Note 12 Income tax

	1 Jan 2024 31 Dec 2024	1 Jan 2023 31 Dec 2023
Current tax		
Current tax on profit for the year	-21,585	-20,870
Adjustments relating to prior years	0	-6
Total	**-21,585**	**-20,876**
Deferred tax		
Origination and reversal of temporary differences	7,664	4,809
Total	**7,664**	**4,809**
Income tax	**-13,921**	**-16,067**

Reconciliation between theoretical tax expense and reported tax.

	1 Jan 2024 31 Dec 2024	1 Jan 2023 31 Dec 2023
Profit before tax	19,425	30,324
Tax at Swedish tax rate of 20.6% (2023 - 20.6%)	-4,001	-6,247
Tax effects of:		
Non-deductible expenses	-13,391	-14,082
Tax attributable to reported profits for prior years	0	-6
Utilisation during the year of tax losses brought forward not recognised as assets (net interest)	2,976	0
Tax losses not recognised as assets	0	-1,062
Deferred tax, temporary differences	0	4,809
Effect of different tax rates	496	685
Other	0	-164
Income tax	**-13,921**	**-16,067**

Note 13 Net foreign exchange differences

Foreign exchange differences have been recognised in the statement of comprehensive income as follows:

Foreign exchange differences	1 Jan 2024 31 Dec 2024	1 Jan 2023 31 Dec 2023
Other operating income (Note 9)	2,185	1,557
Other operating expenses (Note 10)	-3,699	-2,222
Net financial income (Note 11)	-113	1,168
Total	**-1,627**	**503**

Note 14 Investments in subsidiaries

The Group had the following subsidiaries at 31 December 2024:

Name	**Country of registration and operation**	**Operations**	**Percentage of ordinary shares owned directly by the Parent Company (%)**	**Percentage of ordinary shares owned by the Group (%)**
Francks Kylindustri Sweden AB	Sweden	Group services	100%	100%
Automationsgruppen Södra AB	Sweden	Automation	100%	100%
Bema Elautomatik AB	Sweden	Automation	100%	100%
Francks Kylindustri i Göteborg AB	Sweden	Refrigeration	100%	100%
Francks Kylindustri i Helsingborg AB	Sweden	Refrigeration	100%	100%
Kyltech i Växjö AB	Sweden	Refrigeration	100%	100%
Lundair Freeze AB	Sweden	Refrigeration	100%	100%
Francks Kylindustri i Norrbotten AB	Sweden	Refrigeration	100%	100%
Francks Kylindustri i Norrköping AB	Sweden	Refrigeration	100%	100%
Francks Kylindustri i Stockholm AB	Sweden	Refrigeration	100%	100%
Francks Kylindustri i Sundsvall AB	Sweden	Refrigeration	100%	100%
Francks Kylindustri i Karlstad Örebro AB	Sweden	Refrigeration	100%	100%
Francks Kylindustri Mälardalen Dalarna AB	Sweden	Refrigeration	100%	100%
Wide Broman Fogenberg Produktion AB	Sweden	Automation	100%	100%
Francks Kylindustri Skaraborg Småland AB	Sweden	Refrigeration	100%	100%
Francks Kylmäteollisuus Suomi Oy	Finland	Refrigeration	100%	100%
Francks Køleindustri ApS	Denmark	Refrigeration	100%	100%
Svedan Industri Køleanlæg AS	Denmark	Refrigeration	100%	100%
Svedan Marine Industriservice A/S	Denmark	Refrigeration	100%	100%
Invent AS	Norway	Refrigeration	100%	100%
Therma Industri AS	Norway	Refrigeration	100%	100%
Therma Bergen AS	Norway	Refrigeration	100%	100%
HB Kuldetjeneste AS	Norway	Refrigeration	100%	100%
Haugaland Kjøleservice AS	Norway	Refrigeration	100%	100%
Marin Rør AS	Norway	Refrigeration	80%	80%
Trøndelag Kuldeteknikk AS	Norway	Refrigeration	100%	100%
Florø Kjøleservice AS	Norway	Refrigeration	100%	100%
Storm-Kulde AS	Norway	Refrigeration	100%	100%
Naturlig Kulde AS	Norway	Refrigeration	100%	100%

Note 15 Property, plant and equipment

At 1 Jan 2023	**Land and buildings**	**Equipment, tools, fixtures and fittings**	**Leasehold improvement costs**	**Total**
Cost	3,663	37,379	1,910	**42,952**
Accumulated depreciation	-2,426	-25,710	-272	**-28,408**
Carrying amount	**1,237**	**11,669**	**1,638**	**14,544**

Financial year

2023	**Land and buildings**	**Equipment, tools, fixtures and fittings**	**Leasehold improvement costs**	**Total**
Carrying amount at beginning of year	1,237	11,669	1,638	**14,544**
Purchases during the year	0	5,481	1,242	**6,723**
acquired through business combinations	0	1,113	0	**1,113**
Sales and disposals	-881	-729	0	**-1,610**
Foreign exchange differences	-77	-452	0	**-529**
Depreciation for the year	-279	-4,894	-174	**-5,347**
Carrying amount at end of year	**0**	**12,189**	**2,706**	**14,895**

At 31 Dec 2023	**Land and buildings**	**Equipment, tools, fixtures and fittings**	**Leasehold improvement costs**	**Total**
Cost	0	40,002	3,255	**43,257**
Accumulated depreciation	0	-27,812	-549	**-28,361**
Carrying amount	**0**	**12,189**	**2,706**	**14,895**

Financial year

2024	**Land and buildings**	**Equipment, tools, fixtures and fittings**	**Leasehold improvement costs**	**Total**
Carrying amount at beginning of year	0	12,189	2,706	**14,895**
Purchases during the year	0	6,047	664	**6,711**
acquired through business combinations	0	1,442	0	**1,442**
Sales and disposals	0	-880	-67	**-947**
Foreign exchange differences	0	-55	-3	**-58**
Depreciation for the year	0	-5,008	-248	**-5,256**
Carrying amount at end of year	**0**	**13,735**	**3,052**	**16,787**

At 31 Dec 2024	**Land and buildings**	**Equipment, tools, fixtures and fittings**	**Leasehold improvement costs**	**Total**
Cost	0	45,820	3,808	**49,628**
Accumulated depreciation	0	-32,085	-756	**-32,841**
Carrying amount	**0**	**13,735**	**3,052**	**16,787**

Note 16 Intangible assets

At 1 Jan 2023	**Goodwill**	**Customer relationships**	**Trademarks**	**Capitalised development expenditure**	**Other intangible assets**	**Total**
Cost	695,936	0	0	3,872	340	**700,148**
Accumulated amortisation	-147,174	0	0	-2,262	0	**-149,436**
Carrying amount	**548,762**	**0**	**0**	**1,610**	**340**	**550,712**

Financial year

2023						**Total**
Carrying amount at beginning of year	548,762	0	0	1,610	340	**550,712**
Purchases during the year	0	0	0	1,146	170	**1,316**
Acquired through business combinations	21,382	15,622	3,924	0	0	**40,928**
Sales and disposals	-587	0	0	0	-21	**-608**
Foreign exchange differences	-18,212	-310	-90	-180	-22	**-18,814**
Amortisation for the year	0	-2,299	-636	-777	-31	**-3,743**
Carrying amount at end of year	**551,345**	**13,013**	**3,198**	**1,798**	**435**	**569,790**

At 31 Dec 2023						**Total**
Cost	698,519	15,312	3,834	4,838	466	**722,969**
Accumulated amortisation	-147,174	-2,299	-636	-3,039	-31	**-153,179**
Carrying amount	**551,345**	**13,013**	**3,198**	**1,798**	**435**	**569,790**

Financial year

2024						**Total**
Carrying amount at beginning of year	551,345	13,013	3,198	1,798	435	**569,790**
Purchases during the year	0	0	0	0	0	**0**
Acquired through business combinations	46,817	27,087	2,336	0	9	**76,248**
Sales and disposals	-10,718	0	0	0	0	**-10,718**
Foreign exchange differences	-4,321	-229	-92	-20	-6	**-4,668**
Amortisation for the year	0	-5,759	-806	-859	-139	**-7,563**
Carrying amount at end of year	**583,123**	**34,112**	**4,636**	**919**	**299**	**623,090**

At 31 Dec 2024						**Total**
Cost	730,523	42,170	6,078	4,818	469	**783,832**
Accumulated amortisation	-147,174	-8,058	-1,442	-3,899	-170	**-160,742**
Carrying amount	**583,349**	**34,112**	**4,636**	**919**	**299**	**623,090**

Goodwill impairment testing

The CEO monitors goodwill by operating segment, which are Sweden, Norway and Denmark. In autumn 2024, operations also started in Finland, which will be monitored as a segment in 2025. There was no goodwill related to Finland on 31 December 2024.

The recoverable amount of goodwill has been determined based on value in use calculations. The key assumptions in the impairment test are revenue growth, EBITA margin, discount rate and long-term growth rate. Value in use calculations are made on the basis of estimated future cash flows before tax based on five-year budgets that have been approved by management. The calculation is based on management experience and historical data. The operating segments estimated long-term sustainable growth rate is based on industry forecasts.

For impairment purposes, goodwill is allocated to the respective operating segments.

	Sweden	**Norway**	**Denmark**	**Total**
1 Jan 2023	284,003	264,759	0	**548,762**
31 Dec 2023	284,590	266,755	0	**551,345**
31 Dec 2024	273,872	270,699	38,552	**583,123**

Significant assumptions used in calculating value in use:

	31 Dec 2024	**31 Dec 2023**	**1 Jan 2023**
Pre-tax discount rate* – Sweden	**16.4%**	**16.1%**	**16.0%**
Long-term growth rate** – Sweden	**2.0%**	**2.0%**	**2.0%**
Pre-tax discount rate* – Norway	**17.6%**	**17.4%**	**17.5%**
Long-term growth rate** – Norway	**2.0%**	**2.0%**	**2.0%**
Pre-tax discount rate* – Denmark	**17.1%**	**E/T**	**E/T**
Long-term growth rate** – Denmark	**2.0%**	**E/T**	**E/T**

* Pre-tax discount rate used in calculating the present value of estimated future cash flows.
**Weighted average growth rate used to extrapolate cash flows beyond the forecast period.

Sensitivity analysis for goodwill:
The recoverable amount for each operating segment comfortably exceeds the carrying amount of goodwill for that operating segment. This applies for assumptions that:
- the pre-tax discount rate had been 0.5 (31 December 2023: 0.5, 1 January 2023: 0.5) percentage points higher,
- the estimated growth rate used to extrapolate cash flows beyond the five-year period had been 1 (31 December 2023: 1, 1 January 2023: 1) percentage point lower.

Other than discount rate and long-term growth rate, the most significant assumptions are revenue growth and EBITA margin. A change of 1 percentage point in these assumptions would not result in any impairment.

Note 17 Leases

The following amounts related to leases have been recognised in the balance sheet:

Right-of-use assets	**31 Dec 2024**	**31 Dec 2023**	**1 Jan 2023**
Premises	87,437	95,445	107,291
Vehicles	67,934	55,456	31,924
Total	**155,371**	**150,901**	**139,215**

Lease liabilities	**31 Dec 2024**	**31 Dec 2023**	**1 Jan 2023**
Non-current	101,783	101,456	96,601
Current	51,747	44,875	36,376
Total	**153,530**	**146,331**	**132,977**

Additional right-of-use assets in 2024 totalled kSEK 52,987 (2023: kSEK 41,207).

The following amounts related to leases have been recognised in the income statement:

Depreciation of right-of-use assets	**1 Jan 2024–31 Dec 2024**	**31 Dec 2023–31 Dec 2023**
Premises	21,138	18,795
Vehicles	27,069	21,511
Total	**48,207**	**40,306**

Other expenses in the income statement	**1 Jan 2024 31 Dec 2024**	**1 Jan 2023 31 Dec 2023**
Interest expense (included in financial expense)	8,219	7,942
No significant variable lease payments not included in the lease liability have been identified	0	0
Expenditure related to short-term leases (included in the item Other external expenses)	0	0
Expenditure related to leases for which the underlying asset is of low value that are not short-term leases (included in Other external expenses)	398	358
Total	**8,617**	**8,300**

Contracted investments in right-of-use assets at the end of the reporting period that have not yet been recognised in the financial statements amount to kSEK 0.

The total cash flow relating to leases was kSEK 55,762 (2023: kSEK 46,101).

For information on maturities of lease liabilities, see Note 3.

Note 18 Inventories

The value of the Group's inventories at 31 December 2024 was kSEK 41,188 (31 December 2023: kSEK 31,694 and 1 January 2023: kSEK 35,194). Inventories consist mainly of refrigerants, compressors, heat pumps and various repair and maintenance materials.

Note 19 Financial instruments by category

1 Jan 2023	**Financial assets at fair value through profit or loss**	**Financial assets at amortised cost**	**Total**
Financial assets in the balance sheet			
Derivative instruments	461		**461**
Trade receivables		280,363	**280,363**
Accrued income		29,370	**29,370**
Cash and cash equivalents		18,565	**18,565**
Total	**461**	**328,298**	**328,759**

1 Jan 2023	**Financial liabilities at fair value through profit or loss**	**Financial liabilities at amortised cost**	**Total**
Financial liabilities in the balance sheet			
Liabilities to credit institutions (current and non-current)		408,117	**408,117**
Other liabilities, current and non-current (deferred consideration)		17,385	**17,385**
Derivative instruments	32		**32**
Trade payables		116,757	**116,757**
Liability to shareholders		19,965	**19,965**
Accrued expenses		127	**127**
Total	**32**	**562,351**	**562,383**

31 Dec 2023	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
Financial assets in the balance sheet			
Derivative instruments	40		**40**
Trade receivables		296,453	**296,453**
Accrued income		28,267	**28,267**
Cash and cash equivalents		11,466	**11,466**
Total	**40**	**336,186**	**336,226**

31 Dec 2023	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
Financial liabilities in the balance sheet			
Liabilities to credit institutions (current and non-current)		416,411	**416,411**
Other liabilities, current and non-current (deferred consideration)		8,580	**8,580**
Derivative instruments	1,206		**1,206**
Trade payables		118,156	**118,156**
Liability to shareholders		20,050	**20,050**
Accrued expenses		243	**243**
Total	**1,206**	**563,440**	**564,646**

31 Dec 2024	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
Financial assets in the balance sheet			
Derivative instruments	0		**0**
Trade receivables		351,868	**351,868**
Receivables from shareholders		3,976	**3,976**
Accrued income		28,514	**28,514**
Cash and cash equivalents		139,095	**139,095**
Total	**0**	**523,453**	**523,453**

31 Dec 2024	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
Financial liabilities in the balance sheet			
Bonds		541,116	**541,116**
Other liabilities, current and non-current (deferred consideration)		3,879	**3,879**
Derivative instruments	198		**198**
Trade payables		133,317	**133,317**
Liability to shareholders		9,365	**9,365**
Accrued expenses		10,281	**10,281**
Total	**198**	**697,957**	**698,155**

In addition to the financial instruments listed in the tables above, the Group has financial liabilities in the form of lease liabilities that are measured in accordance with IFRS 16. For information on lease liabilities, see Note 17.

For information on the fair value of long-term borrowings (liabilities to credit institutions and bonds), see Note 27 Borrowings. The fair values of short-term borrowings and other financial assets and liabilities approximate their carrying amounts, as the effect of discounting is not material.

Note 20 Trade receivables

Trade receivables	31 Dec 2024	31 Dec 2023	1 Jan 2023
Trade receivables	355,839	310,640	284,688
Less: provision for expected credit losses	-3,971	-14,187	-4,325
Net trade receivables	**351,868**	**296,453**	**280,363**

The fair value of trade receivables approximates the carrying amount, as the discount effect is not material.

Note 21 Derivative instruments

Current receivables	31 Dec 2024	31 Dec 2023	1 Jan 2023
Forward exchange contracts	0	40	461
Total	**0**	**40**	**461**

Current liabilities	31 Dec 2024	31 Dec 2023	1 Jan 2023
Forward exchange contracts	198	1,206	32
Total	**198**	**1,206**	**32**

Note 22 Other receivables

Other receivables	31 Dec 2024	31 Dec 2023	1 Jan 2023
Balance on tax accounts	10,753	9,498	4,642
Other receivables	3,572	6,237	5,281
Total	**14,325**	**15,735**	**9,923**

Note 23 Prepaid expenses and accrued income

Prepaid expenses and accrued income	31 Dec 2024	31 Dec 2023	1 Jan 2023
Prepaid expenses	20,293	13,835	26,421
Accrued income	28,514	28,267	29,370
Total	**48,807**	**42,102**	**55,791**

Note 24 Cash and cash equivalents

Cash and cash equivalents	31 Dec 2024	31 Dec 2023	1 Jan 2023
Bank deposits	139,095	11,466	18,565
Total	**139,095**	**11,466**	**18,565**

Note 25 Share capital and additional paid-in capital

	Number of shares	Share capital	Additional paid-in capital
At 1 Jan 2023	**540**	**540**	**284,850**
Shareholder contributions	0	0	15,066
At 31 Dec 2023	**540**	**540**	**299,916**
Shareholder contributions	0	0	38,615
At 31 Dec 2024	**540**	**540**	**338,532**

The share capital consists of 539,977 ordinary shares (539,977 ordinary shares) with a quotient value of SEK 1 (SEK 1).

All shares issued by the Parent Company are fully paid up.

Note 26 Deferred tax

The breakdown of deferred tax liabilities is as follows:

Deferred tax liabilities	**Untaxed reserves**	**Property, plant and equipment**	**Right-of-use asset**	**Intangible assets**	**Other (Derivatives + temporary differences in local financial statements)**	**Total**
At 1 Jan 2023	**10,024**	**0**	**27,393**	**0**	**3,587**	**41,004**
Increase through business combinations	0	0	0	4,293	0	4,293
Foreign exchange difference	0	0	0	-88	0	-88
Recognised in the income statement	-8,294	0	2,359	-645	5,447	-1,133
At 31 Dec 2023	**1,730**	**0**	**29,752**	**3,560**	**9,034**	**44,076**
Increase through business combinations	0	0	0	6,412	3,743	10,155
Foreign exchange difference	0	0	0	-4	2	-2
Recognised in the income statement	658	0	-637	-1,480	687	-772
At 31 Dec 2024	**2,388**	**0**	**29,115**	**8,488**	**13,466**	**53,457**

Deferred tax assets	**Tax losses**	**Lease liability**	**Other (derivatives + refinancing)**	**Total**
At 1 Jan 2023	**58**	**27,393**	**7**	**27,458**
Increase through business combinations	0	0	0	0
Foreign exchange difference	0	0	0	0
Recognised in the income statement	127	2,962	745	3,834
At 31 Dec 2023	**185**	**30,355**	**752**	**31,292**

Increase through business combinations	0	0	0	0
Foreign exchange difference	0	0	0	0
Recognised in the income statement	7,227	-112	-223	6,892
At 31 Dec 2024	**7,412**	**30,243**	**529**	**38,184**

Deferred taxes - net	**31 Dec 2024**	**31 Dec 2023**	**1 Jan 2023**
Deferred tax assets	38,184	31,292	27,458
Amount offset against deferred tax liabilities	-29,115	-29,752	-27,393
Deferred tax assets recognised at end of year	**9,069**	**1,540**	**65**
Deferred tax liabilities	53,457	44,076	41,004
Amount offset against deferred tax assets	-29,115	-29,752	-27,393
Deferred tax liabilities recognised at end of year	**24,342**	**14,324**	**13,611**

Deferred tax assets are recognised for tax losses or other deductions to the extent that it is probable that these can be used to offset future taxable profits. Unused tax losses for which no deferred tax asset has been recognised totalled kSEK 1,846 at 31 December 2024 (31 December 2023: kSEK 4,828, 1 January 2023: kSEK 0). Deferred tax on unused tax losses amounted to kSEK 369 at 31 December 2024 (31 December 2023: kSEK 1,062, 1 January 2023: kSEK 0). The unused tax losses relate to Francks Kylmäteollisuus Suomi Oy (FI) and expire in 2034.

Note 27 Borrowings

Secured long-term borrowings	**31 Dec 2024**	**31 Dec 2023**	**1 Jan 2023**
Bonds	541,116	0	0
Liabilities to credit institutions (bank loans)	0	0	368,090
Total	**541,116**	**0**	**368,090**

Secured short-term borrowings	**31 Dec 2024**	**31 Dec 2023**	**1 Jan 2023**
Liabilities to credit institutions (bank loans)	0	406,776	39,361
Total	**0**	**406,776**	**39,361**

Unsecured short-term borrowings	**31 Dec 2024**	**31 Dec 2023**	**1 Jan 2023**
Overdraft facility	0	9,635	666
Total	**0**	**9,635**	**666**

Borrowings by currency	**31 Dec 2024**	**31 Dec 2023**	**1 Jan 2023**
Borrowings (SEK)	541,116	316,274	347,029
Borrowings (NOK)	0	95,361	66,271
Total	541,116	**411,635**	**413,300**

Bonds
On 26 April 2024, Francks Kylindustri Holding AB issued senior secured bonds with a total nominal amount of kSEK 550,000. The bonds mature on 26 April 2027 and have a variable interest rate. The interest rate is based on 3-month STIBOR plus a premium of 7 percentage points. Under the terms of the bonds, certain conditions (covenants) must be met. The bond covenants include conditions relating to payments, nature of operations, debt, divestments, negative pledges and certain financial ratios. All conditions attached to the bonds were met during the period 26 April 2024 to 31 December 2024.

Collateral has been pledged for the bonds in the form of share pledges over certain Group companies totalling kSEK 158,945, pledges over floating charges totalling kSEK 53,425 and certain material internal loans (existing and future) totalling kSEK 51,280. For further information, see Note 31 Pledged assets.

Liabilities to credit institutions
Until 26 April 2024, when the bonds were issued, the Group had several bank loans. Interest rates and maturities vary from loan to loan. All loans have a variable interest rate based on STIBOR or NIBOR (for loans in NOK) plus a premium. Average maturities and interest rates are shown below.

Liabilities to credit institutions have maturities of 2–3 years and an average annual interest rate of 4.5–5.5 per cent. The bank loans are subject to certain conditions (covenants). As of 31 of December 2023 not all of the certain conditions (covenants) in regards of liabilities to credit institutions were met and accordingly these liabilities are classified as short-term borrowings.

For liabilities to credit institutions, collateral has been provided in the form of floating charges and pledged net assets in subsidiaries totalling kSEK 170,753. For further information, see Note 31.

For all loans, the carrying amount is considered to approximate the fair value as the interest rate on these borrowings is variable and the credit risk on the loans has not changed materially since the loans were taken out. The carrying amounts and fair values are presented below. After being listed on NASDAQ Stockholm in April 2025, the bonds will have a quoted market price.

	Carrying amount			Fair value		
	31 Dec 2024	**31 Dec 2023**	**1 Jan 2023**	**31 Dec 2024**	**31 Dec 2023**	**1 Jan 2023**
Liabilities to credit institutions	0	406,776	407,451	0	411,635	413,300
Bonds	541,116	0	0	550,000	0	0
Total	**541,116**	**406,776**	**407,451**	**550,000**	**411,635**	**413,300**

The difference between the fair value and the carrying amount consists of transaction costs that are netted against the loan.

Overdraft facility
The Group has an agreed overdraft facility in SEK of kSEK 100,000. Of the agreed overdraft facility, kSEK 0 had been drawn down at 31 December 2024 (kSEK 9,635 at 31 December 2023 and kSEK 666 at 1 January 2023).

Bank loan facilities
The Group has agreed undrawn credit facilities in SEK of kSEK 0 (31 December 2023 kSEK 75,560 and 1 January 2023 kSEK 70,046).

Note 28 Other non-current liabilities

Other non-current liabilities	**31 Dec 2024**	**31 Dec 2023**	**1 Jan 2023**
Deferred consideration	935	964	5,587
Total	**935**	**964**	**5,587**

Deferred consideration refers to consideration related to several acquisitions where part of the consideration will be paid at a later date.

The deferred consideration outstanding on 31 December 2024 is due in 2026.

Note 29 Other current liabilities

Other current liabilities	**31 Dec 2024**	**31 Dec 2023**	**1 Jan 2023**
Deferred consideration	2,944	7,616	11,798
Contingent consideration	0	1,323	1,323
VAT and social security contributions	78,938	56,207	54,999
Other current liabilities	553	764	83
Total	**82,436**	**65,910**	**68,203**

Note 30 Accrued expenses and deferred income

Accrued expenses and deferred income	**31 Dec 2024**	**31 Dec 2023**	**1 Jan 2023**
Accrued interest expense	10,281	243	127
Accrued salaries	4,301	3,896	2,986
Accrued holiday pay	42,684	40,096	36,775
Accrued social security contributions	9,456	9,274	8,413
Other items	13,509	21,189	14,801
Total	**80,231**	**74,699**	**63,103**

Note 31 Pledged assets and contingent liabilities

Pledged assets	**31 Dec 2024**	**31 Dec 2023**	**1 Jan 2023**
Floating charges	53,425	55,325	55,325
Pledged net assets in subsidiaries	158,945	171,366	168,711
Receivables from subsidiaries (internal loans)	51,280	0	0
Total	**263,650**	**226,691**	**224,036**

Contingent liabilities	**31 Dec 2024**	**31 Dec 2023**	**1 Jan 2023**
Guarantee commitment	100,000	541,409	465,685
Total	**100,000**	**514,409**	**465,685**

One of the companies in the Group has taken out external loans on behalf of its subsidiary and this claim on the subsidiary has been pledged as collateral.

Note 32 Related party transactions

The highest parent company in the Group that prepares consolidated financial statements is Francks Kylindustri Group Holding AB, which owns 100 per cent of Francks Kylindustri Holding AB. Francks Kylindustri Group Holding AB is 61.8 per cent owned by Segulah V through Segulah V Invest AB, which in turn is owned by the two fund companies Segulah V AB and Segulah V Equity AB.

Related parties are all subsidiaries of the Group and key management personnel in the Group and their close family members. Francks Kylindustri Group Holding AB, which has a controlling interest in the Parent Company, is also a related party. Transactions are made on market terms.

The following transactions have been made with related parties:

(a) Sale of goods and services	**2024**	**2023**
No sales have been made	0	0
Total	**0**	**0**

(b) Purchase of goods and services	**2024**	**2023**
Pass-through of travel expenses	33	34
Total	**33**	**34**

Outstanding balances arising from the sale and purchase of goods and services.

Receivables from related parties:	**31 Dec 2024**	**31 Dec 2023**	**1 Jan 2023**
Shareholders	0	0	0
Total	**0**	**0**	**0**
Liabilities to related parties:			
HABE Management AB	41	0	0
Total	**41**	**0**	**0**

In addition to the above liability, there is a liability to shareholders that is contractually convertible into shareholder contributions at the beginning of 2025.

Remuneration of senior management is shown in Note 8 Employee benefits, etc.

Note 33 Changes in liabilities arising from financing activities

Lease liability	132,977	0	-46,630	59,984	146,331
Liabilities to credit institutions	413,435	44,602	-44,862	-1,266	411,909
Overdraft facility	666	8,969	0	0	9,635
Total	**547,078**	**53,571**	**-91,492**	**58,718**	**567,875**

	1 Jan 2024	Cash inflow	Cash outflow	Non-cash items	31 Dec 2024
Lease liability	146,331	0	-55,762	62,961	153,530
Liabilities to credit institutions	411,909	0	-412,207	298	0
Bonds	0	550,000	0	0	550,000
Overdraft facility	9,635	0	-9,635	0	0
Total	**567,875**	**550,000**	**-477,604**	**63,259**	**703,530**

Note 34 Business combinations

Business combinations during the financial year 2024

In 2024, the Group made five acquisitions (2023: four acquisitions), which are listed below. The acquisitions vary in size. Those for which the consideration exceeds kSEK 10,000 are specified below. For other acquisitions that are not individually considered material, the aggregate amounts for all these acquisitions are disclosed.

Revenue and earnings are not presented for business combinations that are asset acquisitions, or where the acquired company was merged in the same year in which it was acquired, as it is impracticable to obtain the information.

Svedan Industri Køleanlæg A/S

On 26 August 2024, Francks Køleindustri ApS acquired 100 per cent of the share capital of Svedan Industri Køleanlæg A/S, a group operating in the refrigeration industry. Identified premiums are linked to customer relationships and trademarks.

The table below summarises the consideration paid for Svedan Industri Køleanlæg A/S and the fair values of assets acquired and liabilities assumed recognised at the acquisition date.

Consideration	
Cash and cash equivalents	62,300
Promissory note*	20,633
Total consideration paid	**82,933**

***Promissory note:**
The issued promissory note will be offset against shares in Francks Kylindustri Group Holding AB (the parent company of Francks Kylindustri Holding AB, which is the parent company of this group). The final number of shares received by the sellers will be determined based on the fair value of the shares on the date of set-off.

Fair values of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	10,222
Intangible assets (trademarks and customer relationships)	20,392
Property, plant and equipment (excl. right-of-use assets)	830
Trade and other receivables	35,045
Deferred tax liabilities	-7,823
Trade and other payables (excl. lease liabilities)	-8,650
Total	**50,015**
Goodwill	32,918
Acquired net assets	**82,933**

Goodwill
Goodwill is mainly attributable to future earnings capacity through competitive advantages, technical expertise and synergies. No portion of the recognised goodwill is expected to be tax-deductible.

Revenue and earnings of acquired business:
The acquisition of Svedan Industri Køleanlæg A/S added kSEK 51,008 to consolidated revenue for the period 26 August 2024 to 31 December 2024. Svedan Industri Køleanlæg A/S also added kSEK 6,336 to EBITA for the same period.

If the acquisition had been completed on 1 January 2024, pro forma consolidated revenue and earnings would have been kSEK 97,582 and kSEK 12,364 (EBITA), respectively. These amounts have been calculated using the results of the subsidiary and after adjusting for:
- differences in accounting policies between the Group and the subsidiary.

Acquisition-related costs
Acquisition-related costs of kSEK 1,418 are included in Other external expenses in the consolidated statement of comprehensive income and in operating activities in the statement of cash flows.

Consideration – cash outflow	
Cash flow for acquisition of subsidiaries, net of acquired cash and cash equivalents:	
Cash consideration	62,300
Less: Acquired cash and cash equivalents	-10,222
Net outflow of cash and cash equivalents – investing activities	**52,078**

Other acquisitions in 2024

On 8 March 2024, the Parent Company acquired 100 per cent of the share capital of NH3 Kølegruppen ApS, on 20 June 2024 the Parent Company acquired 100 per cent of the share capital of Florø Kjøleservice AS, on 22 November 2024 the Parent Company acquired 100 per cent of the share capital of Naturlig Kulde AS, and on 29 November 2024 the Parent Company acquired 100 per cent of the share capital of Storm-Kulde AS, all of which operate in the refrigeration industry. NH3 Kølegruppen ApS was merged with Francks Køleindustri ApS at the end of May 2024.

Identified premiums are linked to customer relationships and trademarks.

The table below summarises the aggregate consideration paid for the above acquisitions and the fair values of assets acquired and liabilities assumed recognised at the acquisition date.

Consideration	
Cash and cash equivalents	13,330
Deferred consideration	2,917
Promissory note*	10,690
Total consideration paid	**26,937**

*Promissory note:
The issued promissory note will be offset against shares in Francks Kylindustri Group Holding AB (the parent company of Francks Kylindustri Holding AB, which is the parent company of this group). The final number of shares received by the sellers will be determined based on the fair value of the shares on the date of set-off.

Fair values of identifiable assets acquired and liabilities assumed

Cash and cash equivalents	3,315
Intangible assets (trademarks and customer relationships)	9,731
Property, plant and equipment (excl. right-of-use assets)	787
Trade and other receivables	5,430
Deferred tax liabilities	-1,961
Trade and other payables (excl. lease liabilities)	-6,570
Total identifiable net assets	**10,732**
Goodwill	16,205
Acquired net assets	**26,937**

Goodwill
Goodwill is mainly attributable to future earnings capacity through competitive advantages, technical expertise and synergies. No portion of the recognised goodwill is expected to be tax-deductible.

Revenue and earnings of acquired business:
NH3 Kølegruppen ApS was merged with Francks Køleindustri ApS at the end of May 2024.

The acquisitions of the other three companies added kSEK 7,230 to consolidated revenue during the period from the acquisition to 31 December 2024. The companies also added kSEK 402 to earnings for the same period.

If the acquisitions had been completed on 1 January 2024, pro forma consolidated revenue and earnings would have been kSEK 27,479 and kSEK 1,807, respectively.
These amounts have been calculated using the results of the subsidiary and after adjusting for:
- differences in accounting policies between the Group and the subsidiary

Acquisition-related costs
Acquisition-related costs of kSEK 1,356 are included in Other external expenses in the consolidated statement of comprehensive income and in operating activities in the statement of cash flows.

Consideration – cash outflow	
Cash flow for acquisition of subsidiaries, net of acquired cash and cash equivalents:	
Cash consideration	13,330
Less: Acquired cash and cash equivalents	-3,315
Net outflow of cash and cash equivalents – investing activities	**10,015**

Business combinations during the financial year 2023

Haugaland Kjøleservice AS

On 12 January 2023, the Parent Company acquired 100 per cent of the share capital of Haugaland Kjøleservice AS, a company operating in refrigeration contracting. Identified premiums are linked to customer relationships and trademarks.

The table below summarises the consideration paid for Haugaland Kjøleservice AS and the fair values of assets acquired and liabilities assumed recognised at the acquisition date.

Consideration	
Cash and cash equivalents	17,168
Deferred consideration	3,030
Promissory note*	8,656
Total consideration paid	**28,854**

***Promissory note:**
The issued promissory note will be offset against shares in Francks Kylindustri Group Holding AB (the parent company of Francks Kylindustri Holding AB, which is the parent company of this group). The final number of shares received by the sellers will be determined based on the fair value of the shares on the date of set-off.

Fair values of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	9,530
Intangible assets (trademarks and customer relationships)	9,104
Property, plant and equipment (excl. right-of-use assets)	40
Trade and other receivables	7,578
Deferred tax liabilities	-2,003
Trade and other payables (excl. lease liabilities)	-5,589
Total identifiable net assets	**18,659**
Goodwill	10,195
Acquired net assets	**28,854**

Goodwill
Goodwill is mainly attributable to future earnings capacity through competitive advantages, technical expertise and synergies. No portion of the recognised goodwill is expected to be tax-deductible.

Revenue and earnings of acquired business:
The acquisition added kSEK 28,451 to consolidated revenue for the period 12/01/2023 to 31 December 2023. The acquisition also added kSEK 4,379 to EBITA for the same period.

As the acquisition was made very early in the year, the company has been considered as belonging to the Group for the whole of 2023 and pro forma revenue and earnings are therefore the same as above.

Acquisition-related costs
Acquisition-related costs of kSEK 460 are included in Other external expenses in the consolidated statement of comprehensive income and in operating activities in the statement of cash flows.

Deferred consideration
The deferred consideration refers to the cash consideration to be paid at a later date. kSEK 2,029 was paid at the beginning of 2024 and kSEK 1,001 at the beginning of 2025.

Consideration – cash outflow	
Cash flow for acquisition of subsidiaries, net of acquired cash and cash equivalents:	
Cash consideration	17,168
Less: Acquired cash and cash equivalents	-9,530
Net outflow of cash and cash equivalents – investing activities	**7,638**

Trøndelag Kuldeteknikk AS

On 24 May 2023, the Parent Company acquired 100 per cent of the share capital of Trøndelag Kuldeteknikk AS, a company operating in refrigeration technology. Identified premiums are linked to customer relationships and trademarks.

The table below summarises the consideration paid for Trøndelag Kuldeteknikk AS and the fair values of assets acquired and liabilities assumed recognised at the acquisition date.

Consideration	
Cash and cash equivalents	13,119
Promissory note*	4,373
Total consideration paid	**17,492**

*Promissory note:
The issued promissory note will be offset against shares in Francks Kylindustri Group Holding AB (the parent company of Francks Kylindustri Holding AB, which is the parent company of this group). The final number of shares received by the sellers will be determined based on the fair value of the shares on the date of set-off.

Fair values of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	3,634
Intangible assets (trademarks and customer relationships)	7,268
Property, plant and equipment (excl. right-of-use assets)	413
Trade and other receivables	2,074
Deferred tax liabilities	-1,599
Trade and other payables (excl. lease liabilities)	-2,247
Total identifiable net assets	**9,544**
Goodwill	7,948
Acquired net assets	**17,492**

Goodwill
Goodwill is mainly attributable to future earnings capacity through competitive advantages, technical expertise and synergies. No portion of the recognised goodwill is expected to be tax-deductible.

Revenue and earnings of acquired business:
The acquisition added kSEK 16,432 to consolidated revenue for the period 24 May 2023 to 31 December 2023. The acquisition also added kSEK 2,591 to EBITA for the same period.

If the acquisition had been completed on 1 January 2023, pro forma consolidated revenue and earnings would have been kSEK 23,584 and kSEK 3,525 (EBITA), respectively.

Acquisition-related costs
Acquisition-related costs of kSEK 346 are included in Other external expenses in the consolidated statement of comprehensive income and in operating activities in the statement of cash flows.

Consideration – cash outflow	
Cash flow for acquisition of subsidiaries, net of acquired cash and cash equivalents:	
Cash consideration	13,119
Less: Acquired cash and cash equivalents	-3,634
Net outflow of cash and cash equivalents – investing activities	**9,485**

Other companies acquired in 2023

On 19 June 2023, the Parent Company acquired 100 per cent of the share capital of Bergen Kuldeteknikk AS, and on 1 August 2023 the operations of SL Värmepumpsservice AB were acquired through an asset acquisition. Both companies operate in the areas of refrigeration technology and heat pump installation. Bergen Kuldeteknikk AS was merged with Therma Bergen AS at the end of 2023. Identified premiums are linked to customer relationships and trademarks.

The table below summarises the consideration paid for the above acquisitions and the fair values of the assets acquired and liabilities assumed recognised at the acquisition date.

Consideration	
Cash and cash equivalents	7,545
Promissory note*	2,131
Total consideration paid	**9,676**

***Promissory note:**
The issued promissory note will be offset against shares in Francks Kylindustri Group Holding AB (the parent company of Francks Kylindustri Holding AB, which is the parent company of this group). The final number of shares received by the sellers will be determined based on the fair value of the shares on the date of set-off.

Fair values of identifiable assets acquired and liabilities assumed

Cash and cash equivalents	3,508
Intangible assets (trademarks and customer relationships)	3,175
Property, plant and equipment (excl. right-of-use assets)	1,221
Trade and other receivables	1,180
Deferred tax liabilities	-781
Trade and other payables (excl. lease liabilities)	-1,820
Total identifiable net assets	**6,483**
Goodwill	3,193
Acquired net assets	**9,676**

Goodwill
Goodwill is mainly attributable to future earnings capacity through competitive advantages, technical expertise and synergies. No portion of the recognised goodwill is expected to be tax-deductible.

Acquisition-related costs
Acquisition-related costs of kSEK 268 are included in Other external expenses in the consolidated statement of comprehensive income and in operating activities in the statement of cash flows.

Consideration – cash outflow	
Cash flow for acquisition of subsidiaries, net of acquired cash and cash equivalents:	
Cash consideration	7,545
Less: Acquired cash and cash equivalents	-3,508
Net outflow of cash and cash equivalents – investing activities	**4,037**

Note 35 Adjustment for non-cash items

	31 Dec 2024	**31 Dec 2023**
Depreciation and amortisation	61,192	49,396
Capital gain/loss	-6,490	-6,253
Change in fair value of derivative instruments	-961	1,566
Other	6,293	1,175
Total	**60,034**	**45,885**

Note 36 Other provisions

Other provisions	**31 Dec 2024**	**31 Dec 2023**	**1 Jan 2023**
Current:			
Warranty provisions	11,507	6,473	5,913
Non-current:			
Warranty provisions	2,877	1,618	1,478
Total	**14,384**	**8,091**	**7,391**

Change in provisions		
At 1 January	**8,091**	**7,391**
Increase through business combinations	0	90
Additional provisions	7,620	2,311
Reversal of provisions	-1,327	-1,136
Used during the year	0	-565
Foreign exchange differences	0	0
At 31 December	**14,384**	**8,091**

Provisions consist entirely of provisions linked to warranties in construction projects.
Warranties are issued in accordance with industry practice and run for 2–5 years.

Note 37 First-time adoption of International Financial Reporting Standards (IFRS):

These are the first consolidated financial statements published by the Francks Kylindustri Holding Group, and the company has chosen to apply IFRS. The accounting policies set out in Note 2 have been applied in preparing the consolidated financial statements of the Francks Kylindustri Holding Group as at 31 December 2024 and for the comparative information presented as at 31 December 2023, and in preparing the opening statement of financial position as at 1 January 2023 (the Group's date of transition to IFRS).

Under IFRS 1, the Group is required to present a reconciliation of equity and total comprehensive income reported under the previous accounting policies to the corresponding items under IFRS. This is the first time Francks Kylindustri Holding publishes consolidated financial statements, and there is therefore no previously published annual report containing consolidated financial statements prepared in accordance with previously applied policies to which these can be reconciled. No reconciliation of currently applied policies to IFRS is therefore presented for the Group.

Elections on first-time adoption of IFRS
The transition to IFRS is accounted for in accordance with IFRS 1 First-time Adoption of IFRS. The main rule is that all applicable IFRS and IAS standards that have become effective and been adopted by the EU must be applied retrospectively. However, IFRS 1 contains transitional provisions that give companies certain options.

The exemptions permitted under IFRS to full retrospective application of all standards that the Group has elected to apply in preparing the opening balance sheet are set out below:

Leases
The Group has elected to use the exemption of applying IFRS 16 from the transition date (1 January 2021) and prospectively. Under this exemption, the lease liability is measured at the present value of the remaining lease payments discounted at the lessee's incremental borrowing rate. The right-of-use asset is measured at an amount equal to the lease liability adjusted for prepaid lease payments. The Group has also made the following transition elections under IFRS 1:
* Leases for which the lease term ends within 12 months (short-term leases) and leases for which the underlying asset is of low value are not recognised in the right-of-use asset or lease liability.
* Used retrospective estimates in determining the lease term when the contract contains options to extend or terminate the lease.

Exemption for cumulative translation differences
IFRS 1 allows cumulative translation differences recognised in equity to be reset to zero at the date of transition to IFRS. This provides relief from determining cumulative translation differences in accordance with IAS 21 The Effects of Changes in Foreign Exchange Rates from the date of formation or acquisition of a subsidiary. The Group has elected to reset all cumulative translation differences in the translation reserve to zero and reclassify them to retained earnings at the date of transition to IFRS on 1 January 2023.

Exemption for business combinations
IFRS 1 offers the option of applying the principles of IFRS 3 Business Combinations either prospectively from the date of transition to IFRS or from a specific date before the date of transition. This provides relief from full retrospective application that would require restatement of all business combinations before the transition date. The Group has elected to apply IFRS 3 prospectively to business combinations occurring after the date of transition to IFRS. Business combinations that occurred before the transition date of 1 January 2023 have therefore not been restated.

Note 38 Events after the reporting period

In February 2025, the operations of the Swedish company NR Kyl AB, with revenue of SEK 27.5 million in 2023, was acquired. The acquisition included 14 employees.