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Sparc Group

Annual report 2024

Sparc Group is an entrepreneur-driven group that coordinates and acquires companies in the installation industry. Since the launch in 2021, we have acquired more than 80 companies working with HVAC, electrical, infra and security. With over 1,000 employees, we currently operate all over Sweden, from Malmö in the south to Kalix in the north. Its growth is based on a common drive for forward momentum, with emphasis on human well-being and development. The Group's vision is to create Sweden's most sustainable workplace in the installation industry, driven by care and commitment.

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“Proof that our model is starting to take hold” – Erik Björklund is looking forward to a new year

The young installation group Sparc Group is now closing its third full year with positive feelings about 2025. Despite a downward industry and market trend in 2024, Sparc Group has managed to maintain both positive acquisition growth and organic growth with improved profitability.

Sparc Group founder and CEO Erik Björklund has just come in the door after his last run of the year when we meet him for a chat. Freshly baked rolls await as the family members wake up for their New Year’s breakfast. Although the holiday brought with it plenty of rest and relaxation, skiing and time with family and friends, entrepreneur Erik is sticking firmly to his morning routine.

“Starting the day with a bit of exercise gives me the energy to deliver the best version of myself, no matter what’s on the agenda. I feel like I wake up and stay one step ahead all day long,” says Erik Björklund.

The past year has been marked by both challenges and opportunities. The installation industry has experienced a declining market, while Sparc Group has completed 20 acquisitions during the year and managed to grow existing companies organically.

“We began 2024 with the number 67 on our backs, and the year will end with us wearing the number 88. Acquisition growth in excess of SEK 650 million, and organic growth above the industry average. All our staff together have helped to achieve forward momentum as part of a team where people stand up for one another,” Erik continues.

But the founder himself maintains that the positive figures are a by-product of several different achievements during the year.

“I’m pleased with what we’ve achieved together this year; above all, the increased collaboration we’ve seen where our companies join forces to win contracts with our combined expertise, share resources and grow their companies with joint efforts. We’ve run a full year of our own training academy, where senior managers from each company have had the opportunity to develop their skills in leadership, personal development, diversity and Group-related topics. As well as enhancing the level of expertise within the Group, our academy also strengthens team spirit, which helps to promote collaboration and more business. We’ve extended our cooperation with Glada Hudik-teatern, where we invest in the equal value of all people with all our hearts. This is a collaboration that creates involvement among our employees, allowing them to work closely on these issues together with our friends at Glada Hudik-teatern,” says Erik.

Ahead of the year, an organisational plan was set in order to structure the business with the right expertise and resources to be able to meet future growth. This places more stringent demands on everyone to be able to take the next step and create forward momentum at all levels,” says Erik.

“As we grow, we’re constantly trying to stay ahead of the game and make sure we have the right organisation in place to face today’s challenges. Our work includes growing with support functions that can help our companies to develop, while adding cutting-edge expertise to the Group executive team so that we can handle the growth and direction of the Group. In consultation with our subsidiaries and based on their wishes, we’ve conducted a number of mergers that have helped to bring about stronger, more efficient organisations that can benefit from one another. Talented people from other major companies in the installation industry and from other industries are now looking to join us and be part of our journey,” Erik continues.

When we ask whether the pace of acquisitions will be similar in the coming year, we do not have to wait long for an answer.

“We intend to continue growing both organically and through acquisitions. More and more companies are contacting us directly with a view to becoming part of the Sparc Group. This is proof that our model is starting to take hold and generate interest,” says Erik.

During the year, they also organised their own festival to which all staff and their partners were invited.

“Our annual SparcOff is an important opportunity to strengthen team spirit and create space for employees to get to know one another and our partners in an informal setting. We’re proud of the organisation of the event, which is improving a little year on year. Next year, I hope we’ll continue to increase the number of employees who attend our SparcOff,” says Erik.

Sparc Group is having its best year yet, on several levels; and if everything goes as expected, 2025 will be the year in which we see a team shirt with a three-digit number on the back.

“We’re often asked whether we already know which company will be number 100. It’s all a bit of fun, and we’re taking it all in our stride. The right company and the right people who see and believe in our model, that’s the most important thing. But who knows? Maybe someone reading this will be the first person wearing three digits on their back,” concludes Erik.

THE YEAR IN BRIEF

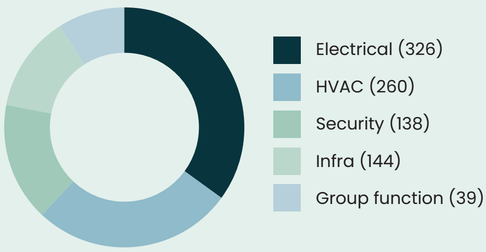
Improving a little every day, and every year

The New Year creates a space to look ahead, while summing up and reflecting on the past year. In 2024, Sparc Group grew by 22 new companies and we welcomed more than 150 new colleagues into the community. Beyond our steady growth, the Group is driven by constant forward momentum to improve a little overall, every day and every year.

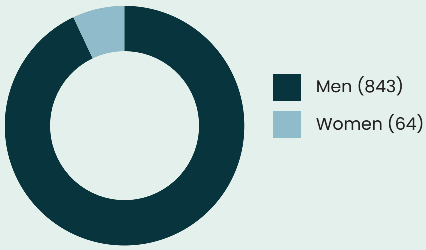
As an entrepreneurial group, it is important to strike a balance between looking ahead and seizing new opportunities while also maintaining a steady focus on our continuous improvement efforts. This balance allows us to create space to achieve our goals while enhancing the quality of our day-to-day work.

Managers and staff within each subsidiary work to develop their businesses, which in turn contribute to a stronger whole. Similarly, the functions of the parent company and the support offered are evolving in order to meet the growth and needs of the subsidiaries.

We improve a little every day and every year, and the sum of the parts is greater than the whole.



Employees per business area



Gender distribution

70+
Subsidiaries

900+
Employees


sparc
Live Lucky
Live Lucky
Live Lucky
sparc
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BLACK CLOVER

Expertise all over the country

Gothenburg I Uddevalla I Kungsbacka

El-Finess Elinstallationer AB, Elect Service AB, Greenpeak Energi AB, Labkontroll Väst AB, Läns Alarm i Göteborg, Ventilationsgruppen Service AB, Bohusbolagen AB, VOLT 24 El&Styr AB, Nova Solar AB

Halmstad I Falkenberg I Varberg

Calle Nilssons VVS i Falkeberg AB, Elaffären i Vinberg AB, Protectum AB, Skrea Rör AB, GW Ventilation AB, Kristenssons VVS AB, Kustens VVS AB, Proevac Sverige AB, Protectum Sverige AB

Malmö I Lund I Åstorp

EKT Svenska El- och Kraftteknik AB, El och Montage i Syd AB, Labkontroll Syd AB, Solotec AB, Solotec Energiteknik AB

Bodafors I Jönköping I Gnosjö

AG Rörteknik AB, Jochnicks Rör AB, Bodafors VVS, Götalands El & Telecom AB, GMT Sweden AB, Rörkompaniet AB

Stockholm I Uppsala I Örebro

Erlandsson's VVS & Fastighetsservice, Berghs Rörteknik AB, BMA Säkerhet AB, City Sundblad Telecom AB, Dahlberg Charging Solutions AB, Dataklimat i Sverige AB, DirectPartner Stockholm AB, El-Finess Elinstallationer i Stockholm AB, EL-Finess Entreprenad i Sverige AB, Eliot Protect AB, Eliot Universe AB, Elteknikbolaget i Stockholm AB, Kalkylkraft AB, Låskompetens AB, MGA Teknik AB, Rörteknik i Farsta AB, STELKON Stockholms Elkonsult AB, Söderlinds EL AB, Teknovent AB, Two Stone IT, VVS Söderort sparc AB, BM Control AB, El & Reglerteknik AB, Lindevalls Rör i Enköping AB, Säkerhetsbolaget FST, AB Evelko, Revider Energi AB, Rör-Janne Svensson AB, OnSite Networks AB, Svenska DataNätVerket AB, Svenska DataNätVerket Syd AB, Pro Control AB, Kraftkisarna AB, Perisol AB, Aktiebolaget Örebro Rörmontage.

Linköping I Finnspång I Motala

Elkonsulten i Finspång AB, Tenders Sverige AB, Läns Alarm i Linköping AB, Miljö-, VVS- & Energicenter i Östergötland AB

Falun

Elektrikerna i Falun AB, Schakt & Transport i Dalarna AB, Säkerhetsbolaget FST

Karlstad

Norrstrands VVS Entreprenad AB

Gävle

HMP Ventilation AB

Örnsköldsvik

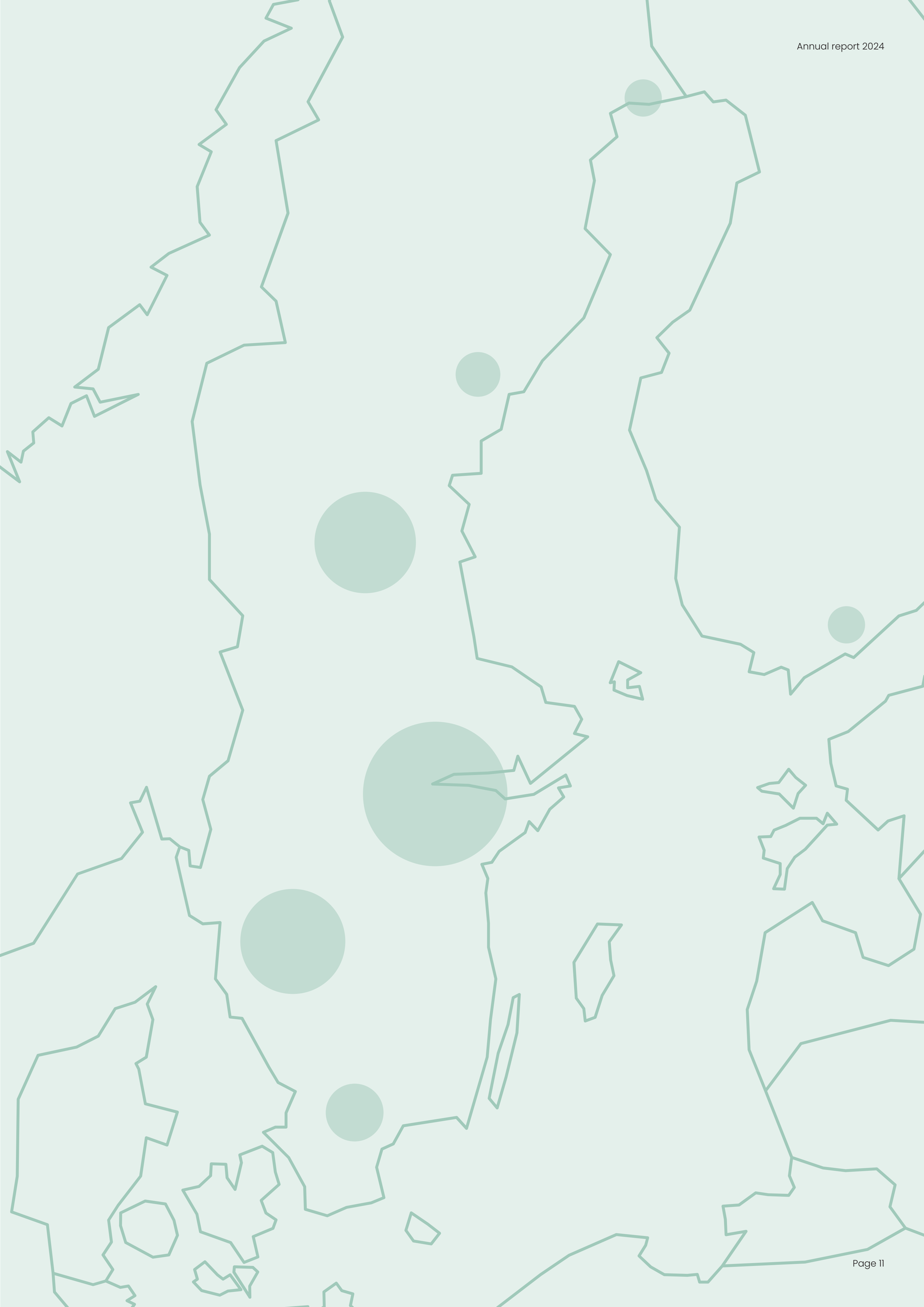
Toriro Power Solutions AB

Kalix

Process & Elmontage i Kalix AB

Espoo, Finland

XaaSIT OY



My job gives me an outlet for my creativity – Margarida works as an electrician at El-Finess in Gothenburg

Margarida made the decision to work in the electrical and installation sector when she was 25. A decision that proved to be very much the right one, as she's still working as an electrician at El-Finess in Gothenburg now, just over 14 years later.

Margarida, or Gida as people who know her well often call her, has worked as an electrician for the past few years, spending the last 4 years at El-Finess in Gothenburg. The job is dominated by men, but Gida feels she's in the right place.

"My working days are very varied, and at El-Finess I have the opportunity to work on all types of electrical installations. My job gives me an outlet for my creativity, and that's what drives me," says Margarida Eriksson Rodrigues.

El-Finess offers turnkey and general contracting relating to electrical and telecommunications installations and operates in both Stockholm and Gothenburg. If Gida has her way, she prefers to work on new construction where she can help influence the end result.

"The most enjoyable projects involve working with new construction. Seeing something take shape from the ground up while also being able to influence the final product," Margarida continues.

El-Finess was acquired as company number 6, and is one of the companies that has been part of Sparc Group the longest. Margarida reckons things have changed for the better.

"I don't really notice much difference in my daily work since we became part of Sparc Group. I'm still working as I did before, with the same colleagues and under the same company name. But I've gained more colleagues, and it's great to meet everyone during the annual SparcOff. Another good thing is that we now carry out employee surveys regularly, which means I feel that I can be involved in influencing my working day and the place where I work," concludes Margarida.

PARTNERSHIP WITH GLADA HUDIK-TEATERN

Sparc Group enters into long-term partnership with the Glada Hudik-teatern Foundation

Sparc Group enters into a long-term partnership with the Glada Hudik-teatern Foundation. Working together to promote the equal value of all people, and the fact that diversity creates success.

The Glada Hudik-teatern Foundation is a theatre where people with and without intellectual disabilities act together on stage. In addition to sold-out tours across Sweden with "Elvis" and "The Wizard of Oz", both in Swedish, Glada Hudik-teatern's journey includes performances in New York with the film Catwalk and the popular commercial character ICA-Jerry.
The theatre is now presenting the new film "Det kunde varit vi" (It could have been us), which will be released in October.

Pär Johansson, artistic director and founder of the theatre, believes in a multi-dimensional partnership where the Foundation and Sparc Group can share experiences and broaden one another's perspectives.

"Among other things, the partnership means that people who wouldn't normally have met get the chance to meet. When Mats Melin, for example, turns up at a Sparc company in the future and shares his approach to life, the employees at those companies will gain new perspectives, while our actors have the opportunity to get out and learn more and see how things work at those companies," says Pär Johansson, founder of Glada Hudik-teatern.

Sparc Group is an entrepreneur-driven group that coordinates and acquires companies in the installation industry. Since the launch in 2021, we have acquired more than 80 companies working with HVAC, electrical, infra and security. With almost 1000 employees, we currently operate all over Sweden, from Malmö in the south to Örnsköldsvik in the north.

By striving to make a difference in both the industry and society at large, Sparc Group is now entering into a three-year partnership with the Glada Hudik-teatern Foundation.

"When you meet someone like Pär Johansson and you come to understand what Glada Hudik-teatern does and stands for, we just knew this was something we wanted to be a part of. It's not about doing things on a large scale, but about actually doing something that contributes to positive societal development. We'll be able to make a real difference together," says Erik Björklund, founder and CEO of Sparc Group.

The partnership will include exchanges between the organisations and projects that will allow people to feel part of the partnership and be able to contribute, no matter which company they work for or where they are based.

We believe in the equal value of all people
Scan the QR code to view the video

Directors' Report

Sparc Group is an entrepreneur-driven group that coordinates and acquires companies in the installation industry. Since the launch in 2021, we have acquired more than 80 companies working with HVAC, electrical, infra and security. With over 1,000 employees, we currently operate all over Sweden, from Malmö in the south to Kalix in the north.

Its growth is based on a common drive for forward momentum, with emphasis on human well-being and development. The Group's vision is to create Sweden's most sustainable workplace in the installation industry, driven by care and commitment.

Sparc Group AB (publ) is based in Gothenburg, Sweden. All amounts are in SEK thousands unless otherwise stated.

Multi-year overview, Group	2024	2023	2022	2021 (7 months)
Net sales	1,998,364	1,312,002	715,208	84,255
Earnings before depreciation and amortization (EBITDA)	140,367	54,649	28,499	377
Earnings before depreciation and amortization (EBITDA), %	7.0	4.2	4.0	0.4
Adjusted EBITDA	169,580	77,644	28,499	377
Adjusted EBITDA margin, %	8.5	5.9	4.0	0.4
Operating profit	65,234	14,168	8,850	278
Operating margin, %	3.3	1.1	1.2	0.3
Adjusted operating profit	111,894	46,836	23,395	2,021
Adjusted operating margin, %	5.6	3.6	3.3	2.4
Equity ratio, %	23.3	27.1	36.8	34.4
Cash flow from operating activities	15,850	-1,283	2,273	1,942
Cash flow from continuing operating activities	15,850	18,214	-976	1,942
Number of employees	907	734	551	149

Multi-year overview, parent company	2024	2023	2022	2021 (7 months)
Profit after financial items	-89,984	19,143	16	-1,958
Equity	447,780	351,585	286,507	46,340
Equity ratio(%)	30.3	34.1	48.1	49.5
Number of employees	18	17	8	-

See the definition of key figures in Note 44

Comments on the multi-year overview

Turnover of just under SEK 2,000 million is presented for the Group's fourth financial year, corresponding to a total growth of approx. 52%. This increase is driven by a continued high rate of acquisitions, which contributed revenue of SEK 395 million; while the Group has organic growth of about 10%, attributable to an increased workforce, improved pricing and individual major project agreements.

The Group continues to present an operating margin just above 3% and an adjusted operating margin above 5%, which is an improvement on 2023. The adjusted operating margin excludes non-recurring items, which mainly include acquisition-related costs and costs for the closure of departments and functions within the Group. The market remains somewhat cautious, with less willingness to invest due to uncertainties on account of the war between Russia and Ukraine and the interest rate market, while there has been a positive development in the investment made in the Infra business area. Additionally, the Group has worked actively to realign companies with higher risk profiles and those that faced greater challenges in the previous year, resulting in fewer project losses this year compared to the previous year.

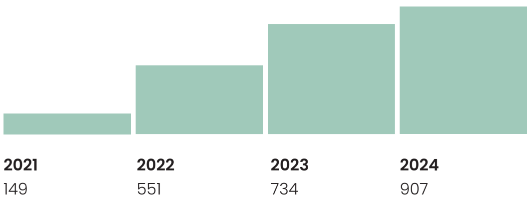
The Group has continued to upgrade its organisation in order to optimise the management of the units and contracts held by the Group. The reorganisation has involved strengthening support functions in the parent company and restructuring unprofitable units through changes in leadership and action plans. In early 2024, Sparc Group entered into a partnership with P Capital Partners, a strategic financial partner, to ensure a capital structure that has enabled the growth experienced by the Group during the year. The increased capital structure and interest rate component have weakened the Group's equity ratio in the short term but are in line with the Group's long-term strategy. During the autumn of 2024, the emphasis has been on securing long-term financing by issuing bonds; an investment that has had a negative impact on earnings in the current year, but that will lead to improved profitability and growth in the long term.

Acquisitions

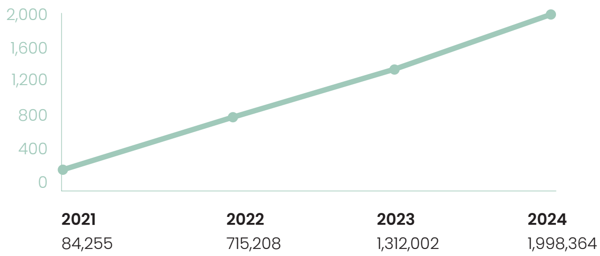
Although acquisitions are in the Group's DNA, the Sparc model is based on values different to those held by regular acquisition players in the industry. The ambition is to do this together with other entrepreneurs who want to join in and be part of the journey. That is why a great deal of emphasis is placed on ensuring that employees at each subsidiary, after acquisition, feel that they are continuing to work in the same place where they worked before, under the same brands and the same leadership. Becoming part of a wider community should bring opportunities for development and training, an improved work environment, and interaction and socialising with colleagues all over the country.

The Board, together with the management team, has developed an acquisition strategy and a business plan for the coming years. Upcoming acquisitions will be either add-on acquisitions or platform acquisitions.

Number of employees
Group



Net revenue
Group



Add-on acquisitions refer to companies that directly complement an existing unit within the Group and are initiated by the unit itself. Platform acquisitions refer to companies that have a good self-sustaining structure, a size within the framework of the strategy and a desire to establish a broader and stronger presence in the market both organically and through acquisitions. All companies with signed purchase agreements and letters of intent are within the framework of the strategy presented internally.

The Group acquired 22 subsidiaries during the year.
This year's acquisitions have an annual turnover of SEK 670 million, with a profit before tax of SEK 105 million. Consolidated profit for 2024 has been impacted by SEK 395 million in turnover and SEK 58 million in profit before tax.

In autumn 2024, 8 subsidiaries were sold with the aim of rapid liquidation. The subsidiaries have previously transferred their operations to sister companies and have subsequently been dormant units. As a result, the divestments have little impact on consolidated profit.

Cash flow and investments

Cash flow from operating activities is mainly used to facilitate the continued pace of acquisitions. To achieve the desired cash flows, stringent demands are placed on liquidity planning and payment follow-ups: there has been major emphasis on these during the year. The Group presents a cash flow from operating activities of SEK 16 (-1) million. 2023 was negatively affected by discontinued operations of SEK -19 million, which means that the year's cash flow from continuing operations is slightly worse. Interest paid has increased by SEK 60 million compared to the previous year as a result of the increased capital structure.

Cash flow from investing activities essentially consists of business combinations amounting to SEK -223 (-171) million, which is in line with the Group's long-term strategy.

During the Group's continued expansion phase, a large proportion of the business combinations are being financed through external loans and new share issues, with cash flow from financing activities totalling SEK 222 (169) million. Large fluctuations in loans raised and amortised are explained by the refinancing carried out in early 2024 with P Capital Partners and Nordea.

Risks and uncertainties

Sparc Group operates mainly in the Swedish market and has a hybrid organisational structure where the subsidiaries and their operations are largely run autonomously within each company, with a wide range of support functions from the parent company. The business model limits the aggregated business risks and financial risks. Sparc Group's earnings and financial position, as well as its strategic position, are affected by a number of internal factors that the Group can control, as well as a number of external factors where the ability to influence the course of events is limited. The operational risks of greatest significance, beyond the general risks associated with economic fluctuations, structural changes and the competitive situation, are described below.

Construction projects

Sparc Group's revenue recognition partly relates to fixed-price agreements where incorrect cost calculations during the tender process can have a significant negative impact on earnings. Additionally, the margin may deteriorate during the course of a project if project management is inadequate. To strengthen the security of individual major contracts, a decision and authorisation scheme has been implemented whereby tenders must be approved by the respective business area manager and/or the Group CEO.
Major ongoing construction projects are closely monitored by the Group's support functions and management in order to identify deviations at an early stage and implement action plans to minimise negative impacts. The Group also has its own estimators and project managers who assist the units in order to enhance security in the case of major contracts.

Business combinations

The decision to make an acquisition and the determined purchase price are based on expected long-term profitability. Deviations from expectations in the form of reduced profitability or inadequate management and project control have a direct impact on the Group's operating profit and increase the risk of goodwill impairment. This risk is mitigated by means of a designated project group dedicated to due diligence of potential acquisitions.
Based on the experience gained from previous acquisitions, the acquisition process has been developed in order to manage existing risks. Guarantees are included in the contracts that are drawn up in order to limit the risk of unknown liabilities.

Acquisitions that are completed have a clear target profile regarding what they are expected to contribute to the Group to achieve maximum synergy and profitability.

Staff

The entire Group's operations rely on the personnel within the companies in order to contribute to desired growth and profitability. The vision is to create Sweden's most sustainable workplace by offering competitive remuneration in a stimulating work environment with strong leadership. This is why the Group has a support function that focuses on developing and retaining this vital component of the business through training opportunities at Sparc Academy and regular employee surveys.

Suppliers

As materials constitute a significant part of the product delivered to customers, there is an operational risk if competitively priced materials cannot be sourced. Supplier agreements have been entered into with critical main suppliers in order to secure delivery throughout the entire value chain. The Group's central purchasing function maintains these supplier relationships in order to further strengthen cooperation while continuing to build relationships with future key partners.

IT security

The increase in cyberattacks, data breaches and information leaks is an operational risk that has grown most significantly in both frequency and impact in the recent period, with direct consequences for the Group. To ensure a stable IT environment, the Group has worked to centralise the IT structure via its subsidiary Two Stone IT, which is responsible for the implementation, maintenance and monitoring of IT security for the Group and its units.

Financial risks

In addition to the above, the Group is affected by financial risks, which include: liquidity risk, currency risk, credit risk and interest rate risk. These risks are addressed and referred to in Note 22 – Financial instruments and risks.

Market

Recent years have been characterised by sharply rising material prices, high interest rates and a general lack of growth in the economy. It has not escaped anyone's attention that this has affected the construction and property market, but also the installation industry, with a negative change of around 4% annually since 2021. Positive signals have been expected for much of 2024, with indications of lower interest rates and increased willingness to invest. There have been interest rate cuts during 2024; however, willingness to invest has been slower as more projects than in previous years have been postponed. The outlook shows that the strong macro trends of investment in defence, infrastructure and the sustainable energy transition are now providing a positive outlook for the market and that growth is expected to pick up significantly in the second half of 2025 with continued annual growth thereafter. The year ended with an order backlog of SEK 1,092 million (1,157). The size of the order backlog is in line with expectations, as the large weighted share towards service and maintenance jobs in the revenue breakdown reflects the outcome. Projects with shorter lead times, which are synonymous with servicing and maintenance, result in lower order backlogs.

Employees

At the end of the year, there were 962 (827) employees.
To enable good organic growth, the Group has continued to focus on recruitment and collaboration between subsidiaries to ensure strong and sustainable growth. Some units have also had to restructure their operations and reduce their workforce in order to adapt to the current market situation.

Sparc has a long-term commitment to creating, developing and maintaining the well-being of all employees in the Group, and to strengthening the common corporate culture. The Group's vision is to use its considerable commitment to create Sweden's most sustainable workplace in the installation industry. The Group's core values are joy, togetherness, trust, innovation and sustainability.
During the year, the Group developed its own platform for employee surveys – ELSA. The platform measures engagement, leadership, collaboration and the work environment and will be implemented in all companies in 2025. ELSA provides the Group with more customised and regular monitoring of employee well-being and the work environment, which provides a better basis for development initiatives.

The parent company has started to establish an HR function to further strengthen the support provided to the companies. The aim is to ensure that all employees enjoy fair and professional employment, from the time they are appointed to the time they leave. The HR function will also provide support on labour law issues, rehabilitation and leadership development.

The Sparc Academy has continued to develop and is a key part of the Group's skills development programme. Besides in-house training programmes, work has started on a digital training platform, which is planned to be launched in 2025. Custom training programmes in fields such as leadership, contract law, crisis management, diversity and goal setting allow Sparc Group to ensure that employees have the right knowledge and tools to meet the challenges of the future.

Sustainability

Sparc's vision is to create Sweden's most sustainable workplace in the installation industry, driven by care and commitment. The starting point for the sustainability work is responsible entrepreneurship, where economic success, social responsibility, and both consideration for and contribution to the climate transition go hand in hand. The sustainability strategy is based on the business plan and Group-wide goals, is a key part of operations, and permeates all business areas, subsidiaries, business decisions and strategies.

The Group's employees are its most important asset, and so they are a constant priority and an essential sustainability issue. By actively working towards a good and safe work environment characterised by diversity, workplaces are created where people are included, enjoy their work, develop and collaborate. The Group has continued to use Sparc Academy to invest in employee development, to ensure that staff have the skills and knowledge they need to cope with the challenges of a sustainable future. Responsible entrepreneurship includes social responsibility, encouraging our subsidiaries to engage in local initiatives in the places where they operate. In 2024, Sparc and its subsidiaries have continued to support local organisations all over Sweden.
The Group is a proud and active partner of Glada Hudik-teatern and has extended its partnership in 2024.

Glada Hudik-teatern was founded in 1996 and works to raise awareness around disabilities Together, various projects are implemented to jointly contribute to a sustainable society characterised by diversity and inclusion.

The Group continued to develop and implement its sustainability strategy in 2024. Taking the Group perspective as a starting point, a good foundation has been created for the Group to measure the effects of its sustainability work over time. The Group's long-term sustainability goals are aiming towards a sustainable workplace where the climate impact of operations is reduced and circular flows increase. The key success factor for the transition we are all facing is based on collaboration within the industry. Working together with customers, suppliers, employees and other stakeholders, we are continuing to collaborate to deal with common challenges and create forward momentum for innovative solutions and an attractive offering in the installation industry.

Significant events after the end of the financial year
On 3 March 2025, Sparc Group (publ) issued senior secured bonds in a nominal amount of SEK 1,100 million within a framework of SEK 1,500 million, which have been listed on NASDAQ Transfer Market. The bonds were used to refinance the outstanding credit with P Capital Partners and will otherwise be used to finance future acquisitions with a view to accelerating the expansion of the Group.

The Group has continued the pace of acquisitions and has acquired three companies in the new financial year, two in the Infra business area and one in HVAC. Additionally, two subsidiaries have been divested where previous managers chose to continue running the companies independently.

The parent company and its ownership structure

EBJ Holding 3 AB, co. reg. no. 559319-6537, owned 55.99% of shares and 86.91% of votes in Sparc Group AB (publ) at the end of the financial year.

Opinion of the Board of Directors on dividends

The Board of Directors does not intend to propose a resolution on dividends to the Annual General Meeting. Instead, the available financial resources will be reinvested in the business to fund the Group's long-term strategy.

Proposal for allocation of earnings	
The following profits are at the disposal of the Annual General Meeting:	
Share premium reserve	533,007,478
Retained earnings	-54,618,178
Profit for the year	-31,371,845
The Board of Directors proposes that the profits be appropriated as follows:	
carried forward to a new account	447,017,455

Details of the company's profit and overall financial position may be found in the following income statements and balance sheets and supplementary disclosures.

A statement from the CEO

We are proud to say that 2024 is our best year since we started. HOWEVER, it is worth emphasising that what we are building is not planned to be at its best here and now, because what we build and create together every day is something that will evolve and get better and better over time. We are proud that we are succeeding in our development during a time when the market has been marked by a turbulent external environment with greater geopolitical impact than in a very long time, and a general economic situation that has been uncertain, challenging and cautious. In our immediate surroundings, we have seen cancelled projects and clients going bankrupt, which confirms and strengthens our belief that our model is both sustainable and scalable. As we now sum up 2024, we do so with organic growth of over 10% and total growth exceeding 50%, together with increased profitability in a market with negative growth of around 5%.

In 2024, we have had the privilege of acquiring twenty-two new wholly owned subsidiaries, all of which fit well into our acquisition strategy, which is based on either new platform acquisitions – entering a new geographical region, that is – or strategic add-on acquisitions. For people who like numbers and our numbers on shirts, we can confirm that we are up to 88 in total acquisitions, with 68 acquisitions as we conclude the 2024 financial year. A number on the back is not just a number on the back; every company is unique, and that is something we intend to cherish with the hybrid model we have created, which is based on working together with the business leader(s) and employees of each company to continue developing, optimising or making changes where needed – in consensus. This is what we believe creates long-term and sustainable forward momentum.

We have successfully merged five companies during the year, and all these mergers have been based on the companies' own wishes and carried out in agreement with the company manager and business area manager, where we have quickly been able to perceive clear synergies that have already arisen and will develop even more in 2025. We divested eight companies that had become vacant as a direct result of mergers and work with our hybrid model; and as soon as the new year began, we also divested two companies where, following a longer period of evaluation, support and efforts, we reached a decision together with the respective business leaders on a joint and mutual solution. These decisions are hard to make, but they are part and parcel of the world in which we operate; acting responsibly together to create the best long-term forward momentum.

We currently have over 600 customers within the Group; customers with whom we will continue to work closely and develop, where we are eager to make a difference and add relevant expertise to go that extra mile. We have also positioned ourselves with several larger national customers, where we are continuously receiving additional orders and new contracts. More than 75% of our total turnover is made up of revenue from servicing and maintenance. This positioning is deliberate, as we perceive challenges in the new construction market. We work actively to mitigate risks, and work closely with companies to select the "right" projects. Synonymous with this is the fact that such projects often run over shorter periods, which rarely leads to major deviations from expectations. With this also comes lower visibility compared to companies focused on new construction, which tend to build larger order backlogs. At the end of the year, we have an order backlog of SEK 1,092 million, which corresponds to just over half of our turnover for the year: we are pleased with this. We hold frequent discussions with clients and other market stakeholders, all of whom share the view that 2025 will result in higher activity compared to 2024. That said, we are focusing on embarking upon the right projects, with the right clients, and under the right conditions for our subsidiaries. A job that can evolve and improve day after day.

In January 2024, we established a new capital structure together with P Capital Partners and Nordea, which enabled continued expansion but also placed stringent demands on us as a company, from follow-up, control and reporting in respect of finance to sustainability, but which has helped us in our development, to become a better company. The emphasis has been on good structural control and follow-up on various key figures, along with what is important for us to be able to deliver on as a Group. We have chosen to view this as something positive as it has allowed us to develop – our guiding principle is to work on the basis of external requirements to find working methods and procedures that help us to improve, both now and in the future. We have maintained the same approach in terms of how we have developed and implemented our sustainability strategy, originating from our mapping and identification of the areas in which our impact is greatest. Valuable insights from our mapping have provided us with a clear direction for the strategy developed and a starting point for collaboration between functions and with suppliers and other partners on sustainability issues. We have now laid the foundation for measuring the impact of our sustainability efforts going forward and over time, at both company and aggregated Group level. We work as if we are subject to CSRD, regardless of whether the Omnibus proposal (which would simplify the work for us for a time) comes into force, because we view this as something that develops and improves us, but also as a competitive advantage in the market. It is important to remember that sustainability work is not a

paper product, but something that will contribute and develop us in an industry with significant real impact and influence.

It is a privilege to be Sparc Group's CEO, but this is not something that is taken for granted. The company is different today compared to early 2024. Development takes us forward. And to move forward, we need to be able to look at ourselves in the mirror and see what it is we do and what we bring to our companies and the industry. Although wearing a Sparc t-shirt is a good start, that alone is not enough when we look at ourselves in the mirror. That is precisely why we have conducted CSI (Customer Satisfaction Index) and NPS (Net Promoter Score) surveys with our business leaders to find out what they think about being part of Sparc Group. It is also the reason why we developed ELSA. ELSA is a digital tool that we have developed for surveys and pulse surveys that help us to find out how a company is doing and what we should focus on in order to achieve the best possible development and forward momentum. It provides us with valuable real-world feedback on what we should invest in and prioritise in order to achieve the best long-term forward momentum together.

All the work done since the beginning, and our ambition always to improve in everything we do, resulted in us being able to announce on 3 March 2025 a successful issue of senior secured bonds for a nominal amount of SEK 1,100 million under a framework of SEK 1,500 million. This work does not happen by itself, and I am extremely proud that we have been successful. We have earned the trust of many institutions that have appreciated our hybrid model, our operations, and the fact that we are created by entrepreneurs for entrepreneurs. We are not aiming to make major changes, but to just do what we do and improve a little every day. Together.

Erik Björklund
CEO

Consolidated income statement

SEK '000	Note	2024	2023
Net sales	5	1,998,364	1,312,002
Cost of production	6	-1,621,435	-1,068,774
Gross profit		**376,929**	**243,228**
Sales expenses	7	-92,058	-61,217
Administrative expenses	8,10	-228,727	-170,604
Other operating revenue	11	14,709	11,087
Other operating expenses	11	-5,619	-8,326
Total other operating items		**-311,695**	**-229,060**
Operating profit	**9**	**65,234**	**14,168**
Financial items			
Financial income	12	9,401	1,077
Financial expenses	12	-111,586	-65,068
Total financial items		**-102,185**	**-63,991**
Profit before tax		**-36,951**	**-49,823**
Tax on profit for the year	13	-16,826	1,422
Profit for the year from continuing operations		-53,777	-48,401
Profit for the year from discontinued operations	17	-	-23,500
Profit for the year		**-53,777**	**-71,901**
Profit for the year attributable to:			
Parent company shareholders		**-53,777**	**-71,901**

Consolidated report of comprehensive income

SEK 000	Note	2024	2023
Profit for the year		-53,777	-71,901
Items to be reclassified to profit or loss in subsequent periods:			
Translation differences		211	-137
Other comprehensive income for the year		**211**	**-137**
Comprehensive income for the year		**-53,566**	**-72,038**
Total comprehensive income for the year attributable to:			
Parent company shareholders		**-53,566**	**-72,038**

Consolidated balance sheet

SEK 000	Note	31/12/2024	31/12/2023
Assets			
Fixed assets			
Intangible assets			
Goodwill	3	1,026,337	707,232
Capitalised development expenditure		18,688	10,394
Licences and patents		1,024	673
Other intangible assets		897	471
Total intangible assets	**14**	**1,046,946**	**718,770**
Tangible fixed assets			
Buildings and land	15	479	-
Machinery	15	207	267
Equipment and vehicles	15	12,865	13,267
Improvement to third party property	15	3,064	1,819
Right-of-use assets	16	122,449	105,691
Work in progress	15	277	-
Total tangible assets		**139,341**	**121,044**
Financial fixed assets			
Other securities held as non-current assets		303	303
Deferred tax assets	13	2,855	15,147
Other non-current receivables		3,667	2,191
Total financial fixed assets		**6,825**	**17,641**
Total fixed assets		**1,193,112**	**857,455**
Current assets			
Inventories	6	41,245	34,772
Current receivables			
Trade receivables	18,22	301,023	222,164
Contract assets	5,22	104,271	77,071
Tax receivables	13	1,986	-
Other receivables		22,923	15,302
Prepaid expenses and accrued income	23	66,087	20,333
Cash and cash equivalents	20.22	18,803	4,500
Total current assets		**556,338**	**374,142**
TOTAL ASSETS		**1,759,450**	**1,231,597**

Equity and liabilities	Note	31/12/2024	31/12/2023
Equity			
Share capital		762	720
Other contributed capital		536,170	408,646
Reserves		74	-137
Retained earnings, incl. profit for the year		-128,759	-74,982
TOTAL EQUITY	21	**408,247**	**334,247**
Non-current liabilities			
Pension liabilities		729	773
Liabilities to credit institutions	22	679,075	199,824
Lease liabilities	16	69,598	65,392
Liabilities to other Group companies	22	-	69,872
Other liabilities	22	1,100	41,402
Total non-current liabilities		**750,502**	**377,263**
Current liabilities			
Bank overdraft facilities	20	81,114	36,049
Liabilities to credit institutions	22	-	114,635
Lease liabilities	16,22	53,892	42,024
Trade payables	22	191,375	151,134
Contract liabilities	5,22	42,474	19,140
Tax liabilities		-	5,915
Other liabilities		103,349	57,133
Prepaid expenses and accrued income	23	118,497	94,057
Total current liabilities		**590,701**	**520,087**
TOTAL LIABILITIES		**1,341,203**	**897,350**
TOTAL EQUITY AND LIABILITIES		**1,749,450**	**1,231,597**

Consolidated statement of changes in equity

SEK 000	Share capital	Other contributed capital	Other reserves	Retained earnings, incl. profit for the year	Total
Opening equity, 01/01/2023	**335**	**286,170**	**0**	**-3,081**	**283,424**
Total comprehensive income for the year					
Profit for the year				-71,901	-71,901
Other comprehensive income for the year			-137		-137
Comprehensive income for the year	**-**	**-**	**-137**	**-71,901**	**-72,038**
Contributions from and value transfers to owners					
New issue	385	120,107			120,492
Capital acquisition costs		-795			-795
Tax effect of capital acquisition costs		164			164
Shareholders' contribution received		3,000			3,000
Closing equity, 31/12/2023	**720**	**408,646**	**-137**	**-74,982**	**334,247**
Opening equity, 01/01/2024	**720**	**408,646**	**-137**	**-74,982**	**334,247**
Total comprehensive income for the year					
Profit for the year				-53,777	-53,777
Other comprehensive income for the year			211		211
Comprehensive income for the year	**-**	**-**	**211**	**-53,777**	**-53,566**
Contributions from and value transfers to owners					
New share issue	42	127,524			127,566
Closing equity, 31/12/2024	**762**	**536,170**	**74**	**-128,759**	**408,247**

Consolidated cash flow statement

SEK 000	Note	31/12/2024	31/12/2023
Operating activities			
Operating profit		65,234	14,168
Adjustment for items not included in cash flow	19	73,403	32,590
Interest received		6,987	586
Interest paid		-86,616	-25,677
Income tax paid		-23,407	-10,806
Cash flow from operating activities before changes in working capital		**35,601**	**10,861**
Changes in working capital			
- Increase / + decrease in inventories		5,391	3,749
- Increase / + decrease in trade receivables		-15,655	-32,383
- Increase / + decrease in other operating receivables		-37,945	28,519
+ Increase / – decrease in trade payables		-5,511	-3,111
+ Increase / – decrease in other operating liabilities		33,969	10,579
Cash flow from continuing operations		*15,850*	*18,214*
Cash flow from discontinued operations	*17*	*-*	*-19,497*
Cash flow from operating activities		**15,850**	**-1,283**
Investment activities			
Acquisition of businesses	3,22	-233,896	-166,945
Disposal of businesses	3	234	-59
Acquisition of intangible fixed assets		-9,488	-4,876
Acquisition of tangible fixed assets		-5,186	-7,121
Acquisition of financial fixed assets		-72	-274
Sale of fixed assets		25,296	7,985
Dividend received		-	64
Cash flow from continuing operations		*-223,112*	*-171,226*
Cash flow from discontinued operations	*17*	*-*	*-*
Cash flow from investing activities		**-223,112**	**-171,226**
Financing activities			
New share issue and options		-	12,801
Loans raised		664,734	277,685
Repayment of loans		-431,644	-120,504
Change in overdraft facility		45,065	35,657
Repayment of lease liabilities		-56,639	-36,493
Cash flow from continuing operations		*221,516*	*169,146*
Cash flow from discontinued operations	*17*	*-*	*-94*
Cash flow from financing activities	**22**	**221,516**	**169,052**
Cash flow for the year		14,254	-3,457
Cash and cash equivalents at beginning of year		**4,500**	**7,990**
Exchange rate difference in cash and cash equivalents		49	-33
Cash and cash equivalents at year-end	**20**	**18,803**	**4,500**
Cash and cash equivalents from continuing operations at year-end		**18,803**	**4,500**

Notes to the consolidated accounts

Note 1 General information

Sparc Group AB (publ) is a Swedish unlisted limited liability company registered with the Swedish Companies Registration Office under company registration number 559320-0347, with its registered office in Gothenburg, Sweden.

Sparc offers the installation industry's most attractive, complete and sustainable total offering in the fields of HVAC, electrical and data technology, as well as locks, alarms and access control systems. Sparc brings together the best installation companies working with the strongest offering on the market. Together we develop and refine not only one another;s core competencies, but also our joint offering to the market.

The annual accounts and the consolidated accounts were approved for issue by the Board of Directors and the Chief Executive Officer on 1 April 2025. The consolidated income statement and balance sheet and the parent company income statement and balance sheet will be presented for adoption by the Annual General Meeting on 30 April 2025.

Note 2 Significant accounting policies and disclosures

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and in accordance with the Swedish Financial Reporting Board (RFR 1). The accounting policies applied in the preparation of the consolidated financial statements are described in the respective notes in order to provide a better understanding of each accounting area. See the table below for reference to the note in which each significant accounting policy is disclosed, and the applicable IFRS that is deemed to have a material impact.

Accounting policy	Note	IFRS Standard
Business combinations	3	IFRS 3
Operating segments	4	IFRS 8
Revenue	5	IFRS 15
Financial income and expenses	12	IFRS 9
Income taxes	13	IAS 12
Intangible fixed assets	14	IAS 38, IAS 36
Tangible fixed assets	15	IAS 16, IAS 36
Right-of-use assets	16	IFRS 16
Discontinued operations	17	IFRS 5
Inventories	6	IAS 2
Trade receivables	18, 22	IAS 32, IFRS 7, IFRS 9
Trade payables	22	IAS 32, IAS 37, IFRS 7, IFRS 9
Cash flow statement	19	IAS 7

The consolidated financial statements are prepared using the cost method unless otherwise stated in the accounting policies for each note. The consolidated income statement is classified by function.

IFRS 18 Presentation and Disclosure in Financial Statements will become effective from 1 January 2027. The new standard will replace IAS 1 Presentation of Financial Statements and aims to improve the way in which companies present their financial statements, with emphasis on the income statement and cash flow statement. The new standard also includes disclosure requirements of the corporate executive's defined performance measures and the nature of costs, etc. IFRS 18 has not yet been adopted by the EU. No other new and amended accounting standards and interpretations that have been published and become effective in 2025 and later are expected to have a material impact on the consolidated financial statements.

All amounts, unless otherwise specified, are rounded to the nearest thousand. Data in brackets refers to the previous year.

Significant estimates and assessments for accounting purposes

The management has made numerous estimates and judgements about the most likely outcome in the process of applying the Group's accounting policies in accordance with IFRS. The areas that include a high degree of assessment, which are complex, or areas where assumptions and estimates are of major importance for the consolidated financial statements are set out below. The assessments and judgements are reviewed regularly, and the impact on the carrying amounts is recognised in the income statement.

Estimates and assessments	Note	Area
Revenue recognition related to fixed price projects	5	Revenue
Valuation of tax loss carryforwards	13	Tax
Impairment of goodwill	14	Intangible assets
Leases – determination of lease terms for contracts with renewal options	16	Current assets
Provision for credit losses	18	Accounts receivable
Valuation of contingent considerations	22	Financial instruments

Estimates and assessments are evaluated regularly and are based on historical experience and other factors, including expectations of future events that are considered reasonable under the prevailing circumstances. The estimates applied for accounting purposes rarely correspond to the actual outcome, but the deviation affects the subsequent period when estimates are replaced by facts.

Consolidated financial statements

The consolidated financial statements include the parent company and its subsidiaries. Subsidiaries are those companies in which the parent company has a direct or indirect controlling interest. This normally refers to companies where the parent company holds more than 50% of the voting rights. The consolidated financial statements include subsidiaries from the date on which the Group obtains control until the date on which control ceases.

The consolidated financial statements have been prepared in accordance with the acquisition method. The cost of an acquisition is the fair value of assets given as consideration, equity instruments issued and liabilities incurred or assumed at the acquisition date. The acquisition cost also includes the fair value of all assets and liabilities resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as they are incurred.
For every acquisition, the Group decides whether non-controlling interests in the acquired company are recognised at fair value or at the proportional percentage of the net assets of the acquired company. The amount by which the purchase price, any non-controlling interest and the fair value on the acquisition date of earlier shareholdings exceeds the fair value of the Group's share of identifiable acquired net assets is recognised as goodwill. If the cost of acquisition is less than the fair value of the net assets of the acquired subsidiary, the difference is recognised directly in the income statement.

In the consolidated financial statements, the appropriations of Group companies are eliminated and included in the reported earnings after deduction of deferred taxes. This means that Group companies' untaxed reserves in the consolidated balance sheet are allocated between deferred tax liabilities and equity.

Translation of foreign currency

Items included in the financial reports for the different units within the Group are valued in the currency used for the primary economic environment where the unit is active (functional currency). The consolidated financial statements use the Swedish krona, which is the functional and presentation currency of the parent company.

Foreign currency transactions are translated into the functional currency at the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities in foreign currencies at the rate on the balance sheet date are reported as other operating income and expenses. The exchange gains and losses attributable to borrowings and cash equivalents are reported as financial income and expenses.

The results and financial position of all group companies are translated into the Group's presentation currency. Assets and liabilities are translated at the closing rate, income and expenses are translated at the average rate, and all exchange differences arising from the translation of foreign subsidiaries are recognised as a separate component of equity. Goodwill and fair value adjustments arising on the acquisition of a foreign unit are reported as assets and liabilities of the foreign unit and translated at the exchange rate on the balance sheet date.

The following exchange rates have been used when translating amounts in foreign companies:

	Average price		Closing day rate	
Currency exchange rate	**2024**	**2023**	**2024**	**2023**
EUR	11.43	11.48	11.49	11.10

Elimination of intra-Group transactions

Intra-Group receivables and liabilities, as well as transactions between Group companies and unrealised profits, are eliminated in full. Unrealised losses are also eliminated unless there is an impairment requirement.

Classification of current and non-current assets and liabilities

Fixed assets and non-current liabilities essentially comprise amounts that are expected to be recovered or paid more than twelve months after the reporting date. Current assets and liabilities are essentially amounts that are expected to be recovered or paid within twelve months of the reporting date.

Note 3 Business combinations

Acquisitions in 2024

Company	Co. reg. no.	Segment	Region	Annual turnover, 2024 (SEKm)	Date	Holding, %
Bodafors VVS AB	556232-3492	HVAC	Bodafors	29	January	100
Måråsa AB	559452-8373	Other	-	-	January	100
Bohusläns Plåtslageri AB	559053-9150	HVAC	Uddevalla	25	January	Merged
Bohusbolagen AB	559127-3171	HVAC	Uddevalla	52	January	100
AB EVELKO	556974-9137	Electrical	Uppsala	54	January	100
Revider Energi AB	556485-3405	HVAC	Sollentuna	19	January	100
Rör-Janne Svensson AB	556731-9701	HVAC	Spånga	21	March	100
Onsite Networks Stockholm AB	559391-9367	Infra	Sollentuna	39	March	100
ProControl Sverige AB	559012-9374	Electrical	Stockholm	10	May	100
Svenska DataNätVerket AB	556351-0618	Infra	Nacka	28	May	100
Svenska DataNätVerket Syd AB	556511-4278	Infra	Limhamn	7	May	100
Staffan Axelsson Ventilation AB	559115-1690	VVS	Tanumshede	23	May	Merged
Toriro Power Solutions AB	559228-8285	Infra	Skorped	103	May	100
Kraft Kisarna AB	559074-7365	Infra	Stockholm	72	June	100
Volt 24 El&Styr AB	559389-4883	HVAC	Kungälv	19	July	100
Rörkompaniet i Jönköping AB	556963-7571	HVAC	Jönköping	24	August	100
Götalands El & Telecom AB	556954-3613	Infra	Habo	55	August	100
GMT Sweden AB	559325-0474	Infra	Habo	32	August	100
Perisol AB	559089-5370	HVAC	Örebro	13	August	100
Örebro Rörmontage AB	556347-0524	HVAC	Örebro	9	August	100
Nova Solar AB	556688–8334	Electrical	Kungsbacka	53	December	100
Process & Elmontage i Kalix AB	556681–5576	Electrical	Kalix	26	December	100

A total of 22 subsidiaries and affiliates were acquired in 2024 as part of the Group's continued expansion strategy. Broken down by business area, 10 were acquired in HVAC, 4 in electrics, 7 in infrastructure and one dormant owner company. The total purchase price for acquisitions amounts to SEK 439,238 thousand, including estimated contingent considerations. The purchase price was greater than the carrying amounts of the net assets at the time of the acquisitions, which meant that the acquisitions gave rise to goodwill that is mainly attributable to future new markets, synergy effects and profitability. Of this year's acquisitions, Toriro Power Solutions AB, Kraft Kisarna AB and Götalands El & Telecom AB represent a significant part of the total purchase price.

The acquisition of Toriro Power Solutions AB is a major acquisition in the Infra business area. The company was founded in 2008 and in recent years has undergone expansive development and growth in qualified installations in electrics, power, telecommunications and optical fibre. The company works mainly in northern Sweden from its base in Örnsköldsvik, but currently has projects that extend all over the country.

The purchase price for Toriro Power Solutions AB totalled SEK 76 million. The surplus value has been recognised as goodwill totalling SEK 59 million, as there are no identifiable assets that are deemed applicable. The acquisition was made in accordance with the Group's acquisition strategy, the business and its staff being the principal source of surplus value.

The acquisition of Kraft Kisarna AB is another major acquisition in the Infra business area. The company was founded in 2016 and carries out complete electrical installations in the fields of infrastructure, tracks, lighting and power in trackside environments such as pedestrian and cycle paths and welcoming green spaces. The purchase price for Kraft Kisarna AB totalled SEK 71 million. The surplus value has been recognised as goodwill totalling SEK 60 million, as there are no identifiable assets that are deemed applicable. The acquisition was made in accordance with the Group's acquisition strategy, the business and its staff being the principal source of surplus value.

Götalands El & Telecom with its subsidiary GMT Sweden AB was another significant acquisition in the Infra business area. The Company was founded in 2013 and carries out all types of installation and maintenance work on mobile masts. The purchase price for Götalands El & Telecom AB totalled SEK 80 million. The surplus value has been recognised as goodwill totalling SEK 63 million, as there are no identifiable assets that are deemed applicable. The acquisition was made in accordance with the Group's acquisition strategy, the business and its staff being the principal source of surplus value.

From the date of acquisition, all the acquired companies have contributed SEK 394,660 thousand and SEK 58,312 thousand respectively to the Group's revenue and profit before tax. If the acquisitions had taken place at the beginning of the financial year, the Group's revenue and profit before tax would have been SEK 670,338 thousand and SEK 104,777 thousand respectively.
Dormant companies were sold in autumn 2024 for rapid liquidation. The buyback resulted in a loss of SEK 1,374 thousand and has been classified as other operating expenses. Another three mergers have been completed: Säkerhetsbolaget Svenska AB has merged into Säkerhetsbolaget FST AB, Skrea Rör AB has merged into Calle Nilssons VVS i Falkenberg AB, and Bohusläns Plåtslageri AB and Staffan Axelsson Ventilation AB have merged into Bohusbolagen AB. These mergers had no impact on the consolidated financial statements.

		Of which significant acquisitions		
Acquisition price	**2024**	**Torio Power Solutions AB**	**Kraft Kisarna AB**	**Götalands El & Telecom AB**
Purchase price	439,238	75,584	70,588	80,083
Fair value of assets and liabilities acquired				
Fixed assets	26,282	224	1,708	1,403
Current assets	90,813	10,267	2,696	7,681
Cash and cash equivalents	89,434	28,022	10,821	10,527
Deferred taxes	-2,857	-	-1,338	-62
Non-current liabilities	-8,070	-90	-111	-250
Other current liabilities	-94,031	-21,235	-3,176	-2,681
Total	**101,571**	**17,188**	**10,600**	**16,618**
Goodwill	337,667	58,396	59,988	63,465

Cash flow effect of acquisitions	**2024**
Purchase price at acquisition	-439,238
Of which contingent consideration	30,075
Shares issued	126,968
Promissory note	4,631
Cash and cash equivalents acquired	89,434
Contingent consideration paid	-33,870
Acquisition-related costs	-11,896
Change in consolidated cash and cash equivalents on acquisition	**-233,896**

Divestment	2024
Purchase price	3,869
Fair value of assets and liabilities disposed of	
Fixed assets	-
Current assets	387
Cash and cash equivalents	3,635
Deferred tax liabilities	-
Non-current liabilities	
Other current liabilities	37
Total	**3,985**
Goodwill	1,258
Capital gain/loss	**-1,374**

Cash flow effect of divestment	2024
Purchase price on disposal	3,869
Shares issued	-
Promissory note	-
Cash and cash equivalents disposed of	-3,635
Change in consolidated cash and cash equivalents on divestment	**234**

Acquisitions in 2023

Company	Co. reg. no.	Segment	Region	Annual turnover, 2023 (SEKm)	Date	Holding, %
HMP Ventilation AB	556759-2737	HVAC	Gävle	31	January	100
Låskompetens i Stockholm AB	556698-3200	Security	Stockholm	21	January	100
Elaffären i Vinberg AB	556872-9346	Electrics	Falkenberg	24	January	100
All Rör & Svets AB	559323-3504	HVAC	Vendelsö	-	January	-
BM Control AB	556604-0852	Projects	Enköping	14	February	100
Rörteknik i Farsta AB	556260-9791	HVAC	Stockholm	100	February	100
VVS Söderort sparc AB	556724-8181	HVAC	Stockholm	13	February	100
XaasIT OY	2906918-3	Other	Finland	16	March	100
MGA Teknik AB	559249-8090	Miscellaneous	Södertälje	3	April	100
Jochnicks Rör Aktiebolag	556194-6509	HVAC	Värnamo	21	April	100
El & Montage i Syd AB	559031-7037	Electrics	Lund	53	May	100
Elteknikbolaget i Stockholm AB	559104-7971	Security	Stockholm	35	June	100
Säkerhetsbolaget Svenska AB	556664-4927	Security	Stockholm	23	June	100
Greenpeak Energi AB	556611-5456	HVAC	Gothenburg	26	June	100
Tenders Sverige AB	556673-6616	Miscellaneous	Linköping	9	June	100
Lindevalls Rör i Enköping AB	556679-7261	HVAC	Enköping	21	June	100
Norrstrands VVS AB	556889-7978	HVAC	Karlstad	16	August	100
Solotec AB	556579-4137	HVAC	Åstorp	41	September	100
Solotec Energiteknik AB	559176-7818	ELECTRICS	Ängelholm	75	September	100

A total of 19 subsidiaries and affiliates were acquired in 2023 as part of the Group's continued expansion strategy. Broken down by business area, 10 were acquired in HVAC, 5 in Electrical and 2 in Security. Additionally, the Group's first foreign company, XaasIT OY in Finland, was acquired. The acquisition allows the Group to strengthen its IT structure and security together with the previously formed company Two Stone IT AB.

The total purchase price for acquisitions amounts to SEK 362,141 thousand, including estimated contingent considerations. The purchase price was greater than the carrying amounts of the net assets at the time of the acquisitions, which meant that the acquisitions gave rise to goodwill that is mainly attributable to future new markets, synergy effects and profitability.

From the date of acquisition, all the acquired companies have contributed SEK 347,562 thousand and SEK 51,548 thousand respectively to the Group's revenue and profit before tax. If the acquisitions had taken place at the beginning of the financial year, the Group's revenue and profit before tax would have been SEK 542,445 thousand and SEK 71,182 thousand respectively.

Bäkmarks VVS AB was also divested in its entirety in the autumn of 2023 through buyback by the previous owner. The buyback back resulted in a loss of SEK 10,571 thousand and has been classified as profit for the year from discontinued operations. Additionally, Westerlins Automation AB has been merged into EKT Svenska El- och Kraftteknik AB. This merger had no impact on the consolidated financial statements.

Acquisition price	2023
Purchase price	362,141
Fair value of assets and liabilities acquired	
Fixed assets	6,421
Current assets	107,591
Cash and cash equivalents	48,278
Deferred taxes	-2,366
Non-current liabilities	-3,357
Other current liabilities	-80,361
Total	**76,206**
Goodwill	285,935
Cash flow effect of acquisitions	**2023**
Purchase price at acquisition	-362,141
Of which contingent consideration	23,750
Shares issued	106,183
Promissory note	67,148
Cash and cash equivalents acquired	48,278
Contingent consideration paid	-41,452
Acquisition-related costs	-8,711
Change in consolidated cash and cash equivalents on acquisition	**-166,945**

Divestment	2023
Purchase price	-
Fair value of assets and liabilities disposed of	
Fixed assets	424
Current assets	23,302
Cash and cash equivalents	59
Deferred tax liabilities	-
Non-current liabilities	-210
Other current liabilities	-24,570
Total	**-995**
Goodwill	11,566
Capital gain/loss	**-10,571**
Cash flow effect of divestment	**2023**
Purchase price on divestment	-
Shares issued	-
Promissory note	-
Cash and cash equivalents disposed of	-59
Change in consolidated cash and cash equivalents on divestment	**-59**

Acquisitions after the reporting period

As of the signing of the annual report and consolidated financial statements, the Group has acquired three additional companies: two in the Infra business area, and one in HVAC. These acquisitions follow the Group's acquisition plan, and no one acquisition is of material size.
Moreover, two companies – GW Ventilation AB and XaasIT OY – have been divested, through buyback to the current company manager who has chosen to continue running the companies under their own management.

Accounting policies

The Group applies the acquisition method of accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is measured as the aggregate of the acquisition-date fair values of the assets transferred, liabilities assumed and equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Contingent consideration is measured at fair value and classified as a financial liability. Reference is made to the disclosure of financial liabilities: see Note 22. Acquisition-related costs are expensed in other operating expenses as they are incurred. Reference is made to the disclosure on segment reporting: see Note 4.

Note 4 Segment reporting

The segments were previously divided into five areas: Electrical, Networks, Security, Projects and HVAC. Reorganisation took place in 2024, resulting in the dissolution of the Projects business area, and the companies within this business area have been distributed within the other business areas and as part of the Group function. The management justifies the new structure with a desire for the companies in the former Projects business area to work more closely with the business areas within which they actually carry out project planning and cost estimation, in order to enhance collaboration within the Group. The Networks business area also changed its name to Infra during the year. This year's acquisitions, together with profiling within the business area, are the factors contributing to the name change. As a result of this change, the comparative figures from 2023 have also been recalculated to assist with comparability.

HVAC is a key area in modern society and covers everything from ventilation to sanitation, i.e. air, water and heating. HVAC refers to the technical systems in buildings that are planned, designed and installed, including the products used. In other words, the HVAC business area carries out operations, installations and servicing of ventilation, heating and cooling systems, sanitation, water/sewage and sales of HVAC products.

Electrical is made up of businesses offering specialised expertise in a range of segments such as power supply, green energy, car charging and traditional contracting and services. The business area designs, fits and implements all types of electrical and telecoms installations in all types of property, from public and vital societal environments to industry and construction. Renewable energy and energy efficiency play an important role in reducing the use of fossil fuels.

The Security business area is a vital societal, technical and innovative area that offers products and services relating to burglar alarms, fire alarms, access control systems, CCTV camera surveillance, operation and alarm transmission, security systems and lock solutions. Integrated security systems, where different systems integrate with one another, are becoming more common. A single system can be fully autonomous, operating independently and coordinated with other facilities via a master system.

The Infra business area offers comprehensive services in installation, commissioning, maintenance, emergency services and project management for areas such as power supply for both high and low voltage, rail-bound infrastructure, data centres and server facilities, IT infrastructure, telecommunications and sensitive IT environments. The business also focuses on energy-efficient solutions, as well as operational and security services such as alarms, metering and documentation. Designing, installing and maintaining equipment within these areas ensures that a effective and efficient infrastructure is provided for customers.

Other companies refer to Group-wide functions that mainly assist the other operating segments. These are not reported to the highest executive function, but are presented below as a reconciliation to the financial statements.
Information on the Group's reportable segments is presented on the next page.

Segment Reporting 2024	HVAC	Electrics	Security	Infra	Group function	Elimination	Sparc Group
External net sales	672,295	626,702	229,679	453,378	16,310		1,998,364
Internal net sales	21,192	15,906	19,135	42,979	43,854	-143,066	-
Earnings before depreciation and amortization (EBITDA)	**70,747**	**27,084**	**41,523**	**57,355**	**-56,342**		**140,367**
EBITDA margin. %	10.2	4.2	16.7	11.6	-		7.0
Items affecting comparability							
Acquisition-related costs	-	-	-	-	12,913		12,913
Decommissioning costs	5,500	-	-	-	1,432		6,932
Start-up cost, product development	-	2,425	-	-	-		2,425
Miscellaneous	-	-	-	-	6,943		6,943
Adjusted earnings before depreciation and amortization (adjusted EBITDA)	**76,247**	**29,509**	**41,523**	**57,355**	**-35,054**		**169,580**
Adjusted EBITDA margin, %	11.0	4.6	16.7	11.6	-		8.5
Depreciation and amortization	-17,514	-14,735	-9,712	-6,290	-26,882		-75,133
Operating profit	**53,233**	**12,349**	**31,811**	**51,065**	**-83,224**		**65,234**
Operating profit, %	7.7	1.9	12.8	10.3	-		3.3
Items affecting comparability							
Impairment of goodwill	-	-	-	-	17,447		17,447
Adjusted operating profit	**58,733**	**14,774**	**31,811**	**51,065**	**-44,489**		**111,894**
Adjusted operating profit, %	8.5	2.3	12.8	10.3	-		5.6
Financial income							9,401
Financial expenses							-111,586
Profit before tax							**-36,951**
Tax							-16,826
Profit for the year from continuing operations							-53,777
Profit for the year							**-53,777**
Number of employees	260	326	138	144	39		907
Goodwill	348,291	208,010	204,275	245,331	20,430		1,026,337
Trade receivables	86,667	103,981	26,430	78,232	5,713		301,023
Contract assets	26,459	50,653	7,135	18,837	1,187		104,271
Contract liabilities	-4,707	-6,563	-2,169	-29,015	-20		-42,474

Segment reporting 2023	HVAC	Electrics	Security	Infra	Group function	Elimination	Sparc Group
External net sales	420,224	452,209	232,428	182,196	24,945		1,312,002
Internal net sales	5,697	19,021	11,478	2,439	84,568	-123,203	-
Earnings before depreciation and impairment losses (EBITDA)	**40,256**	**7,978**	**41,522**	**10,594**	**-45,701**		**54,649**
EBITDA margin. %	9.5	1.7	17.0	5.7	-		4.2
Items affecting comparability							
Acquisition-related costs	505	-	-	-	15,194		15,699
Decommissioning costs	-	-	-	-	3,052		3,052
Start-up cost, product development	-	2,576	-	-	-		2,576
Miscellaneous	-	-	-	-	1,668		1,668
Adjusted earnings before depreciation and impairment losses (adjusted EBITDA)	**40,761**	**10,554**	**41,522**	**10,594**	**-25,787**		**77,644**
Adjusted EBITDA margin, %	9.6	2.2	17.0	5.7	-		5.9
Depreciation and impairment losses,	-11,494	-11,640	-8,859	-5,192	-3,296		-40,481
Operating profit	**28,762**	**-3,662**	**32,663**	**5,402**	**-48,997**		**14,168**
Operating margin, %	6.8	-0.8	13.4	2.9	-		1.1
Items affecting comparability							
Impairment of goodwill	1,489	4,153	3,056	-	975		9,673
Adjusted operating profit	**30,756**	**3,067**	**35,719**	**5,402**	**-28,108**		**46,836**
Adjusted operating margin, %	7.2	0.7	14.6	2.9	-		3.6
Financial income							1,077
Financial expenses							-65,068
Profit before tax							**-49,823**
Tax							1,422
Profit for the year from continuing operations							-48,401
Profit for the year from discontinued operations							-23,500
Profit for the year							**-71,901**
Number of employees	204	266	128	104	32		734
Goodwill	243,443	181,381	204,275	53,008	25,125		707,232
Trade receivables	65,935	82,327	27,487	40,325	6,090		222,164
Contract assets	17,598	37,847	11,162	10,094	370		77,071
Contract liabilities	-8,401	-8,318	-71	-2,350	-		-19,140

Revenue from external customers and property, plant and equipment, including right-of-use assets, are allocated geographically as follows:

Geographical segmentation, 2024	Sweden	Nordics	Europe	US	Total
Net sales	1,974,993	13,639	9,244	488	**1,998,364**
Fixed assets	159,863	87	-	-	**159,950**

Geographical segmentation, 2024	Sweden	Nordics	Europe	US	Total
Net sales	1,288,016	14,833	5,126	4,027	**1,312,002**
Fixed assets	132,493	89	-	-	**132,582**

Accounting policies

The Group is managed on the basis of the five business areas, which are monitored by both the Group executive and the Board of Directors. The highest executive function is the CEO, who manages the business together with the respective business area manager and the rest of the Group executive. The accounting policies of the segments are the same as those used in the preparation of the consolidated financial statements. The key management and reporting concepts are net sales, adjusted profit before depreciation and adjusted operating profit. The operating profit for a segment includes income and expenses from inter-segment transactions. The impact of IFRS 16 and credit losses are allocated to the different segments.

Note 5 Revenue

The Group offers a wide range of products and solutions in the installation industry. A significant part of the Group's revenue comes from contracts for the sale of goods. A table of revenue breakdown is shown below. The Group has no one customer that exceeds 10% of the Group's total turnover. The categorisation of revenue types has been changed in 2024 in order to better reflect how the Group's revenue is distributed. As a result of this change, the comparative figures from 2023 have also been recalculated to assist with comparability.

Breakdown of revenue for 2024	New construction	Renovation & maintenance	Service	Consultation	Other	Total
Revenue from fixed price contracts	350,597	493,976	229,118	2,698	5,766	**1,082,155**
Revenue from fixed price contracts	76,165	355,569	419,519	26,171	2,227	**879,651**
Other turnover	-	-	23,179	1,544	11,835	**36,558**
Total net turnover	**426,762**	**849,545**	**671,816**	**30,413**	**19,828**	**1,998,364**
Revenue by type of customer						
Public sector	64,797	136,205	101,276	1,500	40	**303,818**
Repeat business customers	279,108	496,180	336,933	6,486	12,669	**1,131,376**
Other corporate customers	73,526	138,989	149,380	22,427	6,819	**391,141**
Private individuals	9,331	78,171	84,227	-	300	**172,029**
Total net turnover	**426,762**	**849,545**	**671,816**	**30,413**	**19,828**	**1,998,364**

Breakdown of revenue for 2023	New construction	Renovation & maintenance	Service	Consultation	Other	Total
Revenue from fixed price contracts	233,160	305,668	98,200	615	174	**637,817**
Revenue from fixed price contracts	50,001	214,852	334,375	29,919	1,138	**630,285**
Other turnover	-	-	3,675	15,856	24,369	**43,900**
Total net turnover	**283,161,520**	**520**	**436,250**	**46,390**	**25,681**	**1,312,002**
Revenue by type of customer						
Public sector	47,670	48,814	68,475	12,288	6,878	**184,125**
Repeat business customers	186,477	360,604	246,067	20,537	14,504	**828,189**
Other corporate customers	46,839	64,048	92,349	13,509	4,248	**220,993**
Private individuals	2,175	47,054	29,359	56	51	**78,695**
Total net turnover	**283,161**	**520,520**	**436,250**	**46,390**	**25,681**	**1,312,002**

Revenue during the financial year attributable to previous years' contracts with customers totalled SEK 248,144 thousand (222,423). The transaction price allocated to the remaining performance obligations (unmet or partially unmet) is:

Remaining obligations at year-end	2024	2023
Within one year	336,703	262,853
More than one year	23,505	2,871
Total	**360,208**	**265,724**

Balance sheet

The Group has contract revenue related to both fixed price and current account contracts. There are no contract assets or liabilities classified as non-current. Contract assets are intended to be converted into trade receivables at the earliest possible opportunity in order to help improve liquidity. As a result, the Group closely monitors overdue trade receivables in order to assess recognised revenue. The credit period for trade receivables varies between 30 and 60 days. The Group offers a wide range of products and solutions in the installation industry. A significant part of the Group's revenue comes from contracts for the sale of goods. A table of revenue breakdown is shown below. The Group has no one customer that exceeds 10% of the Group's total turnover. See Note 18 – Trade receivables, for reference to doubtful trade receivables.

Contract assets	2024	2023
Accrued	458,646	282,978
Invoiced	-354,375	-205,907
Closing balance	**104,271**	**77,071**

Contract liabilities	2024	2023
Accrued	438,651	88,846
Invoiced	-480,601	-106,945
Reserve for loss-making projects	-524	-1,041
Closing balance	**-42,474**	**-19,140**

The significant increase in contract assets stems from the year's business combinations and as a result of the Group's organic growth. No one company or project is responsible for the increase. A significant portion of the Group's revenue is attributable to contracts on a current account basis, which means that projects are rarely front-loaded in invoicing, and therefore contract liabilities do not follow the same trend as contract assets.

Accounting policies

The information on revenue is based on the geographical location of the companies. Information related to the Group's performance obligations and the recognition of the related revenue is summarised below:

Sales of goods

Sales of goods comprise sales of fully assembled products and commercial products in the installation industry. Contracts involving the sale of multiple goods are divided into multiple performance obligations when they are distinct and separable within the contract. The revenue is recognised at the fair value of what the Group has received or will receive, which means that the Group recognises the revenue at nominal value (invoice amount) if the Group is paid in cash immediately on delivery. Deductions are made for discounts given. In the case of sales of goods, income is normally recognised as revenue when the significant risks and rewards of ownership of the goods have been transferred from the Group to the purchaser.

Sales of services

Sales of services include ongoing servicing work or service contracts for installation services. Revenue from services rendered is recognised as it is earned.

Service and construction contracts

Revenue from service and construction contracts arises from contracts that are either fixed price or on a current account basis for the purpose of delivering fully assembled end products installed at the customer's premises, as well as construction of custom assets. Goods and services are combined into one performance obligation when the installation services are complex and modify or significantly customise the products, and/or the Group delivers goods and services that are highly integrated into a combined solution.

Revenue is recognised over time, provided that the Group's performance either creates or improves an asset that the customer controls when the asset is created or improved, or that the Group's performance does not create an asset with an alternative use for the Group and the Group is entitled to payment for the performance completed to date, or the customer receives and consumes the benefits of the work performed by the Group.

Service contracts/contracts on a current account basis are recognised as revenue as the work is carried out. Accrued, unbilled income is entered in the balance sheet at the amount expected to be invoiced at the balance sheet date. Fixed-price service contracts/contracts are recognised as income as the work is performed. When calculating earned profit, the degree of completion has been calculated as incurred expenses as of the balance sheet date in relation to total estimated expenses for completion of the assignment. The difference between recognised revenue and invoiced instalments is recognised in the balance sheet.

The transaction price on which the recognised gain is based is calculated on the basis of the contracted revenue plus the cost of modifications and additions, plus an estimate of the probability of receiving full compensation. The Group regularly updates its estimates of the transaction price and adjusts revenue accordingly.

If an existing contract is amended or added to (ÄTA), these are recognised as part of the original contract at the time they are ordered.

When a service/contract assignment is identified as a loss-making project, the entire loss is reserved at the time it is identified and reversed as the project is finalised. The loss allowance is recognised in the income statement under the item Cost of goods sold.

Performance-related pay

Variable remuneration refers to sales of products that include return rights, volume discounts and penalties. Only an insignificant portion of the Group's revenue includes sales that include variable remuneration.

Expenses incurred to obtain or fulfil a contract with a customer

No expenditure on obtaining a contract has been capitalised, as all related costs relate to projects that are expected to be secured within one year.

Significant estimates and assessments

The Group provides installation services that are either sold separately or in combination to our customers. The installation component is a promise to transfer services in the future and is part of the consideration to be transferred from the customer to the Group. The Group has decided that revenue for installation services should be recognised over time as the customer simultaneously receives and consumes the benefits provided by the Group. The fact that another company would not have to redo the installation that the Group has provided to date shows that the customer simultaneously receives and consumes the benefits of the Group's performance when it is provided.

The Board's assessments of the degree of completion and the final outcome of ongoing projects are critical judgements that are significant for the annual report and the consolidated financial statements. The reported result in ongoing construction projects is based on an input method whereby revenue recognition is based on the project's degree of completion, which in turn is based on costs incurred in relation to the expected costs of completing the installation. This requires an ability to estimate project costs reliably. Effective systems for costing, forecasting procedures and project monitoring are a prerequisite.

Note 6 Cost of production

The Group applies a function-classified income statement. Reclassification between functions has taken place in 2024 to better reflect the costs of each function.
The comparative figures have been updated to contribute to the comparability of the disclosure. The breakdown of the cost of production is as follows:

Cost of goods sold	2024	2023	Adjustment	Previous comparative figures
Purchases of goods	929,302	537,845		537,845
Subcontractors	118,455	93,558		93,558
Personnel	484,173	365,735	14,953	350,782
Vehicle costs	43,550	40,595	40,595	-
Consumables	12,059	11,796	11,796	-
Depreciation and amortisation	34,769	24,024	24,024	-
Change in loss allowance	-923	-4,789		-4,789
Miscellaneous	50	10		10
Total	**1,621,435**	**1,068,774**	**91,368**	**977,406**

Inventories	2024	2023
Inventories	41,906	35,589
Written-down value	-661	-817
Total	**41,245**	**34,772**

Accounting policies

Inventories have been measured at the lower of cost and net realisable value at the balance sheet date. Net realisable value means the estimated selling price of the goods less the costs of disposal. The cost is calculated using the first-in, first-out (FIFO) method and includes the costs of acquiring the goods and bringing the goods to their current state and location. Standardised obsolescence rate of 3% applied at year-end. Physical inventories are conducted at least annually.

Significant estimates and assessments

The Group makes regular estimates and assumptions about aspects such as future market conditions and estimated net selling prices in order to assess the risk of obsolescence. The risk of obsolescence arises particularly in periods when demand falls unexpectedly. Additionally, obsolescence may occur if the Group fails to utilise its inventory in a timely fashion.

Note 7 Costs of disposal

The Group applies a function-classified income statement. Reclassification between functions has taken place in 2024 to better reflect the costs of each function.
The comparative figures have been updated to contribute to the comparability of the disclosure. The breakdown of the cost of sales is as follows:

Costs of disposal	2024	2023	Adjustment	Previous comparative figures
Personnel	83,898	52,676	22,432	30,244
Advertising and public relations	5,850	4,412		4,412
Miscellaneous	2,310	4,129		4,129
Total	**92,058**	**61,217**	**22,432**	**38,785**

Note 8 Administrative costs

The Group applies a function-classified income statement. Reclassification between functions has taken place in 2024 to better reflect the costs of each function.
The comparative figures have been updated to contribute to the comparability of the disclosure. The breakdown of administrative costs is as follows:

Administrative expenses	2024	2023	Adjustment	Previous comparative figures
Personnel	94,414	68,199	-37,384	105,583
Depreciation and amortisation	22,917	17,456	-22,835	40,291
Impairment losses	17,447	9,673	9,673	-
Vehicle costs	-	-	-39,365	39,365
Acquisition-related costs	12,913	15,699		15,699
IT and software	9,411	13,027		13,027
Accounting and auditing	16,054	12,744		12,744
Consumables	-	-	-12,041	12,041
Contracted consultants	15,530	11,618	11,618	-
Capitalised development expenses	-8,582	-4,808		-4,808
Miscellaneous	48,623	26,996	-23,467	50,463
Total	**228,727**	**170,604**	**-113,801**	**284,405**

Note 9 Remuneration to employees and Board of Directors

Average number of employees	2024	Of which men, %	2023	Of which men, %
Parent company	18	56%	17	59%
Subsidiaries				
HVAC	260	93%	204	93%
Electrics	326	95%	266	95%
Security	138	90%	128	89%
Infra	144	96%	104	96%
Other	21	76%	15	80%
Number	**907**	**93%**	**734**	**93%**

	2024		2023	
Board members and senior executives	**Men, %**	**Women, %**	**Men, %**	**Women, %**
Board members	83%	17%	86%	14%
Senior executives	67%	33%	71%	29%

Salaries, wages and social security contributions	2024	2023
Parent company		
Salaries and fees	16,613	13,113
Social security contributions	7,396	5,802
Of which pension costs	1,868	1,464
Subsidiary		
Salaries and fees	440,694	325,130
Social security contributions	181,354	129,481
Of which pension costs	38,691	24,732
Total	**646,057**	**473,526**

The Group operates defined contribution pension plans for certain eligible employees in Sweden. The Group is required to contribute a specified percentage of salary costs to the pension scheme in order to fund the benefits. The Group's only obligation in respect of the pension plan is to pay the specified contributions. The total expense recognised in the income statement represents contributions payable by the Group to the defined contribution plans.

Remuneration of the Group executive

The senior executive team is made up of the Group CEO and the other heads of operations. All staff are employed by the parent company; except the Group CEO, whose remuneration is invoiced by another Group company.

2024	Board fees	Salaries	Other benefits	Social security payments	Pension	Other remuneration	Total remuneration
CEO	-	2,040	-	642	321	-	3,003
Other senior executives (6)	-	3,705	317	1,166	493	4,931	10,612
Chairman of the Board	152	-	-	58	-	-	210
Board members	381	-	-	120	-	-	501
Total remuneration	**533**	**5,745**	**317**	**1,986**	**814**	**4,931**	**14,326**

2023	Board fees	Salaries	Other benefits	Social security payments	Pension	Other remuneration	Total remuneration
CEO	-	1,260	-	440	225	-	1,925
Other senior executives (6)	-	3,196	291	1,096	508	5,678	10,769
Chairman of the Board	59	-	-	18	-	-	77
Board members	351	-	-	110	-	-	461
Total remuneration	**410**	**4,456**	**291**	**1,664**	**733**	**5,678**	**13,232**

All Board members and senior executives are resident in Sweden. No additional remuneration has been paid for services outside the executive role descriptions. No loans or guarantees have been granted to any member of the Group executive, the Board of Directors or any other corporate body.

Accounting policies

Employee benefits refer to all types of compensation that the company provides to employees. The company's benefits include salaries, paid holidays, paid absence, bonuses and post-employment benefits (pensions). These are recognised as they are earned. Post-employment benefits relate to defined contribution pension plans. Defined contribution plans are those plans where fixed contributions are paid and there is no obligation, either legal or constructive, to pay anything in addition to those contributions. Other plans are classified as defined benefit pension plans. The company has no other long-term employee benefits.

Note 10 Remuneration to auditors

The Group applies a function-classified income statement. Auditors' fees are included in administrative expenses.

Auditors' fees	2024	2023
Audit fees to Forvis Mazars		
Audit engagements	3,680	3,066
Audit services	550	630
Total to Forvis Mazars	**4,230**	**3,696**

Audit assignments refer to the audit of the annual report and advisory services resulting from observations made during the audit.

Audit-related services refer to other engagements to ensure the quality of the financial statements, including advice on reporting requirements and internal controls.

Note 11 Other operating income and expenses

Other operating revenue	2024	2023
Gain on sale of fixed assets	6,488	4,600
Compensation for Damages	-	4,000
Personnel-related remuneration	2,056	708
Government grants	796	797
Insurance compensation	2,344	667
Exchange rate gains	129	85
Other operating revenue	2,896	230
Total operating income	**14,709**	**11,087**

Other operating expenses	2024	2023
Bad debts	189	6,624
Loss on sale of fixed assets	3,538	1,265
Capital loss on disposal of subsidiaries1,373	-	
Exchange rate losses	516	169
Other operating expenses	3	268
Total operating expenses	**5,619**	**8,326**

Note 12 Financial income and expenses

Financial income	2024	2023
Interest income	6,318	586
Gain on disposal of financial assets	2,413	425
Dividends	-	65
Other financial income	670	1
Total financial income	**9,401**	**1,077**

Financial expenses	2024	2023
Interest expenses to credit institutions	80,491	19,244
Interest expenses from parent company	2,398	11,686
Interest expenses related to lease liabilities	5,485	3,917
Other interest expenses	2,421	2,374
Contingent consideration recognised through profit or loss	12,687	16,885
Impairment of financial assets	-	10,819
Other financial expenses	8,104	143
Total financial expenses	**111,586**	**65,068**

Accounting policies

Financial income and expenses comprise interest income on bank deposits and receivables, interest expense on borrowings and lease liabilities, dividend income and foreign exchange differences.

The interest component of financial lease payments is recognised in the income statement in accordance with the effective interest method, which means that the interest is allocated so that each reporting period is charged with an amount based on the liability recognised during the period in question.

Note 13 Income tax

Reconciliation of effective tax rate	2024	2023
Reported profit before tax	-36,951	-49,823
Tax on recognised income according to the applicable tax rate in Sweden, 20.6%	7,612	10,264
Tax effect of:		
Non-deductible expenses	-21,215	-17,729
Non-taxable income	3,129	394
Other Group adjustments	-3,456	-2,920
Change in unrecognised loss carryforwards	-3	7,746
Foreign tax rate adjustment	-	-3
Less discontinued operations	-	2,663
Miscellaneous	-2,893	1,007
Recognised tax	**-16,826**	**1,422**
Effective tax rate	Neg	Neg

The Group pays tax on its reported profit in Finland at the current tax rate of 20%.

Tax loss carryforwards	2024	2023
Sweden	48,504	80,690
Total tax loss carryforwards	**48,504**	**80,690**
Unrecognised tax loss carryforwards	-3,433	-3,436
Total recognised tax loss carryforwards	**45,071**	**77,254**

Tax on profit for the year	2024	2023
Current tax	8,544	11,836
Deferred tax	8,282	-13,258
Total tax on profit for the year	**16,826**	**-1,422**

Deferred tax assets	2024	2023
Unutilised tax loss carryforwards	9,285	15,914
Untaxed reserves	-7,538	-2,049
Credit losses	561	556
Right-of-use assets	26,319	-21,773
Lease liabilities	-25,772	22,499
Total deferred tax assets	**2,855**	**15,147**

Change in deferred taxes, net	2024	2023
Opening balance	15,147	4,256
Recognised in profit for the year	-8,282	13,258
Business combinations and disposals	-4,010	-2,367
Closing balance	**2,855**	**15,147**

In 2023, a clarification has been issued on IAS 12 Income Taxes regarding the recognition of deferred taxes related to individual transactions. For the Group, this means recognising deferred tax on lease agreements. Deferred tax assets and deferred tax liabilities amount to the same value and are recognised net in the balance sheet: see the table above.

Accounting policies

Total tax consists of current tax and deferred tax. Taxes are recognised in the income statement; except when the underlying transaction is recognised in other comprehensive income or directly in equity, in which case the related tax effect is recognised in other comprehensive income or equity. Tax assets and liabilities are offset in the balance sheet when there is a legally enforceable right of set-off and when they relate to taxes charged by the same tax authority.

Current tax

Current tax refers to income tax for the current financial year and the part of previous financial years' income tax that has not yet been recorded. Current tax is calculated based on the tax rate applicable on the balance sheet date. This also includes the adjustment of current tax attributable to previous periods.

Deferred tax

Deferred tax is income tax relating to future financial years as a result of previous events. Recording takes place in accordance with the balance sheet method. According to this, deferred tax liabilities and deferred tax assets are recorded on temporary differences arising between the book and tax values of assets and liabilities and for other tax deductions or deficits. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will result in lower tax payments in the future.

Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is not accounted for if it arises from a transaction which constitutes the initial recognition of an asset or liability that is not a business combination and, which at the time of the transaction affects neither accounting nor taxable profit.

Significant estimates and assessments

The deferred tax asset relating to taxable losses has been assessed as recoverable based on estimates of future earnings. Future changes in applicable legislation may affect the deferred tax asset, as well as the right to deduct financial losses.

Note 14 Intangible assets

Intangible assets	Goodwill	Capitalised development costs	Licences and patents	Other intangible assets	Total
Opening acquisition cost, 01/01/2023	**443,008**	**5,648**	**859**	**200**	**449,715**
Business combinations	285,935	-	-	513	286,448
Acquisitions for the year	-	4,808	68	-	4,876
Disposals and retirements	-11,567	-	-	-	-11,567
Exchange differences	-74	-	-	-	-74
Closing acquisition cost, 31/12/2023	**717,302**	**10,456**	**927**	**713**	**729,398**
Business combinations	337,667	-	-	-	337,667
Acquisitions for the year	-	8,520	467	500	9,487
Disposals and retirements	-2,232	-	-	-	-2,232
Exchange differences	165	-	-	-	165
Closing acquisition cost, 31/12/2024	**1,052,902**	**18,976**	**1,394**	**1,213**	**1,074,485**
Opening amortisation and impairment losses, 01/01/2023	**-**	**-62**	**-159**	**-170**	**-391**
Amortisation	-	-	-95	-72	-167
Impairment losses	-10,070	-	-	-	-10,070
Closing amortisation and impairment losses, 31/12/2023	**-10,070**	**-62**	**-254**	**-242**	**-10,628**
Amortisation	-	-226	-116	-74	-416
Disposals and retirements	975	-	-	-	975
Impairment losses	-17,447	-	-	-	-17,447
Exchange differences	-23	-	-	-	-23
Closing amortisation and impairment losses, 31/12/2024	**-26,565**	**-288**	**-370**	**-316**	**-27,539**
Carrying amount, 31/12/2023	**707,232**	**10,394**	**673**	**471**	**718,770**
Carrying amount, 31/12/2024	**1,026,337**	**18,688**	**1,024**	**897**	**1,046,946**

Capitalised expenditure for development work

The subsidiary Eliot Universe AB develops the product Eliot Alpha, which offers a unique platform enabling property owners, landlords and housing associations to communicate with their residents while effectively managing, controlling and monitoring the property around the clock. Eliot Alpha was launched to the market in late 2024 and is now amortised over 10 years. Costs capitalised as development costs for the year amount to SEK 8,582 thousand (4,808). Capitalisation of costs has been carried out in accordance with IAS 38. Costs that do not fulfil the requirements of IAS 38 have been expensed and amount to SEK 2,425 thousand (2,576).

Impairment testing of goodwill

Recognised consolidated goodwill amounts to SEK 1,026,337 thousand (707,232). The breakdown of goodwill by business area is presented in Note 4 – Segment reporting. The Group has recognised impairment losses of SEK 17,447 thousand (10,070) attributable to cash-generating units whose low profitability has led to measures to reduce the scope of operations. For the remaining units, in the opinion of the Group executive there is no significant risk of further impairment of goodwill.

Sensitivity analysis

Alternative calculations have been made to indicate the risk of additional impairment losses by changing the assumptions regarding the discount rate, growth rate and profitability. A change in each of these assumptions, individually, would result in further impairment of the recognised goodwill. The table below shows how the value of goodwill will be affected by changes in various assumptions, given that the other assumptions remain constant:

Impairment indication in case of change in assumptions	HVAC E	lectrics	Security	Infra	Other	Total
Discount rate	+ 1%	- 5,191	-	5,742	727	**11,659**
Growth rate after 5 years	- 1%	- 3,639	-	4,124	532	**8,294**
Impaired profitability	- 1%	- 6,524	-	4,733	346	**11,603**

The sensitivity analysis indicates a risk of further impairment attributable mainly to three business areas. The impairment indications that arise are due to individual units whose forecast for future cash flows is conservative in its assumptions in order to account for potential challenges in case the implemented action plans do not achieve the desired effect.

Accounting policies

Capitalised expenditure for development work

Expenditure on development activities related to a specific project is recognised as an asset in the balance sheet when the Group is able to demonstrate the following:

- the technical feasibility of completing the intangible asset so that it becomes available for use and sale, its intention to complete the intangible asset and use or sell it
- how the intangible asset will generate probable future economic benefits
- the availability of resources to complete the asset
- its ability to reliably measure expenditure during its development.

Capitalised development expenditure is amortised over its expected useful life of 10 years and tested annually for impairment.

Capitalised expenses are netted against costs incurred in the income statement under the heading Administrative expenses

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is tested annually for impairment losses and is recognised at cost less accumulated impairment losses.

Other intangible assets

Other intangible assets acquired by the Group are recognised at cost less accumulated depreciation and impairment losses. The Group's other intangible assets mainly include patents and licences which are capitalised on the basis of the expenditure incurred in acquiring the asset and bringing it into use. Expenditure is capitalised insofar as the likely economic benefits exceed the expenditure.

Other intangible assets are amortised over their expected useful lives of 5–10 years and are tested for impairment when there are internal or external indications of impairment.

Amortisation

Amortisation according to plan is based on the original cost less any residual value. Amortisation is calculated using the straight-line method over the useful life of the asset and is recognised as an expense in the income statement. Depreciation is charged from the accounting period in which the asset becomes available for use.
The following depreciation periods are applied:

Development expenses	10 years
Licences and patents	10 years
Other intangible assets	5–10 years

Impairment of intangible assets

Assets with an indefinite useful life, such as goodwill, are not subject to depreciation and amortisation and are tested annually for impairment losses and whenever there are indications of impairment losses. Assets subject to depreciation and amortisation are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Previously recognised impairment losses are reversed if the conditions on which the recognised impairment losses were based are no longer applicable. Impairment losses are reversed insofar as the capitalised amount after reversal does not exceed the capitalised amount, net of depreciation, that would have been determined had no impairment loss been recognised. Impairment of goodwill is not reversed.

At least annually, the Group tests goodwill for impairment at subsidiary level, which is considered the smallest cash-generating unit, in conjunction with the annual financial statements. The recoverable amount per cash-generating unit has been determined based on calculations of value in use. The calculations are based on estimated future cash flows from financial plans approved by the Group executive.

Significant estimates and assessments

Goodwill is assessed for impairment at least annually by calculating its recoverable amount. Estimated future cash flows based on internal business plans and forecasts are used to determine the value in use. Although the Group executive believes that the estimated future cash flows are reasonable, other cash flow assumptions may significantly affect the valuations made.

Discount rate

The discount rate is based on the weighted average cost of capital (WACC). The discount rate reflects the current market rate of interest in the industry in which the cash-generating unit is compared. The cost of equity has been calculated on the basis of the capital asset pricing model (CAPM).
An interest rate of 11.7 per cent has been used to discount the cash flows for all units. This is based on a risk-free rate of 1.98 per cent, plus a systematic risk premium of 6.1 per cent, a specific risk premium of 1.3 per cent and a volatility premium of 2.99. The risk premium is based on observations of similar companies listed on the Stockholm Stock Exchange.

Key assumptions in the financial plans include projected cash flows, inflation and growth rates, which are based on published statistics on industry developments and market conditions. Forecast cash flows are based on the established budget for the coming year, which is approved by the Group's Board of Directors. Projected cash flows have been discounted to present value using a weighted average cost of capital (WACC). A pre-tax discount rate of 11.7 per cent has been used for all cash-generating units.

Growth rate

The growth rate over the period is assumed to be 7.0 per cent based on the management's expectations for the development of the Group. Based on available information and knowledge of the market, the management expects to see a slight increase in growth for the coming years. The management's expectations are based on historical developments in trends and public sector analysis. There may be a need for ex-post adjustments as a consequence of the uncertainty in expectations.

Note 15 Tangible assets

Tangible assets	Buildings and land	Machinery	Equipment expenditure	Improvement in progress	Construction	Total
Opening acquisition value, 01/01/2023	**-**	**2,206**	**28,574**	**1,629**	**-**	**32,409**
Business combinations	-	197	2,156	223	-	2,576
Acquisitions for the year	-	126	6,240	755	-	7,121
Disposals and retirements	-	-284	-9,359	-109	-	-9,752
Exchange differences		-	-4	-		-4
Closing acquisition cost, 31/12/2023	**0**	**2,245**	**27,607**	**2,498**	**0**	**32,350**
Business combinations	493	37	5,075	423	-	6,028
Acquisitions for the year	-	162	3,552	1,158	277	5,149
Disposals and retirements	-	-170	-9,777	-	-	-9,947
Exchange differences	-		4	-	-	4
Closing acquisition cost, 31/12/2024	**493**	**2,274**	**26,461**	**4,079**	**277**	**33,584**
Opening depreciation and impairment losses, 01/01/2023	**-**	**-1,822**	**-17,188**	**-580**	**-**	**-19,590**
Depreciation	-	-171	-3,670	-136	-	-3,977
Disposals and retirements	-	132	6,393	43	-	6,568
Reclassifications	-	-117	124	-6	-	1
Exchange differences	-	-	1	-	-	1
Closing depreciation and impairment losses, 31/12/2023	**0**	**-1,978**	**-14,340**	**-679**	**0**	**-16,997**
Depreciation	-28	-97	-5,106	-336	-	-5,567
Disposals and retirements	14	8	5,851	-	-	5,873
Reclassifications	-	-	-	-	-	0
Exchange differences	-	-	-1	-	-	-1
Closing depreciation and impairment losses, 31/12/2024	**-14**	**-2,067**	**-13,596**	**-1,015**	**0**	**-16,692**
Carrying amount, 31/12/2023	**0**	**267**	**13,267**	**1,819**	**0**	**15,353**
Carrying amount, 31/12/2024	**479**	**207**	**12,865**	**3,064**	**277**	**16,892**

Accounting policies

Tangible assets is recognised in the balance sheet when it is controlled by the Group, is expected to generate future economic benefits and is measurable. Tangible assets are recognised at cost after deduction of accumulated depreciation and any impairment losses. Cost includes the purchase price and costs directly attributable to the asset to put it in place in working order so that it can be used in accordance with the intended purpose of the acquisition. Repair and maintenance expenditure is recognised in the income statement in the period in which it is incurred.

The carrying amount of an item of tangible assets is derecognised on disposal or retirement, or when no future economic benefits are expected from its use. The gain or loss on disposal or retirement is the sale price and the carrying amount of the asset less direct selling costs. The result is recognised as other operating income/expense.

Depreciation

Depreciation according to plan is based on the original cost less any residual value.
Depreciation is calculated using the straight-line method over the useful life of the asset and is recognised as an expense in the income statement. Depreciation is charged from the accounting period in which the asset becomes available for use. The following depreciation periods are applied:

Buildings	50 years
Land	Not amortised
Machinery	5–10 years
Equipment and vehicles	3–5 years
Improvement to third party property	15–20 years

Note 16 Right-of-use assets

Right-of-use assets	Buildings and land	Machinery	Equipment and vehicles	Total
Opening acquisition value, 01/01/2023	33,874	2,128	37,340	73,342
Acquisitions for the year	35,191	-	49,498	84,689
Contract revaluation	2,411	-	-251	2,160
Disposals and retirements	-3,203	-	-9,508	-12,711
Closing acquisition cost, 31/12/2023	**68,273**	**2,128**	**77,079**	**147,480**
Acquisitions for the year	16,575	-	52,916	69,491
Contract revaluation	2,709	-	500	3,209
Disposals and retirements	-6,699	-2,128	-19,125	-27,952
Closing acquisition cost, 31/12/2024	**80,858**	**-**	**111,370**	**192,228**
Opening depreciation and impairment losses, 01/01/2023	**-6,456**	**-89**	**-10,618**	**-17,163**
Depreciation	-13,444	-355	-23,537	-37,336
Disposals and retirements	3,203	-	9,507	12,710
Closing depreciation and impairment losses, 31/12/2023	**-16,697**	**-444**	**-24,648**	**-41,789**
Depreciation	-16,937	-266	-34,454	-51,657
Disposals and retirements	6,092	710	16,865	23,667
Closing depreciation and impairment losses, 31/12/2024	**-27,542**	**-**	**-42,237**	**-69,779**
Carrying amount, 31/12/2023	51,576	1,684	52,431	105,691
Carrying amount, 31/12/2024	53,316	-	69,133	122,449

As a lessee, the Group has lease agreements mainly for premises, machinery and company cars. Each lease agreement is reflected in the balance sheet as a fixed asset and a liability, with the exception of short-term lease agreements and lease agreements for which the underlying asset is of low value. Variable lease payments that are not based on an index or a price are not included in the initial measurement of the lease liability and asset. Each lease generally contains a restriction that the right-of-use asset can only be used by the Group, unless there is a contractual right for the Group to sublease the asset to another party. Lease agreements either cannot be terminated or can only be terminated by charging a substantial termination fee. Some lease agreements contain an option to purchase the underlying leased asset at the end of the lease term, or to extend the lease agreement for a further term.

The right-of-use assets are classified in the balance sheet in the same way the underlying asset would be recognised if owned and are shown in the table below.

Impact on profit or loss of lease agreements	2024	2023
Lease expenses related to short-term lease agreements	1,936	1,293
Lease expenses related to low-value assets	637	-
Variable charges	3,010	4,813
Impact on profit or loss of leases	**5,583**	**6,106**

Change in lease liabilities	2024	2023
Opening lease liability	107,416	57,097
Additional lease liability	71,551	86,806
Additional interest expense	5,485	4,027
Repayment of lease liabilities	-56,639	-40,520
Contracts concluded	-4,323	6
Total lease liabilities	123,490	107,416

The lease agreements contain no restrictions regarding the Group's dividend policy or financing opportunities. The Group has no significant residual value guarantees attached to the lease agreements.

Accounting policies

Right-of-use assets

The Group applies the same accounting and valuation method for all lease agreements, except for short-term lease agreements and lease agreements for low-value assets where the exemption rule is applied. The Group recognises lease liabilities for lease payments and right-of-use assets that represent the right to use the underlying assets.

The Group recognises right-of-use assets at the commencement date of the lease agreement, i.e. the date on which the underlying asset is available for use. Current assets are valued at acquisition value less accumulated depreciation and impairment losses, and adjusted for revaluation of lease liabilities. The cost of right-of-use assets initially includes the present value of the lease liability, initial direct costs and lease payments made on or before the commencement date, less any benefits received.

Lease liabilities

At the commencement date of the lease agreement, the Group recognises the lease liability at the present value of the lease payments to be made during the lease term. Lease payments include fixed charges net of any receivable for benefits arising from the signing of the lease agreement, variable lease payments that depend on an index or price and amounts expected to be paid under residual value guarantees. The lease agreement also includes the exercise price of a call option that is reasonably expected to be exercised by the Group and penalties payable on termination of the lease agreement if the lease term reflects the fact that the Group will exercise the option to terminate the lease agreement. The Group uses its incremental borrowing rate at the commencement date of the lease agreement when calculating the present value of the lease payments, as the interest rate implicit in the lease agreement is not readily determinable. The carrying amount of the lease liability is increased after the commencement date to reflect interest and decreased to reflect lease payments. Additionally, the carrying amount of the lease liability is remeasured in the event of modification of the lease agreement, a change in the lease term, or to reflect a change in lease payments or a change in the assessment of an option to purchase the underlying asset. When calculating the present value of the lease payments, the Group uses its incremental borrowing rate at the commencement date of the lease agreement, as the interest rate implicit in the lease agreement is not readily determinable. The carrying amount of the lease liability is increased after the commencement date to reflect interest and decreased to reflect lease payments. Additionally, the carrying amount of the lease liability is remeasured in the event of a modification of the lease agreement, a change in the lease term, or to reflect a change in lease payments or a change in the assessment of an option to purchase the underlying asset.

Variable lease payments, as well as short-term lease agreements and low-value assets

The Group applies the short-term lease agreement exemption to its short-term lease agreements, i.e. those lease agreements with a lease term of 12 months or less from the commencement date and which do not include a purchase option. The exemption also applies to lease agreements for which the underlying asset has a low value. Lease payments on short-term lease agreements and lease agreements for low-value assets are recognised as expenses on a straight-line basis over the lease term.

The Group applies a threshold of SEK 50,000 for an asset to be considered low value and therefore amortised on a straight-line basis over the lease term.

In addition to the lease liabilities above, the Group has committed to pay variable lease payments for some of its lease agreements. The variable lease payments are expensed as they are incurred.

Depreciation

Depreciation according to plan is based on the original cost less any residual value. Depreciation is calculated using the straight-line method over the useful life of the asset and is recognised as an expense in the income statement. Depreciation is charged from the accounting period in which the asset becomes available for use. Right-of-use assets are amortised on a straight-line basis over the lease term or the useful life of the asset, whichever is the shorter. Depreciation is calculated using the estimated useful life of the asset if the ownership of the leased assets is transferred to the Group at the end of the lease term or if the cost reflects the exercise of a purchase option.

Significant estimates and assessments

The management regularly reassesses the useful lives of all significant assets. If circumstances change in such a way that the estimated useful life needs to be revised, this may result in additional amortisation in future periods.

Note 17 Discontinued operations

The Group decided to divest Bäkmarks VVS AB in 2023 as the business failed to deliver the profitability expected at the time of acquisition. Bäkmarks VVS has essentially carried out turnkey contracts, which resulted in high turnover at low margins compared to the other cash-generating units. After divestment, there are no similar activities that are essentially turnkey. The disposal was planned to be carried out the same year through a buyback by the previous owner.

Income statement	**2024**	**2023**
Net sales	-	66,389
Cost of goods sold	-	-71,457
Gross profit	**-**	**-5,068**
Administrative expenses	-	-8,161
Other operating income	-	408
Other operating expenses	-	-23
Total other operating items	**-**	**-7,776**
Operating profit	**-**	**-12,844**
Financial items		
Financial income	-	59
Financial expenses	-	-10,715
Total financial items	**-**	**-10,656**
Profit before tax	**-**	**-23,500**
Tax on the profit for the year	-	-
Profit for the year	**-**	**-23,500**

Net cash flow	**2024**	**2023**
From operating activities	-	-19,497
From investment activities	-	-
From financing activities	-	-94
Net cash flow	**-**	**-19,591**

Accounting policies

An asset or disposal group held for sale is classified separately from other items in the balance sheet, such as assets held for sale and liabilities held for sale, respectively. This classification is made from the time when the management has decided to sell and the sale is expected to take place at a market price within one year of the decision being made. A discontinued operation is an operation that is either classified as a disposal group that is for sale, or an operation that has been disposed of, and relates to either an independent operating segment or independent geographical market, or a subsidiary acquired exclusively with a view to resale.

Income and expenses from a discontinued operation are recognised net on a line in the income statement, i.e. separately from continuing operations. Capital gains/losses from discontinued operations are included in profit from discontinued operations. All comparative years presented for discontinued operations are also adjusted, i.e. the results of discontinued operations are presented on one line for all financial years presented.

Note 18 Trade receivables

Trade receivables	2024	2023
Trade receivables, gross	309,032	232,481
Provision for doubtful debts	-8,009	-10,317
Total trade receivables	**301,023**	**222,164**

Change in provision for doubtful debts	2024	2023
Opening balance	10,317	8,430
Additions from business combinations	769	2,094
Additions for the year	1,224	2,390
Reversal	-4,274	-3,253
Changes in loss allowance	-27	656
Closing balance	**8,009**	**10,317**

Ageing analysis of trade receivables as at 31 Dec 2024	Total	Not past due	<30 days	30-90 days	90-180 days	> 180 days
Trade receivables, gross	309,032	253,852	39,511	6,352	2,684	6,634
Provision for doubtful trade receivables	-5,408	-	-362	-75	-340	-4,631
Loss allowance for doubtful trade receivables	-2,601	-116	-13	-314	-586	-1,572
Total trade receivables	**301,023**	**253,735**	**39,135**	**5,964**	**1,758**	**431**

Ageing analysis of trade receivables as at 31 Dec 2023	Total	Not past due	<30 days	30-90 days	90-180 days	> 180 days
Trade receivables, gross	232,481	200,257	15,467	6,650	3,620	6,487
Provision for doubtful trade receivables	-7,620	-	-	-679	-2,674	-4,267
Loss allowance for doubtful trade receivables	-2,697	-1,116	-40	-236	-222	-1,083
Total trade receivables	**222,164**	**199,141**	**15,427**	**5,735**	**724**	**1,137**

Reference is made to the Group's credit risk related to trade receivables in Note 22 – Financial instruments and risks.

Accounting policies

Trade receivables consist of amounts due from customers for the sale of the Group's products and services. Accounts receivable are initially recognised at the transaction price. The Group holds trade receivables for the purpose of collecting contractual cash flows, and therefore measures them at subsequent reporting dates at amortised cost using the effective interest method.

For trade receivables, the loss allowance is initially based on an individual assessment of each receivable. According to the Group's finance policy and IFRS 9, credit losses are based on either specific or non-specific risk. Gains and losses are recognised in the income statement when the asset is recognised, modified or impaired. Other expected credit losses are calculated on the basis of an impairment ladder for all overdue accounts receivable as well as a percentage-based provision for all non-overdue accounts receivable and contract assets, based on historical credit loss experience. Observations and estimates are updated on each reporting occasion. Credit losses are recognised as other operating expenses.

Significant estimates and assessments

Trade receivables consist of amounts due from customers for the sale of the Group's products and services. Accounts receivable are initially recognised at the transaction price. The Group holds trade receivables for the purpose of collecting contractual cash flows, and therefore measures them at subsequent reporting dates at amortised cost using the effective interest method.

Assessments of the relationship between historically observed insolvencies, projected conditions and expected loan loss provisions present a challenge. Provisions for loan losses are sensitive to changes in future economic conditions. The bankruptcy's historical credit losses and financial forecasts may also potentially be unrepresentative of customers' possible future payment difficulties.

Note 19 Adjustments for items not included in cash flow

	2024	2023
Depreciation and impairment losses	75,133	40,186
Capital gain/loss on disposal of fixed assets	-3,104	-3,679
Capital gain on disposal of subsidiaries	1,374	-
Miscellaneous	-	-3,917
Total	**73,403**	**32,590**

Note 20 Cash and cash equivalents

Sparc Group AB (publ) is the holder of a Group-wide cash pool account with Nordea. Cash and cash equivalents essentially consist of short-term bank deposits in addition to an immaterial cash balance. The Group also has an overdraft facility at its disposal, as specified below.

Bank overdraft facilities	2024	2023
Credit granted	150,000	60,000
Bank guarantees	-17,797	-15,773
Credit utilised	-81,114	-36,049
Unutilised credit	**51,089**	**8,178**

Note 21 Equity

Share capital

All shares are fully paid up and have equal voting and dividend rights. The shares are divided into class A shares, which carry 10 votes, and class B shares, which carry 1 vote.

Shares issued (thousands)	2024	2023
Class A shares		
At start of year	10,000	10,000
At end of year	**10,000**	**10,000**
Class B shares		
At start of year	26,012	23,544
New share issue	2,108	2,468
At end of year	**28,120**	**26,012**
Total shares issued	**38,120**	**36,012**

Other contributed capital

Other contributed capital refers to the amount paid to shareholders for shares that exceed their nominal value. Total equity consists of equity attributable to owners of the parent company and non-controlling interests. It also consists of subscribed share options from issued option programmes.

Share option programme	Number	Issued	Redemption
2021/2025	500,000	Dec 2021	Dec 2025
2021/2026	500,000	Dec 2022	Dec 2026

Reserves

Reserves consist of the translation reserve, which encompasses all foreign exchange gains and losses that arise when translating the financial statements of foreign operations that have prepared their financial statements in a currency other than the Group's presentation currency.

Accounting policies

Equity is divided into capital attributable to equity holders of the parent company and non-controlling interests. Value transfers in the form of dividends from the parent company and the Group must be based on the opinion of the Board of Directors on the dividend proposal. This statement must take into account the prudence rule set out in the law to avoid dividends being distributed in excess of what is covered.

Note 22 Financial instruments and risks

Financial assets	2024	2023
Other non-current receivables	3,667	2,191
Trade receivables	301,023	222,164
Contract assets	104,271	77,071
Accrued income	11,635	3,232
Cash and cash equivalents	18,803	4,500
Total financial assets	**439,399**	**309,158**

Financial liabilities	2024	2023
Non-current interest-bearing liabilities	679,331	310,796
Current interest-bearing liabilities	116,507	153,684
Contingent consideration	30,075	26,834
Trade payables	191,375	151,134
Accrued expenses	17,049	14,455
Total non-current liabilities	**1,034,337**	**656,903**

Contingent considerations are measured at fair value through profit or loss. All other financial assets and financial liabilities are measured at amortised cost.

Contingent consideration	2024	2023
Opening balance	26,834	11,116
Business combinations	25,675	23,400
Disbursement	-34,495	-24,567
Share issue	-625	-
Adjustment to profit or loss	12,686	16,885
Closing balance	**30,075**	**26,834**

Range	Minimum	Selected interval	Maximum
2024	-	30,075	81,975
2023	-	26,834	35,550

Change in interest-bearing liabilities	01/01/2024	Cash flow	New leases	Acquisitions	Capitalised interest	Other changes	31/12/2024
Liabilities to credit institutions	314,459	364,616	-	-	-	-	679,075
Bank overdraft facilities	36,049	45,065	-	-	-	-	81,114
Lease liabilities	107,415	-51,154	69,491	-	-	-2,263	123,489
Liabilities to Group companies	69,872	-72,270	-	-	2,398	-	0
Promissory notes linked to business combinations	44,101	-13,500	-	5,000	-	-208	35,393
Total	**571,896**	**272,757**	**69,491**	**5,000**	**2,398**	**-2,471**	**919,071**

Change in interest-bearing liabilities	01/01/2023	Cash flow	New leases	Acquisitions	Capitalised interest	Other changes	31/12/2023
Liabilities to credit institutions	177,028	136,767	-	-	-	664	314,459
Bank overdraft facilities	392	35,657	-	-	-	-	36,049
Lease liabilities	57,097	-36,493	84,645	-	-	2,166	107,415
Liabilities to Group companies	7,236	57,959	-		11,686	-7,009	69,872
Promissory notes linked to business combinations	13,634	-37,637	-	68,148	-	-44	44,101
Total	**255,387**	**156,253**	**84,645**	**68,148**	**11,686**	**-4,223**	**571,896**

Asset management

The primary focus of the Group's asset management is to ensure that it maintains a strong credit rating and a healthy capital ratio in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. The Group may adjust dividends to shareholders, return capital to shareholders or issue new shares in order to maintain or adjust the capital structure. The Group monitors capital using a leverage ratio, which is net debt divided by total capital plus net debt.

Net debt	2024	2023
Non-current interest-bearing liabilities	679,331	310,796
Current interest-bearing liabilities	116,507	153,684
Lease liabilities	123,489	107,415
Contingent consideration	30,075	26,834
Cash and cash equivalents	-18,803	-4,500
Net debt (-)	**930,599**	**594,229**

Management of financial risks

In its day-to-day operations, Sparc Group is exposed to various types of financial risks arising from the market and financing practices applied by the Group, which affect the Group's performance to varying degrees. The main risks affecting the business are related to liquidity, trade receivables and interest rates. Financial risks are monitored and managed at Group level.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its payments due to insufficient liquidity and/or difficulties in obtaining credit from external lenders. The Group must ensure that sufficient cash is available by entering into financing agreements in order to finance its activities and mitigate the effects of fluctuations in cash flows. All companies within the Group are exposed to varying degrees of liquidity risk in their respective operations. That is why liquidity planning forms part of the daily activities of the finance function, where liquidity forecasts are prepared on an ongoing basis in order to increase predictability and ensure good foresight in the event of loan maturities and planning of future business acquisitions.

Cash and cash equivalents are also an important component of the Group's existing growth strategy through business combinations. The Group uses a cash pool structure which facilitates the efficient utilisation of available funds within the Group. The cash pool helps to reduce the utilisation of existing loan facilities, and the continuous cash flow forecasts help to reduce external financing and thus also financing costs.

Much of the Group's financing is through external borrowing, which is part of the long-term business strategy. Financing is secured through long-term partnerships and agreements with credit institutions. Covenants for outstanding loans have been agreed with P Capital Partners. The Group was in compliance with all covenant requirements as at the balance sheet date.

The table below summarises the Group's financial liabilities broken down by the time remaining at the balance sheet date until the contractual maturity date. The amounts shown in the table below are undiscounted cash flows:

Liabilities at 31 Dec 2024	< 1 year	1 < 2 years	2 < 3 years	3 < 4 years	4 < 5 years	> 5 years
Liabilities to credit institutions	65,172	64,818	64,818	64,818	743,539	-
Lease liabilities	55,082	43,979	20,558	7,153	4,330	1,465
Promissory notes linked to business combinations	35,596	-	-	-	-	-
Contract liabilities	42,474	-	-	-	-	-
Trade payables	191,375	-	-	-	-	-
Total	**389,699**	**108,797**	**85,376**	**71,971**	**747,869**	**1,465**

Liabilities at 31 Dec 2023	< 1 year	1 < 2 years	2 < 3 years	3 < 4 years	4 < 5 years	> 5 years
Liabilities to credit institutions 1)	64,550	64,365	63,525	63,525	63,525	613,525
Lease liabilities	42,474	32,897	20,176	8,360	5,448	5,150
Loans from parent company 1)	-	-	-	-	-	-
Promissory notes linked to business combinations	14,284	32,302	-	-	-	-
Contract liabilities	19,140	-	-	-	-	-
Trade payables	151,134	-	-	-	-	-
Total	**291,582**	**129,564**	**83,701**	**71,885**	**68,973**	**618,675**

1) As of 10 January 2024, a financing partnership was initiated with P Capital Partners which settled the debt issued by Nordea and the parent company to Sparc Group AB (publ) and replaced it with financing of SEK 550,000 thousand, which will be settled in full after 5 years. Liabilities to Nordea and the parent company continue to be presented as non-current in the balance sheet, as no repayments were made during 2024 and they are instead being replaced by another financier.

Currency risk

Currency risk is the risk that future cash flows will fluctuate due to changes in exchange rates. The Group is very limited in its exposure to changes in the value of SEK relative to other currencies, as only an insignificant portion of the Group's operating activities are conducted in foreign currency.

Credit risk

Customers' credit risk is assessed locally to ensure that products and services are sold only to customers with a satisfactory credit history. Customer credit in the form of payment days is granted only after a credit evaluation has been carried out. To strengthen the security of individual major contracts, an authorisation scheme has been implemented whereby tenders in excess of SEK 1,000 thousand must be approved by the respective business area manager and tenders in excess of SEK 5,000 thousand must also be approved by the Group CEO.
See also Note 18 – Trade receivables for information regarding age distribution and provisioning of the Group's outstanding trade receivables.

Interest rate risk

The Group's external borrowings are mainly at floating rates, resulting in an interest rate risk that has a direct impact on the Group's profit in the event of changes in the interest rate market. Options such as interest rate swaps and fixed-rate loans are reviewed regularly in order to limit the impact of a rise in interest rates. A 1% increase in the Group's interest-bearing financial liabilities, with all other variables remaining constant, has a negative impact on the Group's profit and equity before tax of SEK 7,455 thousand (4,136).

Accounting policies

Financial assets

The Group classifies its financial instruments in the following categories: financial assets at fair value through either profit or loss and other comprehensive income, or financial assets at amortised cost. The classification is based on the Group's business model for managing financial assets and the contractual terms of cash flow assets. The management determines the classification of financial assets at initial recognition. The Group has financial assets only in the amortised cost category.

Purchases and sales of financial assets are recognised on trade date, the date on which the Group commits to purchase or sell the asset. Financial assets are removed from the balance sheet when the right to receive cash flows from the asset has expired or been transferred and the Group has essentially transferred all risks and benefits associated with the right of ownership. The Group assesses expected credit losses and recognises a loss allowance at each reporting date. The loss allowance is based on assumptions regarding the risk of default and expected loss levels. The Group makes its own judgements about assumptions and choices regarding inputs to the calculation of impairment losses. These are based on historical data, known market conditions and forecasts at the end of each reporting period.

Financial liabilities

The Group classifies its financial liabilities in the following categories: liabilities measured at amortised cost. The Group has financial liabilities in the amortised cost category only.

Interest-bearing liabilities are initially recognised at fair value, which usually corresponds to cost. Interest-bearing liabilities are subsequently recognised at amortised cost and any difference between the proceeds, and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fair value

The fair value of financial assets and liabilities is determined according to three levels, depending on the available market information used for valuation. Level 1 is quoted prices in active markets for identical assets or liabilities that the unit has the ability to access at the measurement date. Level 2 is inputs other than the quoted prices included in Level 1 that are directly or indirectly observable for the asset or liability. In Level 3, the valuation is based on unobservable inputs for the asset or liability.

Contingent consideration

Contingent consideration is classified as a financial liability, with subsequent changes in fair value recognised through profit or loss in financial items.

Significant estimates and assessments

The majority of business combinations are agreed with a contingent consideration based on the acquired company's operating profit over the next 12 or 24 months. Thus an assessment of the future performance over the agreed period is required in order to value the total purchase price of the business combinations.
The assessment is based on forecasts of the results for the period, which are prepared at the time of acquisition.

Note 23 Interim receivables and payables

Prepaid expenses and accrued expenses	2024	2023
Accrued income	11,635	3,232
Prepaid rental costs	3,750	3,456
Prepaid insurance costs	1,964	1,312
Prepaid lease payments	2,781	1,077
Prepaid financing costs	24,602	-
Other prepaid expenses	21,355	11,256
Total financial assets	**66,087**	**20,333**

Prepaid expenses and accrued income	2024	2023
Accrued salaries	12,262	9,509
Accrued holiday liabilities	54,593	41,701
Accrued social security contributions	33,933	26,696
Accrued interest expense	1,852	1,033
Other deferred income	660	1,696
Other accrued expenses	15,197	13,422
Total non-current liabilities	**118,497**	**94,057**

Note 24 Pledged assets

The Group has pledged all shares in subsidiaries in excess of the agreed enterprise value of SEK 20 million as collateral for loans and credits to P Capital Partners and Nordea.
The calculation of pledged shares is calculated at consolidated value.

Collateral pledged for liabilities to credit institutions	2024	2023
Corporate mortgages	102,800	102,450
Pledged shares in subsidiaries	1,025,926	687,791
Assets under retention of title	-	3,076
Pledged bank balances	-	588
Miscellaneous	587	515
Total collateral pledged	**1,129,313**	**794,420**

Note 25 Transactions with associates

FeBe Group is the parent company of Sparc Group AB (publ). FeBe Group prepares consolidated financial statements that include Sparc Group AB (publ), in addition to other sub-groups. The Group has varying transactions with related parties and aims to assist with central administrative activities. All transactions have been carried out in the ordinary course of business and at arm's length prices.

For information on remuneration to the Board of Directors and senior management, please refer to Note 9 – Remuneration to employees and Board of Directors.

2024	FEBE Group	Key individuals	Total
Purchases from related parties	11,216	12,229	**23,445**
Liabilities to related parties	-	2,148	**2,148**

2023	FEBE Group	Key individuals	Total
Purchases from related parties	9,751	10,947	**20,698**
Liabilities to related parties	70,899	3,967	**74,866**

Note 26 Events after the balance sheet date – Group

On 3 March 2025, Sparc Group AB (publ) issued senior secured bonds in a nominal amount of SEK 1,100 million within a framework of SEK 1,500 million, which have been listed on NASDAQ Transfer Market. The bonds were used to refinance the outstanding credit with P Capital Partners and will otherwise be used to finance future acquisitions with a view to accelerating the expansion of the Group.

The Group has continued the pace of acquisitions and has acquired three companies in the new financial year, two in the Infra business area and one in HVAC. Additionally, two subsidiaries have been divested where previous managers chose to continue running the companies independently.

Parent company income statement

SEK 000	Note	2024	2023
Net sales		30,433	68,642
Operating expenses			
Sales expenses		-4,506	-3,163
Administrative expenses	28,29,30	-54,120	-46,138
Other operating income		26,640	7,705
Other operating expenses		-787	-5,793
Total other operating items		**-32,773**	**-47,389**
Operating profit	**9**	**-2,340**	**21,253**
Financial items			
Interest receivable and similar income	31	6,493	29,920
Impairment losses on financial fixed assets		-	-734
Interest expense and similar expenses	31	-94,137	-31,296
Total financial items		**-87,644**	**-2,110**
Profit after financial items		**-89,984**	**19,143**
Appropriations			
Group contributions received		90,390	44,750
Group contributions paid		-22,270	-136,067
Total appropriations		**68,120**	**-91,317**
Profit before tax		**-21,864**	**-72,174**
Tax on profit for the year	32	-9,507	14,555
Profit for the year		**-31,371**	**-57,619**

Parent company statement of comprehensive income

SEK 000	Note	2024	2023
Profit for the year		-31,371	-57,619
Comprehensive income for the year		**-31,371**	**-57,619**

Parent company balance sheet

SEK 000	Note	31/12/2024	31/12/2023
Assets			
Fixed assets			
Intangible assets			
Patents and licences		1,024	667
Other intangible assets		500	0
Total intangible assets	**34**	**1,524**	**667**
Tangible assets			
Equipment and vehicles		2,501	2,664
Improvement to third party property		1,244	832
Total tangible assets	**34**	**3,745**	**3,496**
Financial fixed assets			
Participations in Group companies	33	1,346,255	33,025
Receivables from Group companies		-	813,231
Deferred tax assets	32	5,048	14,555
Other non-current receivables		85	495
Total financial fixed assets		**1,351,388**	**861,306**
Total fixed assets		**1,356,657**	**865,469**
Current assets			
Current receivables			
Trade receivables		558	444
Receivables from Group companies		66,363	102,440
Other receivables		3,222	6,904
Tax receivables		1,710	-
Prepaid expenses and accrued income	35	48,765	56,509
Cash and bank balances	38	272	103
Total current assets		**1,477,547**	**1,031,869**
TOTAL ASSETS		**1,477,547**	**1,031,869**

Parent company balance sheet	Note	31/12/2024	31/12/2023
Equity and liabilities			
Equity			
Restricted equity			
Share capital	21	762	720
Total restricted equity		**762**	**720**
Non-restricted equity			
Share premium reserve		533,007	405,483
Retained earnings		-54,618	3,001
Profit for the year		-31,371	-57,619
Total non-restricted equity		**447,018**	**350,865**
TOTAL EQUITY		**447,780**	**351,585**
Non-current liabilities			
Liabilities to credit institutions		678,721	198,594
Liabilities to Group companies		-	69,872
Total non-current liabilities	**36**	**678,721**	**268,466**
Current liabilities			
Bank overdraft facilities	20	81,114	36,049
Liabilities to credit institutions	36	-	114,000
Trade payables		7,723	8,288
Liabilities to Group companies		252,517	240,345
Tax liabilities		-	1,785
Other liabilities		1,259	3,551
Prepaid expenses and accrued income	35	8,433	7,800
Total current liabilities		**351,046**	**411,818**
TOTAL LIABILITIES		**1,029,767**	**680,284**
TOTAL EQUITY AND LIABILITIES		**1,477,547**	**1,031,869**

Statement of changes in parent company equity

	Restricted equity		Unrestricted equity		
SEK 000	**Share capital**	**Share premium reserve**	**Retained earnings**	**Profit or loss for the year**	**Total**
Opening equity 01/01/2023	**335**	**286,171**	**-1,594**		**286,507**
Transfer of previous year's profit or loss			1,594	-1,594	-
New share issue	385	120,107			120,492
Capital acquisition costs		-795			-795
Tax effect of capital acquisition costs			3,000		3,000
Profit or loss for the year				-57,619	-57,619
Closing equity, 31/12/2023	**720**	**405,483**	**3,001**	**-57,619**	**351,585**
Transfer of previous year's profit or loss			-57,619	57,619	-
New share issue	42	127,524			127,566
Profit or loss for the year				-31,371	-31,371
Closing equity, 31/12/2024	**762**	**533,007**	**-54,618**	**-31,371**	**447,780**

Parent company cash flow statement

SEK 000	Note	31/12/2024	31/12/2023
Operating activities			
Operating profit		-2,340	21,253
Adjustment for items not included in cash flow	37	1,100	-3,402
Interest received		792	19
Interest paid		-84,758	-19,610
Income tax paid		1,896	-5,700
Cash flow from operating activities before changes in working capital		**-83,310**	**-7,440**
Changes in working capital			
- Increase / + decrease in operating receivables		6,562	-32,060
+ Increase / – decrease in operating liabilities		99,790	3,030
Cash flow from operating activities		**23,042**	**-36,470**
Investment activities			
Financing of acquisitions via subsidiaries		-327,731	-204,727
Acquisition of tangible assets		-1,236	-3,269
Acquisition of intangible assets		-967	-68
Sale of fixed assets		410	-
Cash flow from investing activities		**-329,524**	**-208,064**
Financing activities			
New share issue and options		-	12,801
Loans raised		664,697	35,657
Repayment of loans		-403,111	277,686
Change in overdraft facility		45,065	-81,569
Cash flow from financing activities		**306,651**	**244,575**
Cash flow for the year		169	41
Cash and cash equivalents at beginning of year		**103**	**62**
Cash and cash equivalents at year-end	38	**272**	**103**

Parent company notes

Note 27 Accounting policies

The annual report for the parent company has been prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for legal entities. RFR 2 means that parent companies in groups that have voluntarily chosen to apply IFRS in their consolidated accounts must, as a general rule, apply the IFRS standards applied in the Group.

Consequently, the parent company applies the policies used in the consolidated financial statements and described in Note 2, with the exceptions stated below.

Leasing contract

The parent company applies the simplification rule regarding not applying IFRS 16. The company records all lease agreements, both finance and operating, as operating lease agreements. Operating lease agreements are recorded as an expense on a straight-line basis over the lease term.

Shares in subsidiaries

Participations in Group companies are recognised at cost less any impairment losses. Dividends are recognised as income, even if the dividends relate to accumulated profits before the date of acquisition. The dividend is normally recognised when it is decided by the competent body and can be calculated reliably. Dividends that mean that the book value of the holding's net assets in the consolidated accounts is below the book value of the participations are an indication that there is a need for impairment. A calculation of the recoverable amount is made when there is an indication that the value of shares and investments in subsidiaries has decreased. Impairment is recognised if this is lower than the carrying amount.

Shareholder contributions are recognised directly against shareholders' equity by the recipient and are capitalised as shares and participations by the provider to the extent that no impairment is necessary.

Appropriations

Changes in untaxed reserves are recognised as appropriations in the income statement. Group contributions are recognised as an appropriation in the income statement in accordance with the alternative rule in RFR 2, IAS 27 p. 2.

Note 28 Lease agreements – lessees

Future minimum lease fees of lease agreements without option to terminate:	2024	2023
Within 1 year	6,532	4,884
Later than 1 year but within 5 years	16,933	13,772
Later than 5 years	1,428	4,283
Total future minimum lease payments	**24,893**	**22,939**

Expensed leasing fees included in the profit for the financial year amount to SEK 5,947 thousand (3,226), of which SEK 183 thousand (316) relates to variable fees.

Note 29 Administrative costs

The parent company applies a function-classified income statement. The breakdown of administration costs is as follows:

Administrative expenses	2024	2023
Personnel	27,788	23,246
Consultancy fees	4,314	3,170
Premises	3,974	1,991
Vehicles	2,410	2,029
Legal fees	1,723	1,936
Accounting and auditing	2,069	1,535
IT and software	1,298	1,531
Depreciation and amortisation	1,097	598
Miscellaneous	9,447	10,102
Total	**54,120**	**46,138**

Note 30 Remuneration to auditors

The parent company applies a function-classified income statement. Auditors' fees are included in administrative expenses.

	2024	2023
Audit fees to Forvis Mazars		
Audit engagements	450	617
Audit services	250	630
Total to Forvis Mazars	**700**	**1,247**

Audit assignments refer to the audit of the annual report and advisory services resulting from observations made during the audit. Audit-related services refer to other engagements to ensure the quality of the financial statements, including advice on reporting requirements and internal controls.

Note 31 Financial income and expenses

Interest receivables and similar income	2024	2023
Interest income from Group companies	5,701	29,901
Other interest income	185	19
Other financial income	607	-
Total financial income	**6,493**	**29,920**

Interest payable and similar charges	2024	2023
Interest expenses to credit institutions	80,491	19,244
Interest expenses from Group companies	5,818	11,686
Other interest expenses	48	366
Other financial expenses	7,780	-
Total financial expenses	**94,137**	**31,296**

Note 32 Income tax

Reconciliation of effective tax rate	2024	2023
Reported profit before tax	-21,864	-72,174
Tax on recognised income according to the applicable tax rate in Sweden, 20.6%	4,504	14,868
Tax effect of:		
Non-deductible expenses	-14,011	-384
Miscellaneous	0	71
Recognised tax	**-9,507**	**14,555**
Effective tax rate	Neg	Neg

Tax on profit for the year	2024	2023
Current tax	-	-
Deferred tax	9,507	-14,555
Total tax on profit for the year	9,507	-14,555

Recognised deferred tax assets relate to unutilised tax losses amounting to SEK 24,505 thousand (70,655). Deficits are deemed to be capitalised as they can be used against Group contributions from subsidiaries.

Note 33 Participations in Group companies

Participations in Group companies	2024	2023
Opening balance	33,025	25
Acquisitions	-	-
Shareholders' contribution	1,313,230	33,000
Disposals	-	-
Closing balance	1,346,255	33,025

Group company	Reg. office	Co. reg. no.	Capital share	No. of shares	Book value
Sparc Group Holding AB	Gothenburg	559362-2490	100%	500	1,346,255

The parent company owns shares in Sparc Group Holding AB, which in turn owns shares in the remaining subsidiaries. Reference to which subsidiaries are indirectly owned by the parent company can be found on the website www.sparcgroup.se.

Note 35 Interim receivables and payables

Prepaid expenses and accrued income	2024	2023
Accrued intra-Group income	5,094	22,517
Accrued intra-Group interest income	5,701	29,901
Prepaid financing costs	24,602	-
Prepaid rental costs	511	859
Other prepaid expenses	12,857	3,232
Total	**48,765**	**56,509**

Prepaid expenses and accrued income2024	2023	
Accrued salaries	767	394
Accrued holiday liability	2,046	1,169
Accrued social security contributions	1,145	880
Accrued intra-Group interest income 2,581	-	
Other accrued expenses	1,894	5,357
Total	8,433	7,800

Note 36 Financial instruments and risks

Financial assets	2024	2023
Other non-current receivables	85	495
Trade receivables	558	444
Receivables from Group companies	66,363	915,671
Accrued income	10,795	22,517
Cash and cash equivalents	272	103
Total financial assets	78,073	939,230

Financial liabilities	2024	2023
Non-current interest-bearing liabilities	678,721	268,466
Current interest-bearing liabilities	81,114	150,938
Trade payables	7,723	8,288
Liabilities to Group companies	252,517	240,345
Accrued expenses	4,475	5,357
Total financial liabilities	1,024,550	673,394

All financial assets and financial liabilities are measured at amortised cost.

Asset management

The parent company is responsible for the Group's asset management in order to support the Group's operations

Note 34 Intangible assets and tangible assets

Fixed assets	Patents and licences	Other intangible assets	Equipment and vehicles	Improvement to third party property	Total
Opening acquisition cost, 01/01/2023	733	0	744	136	1,613
Acquisitions for the year	68		2,515	755	3,338
Closing acquisition cost, 31/12/2023	801	0	3,259	891	4,951
Acquisitions for the year	467	500	689	547	2,203
Disposals and retirements	-	-	-25	-	-25
Closing acquisition cost, 31/12/2024	1,268	500	3,923	1,438	7,129
Opening depreciation and amortisation, 01/01/2023	-64	0	-111	-14	-189
Depreciation and amortisation	-70		-484	-45	-599
Closing depreciation and amortisation, 31/12/2023	-134	0	-595	-59	-788
Depreciation and amortisation	-110	-	-852	-135	-1,097
Disposals and retirements	-	-	25	-	25
Closing depreciation and amortisation, 31/12/2024	-244	0	-1,422	-194	-1,860
Carrying amount, 31/12/2023	667	0	2,664	832	4,163
Carrying amount, 31/12/2024	1,024	500	2,501	1,244	5,269

and makes adjustments to it in the light of changes in economic conditions. The parent company may adjust dividends to shareholders, return capital to shareholders or issue new shares in order to maintain or adjust the capital structure. The parent company monitors capital by tracking the Group's leverage ratio as described in the note on the Group's financial instruments and risks: see Note 22.

Management of financial risks

The purpose of the parent company is to manage the units that form part of the Group and are exposed to various types of financial risks arising from the management and capital structure required. The main risks affecting the parent company are related to liquidity and interest rates.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its payments due to insufficient liquidity and/or difficulties in obtaining credit from external lenders. The Group is structured on the basis of a cash pool solution where the parent company is the account owner, thereby requiring the parent company's iquidity to be sufficient to finance the entire Group's operations. The cash pool helps to reduce the utilisation of existing loan facilities, and the continuous cash flow forecasts help to reduce external financing and thus also financing costs.

Much of the Group's financing is through external borrowing, with the parent company as the borrower. Financing is secured through long-term partnerships and agreements with credit institutions. Covenants for outstanding loans have been agreed with P Capital Partners. The Group was in compliance with all covenant requirements as at the balance sheet date.

The table below summarises the parent company's financial liabilities broken down by the time remaining at the balance sheet date until the contractual maturity date. The amounts shown in the table below are undiscounted cash flows:

Liabilities at 31 Dec 2024	< 1 year	1 < 2 years	2 < 3 years	3 < 4 years	4 < 5 years	> 5 years
Liabilities to credit institutions	64,818	64,818	64,818	64,818	743,539	-
Liabilities to Group companies	252,517	-	-	-	-	-
Trade payables	7,723	-	-	-	-	-
Bank overdraft facilities	81,114	-	-	-	-	-
Total	**406,172**	**64,818**	**64,818**	**64,818**	**743,539**	**0**

Liabilities at 31 Dec 2023	< 1 year	1 < 2 years	2 < 3 years	3 < 4 years	4 < 5 years	> 5 years
Liabilities to credit institutions 1)	63,525	63,525	63,525	63,525	63,525	613,525
Loans from parent company 1)	-	-	-	-	-	-
Liabilities to Group companies	240,345	-	-	-	-	-
Trade payables	8,288	-	-	-	-	-
Bank overdraft facilities	36,049	-	-	-	-	-
Total	**348,207**	**63,525**	**63,525**	**63,525**	**63,525**	**613,525**

1) As of 10 January 2024, a financing partnership was initiated with P Capital Partners which settled the debt issued by Nordea and the parent company to Sparc Group AB (publ) and replaced it with financing of SEK 550,000 thousand, which will be settled in full after 5 years. Liabilities to Nordea and the parent company continue to be presented as non-current in the balance sheet, as no repayments were made during 2024 and they are instead being replaced by another financier.

Interest rate risk

External borrowings are mainly at floating rates, resulting in an interest rate risk that has a direct impact on the parent company's profit in the event of changes in the interest rate market. Options such as interest rate swaps and fixed-rate loans are reviewed regularly in order to limit the impact of a rise in interest rates. A 1% increase in the parent company's interest-bearing financial liabilities, with all other variables remaining constant, has a negative impact on the parent company's profit and equity before tax of SEK 5,892 thousand (2,994).

Note 37 Adjustments for items not included in cash flow

	2024	2023
Depreciation and amortisation	1,097	598
Miscellaneous	3	-4,000
Total	**1,100**	**-3,402**

Note 38 Cash and bank balances

Sparc Group AB is the holder of a Group-wide cash pool account. The total balance of the cash pool account is recognised as cash and cash equivalents, and the subsidiaries' share of the cash pool account is recognised as a current liability to Group companies.

Note 39 Pledged assets

The parent company has pledged all shares in subsidiaries in excess of the agreed enterprise value of SEK 20 million as collateral for loans and credits to P Capital Partners and Nordea. The calculation of pledged shares is calculated at book value.

Collateral pledged for liabilities to credit institutions	2024	2023
Pledged shares in subsidiaries	1,346,255	33,025
Total collateral pledged	**1,346,255**	**33,025**

Note 40 Contingent liabilities

There is a general guarantee undertaking for the Group's loans and credit facilities, which is shared with the companies within the Group that are covered by the same credit agreement. On the balance sheet date, the Group's credit facility amounted to SEK 150,000 thousand (60,000) and was utilised in the amount of SEK 51,089 thousand (8,178). The Group has loans totalling SEK 678,721 thousand (312,594). Regarding the aforementioned credit agreement, in addition to a general guarantee undertaking, security has been provided in the form of floating charges over underlying subsidiaries, to the extent permitted under the Swedish Companies Act. The parent company has also issued parent company guarantees of SEK 50,468 thousand linked to purchase credits and specific construction projects in specific subsidiaries, as well as the corporate insurance guarantee framework.

Accounting policies

A potential obligation may be recognised as a contingent liability if it may result in an outflow of resources and fails to meet the criteria for recognition as a liability. These possible obligations arise from past events, and their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the Group's control.

Note 41 Transactions with associates

	2024	2023
Sake to Group companies	96%	100%
Purchases from Group companies	4%	8%

FeBe Group is the parent company of Sparc Group AB (publ). FeBe Group prepares consolidated financial statements that include Sparc Group AB (publ), in addition to other subgroups. The Group has varying transactions with related parties and aims to assist with central administrative activities. All transactions have been carried out in the ordinary course of business and at arm's length prices.

For information on remuneration to the Board of Directors and senior management, please refer to Note 10 – Remuneration to employees and Board of Directors.

2024	FEBE Group	Key individuals	Total
Purchases from related parties	11,216	9,154	20,370
Liabilities to related parties	-	- 2,148	2,148
2023	**FEBE Group**	**Key individuals**	**Total**
Purchases from related parties	9,751	9,256	19,007
Liabilities to related parties	70,899	3,858	74,757

Note 42 Appropriation of profit

The following earnings are at the disposal of the AGM (SEK):	2024	2023
Share premium reserve	533,007,478	405,482,861
Retained earnings	-54,618,178	3,001,443
Profit for the year	-31,371,845	-57,619,620
The Board of Directors proposes that the profits be appropriated as follows:		
carried forward to a new account	447,017,455	350,864,683

Note 43 Events after the balance sheet date – Parent company

On 3 March 2025, Sparc Group AB (publ) issued senior secured bonds in a nominal amount of SEK 1,100 million within a framework of SEK 1,500 million, which have been listed on NASDAQ Transfer Market. The bonds were used to refinance the outstanding credit with P Capital Partners and will otherwise be used to finance future acquisitions with a view to accelerating the expansion of the Group.

Note 44 Definition of key figures

Gross margin

Gross profit expressed as a percentage of net sales.

Operating profit before depreciation and amortisation (EBITDA)

Earnings before financial items, depreciation and amortisation and impairments of fixed assets plus tax

Adjusted operating profit before depreciation and amortisation (Adjusted EBITDA)

Operating profit before depreciation and amortisation less non-recurring items

.Operating profit (EBIT)

Earnings before financial items and tax

Adjusted operating profit (Adjusted EBIT)

Operating profit less non-recurring items.

Equity ratio

Equity expressed as a percentage of total assets

Signatures

Gothenburg, / 2025

Erik Björklund
CEO

Karl Engelbrektson
Board member

Per Nordén

Pelle Frisack

Thomas Nilsson

Wilma Emanuelsson

Our audit report was submitted on / 2025
Forvis Mazars AB

David Johansson
Authorised Public Accountant

Audit report

To the Annual General Meeting of the shareholders of Sparc Group AB Corporate Identity No. 559320-0347

Report on the annual and consolidated accounts

Opinion

We have audited the annual report and the consolidated financial statements of Sparc Group AB for 2024. In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and provide a true and fair view of the parent company's financial position as of 31 December 2024 and of their financial results and cash flows for the year according to the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Swedish Annual Accounts Act, and present fairly, in all material respects, the financial position of the Group at 31 December 2024 and its financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and the Swedish Annual Accounts Act. The Directors' Report is consistent with the other parts of the annual accounts and consolidated financial statements.
We therefore recommend to the Annual General Meeting that the income statement and balance sheet for the parent company and the Group be adopted.

Basis for opinion

We have conducted our audit in accordance with the International Standards on Auditing (ISA) and generally accepted auditing practices in Sweden. Our responsibilities under those standards are further described in the "Auditor's responsibilities" section. We are independent of the Parent Company and the Group in accordance with generally accepted auditing practices in Sweden and have otherwise met our ethical responsibilities under these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the annual accounts and consolidated financial statements

This document also includes information other than the annual accounts and consolidated financial statements, and this can be found on pages 6–15. This other information is the responsibility of the Board and the Chief Executive Officer.

Our opinion on the annual accounts and consolidated financial statements does not cover this information, and we make no statement with confirmation concerning this other information.

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

If we conclude, on the basis of the work carried out in respect of this information, that the other information contains a material misstatement, we are required to report this. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors and the Chief Executive Officer are responsible for the preparation of the annual accounts and consolidated accounts and for ensuring they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Chief Executive Officer are also responsible for implementing the internal controls they deem necessary in preparing annual and consolidated accounts free of material misstatement, whether due to fraud or error. When preparing the annual and consolidated accounts, the Board of Directors and the Chief Executive Officer are responsible for assessing the capacity of the company and the Group to continue operating. Where applicable, they indicate conditions that may affect the capacity to continue operating and to apply the assumption of continued operation. However, the going concern assumption does not apply if the Board of Directors and the Chief Executive Officer intend to liquidate the company, cease operations or have no realistic alternative to doing any of these things.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Although reasonable assurance is a high degree of assurance, it is no guarantee that an audit performed in accordance with ISA and generally accepted auditing practices in Sweden will always detect a material misstatement if such exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.
As part of an audit performed in accordance with ISA, we use professional judgement and we take a professionally sceptical approach during the entire audit. Furthermore:

- We identify and assess the risks of material misstatement in the annual and consolidated accounts, whether due to fraud or error, design and perform audit procedures based, among other things, on these risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement due to an irregularity is higher than for a material misstatement due to error, as irregularities may include collusion, falsification, deliberate omissions, misrepresentation or breach of internal control.

- We obtain an understanding of the Company's internal control relevant to our audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- We evaluate the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and pertaining disclosures made by the Board of Directors and the Chief Executive Officer.

- We draw a conclusion on the appropriateness of the Board of Directors and the Chief Executive Officer preparing the financial statements based on the assumption of continued operation. We also draw a conclusion, based on the acquired audit evidence, as to whether there is a material uncertainty related to such events or conditions that could cause significant doubt regarding the company's ability to continue operating. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual report and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion about the annual report and consolidated financial statements. Our conclusions are based on the audit evidence obtained up until the date of the Audit Report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the annual and consolidated accounts, including disclosures, and whether the annual and consolidated accounts reflect the underlying transactions and events in a manner that provides a true and fair view.

- We collect sufficient and appropriate audit evidence regarding the financial information on entities or business activities within the Group to make a statement regarding the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinion. We must inform the Board of Directors of aspects such as the planned scope and timing of the audit. We must also provide information on significant observations during the audit, including any significant shortcomings that we have identified in the internal control.

Report on other legal and regulatory requirements

Opinion

In addition to our audit of the annual accounts and consolidated financial statements, we have also audited the administration of the Board of Directors and the CEO of Sparc Group AB for 2024 and the proposed appropriations of the company's profit or loss. We recommend that the Annual General Meeting approves the appropriation of profits as proposed in the Directors' Report and grants discharge to the Directors and the Chief Executive Officer for the financial year.

Basis for opinion

We conducted our audit in accordance with generally accepted auditing practices in Sweden. Our responsibilities under those standards are further described in the "Auditor's responsibilities" section. We are independent of the parent company and the Group in accordance with generally accepted auditing practices in Sweden and have otherwise met our ethical responsibilities under these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors is responsible for proposing the appropriation of the company's profit or loss. Where a dividend is proposed, this includes an assessment of whether the dividend is justifiable considering the requirements that the nature, scope and risks of the operations of the company and the Group impose on the scale of equity, consolidation requirements, liquidity and position in general of the company and the Group. The Board of Directors is responsible for the organisation of the company and the management of its affairs. This includes regularly assessing the financial situation of the company and the Group and ensuring that the company's organisation is formulated so that the accounting, the management of assets and the company's financial affairs in general are controlled in a satisfactory manner. The Chief Executive Officer shall carry out the day-to-day management in accordance with the guidelines and instructions of the Board of Directors and shall, inter alia, take the measures necessary for the company's accounts to be kept in accordance with the law and for the proper management of the funds.

Auditor's responsibility

Our objective with regard to the audit of the management, and therefore our opinion on the discharge from liability, is to obtain audit evidence to enable us to assess, with reasonable assurance, whether any member of the Board of Directors or the Chief Executive Officer have, in any material respect:

- has taken any action or committed any omission which may give rise to a liability to pay compensation to the company, or

- has otherwise acted in breach of the Companies Act, the Annual Accounts Act or the Articles of Association. Our objective regarding the audit of the proposed appropriation of the Company's profit or loss, and accordingly our statement in this regard, is to assess, with a reasonable degree of certainty, whether the proposal is in accordance with the Companies Act. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Swedish Companies Act.

As part of an audit in accordance with good auditing practice in Sweden, we use professional judgement and maintain a professionally sceptical attitude throughout the audit. The audit of the management and the proposal for the appropriation of the company's profit or loss is based primarily on the audit of the accounts. The additional audit procedures performed are based on our professional judgement based on risk and materiality. This means that we focus the review on those actions, areas and conditions that are material to the business and where deviations and breaches would have a particular impact on the company's situation. We review and examine the decisions taken, the documentation supporting those decisions, the actions taken and other matters relevant to our opinion on discharge. As a basis for our opinion on the Board of Directors' proposed appropriation of the company's profit or loss, we have examined whether the proposal is in accordance with the Swedish Companies Act.

Gothenburg, / 2025

Forvis Mazars AB
David Johansson
Authorised Public Accountant

VISION

To create Sweden's most sustainable workplace in the installation industry, driven by care and commitment.

Installing for
a sustainable future