




# VESTUM

## Interim Report

## January – June 2021

Vestum AB (plc)

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



# High acquisition rate, solid profitability, and well-established internal platforms for continued strong growth

Since Vestum was formed on May 20, 2021, Vestum has announced 14 acquisitions, of which nine were completed during the second quarter. The estimated 12-month rolling net sales for all 14 announced acquisitions amount to SEK 1,509 million with an adjusted EBITA of SEK 166 million. Pro forma has been established for the nine acquisitions that were completed during the second quarter. The clothing brand WeSC has been considered as operations held for sale. The figures below refer to the continuing operations.

## April – June 2021

- Since the announcement of Vestum on March 22, 2021, 14 acquisitions have been announced, of which nine were completed during the second quarter
- All nine acquisitions were completed during the middle and end of June, which is why they have only a minor impact on the Group's net sales and earnings during the second quarter
- Net sales amounted to SEK 36.3 million
- EBITA amounted to SEK 1.2 million
- Cash flow from operating activities amounted to SEK 0.9 million
- EBITA per share amounted to SEK 0.01

## January – June 2021

- Net sales amounted to SEK 36.3 million
- EBITA amounted to SEK 0.8 million
- Cash flow from operating activities amounted to SEK -0.6 million
- EBITA per share amounted to SEK 0.01





## Significant events after end of quarter

- Estimated 12-month rolling net sales for all 14 announced acquisitions of SEK 1 508.7 million
- Estimated 12-month rolling adjusted EBITA for all 14 announced acquisitions of SEK 166.0 million
- On July 6, the acquisition of We Ar(e) Group AB was completed
- On July 7, the acquisition of F Forsmans VVS AB was completed
- On July 6, the acquisition of Powerstruc AB was announced, closing is expected in August
- On July 8, the acquisition of Plåtslagaren G.H. Johansson AB was announced, closing is expected in August
- The acquisition of Hyrex Holding AB, which was announced on June 18, is expected to be completed in September

	Net sales	Adj. EBITDA <sup>1</sup>	Adj. EBITA <sup>1</sup>	Adj. EBITDA margin	Adj. EBITA margin
Pro forma LTM, acquisitions completed during Q2	993.7	169.1	118.3	17.0%	11.9%
Estimated effect LTM, acquisitions completed after Q2	278.5	28.9	22.4	10.4%	8.0%
Estimated effect LTM, acquisitions yet to be completed	236.5	38.7	25.3	16.4%	10.7%
<b>Total</b>	<b>1,508.7</b>	<b>236.7</b>	<b>166.0</b>	<b>15.7%</b>	<b>11.0%</b>

## Pro forma, 12-months rolling

- Net sales amounted to SEK 993.7 million
- EBITA amounted to SEK 113.5 million
- Adjusted EBITA<sup>1</sup> amounted to SEK 118.3 million
- Adjusted EBITA<sup>1</sup> per share amounted to SEK 1.40
- The net debt in relation to adjusted pro forma EBITDA amounted to 2.8x

<sup>1</sup> Adjusted for acquisition related transaction costs.



SEK million (unless otherwise stated)	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Proforma, LTM <sup>1</sup>	Jan-Dec 2020
Net sales	36.3	0.0	36.3	0.0	993.7	0.0
EBITDA	2.7	-0.7	2.3	-1.0	164.2	-0.9
EBITA	1.2	-0.7	0.8	-1.0	113.5	-1.0
EBITDA margin, %	7.4	-	6.4	-	16.5	-
EBITA margin, %	3.3	-	2.3	-	11.4	-
Adjusted EBITDA <sup>2</sup>	7.6	-0.7	7.2	-1.0	169.1	-0.9
Adjusted EBITA <sup>2</sup>	6.1	-0.7	5.7	-1.0	118.3	-1.0
Adjusted EBITDA margin, % <sup>2</sup>	20.8	-	19.8	-	17.0	-
Adjusted EBITA margin, % <sup>2</sup>	16.7	-	15.7	-	11.9	-
Number of shares by end of period, thousands	84,423	12,902	84,423	12,902	84,423	12,902
thousands	0.01	- 0.05	0.01	- 0.08	1.34	- 0.07
Adjusted EBITA per share, SEK <sup>3</sup>	0.07	- 0.05	0.07	- 0.08	1.40	- 0.07

<sup>1</sup> Pro forma accounting covers the nine acquisitions that were completed in the second quarter. For more information, see section Pro forma accounting under Accounting principles.

<sup>2</sup> Adjusted for acquisition related transaction costs.

<sup>3</sup> Calculated in relation to number of shares before and after dilution by end of period.



Comments by  
the CEO

## Strong growth with solid profitability

Since the announcement to create Vestum on March 22, 2021, Vestum has delivered strong growth with high profitability, largely thanks to a high acquisition rate. We have signed agreements to make 14 acquisitions, nine of which were completed during the second quarter. For all 14 acquisitions, the 12-month rolling sales is estimated at SEK 1 509 million with an adjusted EBITDA of SEK 237 million and adjusted EBITA of SEK 166 million, corresponding to an adjusted EBITDA margin of 15.7% and an adjusted EBITA margin of 11.0%.

During the second quarter, Vestum has established internal platforms in IT, governance and reporting. Our organization is growing and we have come a long way in working with our portfolio companies. Our value creation is partly about creating incentives and the right conditions for our companies' managements to accelerate the development of their own operations, while we work together to identify collaborative effects between the companies to achieve synergies. We work systematically with this type of networking at both the Group and segment level. That can be seen in the form of cross selling and project collaborations between the companies, which is now happening with several of Vestums operations. Add-on acquisitions to existing portfolio companies can function as an additional value driver by increasing margins and improving organic growth, which we saw examples of during the second quarter in the Infrastructure segment.

### High acquisition rate

Vestum is an acquisition-driven company focused on prominent specialist companies in the construction services and infrastructure industries. During the second quarter, Vestum has entered into agreements to acquire 14 companies, of which eight are within infrastructure and six are within construction services. Our acquisition rate has been high from the start, but we believe that this rate is sustainable, both in the short and long term. Our organization is growing in line with our acquisitions. In addition to the Group's new management with expertise within entrepreneurship, M&A, organization, financial management and law, we have hired a country manager for Sweden and specialist resources within business controlling and consolidated accounting.

We have a thorough acquisition process that includes clear steps for identifying, evaluating, executing and following-up on acquisitions. Our demands on acqui-

# “By year-end, we expect to have doubled in size”

sition candidates are high and we place great importance on the people who run the companies. We use our network to identify high quality companies run by skilled entrepreneurs and to assist in the evaluation process of new acquisition targets. Our clear focus on specialist companies in construction services and infrastructure enables a high degree of scalability in the acquisition process. This is exemplified by the fact that the management teams in the portfolio are becoming ambassadors for Vestum and continuously submit new acquisition candidates for us to evaluate. We have a high degree of competitive advantage, which has been evident during acquisition processes where entrepreneurs often say they identify with Vestum and are attracted by our entrepreneurial values and culture.

## High profitability

The Group's profitability has been solid with an estimated 12-month rolling adjusted EBITA margin of 11% for all 14 announced acquisitions. This is despite the fact that our companies have dealt with Covid-19 during the first half of the year, which has led to delayed project starts, higher raw material prices and to a certain degree, impact from restrictions. However, we see signs of improvement during the latter part of the second quarter and the markets for our two segments are generally strong. We work continuously to monitor external trends and closely follow the development of production and prices at the supplier level. We have been impressed with the way the management teams in the portfolio have handled this challenging year and despite the ongoing pandemic delivered strong results.

We have decided to raise our financial profitability target and now aim to achieve an adjusted EBITA-margin of at least 10.0 percent.

## Established platform for continued high growth

As we have established internal platforms for financing, IT, governance and reporting, and thus enabled us to maintain a high acquisition rate going forward,

we plan to further increase the growth rate. This, in combination with well-established working methods for achieving synergies between our portfolio companies, means we have a positive outlook for the remainder of the year. We currently have an attractive financing model and the net debt at the end of the quarter amounts to 2.8 times adjusted pro forma EBITDA, which is well below our financial target. We are now evaluating long-term opportunities for further improving the capital structure with various debt instruments.

Related to the change in operations, it is established that the clothing business WeSC, which today generates a positive result, no longer belongs to the core business. Hence, we have decided that the clothing business will be divested and our assessment is that a divestment most likely will occur within twelve months.

Overall, we have in a short period of time created a well-diversified Group with a strong financial profile. In just over three months, we have entered into agreements to acquire 14 prominent specialist companies with more than 500 employees. We expect to be able to increase this acquisition rate even further during the second half of 2021. By year-end, we expect to have doubled the Group's estimated 12-month rolling sales and adjusted EBITA, to corresponding sales of SEK 3 billion and adjusted EBITA of SEK 330 million. This is largely due to our driven organization, strong balance sheet and great interest from relevant market participants such as financial institutions and acquisition candidates. We are openly growth-oriented and work hard to deliver continued high growth with stable profitability to our shareholders.



**Conny Ryk**  
CEO, Vestum AB (plc)





We acquire and develop prominent specialist companies with exposure to construction services and infrastructure

## About Vestum

Vestum is a Swedish acquisition-driven company that consists of a cohesive group of specialist companies that are characterized by financial stability, sustainable competitive advantages and strong local presence. Our investment and ownership philosophy is based on entrepreneurship and long-term planning with a decentralized business model. Acquired companies retain their company names, brands and culture.

Our ambition is to become the leading Nordic acquisition-driven company with a distinct focus on specialist companies within the construction services and infrastructure industries. We are continuously growing through acquisitions of well-managed and profitable companies within our focus areas, where we can work together with ambitious entrepreneurs and management teams to develop the companies to drive profitable growth and high customer satisfaction. We do this by jointly addressing topics concerning strategy, processes and implementation.

	Net sales	Adj. EBITDA <sup>1</sup>	Adj. EBITA <sup>1</sup>	Adj. EBITDA margin	Adj. EBITA margin
Pro forma LTM, acquisitions completed during Q2	993.7	169.1	118.3	17.0%	11.9%
Estimated effect LTM, acquisitions completed after Q2	278.5	28.9	22.4	10.4%	8.0%
Estimated effect LTM, acquisitions yet to be completed	236.5	38.7	25.3	16.4%	10.7%
<b>Total</b>	<b>1,508.7</b>	<b>236.7</b>	<b>166.0</b>	<b>15.7%</b>	<b>11.0%</b>

<sup>1</sup> Adjusted for acquisition related transaction costs.

### Financial targets

Vestum's overall target is to create long-term profitable growth by acquiring and developing high-quality companies with solid cash flows and strong market positions. Vestum's current financial targets are as follows:

#### Growth

Vestum's target is to annually make acquisitions that add pro forma sales of at least SEK 2 billion and pro forma adjusted EBITA of at least SEK 200 million.

#### Margins

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

#### Capital structure

Vestum's target is that the financial net debt in relation to adjusted EBITDA should not exceed 4.0x on average over the past four quarters.

#### Dividend policy

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

# The Vestum Group's Development

## Significant events during the second quarter

On March 22, 2021, Vestum announced new operations and a name change from WeSC to Vestum, a directed share issue and agreements to acquire three companies. During the period March 22, 2021 – May 20, 2021, announcements were made of one additional acquisition, a directed share issue, new Group management and a proposal for board change. For a complete description of the changes that occurred during the period March 22, 2021 – May 20, 2021, please refer to the detailed report in the Group's company description published on May 18, 2021.

Vestum has since the publication of the company description entered into agreements to acquire a total of 14 companies, of which nine were completed during the second quarter. For more detailed information, please see the section Acquisitions below.

As a result of strong growth, strengthened balance sheet and a positive reception from relevant market participants, Vestum announced on June 6, 2021, that it would raise its financial growth target.

### WeSC

The WeSC brand's operations have continued to develop positively with a sales increase of 420 percent for the first half of 2021 and an expected sales increase for the autumn of 2021 amounting to 430 percent based on sold orders

In connection with changing the operations from clothing brand to an acquisition-driven company focused on specialist companies within the construction services and infrastructure industries, it was determined that WeSC is no longer part of the Group's core business. As a result of WeSC's positive development and the fact that the brand's operations are not part of the Group's core operations, the Board has decided that the business will be divested. The company has had initial contacts with a number of identified potential buyers. The Board's assessment is that a divestment is very likely to take place within twelve months, and therefore the results from this business are reported separately in the income statement in accordance with IFRS 5 regarding discontinued operations. Furthermore, assets and liabilities attributable to the business are reported as assets held for sale.

## Significant events since the end of the period

Since the end of the second quarter, Vestum has announced two acquisitions and completed two acquisitions. See detailed information under the section Acquisitions below.

After the end of the second quarter, Vestum has, due to expected positive effects from economies of scale, favorable company mix and improved organizational efficiency, raised its financial profitability target.

### Net sales

The Group's net sales for the continuing operation in quarter amounted to SEK 36.3 (0.0) million. The acquired net sales amounted to SEK 36.2 million. The remaining part of the increase in net sales was attributable to the clothing business WeSC, whose net sales amounted to SEK 27.5 (3.3) million, which corresponds to an increase of 835% compared with the same period last year. The Group's net sales for the continuing operation in the first six months of 2021 amounted to SEK 36.3 (0.0) million. The acquired net sales amounted to SEK 36.2 million.

### Earnings

Earnings before amortization of acquired surplus values (EBITA) for the continuing operation in the second



quarter amounted to SEK 1.2 (-0.7) million. Acquired income amounted to SEK 8.8 million. Adjusted EBITA, i.e. EBITA adjusted for transaction-related costs attributable to completed acquisitions, amounted to SEK 6.1 (-0.7) million. Profit after tax for the second quarter amounted to SEK -0.6 (-7.4) million.

Earnings before amortization of acquired surplus values (EBITA) for the first half of 2021 for the continuing operation amounted to SEK 0.8 (-1.0) million. Adjusted EBITA, i.e. EBITA adjusted for transaction-related costs attributable to completed acquisitions amounted to SEK 5.7 (-1.0) million. Profit after tax for the period amounted to SEK -0.5 (-10.9) million

## Financial position and liquidity

The Group's cash flow from operating activities for the continuing operation for the second quarter amounted to SEK 0.9 (-0.2) million. Cash flow from operating activities during the first half of 2021 amounted to SEK -0.6 (-4.0) million.

The Group's cash and cash equivalents at the end of the period amounted to SEK 199.6 (4.8) million.

At the end of the period, the Group had a net debt of SEK 477.0 million. The net debt / adjusted pro forma EBITDA was 2.8x. Total liabilities amounted to SEK 953.5 (20.3) million as of June 30, 2021. Interest-bearing liabilities, including leasing liabilities, amounted to SEK 676.6 million as of June 30, 2021.

Shareholders' equity at the end of the period amounted to SEK 663.0 (-2.6) million. Shareholders' equity in the Parent Company amounted to SEK 678.9 (25.4) million.

## Investments

The Group's investments excluding acquisitions during the period amounted to SEK 0.4 (0.0) million. The total purchase price for the acquisition of subsidiaries amounted to SEK 1,042.6 million. See also the section Acquisitions.

## Staff

The number of full-time employees as of June 30, 2021, amounted to 303 (9) people.

## Parent Company

During the period January – June 2021, the Parent Company had net sales of SEK 0.0 million (0.0). Operating profit amounted to SEK -7.8 (-0.7) million. Net financial items amounted to SEK -2.0 (-0.1) million. Profit for the period amounted to SEK -9.7 (-0.8) million. Total assets as of June 30, 2021 amounted to SEK 1,167.8 (36.6) million, of which equity amounted to SEK 678.9 (25.4) million. Cash and cash equivalents in the Parent Company amounted to SEK 57.4 (0.5) million.

# Acquisitions

Vestum had a high acquisition rate during the second quarter. Nine acquisitions were completed during the quarter, two acquisitions were completed after the end of the quarter, and three acquisitions were announced but not yet completed.

## Acquisitions completed during the second quarter

Vestum completed nine acquisitions during the second quarter. The acquisitions were closed and consolidated into the Group in June. In all cases, 100 percent of the shares were acquired. The agreements on contingent considerations state that the Group must pay cash compensation linked to future results. The maximum non-discounted amount that may be paid to the previous owners amounts to SEK 4 million, where the entire amount refers to acquisitions made during the second quarter of 2021. The total debited contingent consideration amounts to SEK 4 million. Transaction-related costs for the acquisitions have been charged to the Group's earnings by SEK 5 million. These are reported under Other Operating Expenses in the income statement. The goodwill of SEK 581 million that was generated by the acquisitions represents future financial benefits but those are not individually identified and reported separately.

Acquisitions	Short name	Segment	Completed	Pro forma Net sales LTM, SEK million	Pro forma EBITA LTM, SEK million	Number of employees
Rosenqvist Entreprenad AB	REAB	Infra	June	349	26	62
Skandinaviska Områdesskydd AB & Kenit Produkt AB	SOAB	Infra	June	123	14	29
Sanera Stockholm AB	SANERA	Services	June	48	9	29
Installera SW AB	INSTALL	Services	June	47	7	29
Mälardalens Spår & Anläggning AB	MSAAB	Infra	June	89	12	24
GGAL Group AB	GGAL	Infra	June	148	19	60
Containertjänst i Tyresö AB	CTAB	Infra	June	90	19	22
MTB Mark & Trädgårdsbyggarna AB	MTBAB	Infra	June	77	13	26
FlexiRail AB	FLEXI	Infra	June	22	5	12
				993	124	293

## Effects of acquisitions completed during the second quarter

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

SEK million	REAB	SOAB/ KENIT	SANERA	INSTALL	MSAAB	GGAL	CTAB	MTBAB	FLEXI	TOTAL
Intangible assets	66	25	19	11	28	44	62	29	9	293
Other fixed assets	19	1	0	0	1	5	52	4	0	83
Other current assets	46	37	8	8	15	40	13	16	4	188
Cash and cash equivalents	49	12	1	7	10	25	36	9	0	149
Current liabilities	-70	-15	-5	-5	-10	-25	-7	-20	-3	-159
Deferred tax liabilities	-20	-7	-4	-4	-6	-12	-27	-6	-2	-88
Other provisions and liabilities	-5	-	-	-	-	-	-	-	-	-5
Net assets and liabilities	85	54	19	18	38	77	129	33	8	462
Goodwill	160	40	41	29	55	73	100	62	22	581
Total purchase price	246	95	60	47	93	149	229	95	30	1 043
Total purchase price	246	95	60	47	93	149	229	95	30	1 043
Conditional purchase price	-	-	-	-	-4	-	-	-	-	-4
Settlement in shares	-93	-12	-12	-15	-33	-30	-135	-32	-11	-372
Cash and cash equivalents in acquired units	-49	-12	-1	-7	-10	-25	-36	-9	-0	-149
Total impact on cash and cash equivalents	103	71	47	25	46	94	58	53	19	517
Impact on the income statement, Jan-Jun 2021										
Net sales	20	12	4	-	-	-	-	-	-	36
EBITA	7	1	0	-	-	-	-	-	-	9
Impact on the income statement if the acquisitions had been part of the Group on January 1, 2021										
Net sales	117	60	21	26	44	72	46	42	9	436
EBITA	12	6	4	2	8	7	13	6	1	59



## Acquisitions completed after the end of the period

Vestum has made two acquisitions since the end of the second quarter. The acquisitions were closed and consolidated into the Group in July. In all cases, 100 percent of the shares were acquired. The agreements on contingent considerations state that the Group must pay cash compensation linked to future results. The maximum non-discounted amount that may be paid to the previous owners amounts to SEK 30 million, where the entire amount refers to acquisitions made after the second quarter of 2021. The goodwill of SEK 146 million that is generated by the acquisitions represents future financial benefits but is not individually identified and reported separately.

Acquisitions	Short name	Segment	Completed	Estimated net sales LTM, SEK million	Estimated EBITA LTM, SEK million	Number of employees
We Ar(e) Group AB	WAGAB	Services	July	238	18	139
F Forsmans VVS	FORSMAN	Services	July	40	5	15
				279	22	154

## Effects of acquisitions completed after the end of the second quarter

The acquisitions made after the end of the period have had the following effects on the Group's assets and liabilities. The effects are preliminary in all cases. Any adjustments in connection with the final acquisition analysis are not expected to have a significant impact on the Group's earnings or financial position.

SEK million	WAGAB	FORSMAN	TOTAL
Intangible assets	68	13	80
Other fixed assets	13	1	14
Other current assets	47	10	57
Cash and cash equivalents	12	2	14
Current liabilities	-52	-7	-58
Deferred tax liabilities	-14	-3	-17
Other provisions and liabilities	-14	-	-14
Net assets and liabilities	60	15	76
Goodwill	129	18	146
Total purchase price	189	33	222
Total purchase price	189	33	222
Conditional purchase price	-20	-	-20
Settlement in shares	-93	-12	-105
Cash and cash equivalents in acquired units	-12	-2	-14
Total impact on cash and cash equivalents	64	19	83

## Acquisitions that have been agreed but not yet completed

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

Acquisitions	Short name	Segment	Planned completion	Estimated net sales LTM, SEK million	Estimated EBITA LTM, SEK million	Number of employees
Hyrex	HYREX	Infra	September	110	9	87
Powerstruc	POWERST	Infra	August	40	7	21
Plåtslagaren	PLÅT	Services	August	86	10	32
				237	25	140

# The Group's consolidated income statement in summary

SEK million	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
<b>Net sales</b>	36.3	-	36.3	-	-
Materials and purchased services	-17.1	-	-17.1	-	-
External expenses	-2.3	-0.6	-2.6	-1.0	-1.9
Personnel costs	-9.5	-0.0	-9.5	-0.0	-0.0
Other operating income	0.2	-	0.2	-	1.1
Other operating expenses	-4.9	-	-4.9	-	-
<b>EBITDA</b>	<b>2.7</b>	<b>-0.7</b>	<b>2.3</b>	<b>-1.0</b>	<b>-0.9</b>
Depreciation excl. acquired surplus value	-1.5	-0.0	-1.5	-0.0	-0.0
<b>EBITA</b>	<b>1.2</b>	<b>-0.7</b>	<b>0.8</b>	<b>-1.0</b>	<b>-1.0</b>
Depreciation and amortisation of acquired surplus value	-1.2	-	-1.2	-	-
<b>Profit/loss before financial items and tax (EBIT)</b>	<b>0.0</b>	<b>-0.7</b>	<b>-0.3</b>	<b>-1.0</b>	<b>-1.0</b>
Financial items net	-2.1	-0.1	-2.6	-0.8	-1.1
<b>Profit/loss before tax</b>	<b>-2.1</b>	<b>-0.8</b>	<b>-3.0</b>	<b>-1.9</b>	<b>-2.1</b>
Corporation tax	0.6	-	0.6	-	-
<b>Profit/loss from continuing operations</b>	<b>-1.5</b>	<b>-0.8</b>	<b>-2.4</b>	<b>-1.9</b>	<b>-2.1</b>
Profit/loss from operations held for sale	0.9	-6.5	1.9	-9.1	-17.0
<b>Profit/loss for the period</b>	<b>-0.6</b>	<b>-7.4</b>	<b>-0.5</b>	<b>-10.9</b>	<b>-19.1</b>
<b>The profit/loss for the period is entirely attributable to parent company share holders</b>					
Average number of shares during the period, before and after dilution (in thousands of shares) <sup>1</sup>	38,711	12,902	25,878	11,615	12,262
Numer of shares issued at the end of the period	84,422,719	12,902,192	84,422,719	12,902,192	12,902,192
Diluted earnings per share, SEK	-0.01	-0.57	-0.01	-0.85	-1.48

## Consolidated statement of comprehensive income

Profit for the period	-0.6	-7.4	-0.5	-10.9	-19.1
<b>Other comprehensive income</b>					
Items that may be reclassified to profit or loss					
Exchange differences on translation of foreign operations	0.1	1.0	-0.2	0.3	2.5
<b>Total comprehensive income for the period</b>	<b>-0.5</b>	<b>-6.4</b>	<b>-0.7</b>	<b>-10.6</b>	<b>-16.6</b>

<sup>1</sup> Average number of shares for periods in 2020 are adjusted for the negative split registered in July 2020



# The Group's consolidated balance sheet in summary

SEK million	30 Jun 2021	30 Jun 2020	31 Dec 2020
Intangible assets	873.2	0.1	0.0
Property, plant and equipment	80.1	-	-
Right of use assets	211.8	-	-
Financial assets	0.1	-	-
Other non-current assets	0.1	-	-
<b>Total non-current assets</b>	<b>1,165.2</b>	<b>0.1</b>	<b>0.0</b>
Inventories	21.5	-	0.0
Accounts receivable	114.6	-	0.1
Other current assets	68.2	0.3	0.1
Assets held for sale	47.3	12.5	23.7
Cash and cash equivalents	199.6	4.8	2.4
<b>Total current assets</b>	<b>451.3</b>	<b>17.5</b>	<b>26.4</b>
<b>Total assets</b>	<b>1,616.5</b>	<b>17.6</b>	<b>26.4</b>
Equity attributable to owners of the company	663.0	-2.6	-8.6
<b>Total equity</b>	<b>663.0</b>	<b>-2.6</b>	<b>-8.6</b>
Non-current provisions	1.2	-	-
Non-current interest-bearing liabilities	373.4	-	-
Non-current lease liabilities	176.0	-	-
Deferred tax liabilities	87.9	-	-
Other non-current provisions and liabilities	-	-	-
<b>Total non-current liabilities</b>	<b>638.5</b>	<b>-</b>	<b>-</b>
Current interest-bearing liabilities	94.7	-	-
Current lease liabilities	32.5	-	-
Accounts payable	66.3	3.1	0.7
Other current provisions and liabilities	98.8	3.3	0.8
Liabilities relating to assets held for sale	22.8	13.8	33.6
<b>Total current liabilities</b>	<b>315.0</b>	<b>20.3</b>	<b>35.1</b>
<b>Total liabilities</b>	<b>953.5</b>	<b>20.3</b>	<b>35.1</b>
<b>Total equity and liabilities</b>	<b>1,616.5</b>	<b>17.6</b>	<b>26.4</b>

# Changes in equity

SEK million	30 Jun 2021	30 Jun 2020	31 Dec 2020
Opening equity as of January 1 2021	-8.6	-4.4	-4.4
Profit/loss for the period	-0.5	-10.9	-19.1
Other comprehensive income for the period	-0.2	0.3	2.5
<b>Total comprehensive income for the period</b>	<b>-0.7</b>	<b>-10.6</b>	<b>-16.6</b>
New issues	674.2	13.1	13.1
Expenses due to new issues	-1.9	-0.7	-0.7
<b>Transactions with owners of the company</b>	<b>672.3</b>	<b>12.4</b>	<b>12.4</b>
<b>Closing equity</b>	<b>663.0</b>	<b>-2.6</b>	<b>-8.6</b>
Equity entirely attributable to parent company shareholders.			

# The Group's cash flow analysis

SEK million	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
Profit/loss before tax	-2.1	-0.8	-3.0	-1.9	-2.1
Depreciation and amortization reversed	2.7	-	0.5	2.1	2.1
Adjustment for other non-cash items	-3.4	-	-3.4	-	-
Changes in working capital	4.3	0.6	5.8	-4.3	-8.1
Income taxes paid	-0.6	0.0	-0.6	0.0	0.0
<b>Cash flow from operating activities</b>	<b>0.9</b>	<b>-0.2</b>	<b>-0.6</b>	<b>-4.0</b>	<b>-8.1</b>
Purchase and sale of intangible assets	-	-	2.1	-2.1	-2.1
Purchase of property, plant and equipment	-0.4	-0.0	-0.4	-0.0	-0.0
Purchase of subsidiaries / operations	-666.7	-	-666.7	-	-0.0
Other	-0.0	-0.0	0.0	0.0	-0.1
<b>Cash flow from investing activities</b>	<b>-667.1</b>	<b>-0.0</b>	<b>-665.0</b>	<b>-2.1</b>	<b>-2.2</b>
Proceeds from borrowings	466.7	-	466.7	-	-
Repayments of lease liabilities	-1.6	-0.0	-1.6	-0.0	-0.0
Proceeds from capital increase	300.3	-	300.4	-	0.0
Changes in other non-current liabilities	0.0	0.0	-0.0	-0.1	0.0
<b>Cash flow from financing activities</b>	<b>765.4</b>	<b>0.0</b>	<b>765.5</b>	<b>-0.1</b>	<b>0.0</b>
Net cash flow from continuing operations	99.2	-0.2	99.9	-6.3	-10.2
Net cash flow from operations held for sale	-55.2	1.3	-52.2	8.5	10.2
<b>Net cash flow for the period</b>	<b>44.1</b>	<b>1.1</b>	<b>47.7</b>	<b>2.2</b>	<b>-0.0</b>
Cash and cash equivalents at the beginning of the period	6.3	3.8	2.4	2.6	2.6
Cash flow for the period	44.1	1.1	47.7	2.2	0.0
Exchange rate adjustments on cash and cash equivalents	-0.1	-0.2	0.1	-0.1	-0.2
Cash and cash equivalents and overdrafts from purchase/sale of subsidiaries	149.4	0.0	149.4	0.0	0.0
<b>Cash and cash equivalents at the period end</b>	<b>199.6</b>	<b>4.8</b>	<b>199.6</b>	<b>4.8</b>	<b>2.4</b>



# The Parent Company's statement of income in summary

SEK million	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
Net sales	-0.0	0.0	-0.0	0.0	2.7
External expenses	-2.5	-0.6	-2.8	-1.0	-2.1
Personnel costs	-0.4	-0.0	-0.4	-0.0	-0.0
Other operating income	-	-	-	-	1.1
Other operating expenses	-4.9	-	-4.9	-	-
Depreciation	-0.0	-0.0	-0.0	-0.0	-0.0
<b>Profit/loss before financial items and tax (EBIT)</b>	<b>-7.8</b>	<b>-0.7</b>	<b>-8.1</b>	<b>-1.0</b>	<b>1.6</b>
Financial items net	-2.0	-0.1	-2.5	-0.5	-1.0
<b>Profit/loss before tax</b>	<b>-9.7</b>	<b>-0.8</b>	<b>-10.6</b>	<b>-1.5</b>	<b>-11.8</b>
<b>Profit/loss for the period</b>	<b>-9.7</b>	<b>-0.8</b>	<b>-10.6</b>	<b>-1.5</b>	<b>-11.8</b>

# The Parent Company's balance sheet in summary

SEK million	30 Jun 2021	30 Jun 2020	31 Dec 2020
Intangible assets	0.0	0.1	0.0
Financial assets	1,054.9	31.5	31.8
<b>Total non-current assets</b>	<b>1,054.9</b>	<b>31.6</b>	<b>31.8</b>
Current intercompany receivables	48.3	4.5	13.3
Other current assets	7.2	0.0	0.1
Cash and cash equivalents	57.4	0.5	0.6
<b>Total current assets</b>	<b>112.9</b>	<b>5.1</b>	<b>13.9</b>
<b>Total assets</b>	<b>1,167.8</b>	<b>36.6</b>	<b>45.8</b>
Equity attributable to owners of the company	678.9	25.4	15.0
<b>Total equity</b>	<b>678.9</b>	<b>25.4</b>	<b>15.0</b>
Non-current interest-bearing liabilities	373.4	-	-
<b>Total non-current liabilities</b>	<b>373.4</b>	<b>-</b>	<b>-</b>
Current interest-bearing liabilities	93.3	-	-
Current intercompany liabilities	11.6	5.3	14.1
Accounts payable	4.2	2.9	0.7
Other current provisions and liabilities	6.4	3.1	15.9
<b>Total current liabilities</b>	<b>115.6</b>	<b>11.3</b>	<b>30.7</b>
<b>Total liabilities</b>	<b>488.9</b>	<b>11.3</b>	<b>30.7</b>
<b>Total equity and liabilities</b>	<b>1,167.8</b>	<b>36.6</b>	<b>45.8</b>

# Key figures

## Definitions of alternative key figures

Key figures	Definition	Purpose
EBITDA	Earnings before taxes, financial items and depreciation of tangible and intangible fixed assets and consolidated surplus values.	EBITDA is used to measure profit (loss) from operating activities, independent of depreciation.
EBITDA margin	EBITDA as a percentage of net sales.	EBITDA margin is used to put the underlying operating profit (loss), independent of depreciation, in relation to net sales.
Adjusted EBITDA	Refers to EBITDA adjusted for acquisition-related transaction costs.	Adjusted EBITDA is used by company management to measure the underlying earnings development.
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of net sales.	Adjusted EBITDA margin is used to put adjusted EBITDA in relation to net sales.
EBITA	Operating profit before amortization of consolidated surplus values.	EBITA is used to measure the underlying operating profit (loss) before amortization of consolidated surplus values from operating activities.
EBITA margin	EBITA as a percentage of net sales.	EBITA margin is used to put the underlying operating profit (loss) before amortization on consolidated surplus values in relation to net sales.
Adjusted EBITA	Refers to EBITA adjusted for acquisition-related transaction costs.	Adjusted EBITA is used by company management to measure the underlying earnings development.
Adjusted EBITA margin	Adjusted EBITA as a percentage of net sales.	Adjusted EBITA margin is used to put adjusted EBITA in relation to net sales.
EBIT	Operating profit. Profit before tax on income for the period and financial items.	EBIT is used to measure the underlying operating profit (loss) from operating activities.
EBIT margin	EBIT as a percentage of net sales.	EBIT margin is used to put the underlying operating profit (loss) in relation to net sales.
Net debt	Non-current and current interest-bearing liabilities (including leasing liabilities) less cash and cash equivalents.	Net debt is used to show the size of the debt minus current cash (which in theory could be used to repay loans).
Net debt in relation adjusted proformed EBITDA	Refers to net debt divided by adjusted proformed EBITDA	The key figure can be used to assess the Group's financial leverage.

# Additional information

## Accounting principles

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

## Business acquisitions

The Group applies the acquisition method when reporting business acquisitions. The remuneration transferred by the Group to obtain a controlling influence over a subsidiary is calculated as the sum of the fair values on the acquisition date of the transferred assets, the assumed liabilities and the equity shares issued by the Group, which includes the fair value of an asset or liability incurred in an agreement on contingent considerations. Acquisition-related costs are recognized as an expense when they are placed in the item Other Operating Expenses. Acquired assets and assumed liabilities are valued at fair value at the time of acquisition. If, when a business is acquired, there is a positive difference between the acquisition value and the fair value of acquired identifiable assets and assumed liabilities, the difference is goodwill. Goodwill is valued at acquisition value less any accumulated impairment losses. Goodwill is tested annually for impairment.

## Leasing agreements

The leasing agreements within the Group cover premises, cars, tools and machinery. The leasing agreements are reported in the balance sheet, with the exception of short-term leasing agreements (leasing agreements with a term of 12 months or less) and leasing agreements with a low underlying asset value. At the start of the agreement, the Group assesses whether the agreement provides the right to control the usage of an identified asset for a period of time in exchange for compensation, in which case it is classified as a leasing agreement. The Group reports a right of use (leasing asset) and a leasing liability at the start date of the leasing agreement. The use-of-right asset is initially valued at an acquisition value that includes the initial amount of the leasing liability adjusted for any lease payments paid before the commencement date plus any initial direct costs and an estimate of costs to restore the underlying asset, less any discounts received. The right-of-use asset is then amortized on a straight-line basis during the use period, which is considered the same as the leasing period. The Group's leasing agreements normally run for 3-5 years, with the exception of a limited number of premise leases that run for a longer period. The right-of-use asset is adjusted periodically for certain revaluations of the lease liability and any impairment losses. The lease liability is initially estimated at the present value of outstanding lease payments, discounted based on the implicit interest rate in the lease agreement or, if this interest rate cannot be determined, the Group's marginal borrowing rate. In general, the Group uses its marginal borrowing rate as the discount rate. The leasing liability is valued at accrued acquisition value using the effective interest method and is revalued when changes in future lease payments arise through changes in the index, or if the Group changes its assessment of whether it will purchase, extend or terminate the lease. A corresponding adjustment is made for the reported right-of-use value with any surplus over the asset's carrying amount shown in the income statement. The Group has chosen not to report leasing assets and leasing liabilities for short-term leasing agreements (leasing agreements with a term of 12 months or less) and leasing of assets with a low underlying asset value. Asset values below the estimated market value of SEK 45,000 are not reported. The Group reports the rental costs in connection with these leasing agreements as an expense on a straight-line basis over the leasing period. All premise leases are assessed individually for each company.



## New presentation form for the income statement and balance sheet

Due to the company's change in operations, Vestum has changed its presentation for the income statement and balance sheet. The new form of presentation has entailed certain reclassifications, which, however, have no significant effect on the financial statements. Vestum reports the result from WeSC's operations separately in the income statement in accordance with IFRS 5 regarding discontinued operations. Also, certain fixed assets are reported as assets held for sale. The comparative figures for 2020 have been recalculated in terms of income statement, balance sheet and certain Alternative Key Figures. See the following section on IFRS 5 below.

## New and additional accounting principles

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

## IFRS 5

The Board of Directors has made a decision regarding the divestment of the operations conducted within the framework of the WeSC brand. The Board's assessment is that a divestment is likely to take place within twelve months and therefore the result from this operation is reported separately in the income statement in accordance with IFRS 5 regarding discontinued operations. Assets and liabilities attributable to the business are reported as assets held for sale.

## Pro forma accounting

Due to Vestum's rapid growth, the company has chosen to prepare a pro forma report. The purpose of the pro forma report is to provide an overview of the consolidated income statement and balance sheet for the period July 1 2020 - June 30 2021 as if the acquisitions which took place before June 30 2021, as described above, were completed on July 1 2020. The sole purpose of the pro forma report is to inform and highlight facts with the intention of describing a hypothetical situation. The pro forma financial information does not necessarily reflect the Group's actual results and/or financial position if the acquisitions had been made by the earlier date stated above, and such pro forma financial information should not be viewed as an indication of the Group's earnings trend or financial position for any future period. The pro forma information should be read together with all other information in this interim report.

The pro forma accounts have been prepared in accordance with Vestum's accounting principles. In preparing the pro forma information, an analysis has been made of the effects of differences in accounting principles between Vestum and the acquired companies. The applicable parts of the acquired companies' financial information have been adapted to Vestum's accounting principles. This mainly applies to IFRS 16 - Leasing agreements. Regarding IFRS 16, Vestum has analyzed the acquired companies' leasing agreements as of the acquisition date and makes the assumption in the pro forma accounts that the effect of the leasing agreements that exist on the acquisition date would have over the coming 12-month period would also apply to the pro forma period i.e. July 1, 2020 - June 30, 2021. Other adjustments have had a total positive effect of SEK 1 million on EBITDA and EBITA for the proformed period.

## Segment reporting

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

### Services

The Services segment includes specialist companies that provide various services for the construction industry. These companies usually act as subcontractors and can, for example, specialize in plumbing, suspended ceilings, electricity, installations, flooring, facades, demolition, etc. The Services segment currently consists of the following Vestum companies: Allakustik Underbara Tak, Rönmarks Undertak, Sanera Stockholm, GGAL Group, Installera, Plåtslagaren G.H. Johansson and F Forsmans VVS.

### Infrastructure

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

nance needs and is often characterized by strong local players. The Infrastructure segment currently consists of the following Vestum companies: Rosenqvist Entreprenad, FlexiRail, Hyrex, Containertjänst i Tyresö, Powerstruc, Skandinaviska Områdesskydd, Mälardalens Spår och Anläggning and MTB Mark & Trädgårdsbyggarna.

SEK million	Infra	Services	HQ/Other	Total
Net sales	32.0	4.0	0.3	36.3
EBITDA	9.9	0.6	-8.1	2.3
EBITA	8.5	0.5	-8.1	0.8

## Risks and uncertainties

For a description of the Group's significant risk and uncertainty factors, which are deemed to be unchanged, please refer to a detailed account in the Group's company description published 2021-05-18.

## Ownership

The ten largest shareholders as of June 30, 2021 according to Euroclear:

Name	Number of shares	Share of total
Conny Ryk (Ryk Group AB)	18,200,000	21.6%
Anders Rosenqvist (Rosenqvist Gruppen AB)	10,018,000	11.9%
Per Åhlgren (GoMobile Nu AB)	7,300,393	8.6%
Olof Andersson	4,500,000	5.3%
Olle Nykvist	4,500,000	5.3%
Simon Göthberg	4,500,000	5.3%
Erkan Sen	4,500,000	5.3%
Försäkringsaktiebolaget, Avanza Pension	4,099,957	4.9%
Swedbank Försäkring AB	3,174,848	3.8%
Nordea Livförsäkring Sverige AB	1,912,700	2.3%
<b>Total for the 10 largest shareholders based on no. of shares</b>	<b>62,705,898</b>	<b>74.3%</b>
<b>Total number of shares, other shareholders</b>	<b>16,596,294</b>	<b>19.7%</b>
Shares yet to be registered, as of June 30 2021	5,120,527	6.1%
<b>Total number of shares, June 30 2021</b>	<b>84,422,719</b>	<b>100.0%</b>

## Related party transactions

During the period, loans from Ryk Group AB, which is controlled by Conny Ryk, regarding production financing were raised and resolved. Liabilities including accrued interest amounted to SEK 16.5 million and were resolved through cash payment. Furthermore, all debts to GoMobile.nu AB, which is owned by Per Åhlgren who is chairman of the company, have been repaid including interest. Liabilities including accrued interest amounted to a total of SEK 21.0 million, of which SEK 17.3 million was paid in cash and the remaining part of SEK 3.7 million through set-off issue. At the end of the period, on June 30, 2021, there was an outstanding debt of SEK 1 million to Johan Heijbel, who is a board member of Vestum AB.

## Board approval

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

2021-08-19

**Per Åhlgren**, Chairman of the Board

**Johan Heijbel**, Board member

**Olle Nykvist**, Board member

**Anders Rosenqvist**, Board member

**Conny Ryk**, Chief Executive Officer

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

*This information is information that Vestum AB (publ) is obliged to make public pursuant of the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out below, at 07:30 CEST on August 19, 2021.*

## Upcoming reports

The interim report for the third quarter of 2021 will be published on November 18, 2021.

The year-end report for 2021 will be published in February 24, 2022

## For more information, contact

### Shareholder questions:

Head of Communication and IR  
Olle Nykvist, +46 76 617 09 78

### Business questions:

CEO  
Conny Ryk, +46 70 775 53 10

---

## Company address

Vestum AB (plc)  
Birger Jarlsgatan 27  
111 45 Stockholm  
Swede

E-mail: [info@vestum.se](mailto:info@vestum.se)  
Website: [www.vestum.se](http://www.vestum.se)

## Company information

Org nr 556578-2496  
Registered office: Stockholm

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

# VESTUM