

Registered number: 02515428

RENDALL & RITTNER LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2021



RENDALL & RITTNER LIMITED

COMPANY INFORMATION

Directors

John Rittner
Duncan Rendall
Catherine Riva
William Hammond
Richard Daver
Stephen Ellman
John Bromilow
Susan Petri
Daniel Steer
Paul Denton (appointed 1 January 2021)
Adewale Oladunjoye (appointed 1 January 2021)
Parimal Patel (appointed 1 January 2022)

Company secretary

Duncan Llewelyn Rendall

Registered number

02515428

Registered office

13b St. George Wharf
London
SW8 2LE

Independent auditors

Haysmacintyre LLP
Statutory Auditors
10 Queen Street Place
London
EC4R 1AG

RENDALL & RITTNER LIMITED

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RENDALL & RITTNER LIMITED

STRATEGIC REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2021

Introduction

The company carried on business as property managers and this was its principal activity throughout the period. The company's immediate parent undertaking R&R Residential Management Limited was acquired by Wexford BidCo Limited during the period.

Business review

The results for the current period are for an 18 month period compared with a 12 month period for the comparative figures. In the period ended 31 December 2021, turnover was £59.3m from £61.6m. Operating profit was £3.1m, compared to an operating loss of £2.1m in 2020, whilst earnings before interest tax, depreciation and amortisation (EBITDA) was £4.8m, compared to a loss of £0.8m in 2020.

On 1 July 2020, the trade and assets of Bourne Estates Ltd were hived up into the company. This increased the company's turnover by approximately £500k and profit by £45k in the current period.

Principal risks and uncertainties

Management continually monitor the key risks facing the company together with assessing the controls used for managing these risks. The principal risks and uncertainties facing the company as follows:

(i) Market and economic environment

Significant changes in the market and economic environment, particularly factors effecting the property market, could have significant impact on the company's turnover. The company continually monitors the pipeline of new opportunities and looks to develop relationships with a wide range of clients.

(ii) Loss of key personnel

The loss of key individuals may limit the company's ability to grow the business as anticipated. Competitive remuneration packages are offered in order to retain staff.

(iii) Reliance on information technology

The company relies on its IT systems to operate efficiently. Systems are continually reviewed and updated to ensure they meet demands of the business.

Environmental matters

The company recognises that environmental issues are a fundamental challenge for the global community. The business is committed to managing the environmental impacts that arise through the lifecycle of its services.

The company has won awards for various sustainability initiatives. The company uses its resources and engages with the community to foster economic, social and environmental wellbeing, demonstrating a dedication to achieving sustainable solutions.

Financial key performance indicators

At the end of the period net assets totalled £2.17m (2020 net liabilities: £0.32). The company's key financial and other performance indicators during the period were as follows:

Turnover for the period was £59.3m (2020: £61.6m)

Profit before tax was £3.1m (2020 loss before tax: £2.1m)

Net profit as a percentage of turnover was 5.0% (2020: (loss) 3.3%)

Profit before interest, tax, depreciation and amortisation was £4.8m (2020 EBITDA: £(0.8)m).

RENDALL & RITTNER LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

Directors' statement of compliance with duty to promote the success of the company

Under section 172 of the Companies Act a director of a company must act in the way he/she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- The likely consequences of any decision in the long term
- The interests of the company's employees
- The need to foster the company's business relationships with suppliers, customers and others
- The impact of the company's operations on the community and the environment
- The desirability of the company maintaining a reputation for high standards of business conduct, and
- The need to act fairly as between members of the company.

Our statement sets out the key stakeholder groups, their interests and how the company engages with them.

This report was approved by the board on 1 July 2022 and signed on its behalf.



Duncan Rendall
Director

RENDALL & RITTNER LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2021

The directors present their report and the financial statements for the period ended 31 December 2021.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the period, after taxation, amounted to £2,914,114 (2020 - loss £2,009,864).

The directors do not recommend the payment of any dividends in respect of the financial period ended 31 December 2021 (2020: £nil).

Directors

The directors who served during the period were:

John Rittner
Duncan Rendall
Catherine Riva
William Hammond
Richard Daver
Stephen Ellman
John Bromilow
Susan Petri
Daniel Steer
Paul Denton (appointed 1 January 2021)
Adewale Oladunjoye (appointed 1 January 2021)

RENDALL & RITTNER LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

Future developments

The company has continued to invest in key areas of infrastructure during the past eighteen months, especially its employees and IT systems. The investment together with the company's strong financial position should enable the company to take advantage of further opportunities for profitable growth.

Employee engagement

Our people are the primary asset of the business. Effective employee engagement provides a more rewarding working environment for employees. It also creates a more sustainable base for the business, and also its people, to grow and develop.

Our engagement with our people aims to address all areas of their work-life including, but not limited to, welfare, health and safety, stress related issues, training, personal development, and career progression. We also aim to, wherever possible, promote from within the company. The company offers flexible working arrangements wherever possible, including remote working and part-time contracts. Engagement with our people starts from the board and is driven effectively throughout the company by a structure which is continually reviewed and developed.

Engagement with suppliers, customers and others

Our suppliers are key to the effective running of our business. Effective suppliers create a strong platform for service delivery to clients. Our engagement with suppliers aims to build strong relationships with them, which in turns creates opportunities for them to grow and develop. We believe in fostering and developing relationships with our suppliers, many of which have provided us with services over many years. We meet with key suppliers on a regular basis to understand their issues and ensure that performance is continually reviewed.

Our clients have unique requirements that require diligence and trust from the service we provide. We aim to respond to the needs of our clients by engaging with them on a regular basis; we meet with many on a monthly basis. We ensure that we are transparent with the information that is provided and that concerns are dealt with in a timely and professional manner.

Corporate governance

The company has not formally adopted any specific corporate governance code. However due to its size, the company has a formal board structure, with each board member assigned key areas of responsibility. Board meetings are held on a monthly basis, the CEO sets the agenda, board papers are submitted ahead of meetings and minutes are taken as a formal record of the meeting.

Regulatory bodies

The company's operations are subject to a wide range of laws such as data protection, UK tax, employment, environmental and health & safety legislation. In addition, we are regulated by RICS, ARMA and also by the FCA in relation to insurance intermediation. We are subject to periodic audit by our regulators and also engage with them from time to time on relevant matters that affect the business.

RENDALL & RITTNER LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

Financial instruments

Objectives and policies:

Income received from customers is matched to the performance and outgoings of suppliers and employees to reduce the possibility of losses from each contract or job undertaken. Bank receipts and payments are closely monitored and reconciled regularly.

Financial risk management objectives and policies:

The business' principle financial instruments comprise bank balances, trade debtors and trade creditors. The main purpose of these instruments is to finance the business operations. In respect of debtors, the liquidity risk is minimised by ensuring policies are implemented concerning the credit offered to customers and a regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors. Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Consumption and energy efficiency action

We take our environmental responsibilities extremely seriously and understand that as a large organisation we have a responsibility to minimise our carbon footprint.

Our environmental information includes the following:

- Energy use: 78,000 kWh of electricity.
- Intensity ratio: 0.49 tonnes of CO2 per employee per annum.
- Initiatives that we have undertaken to reduce our CO2 emission levels include:
 - o Reducing our use of paper by encouraging our customers to opt out of paper communication and receive information online.
 - o Operating a cycle to work scheme.
 - o Using only eco-friendly cleaning products in the buildings we manage and in our own offices.
 - o Introducing work-from-home following the Coronavirus pandemic. The lease on our 200 desk London office expired in September 2020 and we did not renew it.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the company since the year end.

Auditors

The auditors, Haysmacintyre LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

RENDALL & RITTNER LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2021**

This report was approved by the board on 1 July 2022 and signed on its behalf.



Duncan Rendall
Director

RENDALL & RITTNER LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RENDALL & RITTNER LIMITED

Opinion

We have audited the financial statements of Rendall & Rittner Limited (the 'Company') for the period ended 31 December 2021, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

RENDALL & RITTNER LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RENDALL & RITTNER LIMITED (CONTINUED)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

RENDALL & RITTNER LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RENDALL & RITTNER LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it 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 financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements for the operational business, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries which are identified as higher or elevated risk based on the 'HI' feature on info journals testing, which identifies risky journals and selects them for testing; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

RENDALL & RITTNER LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RENDALL & RITTNER LIMITED
(CONTINUED)**

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Broome (Senior Statutory Auditor)

for and on behalf of
Haysmacintyre LLP

Statutory Auditors

10 Queen Street Place
London
EC4R 1AG
Date: 1 July 2022

RENDALL & RITTNER LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2021

		18 months to 31 December 2021 £	12 months to 30 June 2020 £
	Note		
Turnover	4	59,345,678	61,624,311
Gross profit		<u>59,345,678</u>	<u>61,624,311</u>
Administrative expenses		(56,482,382)	(64,318,918)
Other operating income	5	208,330	587,127
Operating profit/(loss)	6	<u>3,071,626</u>	<u>(2,107,480)</u>
Amounts written off investments		(6,976)	-
Interest payable and similar expenses	10	(31,399)	(182,272)
Profit/(loss) before tax		<u>3,033,251</u>	<u>(2,289,752)</u>
Tax on profit/(loss)	11	(119,137)	279,888
Profit/(loss) for the financial period		<u>2,914,114</u>	<u>(2,009,864)</u>
Other comprehensive income for the period			
Amortisation of intangible fixed assets charged to reserves		(429,006)	-
Other comprehensive income for the period		<u>(429,006)</u>	<u>-</u>
Total comprehensive income for the period		<u>2,485,108</u>	<u>(2,009,864)</u>

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of comprehensive income.

The notes on pages 15 to 32 form part of these financial statements.

RENDALL & RITTNER LIMITED
REGISTERED NUMBER: 02515428

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	31 December 2021 £	30 June 2020 £
Fixed assets			
Intangible assets	12	1,343,570	1,784,514
Tangible assets	13	713,129	1,012,019
Investments	14	-	621,000
		<u>2,056,699</u>	<u>3,417,533</u>
Current assets			
Debtors: amounts falling due within one year	15	13,311,847	6,604,925
Cash at bank and in hand	16	1,827,788	4,367,927
		<u>15,139,635</u>	<u>10,972,852</u>
Creditors: amounts falling due within one year	17	(14,907,222)	(14,705,518)
Net current assets/(liabilities)		<u>232,413</u>	<u>(3,732,666)</u>
Total assets less current liabilities		<u>2,289,112</u>	<u>(315,133)</u>
Provisions for liabilities			
Deferred tax		(119,137)	-
		<u>(119,137)</u>	<u>-</u>
Net assets/(liabilities)		<u><u>2,169,975</u></u>	<u><u>(315,133)</u></u>
Capital and reserves			
Called up share capital	19	7,000	7,000
Profit and loss account	20	2,162,975	(322,133)
		<u>2,169,975</u>	<u>(315,133)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 1 July 2022.



Duncan Rendall
Director

The notes on pages 15 to 32 form part of these financial statements.

RENDALL & RITTNER LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2021

	Called up share capital £	Profit and loss account £	Total equity £
At 1 July 2019	7,000	1,687,731	1,694,731
Loss for the year	-	(2,009,864)	(2,009,864)
At 1 July 2020	7,000	(322,133)	(315,133)
Profit for the period	-	2,914,114	2,914,114
Amortisation prior to hive up	-	(429,006)	(429,006)
Total comprehensive income for the period	-	2,485,108	2,485,108
At 31 December 2021	7,000	2,162,975	2,169,975

The notes on pages 15 to 32 form part of these financial statements.

RENDALL & RITTNER LIMITED

ANALYSIS OF NET DEBT FOR THE PERIOD ENDED 31 DECEMBER 2021

	At 1 July 2020 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	4,367,927	(2,540,139)	1,827,788
	<u>4,367,927</u>	<u>(2,540,139)</u>	<u>1,827,788</u>

The notes on pages 15 to 32 form part of these financial statements.

RENDALL & RITTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

1. General information

The company carried on business as property managers and this was its principal activity throughout the period. The company is a private company limited by shares, registered in England and Wales, company registration number 02515428. The address of the registered office is Rendall & Rittner Limited, 13b St. George Wharf, London SW8 2LE.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the entity and rounded to the nearest £.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

The information is included in the consolidation financial statements of Odevo AB, a company incorporated in Sweden Reg. No. 559185-5787, as at 31 December 2021 and these financial statements can be obtained from the directors, Odevo AB, Hammarbybacken 31, 120 30 Stockholm.

2.3 Exemption from preparing consolidated financial statements

The company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006. The larger group is Odevo AB, details of which are included within 2.2 above.

2.4 Going concern

The financial statements are prepared on a going concern basis. The Statement of Comprehensive income shows that the company made a profit in the year of £2,914,114 with a net asset position of £2,169,975. In making their going concern assessment, the Directors took into account the liquidity of the company and the expected future cash flows.

The directors consider that they have sufficient mitigating actions available to them to manage the business risks successfully despite the current economic climate. Accordingly, the directors believe the going concern basis is appropriate as the basis of preparation for these financial statements.

RENDALL & RITTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 On-site staff

The employment costs of on-site staff are recharged at cost as they are incurred.

2.7 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.8 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.9 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

RENDALL & RITTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.10 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

2.11 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

RENDALL & RITTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.12 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	5	years
Computer Software	-	3	years

2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	-	25%
Computer equipment	-	33%
Leasehold improvements	-	20%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

RENDALL & RITTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.15 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.17 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.18 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.20 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

RENDALL & RITTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.20 Financial instruments (continued)

- at fair value with changes recognised in the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

2.21 Exemption from preparing a cash flow statement

The company qualifies for exemption under FRS102 paragraph 1.12 and has therefore not prepared a cash flow statement and related notes.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. These areas include:

- Amortisation rates - the company applies a reasonable industry standard to amortise acquired intangibles over a 3-5 year period.
- Impairment of goodwill - the company assesses the discounted future cashflows of acquired companies using reasonable measures of discount factors and growth rates, in line with industry standards.
- Impairment of investments - the company values investments using reasonable measures of future cash flows.
- Bad debt provision - all debts outstanding are reviewed and where reasonable doubt exists over its recoverability a provision is made.
- Going Concern - the company's assessment of going concern requires projections of revenues and costs, which is a combination of confirmed contracts and estimated future contracts based upon the experienced judgement of Directors and management.

RENDALL & RITTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

4. Turnover

An analysis of turnover by class of business is as follows:

	18 months to 31 December 2021 £	12 months to 30 June 2020 £
Management and other property management fees	45,989,341	23,457,645
Company secretarial fees	206,703	157,398
On-site staff salaries recharged	13,149,634	38,009,268
	<u>59,345,678</u>	<u>61,624,311</u>

Analysis of turnover by country of destination:

	18 months to 31 December 2021 £	12 months to 30 June 2020 £
United Kingdom	59,345,678	61,624,311
	<u>59,345,678</u>	<u>61,624,311</u>

5. Other operating income

	18 months to 31 December 2021 £	12 months to 30 June 2020 £
Government grants receivable	208,330	587,127
	<u>208,330</u>	<u>587,127</u>

RENDALL & RITTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

6. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	18 months to 31 December 2021 £	12 months to 30 June 2020 £
Other operating lease rentals	906,656	602,091
Amortisation of intangible assets	1,165,855	950,006
Depreciation of tangible fixed assets	594,731	324,417
	<u> </u>	<u> </u>

7. Auditors' remuneration

	18 months to 31 December 2021 £	12 months to 30 June 2020 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	92,289	35,000
	<u> </u>	<u> </u>

The company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent company.

RENDALL & RITTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

8. Employees

Staff costs, including directors' remuneration, were as follows:

	18 months to 31 December 2021 £	12 months to 30 June 2020 £
Wages and salaries	39,577,810	50,518,482
Social security costs	4,047,001	4,898,283
Cost of defined contribution scheme	918,718	1,157,844
	<u>44,543,529</u>	<u>56,574,609</u>

The average monthly number of employees, including the directors, during the period was as follows:

	18 months to 31 December 2021 No.	12 months to 30 June 2020 No.
Directors	12	9
Administrative staff	133	89
Property management	229	248
Operations	71	53
On-site staff	291	1,241
	<u>736</u>	<u>1,640</u>

RENDALL & RITTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

9. Directors' remuneration

	18 months to 31 December 2021 £	12 months to 30 June 2020 £
Directors' emoluments	2,528,054	1,178,071
Company contributions to defined contribution pension schemes	62,993	30,420
	<u>2,591,047</u>	<u>1,208,491</u>

During the period retirement benefits were accruing to 11 directors (2020 - 9) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £296,012 (2020 - £208,874).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £8,325 (2020 - £5,475).

10. Interest payable and similar expenses

	18 months to 31 December 2021 £	12 months to 30 June 2020 £
Bank interest payable	31,399	182,272
	<u>31,399</u>	<u>182,272</u>

RENDALL & RITTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

11. Taxation

	18 months to 31 December 2021 £	12 months to 30 June 2020 £
Corporation tax		
Current tax on profits for the year	-	(279,888)
	<u>-</u>	<u>(279,888)</u>
Total current tax	<u>-</u>	<u>(279,888)</u>
Deferred tax		
Origination and reversal of timing differences	119,137	-
Total deferred tax	<u>119,137</u>	<u>-</u>
Taxation on profit/(loss) on ordinary activities	<u>119,137</u>	<u>(279,888)</u>

RENDALL & RITTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

11. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is lower than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19 %). The differences are explained below:

	18 months to 31 December 2021 £	12 months to 30 June 2020 £
Profit/(loss) on ordinary activities before tax	3,033,251	(2,289,752)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19 %)	576,318	(435,053)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	504	81,795
Capital allowances for period/year in excess of depreciation	212,198	12,561
Utilisation of tax losses	(255,261)	-
Adjustments to tax charge in respect of prior periods	-	(183,729)
Employee share acquisition relief	(413,297)	(250,800)
Unrelieved tax losses carried forward	-	262,746
Unrelieved loss on disposal of operation	(1,325)	-
Losses carried back	-	183,729
Group relief	-	48,863
Total tax charge for the period/year	119,137	(279,888)

Factors that may affect future tax charges

Tax rate rises from 2023, with an increase in profits chargeable to corporation tax in excess of £50,000 being charged at 25%, are likely to affect future tax charges. The quantum effect of this change is dependent on the company's and group's level of profits or losses at the time.

RENDALL & RITTNER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

12. Intangible assets

	Computer software £	Goodwill £	Total £
Cost			
At 1 July 2020	-	3,655,506	3,655,506
Additions	539,893	185,018	724,911
At 31 December 2021	<u>539,893</u>	<u>3,840,524</u>	<u>4,380,417</u>
Amortisation			
At 1 July 2020	-	1,870,992	1,870,992
Charge for the period on owned assets	-	1,165,855	1,165,855
At 31 December 2021	<u>-</u>	<u>3,036,847</u>	<u>3,036,847</u>
Net book value			
At 31 December 2021	<u>539,893</u>	<u>803,677</u>	<u>1,343,570</u>
At 30 June 2020	<u>-</u>	<u>1,784,514</u>	<u>1,784,514</u>

The individual intangible assets which are material to the financial statements are software being developed to improve the overall efficiencies of the group.

RENDALL & RITTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

13. Tangible fixed assets

	Office equipment £	Computer equipment £	Leasehold improvement s £	Total £
Cost				
At 1 July 2020	699,267	1,582,287	153,322	2,434,876
Additions	8,813	261,393	25,635	295,841
At 31 December 2021	708,080	1,843,680	178,957	2,730,717
Depreciation				
At 1 July 2020	502,498	888,397	31,962	1,422,857
Charge for the period on owned assets	112,597	429,576	52,558	594,731
At 31 December 2021	615,095	1,317,973	84,520	2,017,588
Net book value				
At 31 December 2021	92,985	525,707	94,437	713,129
At 30 June 2020	196,769	693,890	121,360	1,012,019

RENDALL & RITTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

14. Fixed asset investments

	Investments in subsidiary companies £	Other fixed asset investments £	Total £
Cost or valuation			
At 1 July 2020	621,000	250,324	871,324
At 31 December 2021	621,000	250,324	871,324
Impairment			
At 1 July 2020	-	250,324	250,324
Charge for the period	621,000	-	621,000
At 31 December 2021	621,000	250,324	871,324
Net book value			
At 31 December 2021	-	-	-
At 30 June 2020	621,000	-	621,000

On 1 July 2020, the trade and assets of Bourne Estates Limited were hived up into the company. The investment in Bourne Estates Limited has been fully impaired at the date of the hive up.

15. Debtors

	31 December 2021 £	30 June 2020 £
Trade debtors	8,614,801	4,442,088
Amounts owed by group undertakings	1,314,654	728,887
Other debtors	517,887	555,484
Prepayments and accrued income	2,688,730	878,466
Tax recoverable	175,775	-
	<u>13,311,847</u>	<u>6,604,925</u>

RENDALL & RITTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

16. Cash and cash equivalents

	31 December 2021 £	30 June 2020 £
Cash at bank and in hand	1,827,788	4,367,927
	<u>1,827,788</u>	<u>4,367,927</u>

17. Creditors: Amounts falling due within one year

	31 December 2021 £	30 June 2020 £
Trade creditors	1,310,935	908,461
Amounts owed to group undertakings	1,347,416	1,757,102
Corporation tax	-	1,050
Other taxation and social security	3,920,788	5,801,970
Other creditors	1,915,784	908,724
Accruals and deferred income	6,412,299	5,328,211
	<u>14,907,222</u>	<u>14,705,518</u>

18. Deferred taxation

	2021 £
Charged to the profit or loss	(119,137)
At end of year	<u>(119,137)</u>

The deferred taxation balance is made up as follows:

	31 December 2021 £	30 June 2020 £
Accelerated capital allowances	(119,137)	-
	<u>(119,137)</u>	<u>-</u>

RENDALL & RITTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

19. Share capital

	31 December 2021 £	30 June 2020 £
Allotted, called up and fully paid		
7,000 (2020 - 7,000) Ordinary shares of £1.00 each	7,000	7,000

20. Reserves

Profit and loss account

The profit and loss account includes all current and prior period retained profits.

21. Business combinations

On 1 July 2020, the trade and assets of Bourne Estates Limited were hived up into the company. The investment in Bourne Estates Limited has been fully impaired at the date of the hive up.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value £
Fixed Assets		
Tangible	15,866	15,866
	15,866	15,866
Current Assets		
Debtors	23,463	23,463
Cash at bank and in hand	145,529	145,529
Total Assets	184,858	184,858
Creditors		
Due within one year	(130,142)	(130,142)
Deferred taxation	(2,040)	(2,040)
Total identifiable net assets	52,676	52,676
Consideration		
		£
Debt instruments		52,676

RENDALL & RITTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

22. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £918,718 (2020 - £1,157,844)

23. Commitments under operating leases

At 31 December 2021 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	31 December 2021 £	30 June 2020 £
Not later than 1 year	372,529	505,453
Later than 1 year and not later than 5 years	594,129	1,330,148
Later than 5 years	-	1,015,797
	<u>966,658</u>	<u>2,851,398</u>

24. Related party transactions

The company was charged rent totalling £76,850 (2020: £50,000) by the Rendall and Rittner Limited, Executive Retirements Benefits Scheme, of which D L Rendall and J W M Rittner are both beneficiaries. As at the balance sheet date, £Nil (2020: £Nil) was owed by the company as included within creditors falling due within one year. As at the balance sheet date, the company has entered into an operating lease of which instalments totalling £9,040 (2020: £85,890) remain outstanding as at the balance sheet date.

The company charged a management fee of £31,106 (2020: £nil) to Wapping Wharf (Block A Resident) Limited, a company in which J W M Rittner has a significant influence. At the end of the year the amount due to the company was £nil (2020: £nil).

The company charged a management fee of £49,169 (2020: £nil) to CVRA Management Company Limited, a company in which J W M Rittner has a significant influence. At the end of the year the amount due to the company was £nil (2020: £nil).

Transactions with other companies in the group have not been disclosed in accordance with section 33.1A of FRS 102.

25. Controlling party

The ultimate controlling party is Berghamnen AB (company number 556805-6625) which has a controlling interest in the company's immediate parent company, R & R Residential Management Limited, 06549794, a company incorporated in England and Wales.

FINANCIAL STATEMENTS

and

CONSOLIDATED FINANCIAL STATEMENTS

2021-01-01--2021-12-31

Odevo AB

559185-5787

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The Board of Directors of Odevo AB hereby submits the financial statements and the consolidated financial statements for the financial year 1 January 2021 - 31 December 2021.

Statement by the board of directors

Type and scope of operations

The activities of Odevo AB and the group consist in developing and providing services for management of private properties. Management services comprise services such as financial management, maintenance planning, property service and project management, legal services, and financial services. The group also develops its own management platform, which is currently primarily used for own delivery but is also licensed to a few other management companies. The group's long-term ambition is to continue to increase the licence sale with respect to the proprietary platform. Odevo AB carries on business in Sweden and through subsidiaries in Great Britain and Finland (since 2022). Odevo AB is the group's parent company with its registered office in Stockholm. At the end of 2021, the group had 1,161 employees.

Odevo AB changed its name from previously FC Sun Intressenter AB in March 2022.

Important events during the financial year

During the year, the group has carried out a number of acquisitions:

- In March 2021, Odevo AB acquired through the subsidiary (newly acquired British shelf company Wexford Holdco Ltd, 13111565 and Wexford Bidco Ltd, 13113041) the British management company Rendall & Rittner (parent company R & R Residential Management Ltd, 06549794)
- In the spring of 2021, the Swedish subsidiary Nabo carried out four acquisitions:
 - In March, Nabo RS AB (559136-7320) acquired MGC Fastighetsförvaltning AB (559207-4669; during the year renamed Nabo Göteborg M AB)
 - In April, Nabolaget AB (556649-5445) acquired all assets and liabilities of Adamsbergs Fastighetsförvaltning AB (556950-1447)
 - In April, Nabo RS AB (559136-7320) acquired Husjuristerna i Göteborg AB (556799-8793, during the year renamed Nabo Göteborg H AB)
 - In April, Nabo Göteborg AB (559303-4738, newly acquired shelf company) acquired all assets and liabilities in the BRF management company in Revisorsringen Sverige Aktiebolag (556183-4259)
- In October 2021, the Swedish subsidiary SBC Sveriges BostadsrättsCentrum AB (556576-7299) acquired MARAB Gruppen AB (559160-3781)
- In October 2021, Odevo AB acquired an open banking platform through the acquisition of Monu AB (559192-0367)
- In December 2021, Odevo AB acquired through a subsidiary (newly acquired British shelf company Wexford Holdco Ltd, 13111565 and Wexford Bidco Ltd, 13113041) the British management company Premier Estates (parent company Premier Estates Ltd, 03607568)
- During the year, the company has concluded a new loan agreement with Ares Management Limited. According to this loan agreement, the new loan has replaced previous loans with Danske Bank. The total loan amount on 31 December 2021 is tSEK 1,225,670.

During the year, the group has followed the recommendations which local public health authorities have made to prevent the spread of Covid-19. Specifically, this has meant that employees have worked from home to a great extent during the year and that customer meetings and events and other internal and external meetings have taken place digitally. The measures taken have had a limited effect on the financial result for 2021.

Important events after the end of the reporting period

The group has carried out several acquisitions during 2022, which are described in more detail in note 29. In March 2022, the liquidation of two dormant companies in the Nabo group, Boldo AB (559095-3435) and RedKom Bostadsrättsförvaltning AB (559073-9347), was completed.

The current situation with respect to the war in the Ukraine has so far not had any noticeable effect on the group's result and position. The increased fuel and heating prices may affect the result, but only to a limited extent according to the assessment.

We have especially continued to consider how the effects of the covid-19 outbreak affects and may affect the group's future development and risks, which may affect the financial reporting going forward. We assess that the impact on the group is limited.

Development in activities, position, and result (group)

(TSEK)	2021	2020	2019 ⁴
Net turnover	1,542,197	646,250	467,569
Adjusted net revenue ⁵	1,112,166	646,250	467,569
Operating profit	108,242	92,493	-69,681
Profit before tax	84,312	77,420	-81,325
Balance sheet total	3,018,841	1,725,116	1,612,990
Equity ratio ¹	41.4%	64.4%	67.9%
Return on equity ²	5.5%	5.3%	-15.8%
Return on total assets ³	4.8%	5.5%	-7.3%
Operating margin	7.0%	14.3%	-14.9%
Adjusted operating margin	9.7%	14.3%	-14.9%
Average number of employees	1,161	454	445

¹ Adjusted equity/Balance sheet total Adjusted equity means equity + untaxed reserves, net of deferred tax liability.

² Profit/loss for the year/Average adjusted equity

³ (Profit/loss before tax + interest expenses) / Average balance sheet total

⁴ Key figures 2019 concern consolidated financial statements prepared on the basis of generally accepted accounting principles in Sweden (K3), not audited

⁵ Adjusted net revenue adjusted for reporting of so-called on-site staff in the British company reported on a net basis (i.e. not according to IFRS) as well as operating margin calculated based on adjusted net revenue net of on-site staff income in Great Britain.

Comments on activities, result and position

During 2021, the net revenue amounted to 1,542.2 mSEK compared to 646.2 mSEK in the preceding year, an increase of approx. 139 %, which can primarily be explained by the subsidiary acquisition. During 2021, the adjusted net revenue (see footnote 5 above) amounted to 1,112.2 mSEK compared to 646.2 mSEK in the preceding year, an increase of 70 % during the year, which can also primarily be ascribed to the subsidiary acquisition. Change in operating margin is driven partly by transaction costs and other non-recurrent costs and partly by lower margins in new companies which have joined the group.

Development in activities, position and profit/loss (parent company)

In 2021, net revenue amount to 9.1 mSEK compared to 1.7 mSEK in the preceding year. The profit for the year amounted to 50.6 mSEK compared to 5.3 mSEK in the preceding year. The change may be explained by group contributions from group companies. Equity amounted to 901,344 tSEK (784,496 tSEK) and total assets amounted to 2,119,512 tSEK (1,191,673 tSEK). Equity ratio was 41.4 % (65.5 %).

Material risks and uncertainties

Operational risks

Disruptions in the company's IT system may affect the company negatively. All companies have set up robust IT security and have processes in place for continuous control and updating of security systems to minimize the risk of disruptions to IT operation. Financial crime, both internal and external, is a risk in a financial management company. All companies have rigorous processes and control systems to minimize this risk, and they are continuously working to assess this.

Liability in connection with non-delivery or defective delivery or damage caused within the framework of a co-operation agreement is a potential risk which is handled by ensuring fair limitation through agreements and adequate insurance cover. This is something that is analysed in detail before new companies join the group.

Political decisions and amended statutory requirements affecting the housing market may have a negative impact on the company.

For information on financial risks, reference is made to note 28.

Research and development

The group's research and development activities are primarily intended for product development of the group's management platform. Product development is expected to create the preconditions for future improved margins and additional sales. Costs of product development amount to tSEK 62,493 (tSEK 9,222), which amount is capitalised.

Expected future development

The demand for management services is still high and has actually low sensitivity to cyclical fluctuations. Increased urbanisation, a global market under digital transformation and faced with stricter regulatory requirements are trends that support a future favourable development for professional management companies and create good opportunities for growth of contractual services and add-on services. With increased prosperity in general and a new generation of decision-makers comes an increased willingness to buy management services.

Also, the company's licensing activities with its management platform are expected to continue to grow. Continued investments in product development make the platform better and more flexible with respect to fulfilling the need at other management companies.

Proposal for allocation of profits (SEK)

The following profits are at the disposal of the annual general meeting

	2021 SEK
Retained earnings	843 882 375
Profit for the year	50 594 752
Total	894 477 127
The board of directors proposes that is carried forward	894 477 127

With respect to the parent company's and the group's profit/loss and position in general, reference is made to the following financial statements and notes. Unless otherwise indicated, all amounts are expressed in thousand Swedish kroner.

Consolidated income statement

		2021-01-01 - 2021-12-31	2020-01-01 - 2020-12-31
	Note	TSEK	TSEK
Income	3	1,542,197	646,250
Other operating income		1,408	771
Activity for own account	14	16,314	6,821
Total income		1,559,919	653,842
Goods for resale	-	35,685	- 16,949
Other external expenses	4	321,908	- 208,594
Staff expenses	5-6	1,040,625	- 314,507
Depreciation and amortization and write-down of intangible assets and tangible assets	13-16	53,436	- 20,807
Other operating expenses	7	23	- 492
Operating profit		108,242	92,493
Financial income	8	5,447	407
Financial expenses	9	29,377	- 15,480
Profit before tax		84,312	77,420
Income tax	11	19,423	- 18,276
Profit for the year		64,889	59,144
<i>Other comprehensive income</i>			
Exchange rate differences on translation of foreign entities		16,059	-
Total profit for the year		80,948	59,144
Attributable to:			
Parent company's shareholders:		60,489	37,963
Holding without controlling influence		20,459	21,181

Consolidated balance sheet

		2021-12-31	2020-12-31	2020-01-01
	Note	TSEK	TSEK	TSEK
Equity				
Share capital	21	1,304	1,304	1,304
Other capital contribution		710,786	644,533	633,671
Translation reserve	22	16,059	-	-
Retained earnings including profit for the year		86,283	35,117	15,977
Equity attributable to parent company's shareholders		814,433	680,954	650,953
Holding without controlling influence	10	<u>434,540</u>	<u>442,781</u>	<u>443,894</u>
Total equity		1,248,973	1,123,735	1,094,846
Long-term debt				
Debt to credit institutions	28	1,166,023	-	-
Debt to owners	28	-	320,276	-
<i>Deferred tax liability</i>	17	68,200	9,264	1,010
Lease liabilities	23	55,879	32,738	18,238
Other long-term debt		<u>7,201</u>	<u>9,016</u>	<u>27,334</u>
		1,297,303	371,294	46,582
Short-term debt				
Accounts payable	24	70,430	31,985	26,350
Current tax liabilities		5,540	-	1,734
Lease liabilities	23	25,426	13,842	7,833
Debt to credit institutions	27	-	74,372	348,748
Other short-term debt		115,220	49,547	23,808
Accrued expenses and prepaid income		<u>255,949</u>	<u>79,807</u>	<u>63,087</u>
		472,565	249,553	471,560
Total equity and debt		3,018,841	1,744,582	1,612,988

Consolidated balance sheet

		2021-12-31	2020-12-31	2020-01-01
	Note	TSEK	TSEK	TSEK
Fixed assets				
<i>Intangible assets</i>				
Goodwill	13	1,946,260	1,410,164	1,383,930
Other intangible assets	14	<u>411,602</u>	<u>56,643</u>	<u>17,916</u>
		2,357,862	1,466,807	1,401,846
<i>Tangible assets</i>				
Machinery, tools and equipment	15	35,924	10,861	7,807
Right-of-use assets	16	<u>81,640</u>	<u>49,696</u>	<u>30,905</u>
		117,564	60,557	38,712
<i>Financial fixed assets</i>				
Financial fixed assets		779	1,345	747
<i>Deferred tax assets</i>	17	<u>-</u>	<u>-</u>	<u>-</u>
		779	1,345	747
Current assets				
Trade receivables	18	185,813	72,465	66,862
Current tax assets		2,219	6,223	1,900
Other receivables	19	36,618	7,926	5,360
Prepaid expenses and accrued income	20	<u>90,797</u>	<u>20,100</u>	<u>14,541</u>
		315,447	106,714	88,663
Cash and cash equivalents	27	227,189	109,159	83,020
Total assets		<u>3,018,841</u>	<u>1,744,582</u>	<u>1,612,988</u>

Consolidated statement of changes in equity

	Attributable to parent company's shareholders						Total equity TSEK
	Share capital	Other capital contribution	Translation reserve	Retained earnings including profit for the year	Total	Holding without controlling influence	
	TSEK	TSEK	TSEK	TSEK	TSEK	TSEK	
Opening balance at 1 January 2020	1,304	633,671	-	15,977	650,952	443,894	1,094,846
Profit for the year	-	-	-	37,963	37,963	21,181	59,144
Total other comprehensive income	-	-	-	-	-	-	-
Total profit for the year	1,304	633,671	-	53,940	688,915	465,075	1,153,990
Transactions with owners:							
Shareholders contributions	-	10,862	-	-	10,862	10	10,872
Acquisition of minority interests	-	-	-	4,126	4,126	22,304	18,178
Dividend	-	-	-	22,949	22,949	-	22,949
Total transactions with owners	-	10,862	-	18,823	7,961	22,294	30,255
Closing balance at 31 December 2020	1,304	644,533	-	35,117	680,954	442,781	1,123,735

	Attributable to parent company's shareholders						Total equity TSEK
	Share capital	Other capital contribution	Translation reserve	Retained earnings including profit for the year	Total	Holding without controlling influence	
	TSEK	TSEK	TSEK	TSEK	TSEK	TSEK	
Opening balance at 1 January 2021	1,304	644,533	-	35,117	680,954	442,781	1,123,735
Profit for the year	-	-	-	44,430	44,430	20,459	64,889
Total other comprehensive income	-	-	16,059	-	16,059	-	16,059
Total profit for the year	1,304	644,533	16,059	79,547	741,443	463,240	1,204,683
Transactions with owners:							
Shareholders contributions	-	66,253	-	-	66,253	-	66,253
Acquisition of minority interests	-	-	-	6,736	6,736	6,308	429
Dividend	-	-	-	-	-	22,393	22,393
Total transactions with owners	-	66,253	-	6,736	72,989	28,700	44,290
Closing balance at 31 December 2021	1,304	710,786	16,059	86,283	814,433	434,540	1,248,973

Consolidated cash-flow statement

		2021	2020
	Note	TSEK	TSEK
Operating profit		108,242	92,493
Adjustments for non-cash items:			
Depreciation and amortization and write-down of intangible assets and tangible assets		53,436	20,807
Exchange rate effects		2,392	-
Interest received		769	407
Interest paid	-	88,346	15,480
Income tax paid	-	15,082	18,386
Cash flow from operating activities before changes in working capital		61,411	79,841
Changes in working capital			
Reduction/(increase) of short-term receivables	-	57,543	31,076
Reduction/(increase) of short-term debt		39,236	21,143
Cash flow from operating activities		43,104	69,908
Investment activities			
Company acquisition	26 -	591,202	54,509
Acquisition of tangible assets	15 -	5,507	1,297
Acquisition of intangible assets	14 -	62,493	32,055
Sale of other financial fixed assets		690	600
Cash flow from investment activities	-	658,512	88,461
Financing activities			
Distribution of dividend	-	22,393	22,949
Repayment of loan	27 -	804,872	322,067
Contracted loans	27	1,631,182	370,191
Repayment of lease liabilities	16 -	24,198	9,536
Shareholders contributions		66,253	10,873
Acquisition of holding without controlling influence	10 -	6,404	18,180
Other changes in long-term debt	27 -	106,499	-
Cash flow from financing activities		733,069	44,692
Cash flow for the year		117,661	26,139
Cash and cash equivalents at the beginning of the year		109,159	83,020
Exchange rate changes in cash and cash equivalents		369	-
Cash and cash equivalents at year-end	27	227,189	109,159

Notes

1. General information

Odevo AB with company reg. no. 559185-5787 is a limited liability company registered in Sweden with its registered office in Stockholm. The address of the registered office is Hammarbybacken 31, Stockholm. The activities of Odevo AB and its subsidiaries ("the group") consist in developing and providing services for management of private properties. Management services comprise services such as financial management, maintenance planning, property service and project management, legal services and financial services. The group also develops its own management platform, which is used for own delivery but is also licensed to other management companies. The parent company in the largest group in which Odevo AB is a subsidiary is Berghamnen AB with company reg. no. 556805-6625 and its registered office in Stockholm. The parent company in the smallest group of which Odevo AB forms part and which prepares consolidated financial statements is Fidelio Capital AB with company reg. no. 559109-8818 and its registered office in Stockholm.

The financial statements are presented in thousand Swedish kroner (tSEK).

2. Important accounting policies

Basis for preparation

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the EU. Furthermore, the group applies the Financial Statements Act and recommendation RFR 1 of the Swedish Financial Reporting Board, Supplementary Accounting Rules for Groups. The financial statements have been prepared on the basis of cost, in addition to certain financial instruments which are measured at fair value at the end of each reporting period, which is described further in the accounting policies below. The financial statements have been prepared under the going concern assumption.

This is Odevo's first consolidated financial statements. On first preparation of these consolidated financial statements for the first time according to IFRS, the provisions in IFRS 1 *First-time Adoption of International Financial Reporting Standards* have been applied, which means retrospective adoption of IFRS. The date of transition to IFRS has been set at 1 January 2020. There are, however, a number of voluntary and mandatory exceptions to this general rule. Below are stated the most important exceptions from retrospective adoption which are applied.

Goodwill

The group has not translated acquisitions carried out before the date of transition (1 January 2020). Instead, the carrying amount at the date of transition has been fixed at cost.

Leasing

Leasing agreements which are recognised under IFRS 16 have not been recognised with full retrospective effect. Instead, right-of-use assets and lease liabilities have been recognised as if they were entered into at the date of transition instead of translation from the initial date of commencement of the agreement. This means that right-of-use assets and lease liabilities at 1 January 2020 are fixed based on the below application of the transition rules:

- assessment as to whether an existing agreement at 1 January 2020 includes a leasing agreement based on the facts and circumstances that exist at this time,
- measured lease liability at present value of remaining lease payments, discounted by the marginal borrowing rate at the time of transition to IFRS,
- measured right of use to an amount corresponding to the lease liability, adjusted for any prepaid or accrued lease payments related to the relevant leasing agreement,
- applied IAS 36 to rights of use at the time of transition to IFRS,
- non-included leasing agreement for which the underlying asset has a low value as well as leasing agreement with a short term in the recognized lease liability,
- used estimates made subsequently in connection with, for example, the fixing of the leasing period for agreements that include possibilities for extending or terminating the leasing agreement.

Financial instruments (IFRS 9)

The group does not apply the write-down rules with full retrospective effect since it is not possible to convert previous periods without applying subsequently obtained information without the group's first day of application of IFRS 9 being 1 January 2021. The transition has thus not had any significant impact.

New and changed standards which have not yet entered into force

IFRS 17 Insurance Contracts must be applied from and including 1 January 2023. The groups carry an insurance business to a limited extent in Great Britain. Odevo has initiated an analysis of how IFRS 17 will affect the group's financial reporting, financial position and profit/loss but has not yet been able to form an opinion as to whether the adoption of IFRS 17 will have any material impact.

No other new or changed standards which have not yet entered into force are assessed to have any material effect on the group's financial position, profit/loss or cash flow.

The primary accounting policies are described below.

Consolidated financial statements

The consolidated financial statements include the company's financial statements and the entities (subsidiaries) in which the company has a controlling influence at 31 December of each year. Controlling influence is obtained when the group:

- has an influence on the investment object;
- is exposed, or has a right, to a variable return from its holding in the investment object; and
- may use its influence to impact its return.

The group makes a new assessment of whether controlling influence exists if facts and circumstances indicate changes to one or more of the three criteria for controlling influence above.

An investor that owns less than half of the voting stock has sufficient voting stock to have influence if it is practically possible for the investor to control the relevant company on its own. In the assessment of whether the company has sufficient voting stock to have influence, all facts and circumstances below must be considered:

- the size of the company's holding of voting stock in relation to the size and distribution of the holding at other parties;
- potential voting stock held by the company, other holders of voting stock or other parties;
- rights that originate from other contractual obligations; and
- all other facts and circumstances that indicate that the investor currently has, or lacks, the possibility to control the relevant company when resolutions must be passed, including voting pattern at previous general meetings.

A subsidiary is consolidated when the company obtains controlling influence in the subsidiary and closes down when the company loses controlling influence in the subsidiary. The profit/loss from acquired or sold subsidiaries during the year is included in the profit/loss from the day on which the company obtains controlling influence in the subsidiary and until the day on which the controlling interest in the subsidiary ceases.

If needed, the subsidiaries' financial statements are adjusted to adapt the accounting policies used for the group's accounting policies.

All intra-company assets and liabilities, equity, income, costs and cash flow associated with transactions between group companies are eliminated in the consolidation.

Income recognition

The group's income is primarily generated from sales comprising management services and insurance services. These types of income and agreements with customers are described in more detail below.

Management services

Income from property management tasks (financial and technical management and legal services) is recognised on a straight-line basis over the period during which the performance obligation is considered to have been carried out. The majority of the agreements run for the calendar year with a period of notice of at least six months before the end of the agreement period. If the agreement is not terminated, it will run for an additional year. Add-on services in addition to the management agreement are recognised during the period where performance takes place. Income is not recognised if it is not probable that the economic benefits will not flow to the group. In case of significant uncertainty with respect to payment or pending costs, no income recognition takes place. The income is recognised at the amount to which the company expects to be entitled for transferring the promised services to the customers. The transaction price is regulated in the respective agreement. The majority of the agreement income is invoiced in advance with immediate payment. The period of credit is normally 20-30 days.

Insurance agreements

An insurance agreement is recognised for the first time at the earlier of the first premium becoming due for payment and the commencement of the insurance period. It is no longer recognised when there are no

longer any existing obligations. The insurance period normally runs from 1 July to 30 June in the following year and does not need to be estimated to any significant extent. No service, derivative or deposit parts have been identified in any agreements.

The insurance technical provisions have the following components:

- Provisions for non-earned premium and residual risks; premiums received are earned on a straight-line basis over the insurance period, which is deemed to reflect how the insurance risk is successively eliminated for the group. The part which has not been earned at year-end closing is recognised as a provision for non-earned premium.
- The provision for outstanding claims consists of reported damage and non-reported damage. The previous claims are allocated based on a best estimate of what it will cost to settle them. Damage that has occurred but has not yet been reported to the group is measured on the basis of actuarial methods based on historical development patterns and assumptions regarding damage frequencies and expected final claim costs.

The insurance technical provisions are recognised under other liabilities as they represent insignificant amounts.

Receivables regarding direct Insurance are recognised when they fall due for payment and are measured at the amount which the group expects to obtain for them. The book value is assessed based on whether there is a need for write-down and whether events or circumstances have been identified which indicate that the entire amount may not be recoverable. Any write-down is recognised as a loss in the operating expenses in the income statement.

Liabilities regarding insurance are recognised when they fall due for payment and are measured based on what the group expected to pay to settle them.

Insurance premiums received are recognised as part of "Other income" in the group's income statement while cost of damage occurred and changes in insurance technical provisions are recognised under "Other costs". Insurance technical provisions are recognised under "Other provisions" in the group's balance sheet while Receivables regarding insurance are recognised in "Other receivables" and Liabilities regarding insurance are recognised in "Other liabilities". The specification to notes for these items includes amounts originating from transactions within the insurance business.

Leasing

The group is solely lessee, and for Odevo this comprises mainly premises and cars. The group assesses whether the agreement is or includes a leasing agreement when the agreement is included. The group recognises a right of use with associated lease liability for all lease agreements where the group is the lessee, in addition to leasing agreements with a low value as well as short-term leasing agreements (less than 12 months). For these leasing agreements, the group recognises the lease payments as a cost on a straight-line basis over the term of the leasing agreement unless another systematic method is more representative of when the economic benefits from the leased assets are realised by the group.

The lease liability is measured initially at the present value of the lease payments which have not been made at the commencement date, discounted using the implicit interest rate of the leasing agreement, if this can be easily determined. If this interest rate cannot be readily determined the group uses the lessee's marginal borrowing rate.

The marginal borrowing rate is defined as the interest rate which a lessee would have to pay for loan financing during a corresponding period and with corresponding security for the right of use of an asset in a similar economic environment.

Lease payments included in the valuation of the lease liability comprise:

- fixed payments (including in-substance fixed payments) less any benefits in connection with conclusion of the leasing agreement,
- variable lease payments that depend on an index or a price, initially measured using the index or price at the commencement date.

The lease liability is recognised as a separate item in the group's statement of financial position.

After the commencement date, the lease liability is measured by increasing the recognised value in order to reflect the interest rate applicable to the lease liability (using the effective interest method) and by reducing the recognised value to reflect the lease payments made.

The group revalue the lease liability (and makes a corresponding adjustment of the right of use) in the following situations:

- The leasing period is changed or the assessment of an option to purchase the underlying asset is changed, in which case the lease liability must be revalued by discounting the changed lease payments using a changed discount rate.
- The lease payments are changed due to change in an index or a price or if there is a change in the amounts expected to be payable under a residual value guarantee, in which case the lease liability is revalued by discounting the changed lease payments using the initial discount rate (unless the lease payments are changed due to a change in the variable interest rate, in which case a changed discount rate must be used).
- A change in the leasing agreement, which is not recognised as a separate leasing agreement, in which case the lease liability is revalued by discounting the changed lease payments by a changed discount rate.

Rights of use include the sum of the initial valuation of corresponding lease liabilities, lease payments paid at or before the commencement date and any initial direct expenses. They are then measured at cost less accumulated depreciation and write-down.

Rights of use are depreciated during the shorter of the lease period and the underlying asset's period of use. Depreciation starts at the commencement date of the leasing agreement. The rights of use are recognised as a separate item in the group's statement of financial position. The group applies IAS 36 to determine whether there is a need for write-down of the right of use and recognises any identified write-down, which is described in principle for "Tangible assets".

Variable lease payments which do not depend on an index, or a price are not included in the measurement of the lease liability or right of use. These attributable payments are recognised as a cost in the period in which the event or circumstance giving rise to these payments arises and is included in "Other external expenses" in the income statement.

As a practical solution, IFRS 16 allows non-separation of non-lease components from lease components, and instead recognise each lease component and all associated non-lease components as a single lease component. The Group has chosen not to use this practical solution.

Foreign currency

In connection with the preparation of the financial statements for each company, transactions in currencies other than the company's functional currency (foreign currencies) at the exchange rate at the transaction date. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate applicable at the balance sheet date. Non-monetary items recognised at fair value in foreign currencies are translated at the exchange rate applicable at the date on which the fair value was calculated. Non-monetary items measured at cost are not translated.

Exchange rate differences are recognised in profit or loss in the period in which they arise, except for:

- exchange rate differences for monetary items which are receivables from or liabilities to a foreign company where an adjustment is not planned or will not take place within a foreseeable future (and thus constitute part of the net investment in the foreign company) and which must be recognised initially in other comprehensive income and reclassified from equity to profit or loss in connection with divestment of the net investment.

In connection with preparation of consolidated financial statements, the group's assets and liabilities in foreign currency are translated at the closing rate at the balance sheet date. Income and expenses are translated at the average exchange rate for the period, unless the exchange rate varies significantly during the period, in which case the exchange rate at the transaction date is applied. If exchange rate differences arise, they are recognised in other comprehensive income and taken to the translation reserve (attributed to holding without controlling influence if applicable).

Pension expenses

The payment to a defined-contribution plan is recognised as an expense when the employees have performed the services that entitle them to the contributions. The Group has only defined-contribution pension plans.

Short-term and long-term employee benefits

A liability is recognized for employee benefits in terms of salaries, holiday with pay and paid sick leave from the employee's service during the current period to the undiscounted amount of the benefit that is expected to be paid out in exchange for these services.

Liabilities recognised for short-term benefits are measured at the undiscounted amount regarding short-term benefits to employees which the company expects to pay in exchange for these services.

Liabilities recognised for other long-term employee benefits are measured at present value by estimated future cash flows expected to be paid by the group being based on the services provided by the employees at the end of the reporting period.

Government grants

Government grants are recognized at fair value only when there is reasonable assurance that the group fulfils the conditions associated with the grant and that the grant will be received.

Government grants must systematically be recognised in the profit or loss over the same periods as the costs which the grant is intended to compensate. Grants attributable to assets are government grants where the primary conditions are that the company qualifies for them by buying, producing or otherwise acquiring fixed assets, are recognised as prepaid income in the consolidated financial report of financial position and are transferred to the profit or loss distributed systematically over the useful lives of the attributable assets.

A government grant that is provided as compensation for expenses or losses already incurred by the company or for the purpose of giving the company immediate support without being associated with future expenses is recognised in the profit or loss for the period during which the company receives a claim against the state. The compensation is recognised as other operating income in the income statement, which applies to all similar government grants.

Income tax

The income tax expense consists of the sum of current tax and deferred tax.

Current tax

Current tax is calculated on the taxable profit or loss for the period. Taxable profit or loss differs from the recognised profit or loss as it has been adjusted for income and expenses that are taxable or deductible in other periods, and items are excluded that never become taxable or deductible. The Group's current tax liability is calculated at the tax rates that have been decided or in practice decided upon at the end of the reporting period.

A liability is recognised in cases where a tax is considered uncertain, but it is considered likely for a future outflow of funds to a tax authority. The liability is measured by the best estimate of the amount expected to be paid.

Deferred tax

Deferred tax is the tax that is expected to be payable or recoverable on differences between recognised value of assets and liabilities in the financial statements and the corresponding tax base used in the calculation of taxable profit or loss and recognised using the balance sheet method. Deferred tax liabilities are in principle recognised for all taxable temporary differences, and deferred tax assets are in principle recognised for all deductible temporary differences to the extent that the amounts are likely to be used against future taxable profits. Deferred tax liabilities and tax assets are not recognised if the temporary differences are attributable to the initial recognition of goodwill or the initial recognition of an asset or liability (which is not a business combination) and at the time of the transaction neither affect recognized nor taxable profit or loss.

Deferred tax liabilities are recognised for temporary taxable differences attributable to investments in subsidiaries except in cases where the group can control the reversal of the temporary differences, and such reversal is not likely to take place in the foreseeable future. Deferred tax assets which are attributable to deductible temporary differences regarding such investments and holdings are recognised only to the extent it is likely that the amounts may be used against future taxable profits and that it is likely that such use will take place within a foreseeable future.

The recognised amount of deferred tax assets is examined at the end of each reporting period and reduced to the extent that sufficient taxable profits no longer are likely to be available to realise the deferred tax asset completely or partially.

Deferred tax is calculated at the expected tax rates for the period in which the asset is recovered, or the liability is settled, based on the tax rates and tax provisions that have been decided or are in practice decided at the end of the reporting period.

The valuation of deferred tax liabilities and deferred tax assets must be based on how the company expects to recover or settle the recognised value of the corresponding asset or liability at the end of the reporting period.

Deferred tax assets and liabilities are recognized on a net basis when there is a legal right to set off current tax assets against current tax liabilities and they can be attributed to income tax charged by the same tax authority and when the group intends to settle current tax assets and liabilities with a net value.

Current tax and deferred tax for the year

Current tax and deferred tax are recognised in profit or loss, except when they are attributable to items recognised in other comprehensive income or directly in equity, in which case current and deferred tax is recognised in other comprehensive income or directly in equity. When current or deferred tax arises from the initial recognition of a business combination, the tax effects are recognised in the financial statements for the business combination.

Tangible assets

Tools and equipment and right-of-use assets are recognised at cost less accumulated depreciation and accumulated write-down.

Depreciation is recognised to depreciate the cost or the valuation of an asset after deduction of estimated residual value, using the straight-line depreciation method as follows:

Technical plant and machinery	3-5 years
Tools, equipment and installations*	4-5 years
Premises*	1-10 years
Vehicles*	5 years
Computers	3 years

* The are each or collectively recognised as right-of-use assets.

The estimated useful life, residual values and depreciation method are evaluated at the end of each reporting period, changes in estimate are recognised prospectively.

A tangible asset is derecognised in the balance sheet upon disposal or when no future economic benefits are deemed to arise from the use of the asset. The profit or loss arising from the disposal of an asset is determined as the difference between sales price and the book value of the asset and is recognised in profit or loss.

Business combinations

Business combinations are recognised according to the acquisition method. The compensation transferred in the case of a business combination must be measured at fair value, which is calculated as the sum of the fair values of the assets

transferred by the acquirer at the date of acquisition, the liabilities incurred by the acquirer to the previous owners of the acquired company, and the equity interests issued by the acquirer. Acquisition-related costs are recognised in the income statement when they arise.

At the date of acquisition, the acquired identifiable assets or acquired liabilities must be measured at fair value, except:

- deferred tax assets or liabilities, and assets and liabilities related to agreement on employee benefits are recognised and measured in accordance with IAS 12 and IAS 19, respectively;
- liabilities or equity instruments attributable to the acquired company's share-based payments or to the replacement of the acquired company's share-based payments with the group's share-based payments in accordance with the method in IFRS 2 Share-based Payment at the time of the acquisition (see below); and
- fixed assets (or disposal group) classified as held for sale in accordance with IFRS 5 are measured in accordance with that standard.

Goodwill is calculated as the difference between the transferred compensation, the number of potential holdings without controlling influence in the acquired company, the fair value of the acquirer's previous equity interest in the acquired company (if applicable) and the net at the acquisition date of the amounts for the identifiable assets and liabilities acquired.

When the transferred compensation from the group in a business combination includes contingent consideration, such contingent consideration must be measured at fair value at the time of acquisition and included in the transferred compensation for a business combination. Changes to the fair value of the contingent consideration that are deemed to exist during the valuation period are adjusted retroactively with corresponding adjustment of goodwill. Adjustments during the valuation period are adjustments derived from new information received during the valuation period (not to exceed one year from the time of acquisition) about facts and circumstances existing at the time of acquisition.

The subsequent recognition of changes to the fair value of the contingent consideration that do not fulfil the requirement for adjustments during the valuation period depends on the classification of the contingent consideration. Contingent consideration classified as equity should not be revalued at the subsequent balance sheet date and the subsequent adjustment must be recognised in equity. Other contingent consideration must be revalued to fair value at each balance sheet date, and changes in fair value must be recognised in the profit or loss.

In case of a gradual business combination, the group must revalue their previous equity interests in the acquired company to their fair value at the time of acquisition and recognise any gains or losses in the profit or loss. Amounts from holdings in the acquired company before the time of acquisition which have previously been recognised in other comprehensive income must be reclassified to the profit or loss for the same reason that would apply if the holding had been sold.

If the initial recognition of a business combination is incomplete at the end of the reporting period in which the acquisition takes place, the acquirer must in its financial statements recognise the preliminary amounts for the items for which the recognition is incomplete. During the valuation period (see above), the acquirer shall retroactively adjust the preliminary amounts or recognise additional assets and liabilities to reflect new information about the facts and circumstances that existed at the time of acquisition and which, if known, would have influenced the calculation of the amounts recognised at that time.

Goodwill

Goodwill is initially measured and recognised as described above.

Goodwill is not amortized but is tested for impairment at least annually. When the need for impairment is tested, goodwill must be allocated to each of the group's cash-generating units (or groups of cash-generating units) that are expected to benefit from the synergies in the acquisition. A cash-generating unit on which goodwill has been allocated must be tested for impairment annually, and whenever there is an indication that there is a need for impairment of the unit. If the recoverable amount of the unit is lower than the recognised amount of the unit, the impairment loss must be allocated first by reducing the recognised value of goodwill attributable to the unit and then reducing the other assets proportionally based on the recognised value of each asset in the unit. A recognised impairment loss on goodwill must not be reversed in the subsequent period.

In the case of disposal of a cash-generating unit, goodwill attributable to the cash-generating unit must be included in the gain/loss from the disposal.

Intangible assets acquired separately

Intangible assets with finite useful lives are recognised at cost less accumulated amortisation and accumulated write-down. Amortisation is recognised on a straight-line basis over the estimated useful life. Amortisation is presented in note 14, and the useful life is stated below. The estimated useful life and the

depreciation method must be reviewed at the end of each reporting period. Effects from any changes in estimates and assessments are recognised prospectively. Separately acquired intangible assets with indefinite useful lives are recognised at cost less accumulated write-down.

Capitalised development expenses	5 years
Software	3 years

Acquisition as part of a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are recognised on first recognition at fair value at the time of acquisition (which is considered to be cost).

After initial recognition, intangible assets, except trademarks, acquired as part of a business combination are recognised at cost less accumulated amortisation and impairment, like other intangible assets acquired separately. Trademarks are deemed to have an indefinite useful life, and they are therefore recognised at cost and tested for impairment at least annually. Trademarks are deemed to have an indefinite useful life and are intended to be used for an indefinite period and are very strong and well-integrated trademarks on the respective market. The useful life for the identified intangible assets acquired as part of a business combination is as follows:

Customer relations	10-15 years
Trademarks	Indefinite
Technology	5 years

Internally generated intangible assets – research and development expenses

Research expenses are charged to the income statement in the period in which they arise.

An internally generated intangible asset that arise through development, or in the development phase of an internal project, is recognised as an asset in the statement of financial position only if a company can demonstrate that all the following requirements are met:

- It is technically possible for the company to complete the intangible asset so that it can be used or sold.
- The company's intention is to complete the intangible asset and use or sell it.
- The company is able to use or sell the intangible asset.
- The company shows how likely it is that the intangible asset will generate future economic benefits.
- There are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- The company can reliably calculate the expenses attributable to the intangible asset during its development.

The cost of internally generated intangible assets is the sum of the expenses incurred from the time when the intangible asset first meets the criteria set out above. If it is not possible to recognise any internally generated intangible asset, the expenses are recognised as an expense in the period in which they arise.

After initial recognition, the internally generated intangible assets are recognised at cost less accumulated amortisation and accumulated write-down like other intangible assets acquired separately. The useful life for internally generated intangible assets is 5 years.

Elimination of an intangible asset

An intangible asset must be eliminated from the statement of financial position in case of disposal or when no future economic benefits are expected from use or disposal of the asset. The profit or loss that is generated when an intangible asset is eliminated from the statement of financial position is calculated as the

difference between the sales price and the recognised value of the asset and is recognised when the asset is eliminated.

Write-down of tangible and intangible assets excluding goodwill

At the end of each reporting period, the group evaluates the recognised values of its tangible and intangible assets to assess whether there is a need for write-down of these assets. If there are indications of a need for write-down, the recoverable amount of that asset must be calculated to determine any write-down. If the asset does not give rise to cash flows that are largely independent of cash flows from other assets or groups of assets, the recoverable amount of the cash-generating unit to which the asset belongs is calculated instead. When a reasonable and consistent allocation basis can be identified, common assets are allocated to each cash-generating unit, or to the smallest group of cash-generating units for which a reasonable and consistent manner can be identified.

Intangible fixed assets with an indefinite useful life must be tested for impairment at least annually or in case of indication of a value decrease for the asset.

The recoverable amount is the higher of the asset's fair value less the selling costs and its value in use. When calculating the recoverable amount, the estimated future cash flows are discounted to its present value by using a pre-tax discount rate to reflect current market assessments of the time value of the money, and the risks relating in particular to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be lower than its recognised amount, the recognised amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Write-down is charged to the income statement immediately.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the group becomes party to the contractual terms of the instrument.

Financial assets and financial liabilities are measured initially at fair value. Transaction costs that are directly attributable to acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value in the income statement) are added to or deducted from fair value of financial assets or financial liabilities on first recognition. Transaction costs that are directly attributable to acquisition of financial assets or financial liabilities at fair value in the income statement are recognised immediately in the income statement.

Financial assets

All recognised financial assets are measured at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are valued at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and
- the agreed terms of the financial asset give rise at specified times to cash flows that are only payments of principal amounts and interest on the outstanding principal amount.

Amortised cost and effective interest method

The effective interest method is a method for calculating the amortised cost of a financial liability and for the allocation and recognition of interest income over the current period.

For financial assets other than purchased or initial credit-impaired financial assets (i.e. assets that are credit-impaired at initial recognition), the effective interest rate is the interest rate that accurately discounts estimated future cash flows (including all fees and basis points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected term of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument at the time of booking.

Amortised cost of a financial asset is the amount at which the financial asset is valued on initial recognition minus repayments plus the accumulated accruals when using the effective interest method on any difference between the initial amount and the amount at maturity, adjusted for any loss reserve. The gross value of the financial asset is the amortised cost of a financial asset before adjusting for any loss provisions.

Interest income is recognised in the income statement and is included in the item "financial income" (note 8).

Write-down of financial assets

The Group recognizes a loss reserve for expected credit losses on trade receivables, contracts with customers, rent deposits and cash and cash equivalents. The amount of expected credit losses is updated at the end of each reporting period to reflect changes in credit risk since the initial recognition of the respective financial instrument.

The group always recognizes expected credit losses for the remaining term of trade receivables and contracts with customer. The expected credit losses on these financial assets are valued using a provision matrix based on the group's historical credit losses, adjusted for factors specific to the debtors, for general economic conditions and an assessment of both the current and the forecast factors at the end of the reporting period.

Cash and cash equivalents are covered by the general impairment model. For cash and cash equivalents, the low credit risk exception is applied. Rent deposits are comprised by the general impairment model.

Definition of default

The group considers that the following are defaults for internal credit risk management purposes as historical experience indicates that financial assets that meet any of the following criteria are generally not recoverable

- when there is a breach of financial conditions by the debtor; or
- information produced internally or obtained from external sources indicates that the debtor is unlikely to pay the entire amount to its creditors including the group (without taking into account security held by the group).

Regardless of the analysis above, the group considers that default has occurred when a financial asset is overdue by more than two years.

Write-off

The group writes off a financial asset when there is information indicating that the debtor is in serious financial difficulty and there is no realistic prospect of recovery, for example when the debtor has entered into liquidation or has become subject to bankruptcy proceedings, or, in the case of trade receivables, when the amounts are due for more than two years, whichever occurs at the earliest. Impaired financial assets may still be subject to repayment measures, taking legal advice into account where necessary. Any repayments are recognized in profit or loss.

Measurement and recognition of expected credit losses

For financial assets, the expected credit loss is calculated as the difference between all contractual cash flows to be received by the group in accordance with the agreement and all cash flows expected to be received by the group, discounted by the effective interest rate.

Removal from the statement of financial position of financial assets

The group must remove a financial asset from the statement of financial position only when the contractual rights cease, or all the risks and benefits of the financial asset are transferred to another party. If the group neither transfers nor retains all the risks and benefits associated with ownership of the financial asset and continues to retain control of the transferred asset, the group recognises the asset and an associated liability for amounts it may have to pay. If the group retains, in all material respects, all risks and benefits associated with ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises charged security.

When a financial asset measured at amortized cost is removed, the difference between the recognised amount of the asset and the sum of the consideration received and the claim.

Financial liabilities and equity

Classification of debt instruments or equity instruments

Debt and equity instruments are classified as either financial liabilities or equity in accordance with the contents of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instrument

An equity instrument is any form of agreement that implies a residual right in a company's assets after deducting its liabilities. Equity instruments issued by the group are recognised in income received, excluding direct issue expenses.

Repurchases of the company's equity instruments are recognized directly in equity. No gain or loss is recognised in the income statement at purchase, sale, issue or cancellation of the entity's equity instruments.

Financial liabilities

All financial liabilities are valued at amortized cost using the effective interest method.

Exchange rate gains and exchange rate losses

For liabilities in foreign currencies measured at amortised cost at the end of each reporting period, exchange rate gains and losses are determined based on the amortised cost of the instrument. These exchange rate gains and losses are recognised in the line "other operating income" or the line "other operating expenses" in the income statement for financial liabilities included in the group's working capital. Exchange rate gains and losses for other financial liabilities are recognised in the line "financial income" or the line "financial costs" in the income statement. The group has no financial liabilities that form part of a hedging arrangement. The fair value of financial liabilities in foreign currency is determined in the foreign currency and translated to the spot exchange rate at the end of the reporting period.

Removal from the statement of financial position of financial liabilities

The group derecognises financial liabilities when, and only when the group's obligations have been fulfilled, cancelled or expired. The difference between the recognised value of the financial liability that is derecognised, and the amount paid is recognised in the income statement.

Important assessments in the application of the group's accounting policies

The following are the critical assessments, except those that include estimates (as presented below), that management made in applying the company's accounting policies and which pose a significant risk of a material adjustment of the recognised amounts in the financial statements.

Assessment of the lease period in leases with extension options

The lease period in the leasing agreement with extension agreement is assessed to be the non-terminable period including periods where extension options are estimated to be exercised with reasonable certainty. The exercise of extension options is an estimate. The group considers expected future development of the company when making such estimates to determine whether an extension option will be exercised with reasonable certainty.

Recognition of client funds

See note 27 regarding cash and cash equivalents for an assessment of policies for the group's client account.

Important sources of estimation uncertainty

The assumptions regarding the future and other sources of estimation uncertainty at the end of the reporting period which involve a significant risk of a material adjustment of the recognised values for assets and liabilities in the following financial year are described below.

Measurement of assets acquired in connection with business combination

The group has identified and recognised important intangible assets such as customer relations, technology and trademarks separately from goodwill in connection with the group's acquisition of business operations in 2021 and 2020. Measurement of intangible assets includes significant elements of estimates and assessments, which affects the recognised value of these assets. Recognised customer relations have been measured based on an estimate of future earnings from existing customer agreements. Recognised trademarks and technology are measured based on an estimate of expected opportunity costs of future earnings on use of the asset. In case of changed assumptions in connection with the measurement, subsequent recognition should be affected in the form of higher or lower depreciation and a higher value on annual testing for impairment, respectively.

Recognition and measurement of contingent consideration

In connection with acquisition of subsidiaries and as part of the settlement Odevo has agreed with the sellers to withhold part of the consideration on the condition that the acquired entity achieves certain goals or key figures agreed in advance such as a certain growth or result levels in the future. At the time of the acquisition of the subsidiary, additional consideration is recognised at fair value based on Odevo's best estimate of, for example, the likelihood of respective goals being achieved. Changes in the recognised value are then recognised in the income statement net financial items. Based on the actual development in the subsidiary, the actual outcome may differ significantly with a potential significant impact on the group's profit/loss and position. Recognised amount at 31 December 2021 was tSEK 7,201 (5,154) and was recognised as other long-term debt.

Impairment of goodwill and intangible assets

Goodwill is tested for impairment annually and whenever events or changed circumstances indicate that the value of goodwill generated by an acquisition may have decreased. To determine if the value of goodwill has decreased, the cash-generating unit to which goodwill can be attributed must be valued, which takes place by means of a valuation of the unit's sales value less selling costs. When applying this method, the company relies on a number of factors, including observable market data. Changes to the prerequisites for these assumptions and estimates may have a significant impact on the value of goodwill. The group's impairment test is presented in note 13. With respect to the development on Odevo's markets in Sweden and Great Britain, it cannot be ruled out that a need for impairment of goodwill and other intangible assets may arise in case of a decrease in the demand for the group's services. The recognised value of goodwill at 31 December 2021 is tSEK 1,946,260 (1,410,164) and other intangible assets, including customer relations, is tSEK 411,602 (56,643).

3. Income from customer contracts

The group's income originates from management services, which include services such as financial management, maintenance planning, property service and project management, legal services and financial services. The group's proprietary management platform is also licensed to other management companies. The services consist mainly of technical and financial management for housing cooperatives. A small insurance company forms part of the British enterprise (income from the insurance business for 2021 and 2020 only constituted insignificant amounts). The group has non-invoiced income in the form of accrued income or receivables but none that have depended on future events to be invoiced. In 2021, income in Sweden amounted to tSEK 777,776 (646,249) and in Great Britain to tSEK 764,421 (-). In the British company, Odevo provides property management services to certain major real property owners. The employees are employed by Odevo, and Odevo bears the risk associated with these employees in all material respects and has concluded a contract on the performance of services on behalf of the real property owner. Odevo is responsible for performing the services and may control and check who is carrying out the services but receives only a fixed commission for each employee. On the basis of this, it is Odevo's assessment that, for accounting purposes, they are considered to be the principal for the performance of the services, which means that payment received for the services performance from the real property owner is recognised by the gross amount in the line for income in the income statement with corresponding costs of employees carrying out the services as staff costs. In 2021, this income amounted to 430,031 (-) in total.

The group has no individual customer that exceeds 10 % of the group's total income.

Contractual liabilities

	2021-12-31 TSEK	2020-12-31 TSEK	2020-01-01 TSEK
Management services	117,825	36,324	28,666
Other	<u>7,280</u>	<u>-</u>	<u>-</u>
	125,105	36,324	28,666

Contractual liabilities consist mainly of work not performed or work partly not performed according to agreement with customers where compensation is received. All contractual liabilities are short-term liabilities. Amounts that have previously been recognised as a contractual liability are reclassified to income at the time where performance obligations have been fulfilled.

Information about total amount for outstanding performance obligations at the end of the reporting period are not left unfulfilled (or partly unfulfilled). Performance obligations have a term of less than 12 months.

Other operating income refers to wage subsidies and interest on client account.

4. Other external expenses

	2021 TSEK	2020 TSEK
Cost of premises and real property	65,717	47,014
Sub suppliers	95,799	72,858
Marketing costs	12,081	7,689
IT costs	40,603	11,545
Legal expenses and consultancy fees	94,380	38,163
Other	<u>13,328</u>	<u>31,325</u>
	321,908	208,594

4. Auditor's fee

	2021 TSEK	2020 TSEK
Grant Thornton AB		
Audit assignment	1,422	735
Audit activities in addition to audit assignment	-	75
Other services	<u>53</u>	<u>-</u>
	1,475	810
Hays Macintyre (UK)		
Audit assignment	866	-
Audit activities in addition to audit assignment	-	-
Other services	<u>73</u>	<u>-</u>
	939	-
Total	2,414	810

Audit engagements refer to the auditor's fee for the statutory audit. The work includes the audit of the financial statements and the consolidated financial statements and bookkeeping, the management by the board of directors and the managing director, and fee for audit advice provided in connection with the audit work.

Audit activities in addition to the audit engagement comprise quality assurance services.

Tax advice comprises all tax-related services such as assistance in connection with tax computation, preparation of tax return and consultations regarding VAT, excise duties and staff issues.

All other work carried out by the auditor is defined as other services.

5. Remuneration for employees

Average number of employees	2021		2020	
	Total	Hereof men	Total	Hereof men
Parent company				
Sweden	5	5	1	1
Total in parent company	<u>5</u>	<u>5</u>	<u>1</u>	<u>1</u>
Subsidiary				
Sweden	638	223	453	188
Great Britain	523	210	-	-
Total in subsidiary	<u>1,161</u>	<u>433</u>	<u>453</u>	<u>188</u>
Total in group	<u>1,166</u>	<u>438</u>	<u>454</u>	<u>189</u>

Gender distribution board members and senior executives

	2021-12-31		2020-12-31	
	Total	Hereof men	Total	Hereof men
Parent company				
Board of directors	-	-	-	-
Managing director and other senior executives	3	3	1	1
Total in parent company	<u>3</u>	<u>3</u>	<u>1</u>	<u>1</u>
Subsidiaries				
Board of directors	-	-	-	-
Managing director and other senior executives	6	6	3	3
Total in group	<u>9</u>	<u>9</u>	<u>4</u>	<u>4</u>

Remuneration for employees

	2021	2020
Parent company		
Salaries and other remuneration	5,272	1,471
Social security contributions	974	456
Pension costs	58	-
Other remuneration for employees	5	-
	<u>6,309</u>	<u>1,927</u>
Subsidiary		
Salaries and other remuneration	842,255	218,715
Social security contributions	150,079	70,750
Pension costs	34,220	20,297
Other remuneration for employees	7,762	4,087
	<u>1,034,316</u>	<u>313,849</u>
<i>Total salaries and remuneration in the group</i>	847,527	220,186
<i>Total social security contributions in the group</i>	151,053	71,206
<i>Total pension costs in the group</i>	<u>34,278</u>	<u>20,297</u>
Total remuneration for employees in the group	1,032,858	311,689

	2021		2020	
	Salaries and other remuneration (bonus hereof)	Social security costs (pension costs hereof)	Salaries and other remuneration (bonus hereof)	Social security costs (pension costs hereof)
Parent company				
Board members, managing directors and other senior executives	5,272	974	1,471	456
- Bonus/pension costs thereof	1,330	-	660	-
Other employees	-	-	-	-
Parent company total	<u>5,272</u>	<u>974</u>	<u>1,471</u>	<u>456</u>

	2021		2020	
	Salaries and other remuneration (bonus hereof)	Social security costs (pension costs hereof)	Salaries and other remuneration (bonus hereof)	Social security costs (pension costs hereof)
Group				
Board members, managing directors and other senior executives	12,404	3,664	22,107	9,502
- Bonus/pension costs thereof	6,358	501	954	2,057
Other employees	835,123	181,667	195,893	81,190
- Bonus/pension costs thereof	<u>2,873</u>	<u>34,278</u>	<u>-</u>	<u>18,276</u>
Group total	847,527	185,331	218,000	90,692

The members of the board of directors are not employed by the group and are remunerated by another group company.

Pensions

The retirement age for the managing director is 65 years. No pension premium is paid for the managing director.

For other senior executives, the retirement age is between 65 and 67 years. The pension agreement is structured differently within the group.

Severance pay agreement

A mutual notice period of 12 months applies between the company and the managing director. If notice of termination is given by the company, severance pay corresponding to 12 months' pay is received. The severance pay is not set off against other income. If notice of termination is given by the managing director, no severance pay is obtained.

A mutual notice period of 6 months applies between the company and other senior executives. If notice of termination is given by the company, severance pay corresponding to 6 months' pay is received. The severance pay is not set off against other income. If notice of termination is given by a senior executive no severance pay is obtained.

Capitalisation of staff costs

The group develops software and capitalises parts of the staff costs, and reconciliation cannot take place directly in the income statement.

6. Pension obligations

Defined-contribution pension plans

The group provides defined-contribution pension plans for all employees.

The total costs recognised in the profit or loss amount to mSEK 20.9 (2020: 20.3).

7. Other operating expenses

	2021 TSEK	2020 TSEK
Exchange rate losses	23	57
Other	-	435
Total	23	492

8. Financial income

	2021 TSEK	2020 TSEK
Interest income	768	407
Exchange rate gains	4,679	-
	5,447	407
Financial instruments valued at amortized cost		
- Bank deposits	227,189	109,159
- Other financial assets valued at amortized cost (see note 28)	275,929	85,576
	503,118	194,735

9. Financial expenses

	2021 TSEK	2020 TSEK
Interest expenses regarding bank loans	24,388	14,726
Interest expenses for lease liabilities	2,204	579
Total interest expenses for lease liabilities not classified at fair value in the profit and loss account	26,592	15,305
Other financial expenses	2,785	175
Total	29,377	15,480

10. Information on holding without controlling influence

	2021-12-31	2020-12-31	2020-01-01
Opening recognized value	442,781	443,894	443,894
Additions through acquisition of subsidiary	- 6,308	- 22,298	-
Share of profit for the year	20,459	21,181	-
Dividend/Other	- 22,392	5	-
Recognized value	434,540	442,781	443,894

Subsidiary with significant non-controlling interests

Equity interest/voting share held by non-controlling interests

	2021-12-31	2020-12-31	2020-01-01
SBC	40.41%	40.40%	41.53%

Financial information in summary

The financial information below is the value before intercompany eliminations

	2021-12-31	2020-12-31	2020-01-01
Other current assets	96,389	126,604	118,778
Other fixed assets	204,771	124,249	126,531
Short-term debt	104,427	94,247	81,382
Long-term debt	17,612	30,196	35,862
Income	500,097	477,892	-
Profit for the year	53,333	53,940	-
Total profit for the year	53,333	53,940	-

11. Income tax

	2021 TSEK	2020 TSEK
Current tax:		
Current year	- 20,236	- 17,561
Adjustments regarding previous years	- 2	- 26
	- 20,238	- 17,587
Deferred tax (see note 17)		
Occurrence and reversal of temporary differences	815	- 689
	815	- 689

The current tax rate is 20.6 % (2020: 21.4).

Taxation for other jurisdictions is calculated at the current tax rate in the respective jurisdiction.

The recognised tax expense for the year can be reconciled with profit before tax for the year as follows:

Reconciliation of effective tax rate	2021 TSEK	2020 TSEK
Profit before tax	84,312	77,420
Swedish tax rate of 20.6 % (2020: 21.4 %)	20.60%	21.40%
Calculated Swedish tax	- 17,368	- 16,568
Tax effect of non-deductible costs	- 42,302	- 34,604
Tax effect of non-taxable income	30,340	34,469
Tax effect of previous non-recognized tax loss carry-forwards	10,070	-
Change in non-recognized deferred tax assets	- 292	- 1,541
Effect from different tax rates for subsidiaries in other jurisdictions	125	-
Other items	4	31
Recognized tax expense for the year	- 19,423	- 18,275

12. Investments in group companies

Information on the group structure at the end of the reporting period is included in note 11 in the parent company.

13. Goodwill

tSEK

Cost

At 1 January 2020	1,383,930
Acquisitions for the period	26,234
At 31 December 2020	1,410,164
Translation differences	5,650
Acquisitions for the period	530,446
At 31 December 2021	1,946,260

Accumulated write-down

At 1 January 2020	-
Write-down for the year	-
At 31 December 2020	-
Write-down for the year	-
At 31 December 2021	-

Recognised value

At 31 December 2021	1,946,260
At 31 December 2020	1,410,164
At 1 January 2020	1,383,930

The group tests goodwill for impairment annually, or whenever there is an indication of impairment.

The test for impairment of the group's goodwill and other intangible assets with an indefinite useful life consists in assessing whether the unit's recoverable amount is higher than its recognised value for cash-generating unit or group of cash-generating units to which goodwill can be attributed.

The recoverable amount can be calculated on the basis of fair value less sales costs. At the balance sheet date, the valuation has been made by identifying the threshold value for valuation multiples on adjusted EBITDA (EV/EBITDA) in case write-down is relevant. This threshold value is 6-7x EBITDA, which is significantly lower than any current market valuation.

Based on these valuation multiples, a high safety margin has been achieved, and the board of directors thus finds that there is a significant margin in the valuations before impairment would be necessary for the financial year 2021.

14. Other intangible assets

	Capitalized development expenses TSEK	Customer relations TSEK	Other intangible assets* TSEK	Total TSEK
Cost				
At 1 January 2020	27,005	-	-	27,005
Additions during the year	9,222	36,241	322	45,785
At 31 December 2020	36,227	36,241	322	72,790
Exchange rate differences	203	2,369	1,217	3,789
Additions through internal development	62,493	-	-	62,493
Additions acquired through acquisition of subsidiary	807	206,301	103,902	311,010
At 31 December 2021	99,730	244,911	105,441	450,082
Accumulated depreciation and amortization and write-down				
At 1 January 2020	- 9,090	-	-	- 9,090
Exchange rate differences	-	-	-	-
Depreciation and amortization for the year	- 5,532	1,453	-	- 6,985
Write-down for the year	- 72	-	-	- 72
At 31 December 2020	- 14,694	1,453	-	- 16,147
Exchange rate differences	-	242	-	- 242
Depreciation and amortization for the year	- 8,382	13,006	703	- 22,091
Write-down for the year	-	-	-	-
At 31 December 2021	- 23,076	14,701	703	- 38,480
Recognized value				
At 31 December 2021	76,654	230,210	104,738	411,602
At 31 December 2020	21,533	34,788	322	56,643
At 1 January 2020	17,916	-	-	17,916

The useful life for internally generated development expenses within the group's software development is 5 years. For other intangible assets, see useful life and accounting policies in note 2.

Identified trademarks (mainly Rendall & Rittner and Premier Estates) are tested every year for any impairment and are recognised at cost less accumulated amortisation. Identified and recognised trademarks have existed for a very long time, and the group intends to use and market the trademarks for a long time to come. The branding continuity means that today the trademark has a clear profile and a strong position on the market. The trademark is characterized by quality with a high recognition factor and creates strong loyalty with the group's customers. Through consistent and forward-looking trademark work, the trademark has gradually grown stronger and is considered to have a very strong market position. Based on the above, the trademark is therefore considered to have an indefinite useful life.

*) Recognised value for trademark amounts to tSEK 85,477 (tSEK 322) and is included in other intangible assets in the table above. The remaining part primarily constitutes software amounting to tSEK 19,261 at 31 December 2021 (-). Amortisation of other intangible assets refers entirely to amortisation of software.

15. Tangible assets

Cost	Machinery, tools and equipment	Other	Total
At 1 January 2020	32,732	5,591	38,322
Investments	6,647	-	6,647
Acquisition of subsidiary	2,166	-	2,166
Exchange rate differences	-	-	-
Divestments	- 4,083	- 1,452	- 5,535
At 31 December 2020	37,461	4,139	41,600
Investments	5,507	-	5,507
Acquisition of subsidiary	12,855	14,442	27,298
Exchange rate differences	- 1,256	- 1,176	- 2,432
Divestments	- 46	- 2,364	- 2,410
At 31 December 2021	54,522	15,041	69,563
Accumulated depreciation and amortization and write-down			
At 1 January 2020	- 29,766	- 749	- 30,515
Depreciation and amortization	- 2,794	- 25	- 2,819
Write-down	-	-	-
Exchange rate differences	-	-	-
Acquisition of subsidiary	-	-	-
Divestments	- 2,594	-	- 2,594
At 31 December 2020	- 29,966	- 773	- 30,740
Depreciation and amortization	- 3,161	- 45	- 3,206
Write-down	-	-	-
Exchange rate differences	307	-	307
Acquisition of subsidiary	-	-	-
Divestments	-	-	-
At 31 December 2021	- 32,820	- 819	- 33,640
Recognized value			
At 31 December 2021	21,702	14,222	35,924
At 31 December 2020	7,496	3,365	10,861
At 1 January 2020	2,966	4,842	7,807

Tools and equipment consist of tool and equipment and cars and are depreciated over their estimated useful life, which is 5 years on average.

Other consists of computers and are depreciated over their estimated useful life, which is 3 years on average.

16. Right-of-use assets (the group as lessee)

Rights of use	Buildings tSEK	Tools and equipment tSEK	Vehicles tSEK	Total tSEK
Cost				
At 1 January 2020	25,436	-	7,226	32,662
Adjustment of additional rights of use	27,914	397	178	28,489
At 31 December 2020	53,350	397	7,404	61,151
Adjustment of additional rights of use	54,429	-	1,406	55,835
At 31 December 2021	107,779	397	8,810	116,986
Accumulated depreciation and amortisation				
At 1 January 2020	-	-	1,757	1,757
Depreciation and amortisation	8,118	50	1,530	9,698
At 31 December 2020	8,118	50	3,287	455
Depreciation and amortisation	21,785	198	1,908	23,891
At 31 December 2021	29,903	248	5,195	35,346
Recognised value				
At 31 December 2021	77,876	149	3,615	81,640
At 31 December 2020	45,232	347	4,117	49,696
At 1 January 2020	25,436	-	5,469	30,905

The group leases premises in the form of offices and storage space. The average lease period is 3.6 years (2020: 2.8 years) including extension options.

During the period, rights of use amounting to tSEK 55,835 (tSEK 28,489) have been added. Additional rights of use refer primarily to newly concluded lease agreement, extension of existing lease agreement and lease agreement for acquired companies. A small part refers to revaluations due to index for premises.

A maturity analysis of the lease liability is presented in note 23.

Amount recognized in profit	2021 TSEK	2020 TSEK
Amortization of rights of use	-23,891	-9,698
Interest expenses for lease liabilities	-1,552	-676
Costs associated with short-term lease agreements, leasing of assets at low value or variable lease payments no included in the valuation of lease liabilities	-3,816	-1,542
Total	-29,259	-11,916

The total cash outflow for lease agreements amounts to tSEK 27,276 (10,781).

When the group enters into a lease agreement it is assessed whether there is reasonable certainty that the option to extend the lease agreement will be exercised. The assessment takes into account all relevant facts and circumstances that create a financial incentive. These consist primarily of significant investments made (or expected to be made) in leased premises, costs incurred on termination of the lease agreement such as negotiation costs and relocation costs, the weight of the underlying asset in the company as well as future need for premises and their suitability for the company's operations. Reassessment takes place when an important event within the group's control has taken place. However, extension of the lease agreement takes place no later than at the time of automatic extension (if neither party has terminated the agreement). At December 2021, options have been included with respect to premises where it is assessed to be reasonably certain that the group will exercise the option to extend the agreement.

17. Deferred tax

The following are the most significant deferred tax liabilities and deferred tax assets recognised by the group and changes in these items during the current and previous reporting period:

	Intangible assets recognized in acquisition of subsidiary TSEK	Untaxed reserves TSEK	Total TSEK
At 1 January 2020		1,010	1,010
Recognized in profit	-299	957	658
Acquisition of subsidiary	7,532		7,532
Recognized directly in equity		64	64
At 31 December 2020	7,233	2,031	9,264
Recognized in profit	-2,696	905	-1,791
Acquisition of subsidiary	59,637		59,637
Translation difference	635		635
Effect of changed tax rate: – directly in equity		455	455
At 31 December 2021	64,809	3,391	68,200

Deferred tax assets and deferred tax liabilities must be recognised on a net basis only where there is a legal right to set off current tax assets against current tax liabilities, and the deferred tax assets and deferred tax liabilities relate to taxes charged by the same tax authority and aim to offset current tax liabilities and tax assets by net payment. The group does not recognise any deferred tax regarding tax loss carry forwards. The group has no deferred tax assets. The following list shows deferred tax liabilities recognised in the statement of financial position:

	2021-12-31 TSEK	2020-12-31 TSEK	2020-01-01 TSEK
Deferred tax liabilities	- 68,200	- 9,264	- 1,010
Deferred tax assets	-	-	-
	- 68,200	- 9,264	- 1,010

18. Trade receivables

	2021-12-31 TSEK	2020-12-31 TSEK	2020-01-01 TSEK
Trade receivables	189,687	73,286	67,419
Loss provisions	- 3,874	- 821	- 557
	185,813	72,465	66,862

Trade receivables including contractual receivables and other receivables

The group values provisions at an amount corresponding to expected credit losses for the remaining time to maturity. Expected credit losses for trade receivables (and accrued incomes) are calculated using the provision matrix where the group uses history and analysis of customers' financial position, adjusted by factors specific to customers, general economic conditions for the industry in which customers operate and an assessment of both the current and future factors on the reporting date. The Group has recognised a loss reserve of 2% against all receivables which have been due for more than 90 days, as experience has shown that these claims are generally non-refundable.

There have been no changes in computational techniques or significant assumptions during the reporting period.

The group writes off a trade receivable when there is information indicating that the customer is in serious financial difficulty and there is no realistic prospect of recovery, for example when the customer has entered into liquidation or has become subject to bankruptcy proceedings, or when the trade receivables have been due for more than two years, whichever occurs at the earliest. None of the trade receivables that have been written off are comprised by enforcement measures.

In 2021 and 2020, the group has recognised some important reversals of previously estimated and recognised provisions for credit losses.

The following table describes the risk profile of trade receivables based on age structure. Since the group's credit loss experience does not reveal any significantly different loss patterns for different customer segments, loss provision based on overdue status does not distinguish further between the group's different customer segments.

Change in reserve for doubtful trade receivables

	2021-12-31	2020-12-31
Opening balance at the beginning of the period	- 821	- 557
Reversal of provisions for reserve	342	553
Bad debts	1,153	4
Provision for reserve for the period	- 1,505	- 821
Acquired reserve	- 3,042	
Closing balance at the end of the period	- 3,874	- 821

Age analysis of trade receivables

	2021-12-31	2020-12-31	2020-01-01
Not payable	97,850	67,609	62,079
Payable 1-30 days	28,240	3,345	3,169
Payable 31-90 days	25,095	338	324
Payable 91-180 days	11,269	533	264
Payable 181-360 days	18,569	426	251
Payable >360 days	8,664	1,035	1,332
	189,687	73,286	67,419

19. Other receivables

	2021-12-31	2020-12-31	2020-01-01
	TSEK	TSEK	TSEK
Advance salary	52	41	70
Tax asset	1,821	-	-
VAT receivable	1,146	1,816	565
Tax account balance	2,844	5,221	4,153
Insurance claims	18,883	-	-
Pension fund claim	6,847	-	-
Other	5,025	848	572
	36,618	7,926	5,360

20. Prepaid expenses and accrued income

	2021-12-31	2020-12-31	2020-01-01
	TSEK	TSEK	TSEK
Prepaid insurance	6,123	43	873
Prepaid pension costs	187	222	359
Contracts with customers, assignments not yet invoiced	7,036	3,747	3,714
Accrued income	52,719	3,840	498
Other prepaid costs	24,732	12,248	9,099
	90,797	20,100	14,543

21. Share capital

The number of ordinary shares at the start and end of 2020 amounted to 1,304,395 with a share capital of SEK 1,304,395. At the end of 2021, the number of ordinary shares was still 1,304,395 with a share capital of SEK 1,304,395.

22. Translation reserve

Relates to exchange rate differences on translation of net assets in foreign companies. The foreign companies subject to translation are Wexford Holding with subsidiaries in Great Britain. Total translation effect recognised in the group's other comprehensive income in 2021 amounts to mSEK 16.1 and total translation reserve amounts to mSEK 16.1. At 31 December 2020, the group did not carry on any significant business in any other currency except SEK.

23. Lease liabilities

	2021-12-31	2020-12-31	2020-01-01
	TSEK	TSEK	TSEK
Maturity analysis			
Within 1 year	26,934	15,165	10,392
Within 1-5 years	56,061	36,208	21,454
Later than 5 years	3,001	-	413
	85,996	51,373	32,259
Classified as:			
Long-term debt	59,680	36,208	21,867
Short-term debt	26,316	15,165	10,392
	85,996	51,373	32,259

The above maturity analysis is stated in nominal amounts, and reconciliation between recognised obligation and future cash flows is therefore not possible.

The group is not exposed to any material liquidity risk from the lease liabilities. Lease liabilities are monitored within the group's financial function

24. Other liabilities

	2021-12-31 TSEK	2020-12-31 TSEK	2020-01-01 TSEK
Tax at source and indirect taxes	31,037	11,708	9,643
VAT liability	56,932	13,331	7,952
Short-term debt to employees	-	-	-
Other	27,252	24,508	6,213
	<u>115,221</u>	<u>49,547</u>	<u>23,808</u>

25. Prepaid expenses and accrued income

	2021-12-31 TSEK	2020-12-31 TSEK	2020-01-01 TSEK
Contractual liabilities for services not yet performed	125,105	36,324	28,666
Accrued salaries	16,329	9,388	9,310
Accrued social security contributions	8,598	6,332	3,648
Accrued pension costs	20,552	-	-
Accrued accounting and audit fees	762	1,027	590
Accrued holiday pay liability	27,723	15,799	9,158
Accrued payroll tax	4,603	7,193	3,601
Other accrued costs	52,277	3,744	8,114
	<u>255,949</u>	<u>79,807</u>	<u>63,087</u>

26. Acquisition of subsidiary

Rendall & Rittner Residential Management Limited was acquired in March 2021. Controlling influence is obtained by acquisition of 100 % of the shares. The company has its registered office in England and carries on business within property management. The company also carries on a small insurance business. In connection with the preparation of acquisition analysis, intangible assets were identified in the form of customer relations and trademark, which have been measured at fair value.

Premier Estates was acquired in December 2021. Controlling influence is obtained by acquisition of 100 % of the shares. The company has its registered office in England and carries on business within property management. In connection with the preparation of acquisition analysis, intangible assets were identified in the form of customer relations and trademark, which have been measured at fair value.

MGC Fastighetsförvaltning AB was acquired in March 2021 by Nabo RS AB. Controlling influence is obtained by acquisition of 100 % of the shares. The company has its registered office in Gothenburg and carries on business within property management. The purchase agreement includes additional consideration contingent on the company's financial development. In connection with the preparation of acquisition analysis, intangible assets were identified in the form of customer relations, which have been measured at fair value.

In April, Nabolaget AB acquired all assets and liabilities of Adamsbergs Fastighetsförvaltning AB. The company carries on business within property management. The purchase agreement includes additional consideration contingent on the company's financial development. In connection with the preparation of

acquisition analysis, intangible assets were identified in the form of customer relations, which have been measured at fair value.

In April, Husjuristerna i Göteborg AB was also acquired by Nabo RS AB. Controlling influence is obtained by acquisition of 100 % of the shares. The company has its registered office in Gothenburg and carries on business within property management. In connection with the preparation of acquisition analysis, intangible assets were identified in the form of customer relations, which have been measured at fair value.

In April, Nabo Göteborg AB acquired all assets and liabilities in the BRF management company in Revisorsringen Sverige AB. The company carries on business within property management. The purchase agreement includes additional consideration contingent on the company's financial development. In connection with the preparation of acquisition analysis, intangible assets were identified in the form of customer relations, which have been measured at fair value.

In October, SBC Sveriges Bostadsrättscentrum AB acquired the company MARAB Gruppen AB. Controlling influence is obtained by acquisition of 100 % of the shares. The company has its registered office in Alingsås and carries on business within property management. The purchase agreement includes additional consideration contingent on the company's financial development. In connection with the preparation of acquisition analysis, intangible assets were identified in the form of customer relations, which have been measured at fair value.

In October, Odevo AB acquired Monu AB. Controlling influence is obtained by acquisition of 100 % of the shares. The company has its registered office in Stockholm and carries on business within financial services. In connection with the preparation of acquisition analysis, intangible assets were identified in the form of technology, which have been measured at fair value.

Acquisitions during previous periods

In June 2020, Nabo RS AB acquired the company Örehus Fastighetsförvaltning AB (renamed Nabolaget Malmö 1 AB). Controlling influence is obtained by acquisition of 100 % of the shares. The company has its registered office in Malmö and carries on business within property management. In connection with the preparation of acquisition analysis, intangible assets were identified in the form of customer relations, which have been measured at fair value.

In September 2020, Nabo RS AB acquired the company Bonea Förvaltning AB (renamed Nabo Malmö B AB). Controlling influence is obtained by acquisition of 100 % of the shares. The company has its registered office in Malmö and carries on business within property management. The purchase agreement includes additional consideration contingent on the company's financial development. In connection with the preparation of acquisition analysis, intangible assets were identified in the form of customer relations, which have been measured at fair value.

In September 2020, Nabo RS AB acquired the company Akevo AB (renamed Nabo Malmö A AB). Controlling influence is obtained by acquisition of 100 % of the shares. The company has its registered office in Vellinge and carries on business within property management. The purchase agreement includes additional consideration contingent on the company's financial development. In connection with the preparation of acquisition analysis, intangible assets were identified in the form of customer relations, which have been measured at fair value.

Additional information on acquisitions 2021 and 2020

Total net cash flow for the acquisition amounted to tSEK 591,202 (tSEK 54,509), which constitutes total consideration paid less cash and cash equivalents acquired. Total transaction costs incurred during the period amounted to tSEK 27,589 (tSEK 1,630) and have been recognised in Other external expenses in the income statement.

Additional amounts for goodwill during the period amounted to tSEK 530,446 (tSEK 26,234). Recognised goodwill is assessed to be attributable to future product development and expected synergy effects. No recognised goodwill is assessed to be tax deductible. No significant differences between fair value and acquired gross amount for trade receivables have been identified. Information on goodwill and other

intangible assets is presented in note 13 and 14, respectively, and a specification of the most important assets and liabilities identified separately from goodwill is shown below:

	2021 tSEK	2020 tSEK
Customer relations	206,301	36,241
Trademark	82,878	322
Software developed	21,024	-
Other fixed assets	11,797	1,407
Trade receivables	88,134	6,172
Other current assets	49,476	1,813
Cash and cash equivalents	125,015	1,556
<i>Deferred tax liability</i>	- 59,636	- 7,532
Other liabilities	- 239,703	- 4,994
Total net assets acquired	285,286	34,985
 Total consideration	 815,732	 61,219
 Goodwill	 530,446	 26,234
 Settled through:		
Cash and cash equivalents	716,217	56,065
Contingent consideration	99,515	5,154
Total consideration transferred	815,732	61,219
 Net cash outflow on acquisition:		
Total cash consideration paid	- 716,217	- 56,065
Less cash and cash equivalents acquired	125,015	1,556
Cash flow	- 591,202	- 54,509

The effect on the group's revenue and profit/loss for the period from acquisitions is presented below:

	2021	2020
Revenue	761,291	27 750
Profit for the year	58,388	-2,825

27. Notes to cash flow statement

Cash and cash equivalents

	2021-12-31	2020-12-31	2020-01-01
	TSEK	TSEK	TSEK
Cash and bank	227,189	109,159	83,020
Funds held in trust	11,342,002	7,096,100	502,651
Overdraft facilities (see note 28)	-	- 74,312	- 26,681
	<u>11,569,191</u>	<u>7,130,947</u>	<u>558,990</u>

Cash and bank consist of cash and short-term bank balances with a maturity of three months or less. The recognised amount of these assets is a good approximation of their fair value. Cash and cash equivalents at the end of the reporting period as shown in the consolidated cash flow may be reconciled with the items in the statement of financial position shown above.

All customers with financial management at the group have an account with a bank for handling ingoing and outgoing payments.

Fund management is separated from other reporting, which means that the funds are separated from the company's assets and are always the customers' property. The reported funds amounted to mSEK 11,342 (7,096) at year-end. Based on the above, reported funds and corresponding liabilities are recognised in the balance sheet on a net basis.

Change in liabilities attributable to financing activities

The table below shows the changes in the group's liabilities attributable to financing activities, which include both changes attributable to cash flows and changes that do not affect cash flows. Liabilities attributable to financing activities are liabilities for which cash flows have been classified, or for which future cash flows will be classified, as cash flows from financing activities in the cash flow statement.

Reconciliation liabilities 2020	Opening balance	Cash flow	Business combinations	Other changes	Closing balance
Debt to credit institutions	-	322,500	-	2,224	320,276
Overdraft facility	26,681	47,691	-	-	74,372
Lease liabilities	26,071	9,536	28,811	1,235	46,581
Debt to shareholders Other long-term debt including additional consideration	322,067	322,067	-	-	-
	27,334	-	-	18,318	9,016
	402,153	38,588	28,811	19,307	450,245
Reconciliation liabilities 2021	Opening balance	Cash flow	Business combinations	Other changes	Closing balance
Debt to credit institutions	320,276	900,682	-	54,935	1,166,023
Overdraft facility	74,372	74,372	-	-	-
Lease liabilities	46,581	24,198	56,761	2,161	81,305
Debt to shareholders Other long-term debt including additional consideration	-	-	-	-	-
	9,016	106,499	99,515	5,169	7,201
	450,245	695,613	156,276	47,605	1,254,529

28. Financial risk management and financial instruments

Through its operations, the group is exposed to a variety of financial risks such as market risk, liquidity risk and credit risk. The market risks consist primarily of interest rate risk and currency risk as the group's operations up until and including the acquisition of Rendall & Rittner were mainly carried out in Sweden. It is the company's board of directors that is ultimately responsible for exposure and management of and follow-up on the group's financial risks. The board of directors has delegated responsibility for the day-to-day risk management to the company's managing director.

Currency risk

Currency risk refers to the risk of fair value or future cash flows fluctuate due to changes in exchange rates. The exposure to currency risk is mainly based on the cash flow from foreign currency, so-called transaction exposure, and on translation of foreign subsidiaries' income statements and balance sheets to the group's presentation currency, which is Swedish kroner, so-called translation exposure.

Business outside Sweden was carried on solely in Great Britain until the end of 2021 and results an exposure to the British pound. The risk is mainly attributable to translation exposure, which involves a risk that the value of the group's net investments in foreign currency is impacted negatively by changes in exchange rates since the group consolidates net assets in SEK at the balance sheet date. Because of the extent of the exposure, the group has not taken any measures to reduce the currency risk. At 31 December 2021, the

group's net investment in British pounds amounted to tGBP 30,595 (-). The currency risk is primarily attributable to the exposure to outstanding trade receivables and other receivables, cash and cash equivalents and accounts payable, which amounted to tGBP 22,882 at the end of the reporting period.

Sensitivity analysis, currency risk

The group is primarily exposed to currency in GBP.

A sensitivity analysis of currency risk shows that an increase or decrease by 10 % in currency units creates a currency effect of 34.2 mSEK.

Interest rate risk

Interest rate risk refers to the risk of fair value or future cash flows fluctuate due to changes in market rates. Since the group has no significant financial assets or financial liabilities that are measured at fair value changed market rates do not have any immediate revaluation effect on the income statement. The group is mainly exposed to interest rate risk through its loan finance. The group's loans are distributed between an interest-bearing loan from Ares Management Ltd of tSEK 1,225,670 (Danske Bank 322,500), of which the short-term part amounts to tSEK 0 (0), and an overdraft facility with the corresponding bank, from which tSEK 0 (74,372) had been drawn at the balance sheet date, as well as lease liabilities totalling mSEK 81,305 (tSEK 46,581), of which tSEK 25,426 (tSEK 13,842) are short-term liabilities. In addition, the group has debts to sellers of group companies totalling 7,201 (5,154)

Sensitivity analysis, interest rate risk

The sensitivity analysis for the interest rate risk shows the group's sensitivity to a 50-point increase or decrease. The group's interest-bearing debts with variable interest rate consist primarily of outstanding bank loan of tSEK 1,225,670. A change in interest rate corresponding to 50 points would increase or decrease the group's profit/loss after tax by tSEK 4,866 (1,280).

Liquidity and financing risk

Liquidity risk means the risk that the group will have difficulty fulfilling its obligations related to the group's financial liabilities. Financing risk means the risk that the group cannot obtain sufficient financing at a reasonable cost.

The company is continuously working to optimize ingoing and outgoing payments to reduce the liquidity risk, works with a distribution of loans from recognised financial institutions and has concluded agreements with banks to obtain access to cash funds in the form of various credit facilities. This also reduces the refinancing risk. In the longer term, there is a risk when the group's bank loans fall due for payment if Odevo does not at the time is able to refinance on favourable terms.

Maturity distribution of contractual payment obligations related to the group's leasing liabilities is presented in note 23. For other financial liabilities, including derivatives, it is only debts to credit institutions and additional consideration that have a time to maturity of more than 12 months. The nominal loan amount if tSEK 1,225,670 falls due for repayment on the due date in December 2028.

Credit and counterparty risk

Credit risk means the risk that the counterparty to a transaction causes a loss for the group by not fulfilling its contractual obligations. The group's exposure to credit risk can mainly be attributed to trade receivables and rent receivables as well as cash and cash equivalents. To limit the group's operative credit risk, a credit assessment is made of new customers. Existing customers' financial situation is also monitored to identify early warning signals. The group's exposure to operative credit risk can mainly be attributed to trade receivables and accrued income. The simplified model is used to calculate credit losses on the group's trade receivables. The expected credit losses for trade receivables are calculated based on previous events, current conditions, and forecasts of economic assumptions. The credit risk for cash and cash equivalents is limited since the counterparties are banks with high credit ratings granted by international credit rating agencies. The group's contracted loans are comprised by a covenant for loan-to-value ratio, which is measured as net debt/adjusted EBITDA.

Trade receivables are distributed on a large number of customers. Also, trade receivables are not concentrated within a specific geographical area. The group thus assesses that the concentration risks are limited.

The group's credit exposure regarding financial instruments is shown below:

	2021-12-31	2020-12-31	2020-01-01
Other long-term receivables	779	1,345	747
Trade receivables	185,813	72,465	66,862
Other short-term receivables	36,618	7,926	5,360
Accrued income	52,719	3,840	498
Cash and cash equivalents	227,189	109,159	83,020
	503,118	194,735	156,487

Categorisation of financial instruments

Recognised values categorised in accordance with IFRS 9 are shown below:

<u>2020-12-31</u>	Amortized cost	Fair value in profit and loss account	Other	Recognized value
<i>Financial assets</i>				
Other financial investments/long-term receivables	1,345	-	-	1,345
Trade receivables	72,465	-	-	72,465
Other short-term receivables	7,926	-	-	7,926
Accrued income	3,840	-	-	3,840
Cash and cash equivalents	109,159	-	-	109,159
	194,735	-	-	194,735
<i>Financial liabilities</i>				
Debt to credit institutions	412,772	-	-	412,772
Lease liabilities	46,581	-	-	46,581
Additional consideration	-	9,016	-	9,016
Accounts payable	31,985	-	-	31,985
Other short-term debt	31,422	-	-	31,422
	522,760	9,016	-	531,776

<u>2021-12-31</u>	Amortized cost	Fair value in profit and loss account	Other	Recognized value
<i>Financial assets</i>				
Other financial investments/long-term receivables	779	-	-	779
Trade receivables	185,813	-	-	185,813
Other short-term receivables	36,618	-	-	36,618
Accrued income	52,719	-	-	52,719
Cash and cash equivalents	227,189	-	-	227,189
	503,118	-	-	503,118
<i>Financial liabilities</i>				
Debt to credit institutions	1,166,023	-	-	1,166,023
Lease liabilities	81,305	-	-	81,305
Additional consideration	-	7,201	-	7,201
Accounts payable	70,430	-	-	70,430
Other short-term debt	115,220	-	-	115,220
	1,432,978	7,201	-	1,440,179

Measurement of financial instrument at fair value

Financial assets and financial liabilities measured at fair value in the balance sheet, or where information is provided on fair value, are classified according to the three levels described below based on the information used at the balance sheet date.

Fair value hierarchy levels 1 through 3 are based on the degree to which fair value is observable:

- Level 1 - fair value valuations are quoted prices (unadjusted) on active markets for identical assets or liabilities to which the entity has access at the time of valuation.
- Level 2 - fair value valuations are those derived from inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 - fair value valuations for the asset and liability are those derived from valuation techniques that include inputs that are not based on observable market data (non-observable inputs)

The group currently has not significant assets that are recognised and valued at fair value.

In 2020-2021 and also during previous periods, the group has acquired companies for which parts of the payment are withheld and must be settled at a later time (additional consideration). In the relevant cases, these payments to the sellers are conditional on fulfilment by the acquired companies of certain result levels or growth figures in the future (for example a certain EBITDA level). Based on the management's best assessment of the likelihood of various potential outcomes of these agreed key figures and goals, these additional consideration amounts have been valued and recognised at a total of tSEK 7,201 (5,154). Changes in the fair value of additional consideration that occur after first recognition are recognised as financial income or financial expense in the income statement.

For other financial assets and financial liabilities, the recognised values are assessed to be a good approximation of the fair values since the time to-maturity and/or interest lock-in period is less than three months, in addition to what applies to the loan from Ares Management Ltd. For these loans, the group has assessed that interest rate level and conditions are still market based, and there is therefore no significant difference between the recognised value of the loan and the market value, which means that discounting based on current market conditions is not assessed to have any significant effect.

Capital management

The group manages its capital to ensure that entities in the group can continue operations and that the return to the shareholders is maximized through optimization of capital structure.

The group's capital structure consists of net debt (borrowing, which is presented in note 27, after deduction of cash and cash equivalents) and the group's equity (comprising issued capital, reserves and retained earnings).

The group is not subject to any external imposed capital requirements except for certain requirements regarding the British insurance business where the subsidiary is subject to debt service requirements and requirement for a suitable asset allocation based on the type of insurance liabilities, which have been prepared by Guernsey Financial Services Commission ("GFSC") and a certain capital base, which covers certain minimum capital requirements

Insurance risks

A company within the group ("Artex Insurance (RR4) IC Limited") acts as reinsurer within property terrorism insurance for an insurance company that provides insurance for the group's customers, which exposes the group to insurance risks. The group has a limit to its liability to insurance companies in relation to the customers' premiums.

Insurance risks are only accepted if there is full debt coverage, and regulatory solvency requirements have been fulfilled. Significant changes to the insurance programme must be approved by the local regulatory authority.

Underwriting risk

Underwriting risk involves the risk that the group takes out insurance for which the premiums do not cover all costs of the agreement. This risk is handled by means of an underwriting strategy approved by the board of directors. Furthermore, there are limitations to the size of insurance risks that may be accepted vis-à-vis the policyholders per insurance event and in total. The property insurance exposes the group to risks of damage to property and acts of terrorism.

Reserve risk

The main risk is that the actual, final claim costs deviate from the amount reserved for them (reserve risk). This may occur if the claim frequency or claim costs per claim are higher or lower than expected. Insurance cases are by nature uncertain as to when they occur and how much they will cost. Approved actuarial methods are therefore used as well as assumptions on claim frequency and average claim costs to estimate their value. The group company establishes a reserve based on what the underlying damage is expected to be. No reserves are discounted.

29. Events after the reporting period

At the beginning of 2022, the group has carried out three minor acquisitions (acquisition share 100 %):

- In January 2022, Odevo AB acquired, through a Finnish subsidiary (newly acquired shelf company Odevo Finland Oy, 3165878-8), the Finnish management company MTR (parent company MTR Isännöinti Oy, 2174751-7) and STIO (parent company Suomen Tekninen Isännöinti Oy, 2661964-5)
- In April 2022, the Swedish subsidiary SBC Sveriges BostadsrättsCentrum AB acquired Mediator AB (556835-3154)
- In May 2022, the Swedish subsidiary Nabo RS AB acquired PLL

The total consideration for these companies has not yet been determined, but the initial consideration (up-front) for these three companies amounts to approx. mSEK 75. It is not currently possible to determine the size of any additional consideration associated with the respective acquisitions. The purpose of the Finnish acquisition is to expand the group's operations in Finland, and the two Swedish acquisitions are complementary to the operations in Sweden. All three companies carry on business within property management. Revenue for the three companies for the financial year 2021 amounted to approx. mSEK 136.0, and the recognised profit amounted to mSEK 0.2. At the time of the submission of the annual report, no detailed acquisition balance sheet has yet been prepared, and it is therefore not possible to provide information on fair value of acquired assets or liabilities as well as any goodwill.

In February 2022, Odevo AB concluded an agreement for the acquisition of 100 % of the shares and the votes, through the British subsidiary Wexford Bidco Ltd (13113041), in the British management company Trinity (parent company Trinity Property Group Ltd, 05312168). At the time of signing of this annual report, it is still unclear on which date Odevo takes over the shares and thus obtains controlling influence. It is therefore not possible at this time to determine the size of the consideration as this depends, among other things, on the initial balance sheet, or to measure acquired assets and liabilities and estimate any goodwill from the acquisition of Wexford.

In February, Odevo AB acquired the remaining part of the holding without controlling influence in SBC Intressenter HoldCo AB. Consideration is paid in cash and shares. During 2022, security was provided for the loans from Ares Management Ltd. contracted in 2021. The value of the security at 31 December 2021 amounted to mSEK 814.4

In March 2022, the liquidation of two dormant companies in the Nabo group, Boldo AB (559095-3435) and RedKom Bostadsrättsförvaltning AB (559073-9347), was completed.

The current situation with respect to the war in the Ukraine has so far not had any noticeable effect on the group's result and position. The increased fuel and heating prices will affect the result, but the extent of this is difficult to assess.

We have especially continued to consider how the effects of the covid-19 outbreak affects and may affect the group's future development and risks, which may affect the financial reporting going forward. We assess that the impact on the group is limited.

30. Security and contingent liabilities

	2021	2020
Charged financial assets	736,435	1,057,195
Charged intercompany loans	396,330	-
Company mortgaged	37,250	37,250
Warranty commitment	3,105	-
Guarantee with direct liability in favor of group companies	7,200	8,973
	<u>1,180,320</u>	<u>1,103,418</u>

31. Transactions with related parties

Intercompany balances and transactions between the company and its subsidiaries, which are related parties, have been eliminated by consolidation and are not presented in this note.

During the year, group companies have entered into the following transactions with related parties that do not form part of the group:

	Sale of goods and services		Purchase of goods and services	
	2021	2020	2021	2020
	TSEK	TSEK	TSEK	TSEK
Fidelio Capital	-	-	1,484	-
	-	-	1,484	-

The following amounts are recognized in statement of financial position at the end of the reporting period:

	Receivables from related parties			Debt to related parties		
	2021-12-31	2020-12-31	2020-01-01	2021-12-31	2020-12-31	2020-01-01
	TSEK	TSEK	TSEK	TSEK	TSEK	TSEK
Fidelio Capital	-	-	-	-	-	-
Other related parties	-	-	-	-	-	322,067
	-	-	-	-	-	<u>322,067</u>

Fidelio Capital is a related party of the group as it forms part of a group structure for Odevo AB.

The purchase was made at market price with deductions to reflect the volume of purchased goods and the relations between the parties.

No guarantees have been given or received. In 2021, Odevo AB has received 66,253 in shareholder contribution. In 2020, shareholder contribution of tSEK 10,862 was paid by minority shareholders.

Remuneration for key persons in executive positions

Compensation for the company management, which is the group's most important key persons in executive positions, is presented in note 5 Remuneration for employees.

PARENT COMPANY'S INCOME STATEMENT

		2021-01-01- 2021-12-31 TSEK	2020-01-01- 2020-12-31 TSEK
Revenue	Note 2	9,141	1,747
Activity for own account	10	5,562	-
Other external expenses	3	- 18,043	- 1,546
Staff expenses	4	- 6,365	- 1,927
Depreciation and amortization and write-down of intangible assets and tangible assets		-	-
Operating profit		- 9,705	- 1,725
Profit from shares in group companies	5	32,942	-
Other interest income and similar income	6	5,349	443
Interest expenses and similar expenses	7	- 23,311	- 14,532
Group contributions received	8	62,580	28,985
Group contributions made	8	- 5,232	-
Appropriations	8	- 7,434	- 4,772
Profit before tax		55,189	8,400
Tax on the profit for the year	9	- 4,594	- 3,089
Profit for the year		50,595	5,310

Parent company's balance sheet

		2021-12-31	2020-12-31	2020-01-01
	Not e	TSEK	TSEK	TSEK
Other fixed assets				
Capitalized expenses for development work and similar work	10	5,562	-	-
Investments in group companies	11	1,478,323	1,061,522	1,087,108
Receivables from group companies		396,330	-	32,349
		<u>1,880,215</u>	<u>1,061,522</u>	<u>1,119,457</u>
Other current assets				
Trade receivables		-	-	-
Receivables from group companies		113,524	109,216	11,093
Other receivables		12,676	1,811	1,155
Prepaid expenses and accrued income	12	-	963	268
Cash and bank		<u>113,097</u>	<u>18,162</u>	<u>-</u>
		<u>239,297</u>	<u>130,151</u>	<u>12,515</u>
Total assets		<u>2,119,512</u>	<u>1,191,673</u>	<u>1,131,972</u>
Equity				
Non-distributable equity				
Share capital	13	1,304	1,304	1,304
Fund for development expenses		5,562	-	-
Distributable equity				
Retained earnings or loss brought forward		843,882	777,881	797,906
Profit for the year		<u>50,595</u>	<u>5,310</u>	<u>-</u>
Total equity		<u>901,344</u>	<u>784,496</u>	<u>779,186</u>
Untaxed reserves				
Accrual funds		<u>13,641</u>	<u>6,207</u>	<u>1,435</u>
		13,641	6,207	1,435
Long-term debt				
Debt to credit institutions	14	<u>1,166,023</u>	<u>396,872</u>	<u>348,747</u>
		1,166,023	396,872	348,747
Short-term debt				
Debt to credit institutions		-	-	-
Accounts payable		1,096	113	36
Debt to group companies		-	-	-
Tax liabilities		7,657	3,063	921
Other liabilities		22,532	157	218
Accrued expenses and prepaid income	15	<u>7,219</u>	<u>765</u>	<u>1,429</u>
		<u>38,504</u>	<u>4,098</u>	<u>2,605</u>
Total equity and debt		<u>2,119,512</u>	<u>1,191,673</u>	<u>1,131,972</u>

Parent company's statement of changes in equity

	Non-distributable equity				
	Share capital TSEK	Fund for development expenses TSEK	Retained earnings TSEK	Profit for the year TSEK	Total equity TSEK
Opening balance at 1 January 2020	1,304	-	797,906	20,025	779,186
Profit for the year				5,310	5,310
Transfer of profit for preceding year			20,025	20,025	-
Total profit for the year			20,025	25,335	5,310
Transactions with owners:					
New issue	-	-	-	-	-
Dividend	-	-	-	-	-
Total transactions with owners	-	-	-	-	-
Issue costs	-	-	-	-	-
Fund for development expenses	-	-	-	-	-
Closing balance at 31 December 2020	1,304	-	777,881	5,310	784,496

	Non-distributable equity				
	Share capital TSEK	Fund for development expenses TSEK	Retained earnings TSEK	Profit for the year TSEK	Total equity TSEK
Opening balance at 1 January 2021	1,304	-	777,881	5,310	784,495
Profit for the year				50,595	50,595
Transfer of profit for preceding year			5,310	5,310	-
Total profit for the year	1,304	-	783,191	50,595	835,090
Transactions with owners:					
New issue	-	-	-	-	-
Shareholders contributions	-	-	66,254	-	66,254
Total transactions with owners	-	-	66,254	-	66,254
Issue costs	-	-	-	-	-
Fund for development expenses	-	5,562	5,562	-	-
Closing balance at 31 December 2021	1,304	5,562	843,883	50,595	901,344

Parent company's cash flow analysis

	Note	2021 TSEK	2020 TSEK
Operating profit	-	9,704	1,725
Interest received	6	5,349	443
Interest paid	7	82,958	14,532
Income tax paid	-	2,932	64
Cash flow from operating activities before changes in working capital	-	90,245	15,750
Changes in working capital			
Reduction/(increase) of short-term receivables	-	25,224	19,964
Reduction/(increase) of short-term debt	-	35,361	725
Cash flow from operating activities	-	80,108	36,439
Investment activities			
Acquisition of subsidiary	-	416,801	6,733
Acquisition of intangible assets	10	5,562	-
Cash flow from investment activities	-	422,363	6,733
Financing activities			
Repayment/contracted loans		831,499	32,349
Shareholders contributions received		66,253	-
Long-term receivables subsidiary	-	390,636	-
Distribution of dividend from subsidiary		32,942	-
Group contribution received, net		57,348	28,985
Cash flow from financing activities		597,406	61,334
Cash flow for the year		94,935	18,162
Cash and cash equivalents at the beginning of the year		18,162	-
Exchange rate changes in cash and cash equivalents		-	-
Cash and cash equivalents at year-end	16	113,097	18,162

Parent company's notes

1. General information and Accounting policies

The parent company acts as holding company and constitutes an intra-group function which includes trading in securities on a long-term basis and provision of services to other companies in the group. The company owns 100 % of FC Sun Intressenter Holdco AB and the largest group company included in the consolidated financial statements is Berghamnen AB.

The annual report for the parent company has been prepared in accordance with the Financial Statements Act and RFR 2 of the Swedish Financial Reporting Board, Accounting for Legal Entities. According to RFR 2, the parent company must apply all International Financial Reporting Standards adopted by the EU to the extent possible within the framework of the Financial Statements Act.

This is the parent company's first annual report, which is prepared in accordance with RFR 2, Accounting for Legal Entities, and the Financial Statements Act. Previously, the parent company has applied Swedish Accounting Standards Board's general recommendations BFNAR 2016:10 on Annual Reporting in Smaller Companies ("K2") and the Financial Statements Act. The transition date has been fixed at 1 January 2020, which means that the comparative figures for the financial year 2020 have been translated according to RFR 2. The transition to RFR 2 has, however, not had any significant impact on the parent company's recognised value of assets, liabilities, income, and expenses.

Changes to RFR 2 which have not entered into force

The parent company has not yet started to apply the changes to RFR 2, Accounting for Legal Entities, which enter into force on 1 January 2022 or later. The changes are not deemed to have any significant effect.

The difference between the parent company's and the group's accounting policies is described below:

Classification and layouts

The parent company's income statement and balance sheet are laid out as stated in the Financial Statements Act. The difference compared to IAS 1 Presentation of financial statements, which is applied for the preparation of the group's financial statements, is primarily the presentation of financial income/expenses and equity.

Lease agreements

The parent company as lessee recognises lease payments as costs according to the straight-line method over the lease period unless another systematic method better reflects the user's economic benefit over time.

Subsidiaries

Shares in subsidiaries are recognised at cost. Dividend from subsidiaries is recognised in the income statement when the right to dividend is deemed to have been established and may be calculated reliably. Contingent consideration is recognised as part of cost if it is likely that it will materialise. If, in subsequent periods, it becomes evident that the initial assessment must be revised cost is adjusted.

Financial instruments

The parent company does not apply IFRS 9. Instead, a method is applied which is based on cost according to the Financial Statements Act. This means that fixed asset investments are measured at cost less any write-down and financial current assets according to the lowest value principles. When calculating the net realisable value of

receivables recognised as current assets, the principles of impairment testing and loss risk provisioning in accordance with IFRS 9 are applied, see principles for the group. When assessing and calculating impairment requirements for financial assets recognised as fixed assets, the principles of impairment testing and loss risk provisioning

are applied in IFRS 9 where possible. Financial liabilities are valued at amortised cost using the effective interest method. Principles for booking and cancelling financial instruments correspond to those applied to the group and are described above. Intercompany receivables are comprised by the impairment rules in IFRS

9 (the general model which is described in the group's description of applied accounting policies). Financial guarantee agreements are recognised according to the rules for provisions.

Group contributions and shareholder contributions

Group contributions are reported as appropriations. Shareholder contributions are recognised as change in equity. Shareholder contributions made are recognised as an increase in the item shares in subsidiaries of the donor.

2. Income from customer contracts

The parent company's income mainly consists of intercompany invoicing of costs for shared group functions where the company is a holding company. Income from these services is recognised over time as the services are performed.

3. Auditor's fee

	2021 TSEK	2020 TSEK
Grant Thornton AB		
Audit assignment	76,500	-
Audit activities in addition to audit assignment	-	-
Tax consultancy	-	-
Other services	-	-
Total	76,500	-

Audit engagements refer to the auditor's fee for the statutory audit. The work includes the audit of the financial statements and the consolidated financial statements and bookkeeping, the management by the board of directors and the managing director, and fee for audit advice provided in connection with the audit work.

Audit activities in addition to the audit engagement comprise quality assurance services.

Tax advice comprises all tax-related services such as assistance in connection with tax computation, preparation of tax return and consultations regarding VAT, excise duties and staff issues.

4. Remuneration for employees

See the group's note 5 regarding remuneration for employees.

5. Profit/loss from shares in group companies

	2021 TSEK	2020 TSEK
Dividend	32,942	-
Capital gain/loss on sale of shares	-	-
Write-down	-	-
Total	32,942	-

6. Other interest income and similar income statement items

	2021 TSEK	2020 TSEK
Interest income	-	1
Interest income, group companies	671	442
Exchange rate gains	4,677	-
Total	5,349	443

7. Interest expenses and similar income statement items

8. Appropriations

	2021 TSEK	2020 TSEK
Group contribution received	62,580	28,985
Group contribution made	- 5,232	-
Change in accrual fund	- 7,434	- 4,772
Total	49,914	24,213

9. Income tax

	2021 TSEK	2020 TSEK
Current tax	- 4,594	- 3,089
Deferred tax	-	-
Total	- 4,594	- 3,089

	2021 TSEK	2020 TSEK
Reconciliation of effective tax rate		
Recognized profit before tax	55,189	8,400
Tax calculated based on Swedish tax rate 20.6 & (21.4 %)	-11,369	-1,798
Tax effect of non-deductible costs	-5	-1,265
Tax effect of non-taxable income	6,786	0
Tax effect, interest beginning of year, accrual fund	-6	-2
Adjustment of tax from previous year	0	-26
Recognized tax expense for the year	-4,594	-3,089

10. Capitalized expenses for development work and similar work

	TSEK
Cost	
At 1 January 2020	
Additions and other adjustment during the year	
At 31 December 2020	
Additions and other adjustment during the year	5,562
At 31 December 2021	5,562
Accumulated depreciation and amortization and write-down	
At 1 January 2020	
Depreciation and amortization for the year	
Write-down for the year	
At 31 December 2020	
Depreciation and amortization for the year	
Write-down for the year	
At 31 December 2021	
Recognized value	
At 31 December 2021	5,562
At 31 December 2020	
At 1 January 2020	

The useful life for internally generated development expenses within the group's software development is 5 years.

11. Investments in group companies

Holdings through direct ownership

Name of company	Company reg. no.	Registered office	Equity investment	Number of shares	Recognized value TSEK		
					2021-12-31	2020-12-31	2020-01-01
SBC Intressenter HoldCo AB	559250-9565	Stockholm	59.59%	40,409,713	611,522	611,522	-
Nabo RS AB	559136-7320	Stockholm	100.00%	50,000	450,000	450,000	450,000
Monu AB	559192-0367	Stockholm	100.00%	881,539	60,605	-	-
Wexford Holdco Ltd	13111565	Great Britain	100.00%	30,650,343	356,195	-	-

Holdings through indirect ownership

Name of company	Company reg. no.	Registered office	Equity investment	Number of shares	Recognized value		
					2021-12-31	2020-12-31	2020-01-01
SBC Intressenter BidCo AB	559250-0085	Stockholm	99.90%	10,257,425	1,002,153	1,002,568	-
SBC Sveriges BostadsrättsCentrum AB	556576-7299	Stockholm	100.00%	41,183,850	1,066,398	1,065,408	637,108
Drive In AB	556116-4962	Stockholm	100.00%	1,000	120	120	120
Österåkers Bostadsrättsförvaltning AB	556361-4436	Österåker	100.00%	1,000	15,657	15,657	15,657
Liljeholmsberget AB	556446-4823	Stockholm	100.00%	71,000	200	200	200
SBC Fastighetsservice i Skåne AB	556855-9271	Malmö	100.00%	1,000	625	625	625
Fastighetspartner i Göteborg AB	556378-3520	Göteborg	100.00%	1,250	6,503	6,503	6,503
SBC Fastighetsservice i Stockholm AB	556538-0481	Stockholm	100.00%	1,000	88	88	88
SBC Betaltjänster AB	556750-3098	Stockholm	100.00%	1,000	1,475	1,475	1,475
SBC Mark AB	556313-4153	Stockholm	100.00%	600,000	1,778	1,778	1,778
SBC Bostad Sju AB	556709-9410	Stockholm	100.00%	1,000	105	105	105
SBC Bostad Åtta AB	556716-3547	Stockholm	100.00%	1,000	105	105	105
Byggrätt BRAB AB	556638-5026	Stockholm	100.00%	3,000	522	522	522
Marabgruppen AB	559160-3781	Alingsås	100.00%	500	7,232	-	-
Nabolaget AB	556649-5445	Stockholm	100.00%	5,000	19,819	19,819	19,819
Valvet Entreprenad AB	556737-2676	Stockholm	100.00%	1,000	100	100	100
Nabolaget Malmö 1 AB	556458-4596	Malmö	100.00%	1,200	27,985	28,452	-
Nabolaget Malmö 2 AB	556680-3416	Malmö	100.00%	1,000	3,744	3,744	-
Boldo AB	559095-3435	Stockholm	100.00%	500	43,197	114,866	114,866
Nabo Group AB	559118-7496	Stockholm	100.00%	500	101,669	30,000	30,000
Nabo Uppsala AB	559159-1564	Stockholm	100.00%	50,000	13,147	13,147	13,147
RedKom Bostadsrättsförvaltning AB	559073-9347	Stockholm	100.00%	500	50	50	50
Nabo Sickla AB	556508-5908	Nacka	100.00%	1,000	27,227	27,227	27,227
Nabolaget Sickla AB	556965-2265	Nacka	100.00%	500	300	300	300
Nabo Göteborg H AB	556799-8793	Göteborg	100.00%	100	15,605	-	-
Nabo Göteborg AB	559303-4738	Stockholm	100.00%	25,000	1,175	-	-
Nabo Göteborg M AB	559207-4669	Göteborg	100.00%	500	2,008	-	-
Nabo Malmö A AB	556952-7723	Vellinge	100.00%	500	4,718	4,718	-
Nabo Malmö B AB	556838-6105	Malmö	100.00%	1,002	34,812	34,812	-
Wexford Bidco Ltd	13113041	Great Britain	100.00%	1	-	-	-
R&R Residential Management Ltd	6549794	Great Britain	100.00%	7,001	566,116	-	-
Rendall & Rittner (Sales & Lettings) Ltd	4178736	Great Britain	100.00%	1	4,774	-	-
Braemar Facilities Management Ltd	7416122	Great Britain	100.00%	1	-	-	-
Rendall & Rittner Operations Ltd	12010755	Great Britain	100.00%	100	1	-	-
Rendall & Rittner Ltd	2515428	Great Britain	100.00%	7,000	-	-	-
CoDwellers.com Ltd	6668360	Great Britain	100.00%	3,635	-	-	-
Bourne Estates Ltd	4715659	Great Britain	100.00%	50	7,563	-	-
PL Management Ltd	4130915	Great Britain	100.00%	2	-	-	-
Cardoe Martin Ltd	4212348	Great Britain	100.00%	89,277	4,445	-	-
Artex Insurance (RR4) IC Ltd	60530	Great Britain	100.00%	821,000	4,506	-	-
Premier Estates Ltd	3607568	Great Britain	100.00%	1,000	195,071	-	-
Premier Estates Freehold Land Ltd	6068594	Great Britain	100.00%	100	1	-	-
Chiltern 7274 Ltd	8141049	Great Britain	100.00%	1	0	-	-

12. Prepaid expenses and accrued income

2021-12-31 2020-12-31 2020-01-01
TSEK TSEK TSEK

Accrued income	-	263	-
Prepaid guarantee fees	-	684	-
Prepaid contractual interest	-	-	252
Other prepaid costs	-	15	15
Recognized value	-	963	268

13. Share capital

Share capital and number of shares is stated in the group's note 21.

14. Long-term debt and maturity distribution for debts

Reconciliation liabilities 2020	Opening balance	Cash flow	Business combinations	Other changes	Closing balance
Debt to credit institutions	-	322,500			322,500
Overdraft facility	26,681	47,691	-	-	74,372
Debt to shareholders	322,067	322,067	-	-	-
	348,748	48,124	-	-	396,872
Reconciliation liabilities 2021	Opening balance	Cash flow	Business combinations	Other changes	Closing balance
Debt to credit institutions	322,500	903,170	-	59,647	1,166,023
Overdraft facility	74,372	74,372	-	-	-
Debt to shareholders	-	-	-	-	-
	396,872	828,798	-	59,647	1,166,023

See the group's note 28 on financial risk management, the paragraph Liquidity and financing risk, for a description of loan terms etc. The parent company has not failed to fulfil any agreement terms associated with the group's loans with credit institutions.

The parent company's external loans fall due in their entirety at the expiry of the loan period.

15. *Accrued expenses and prepaid income*

	2021-12-31 TSEK	2020-12-31 TSEK	2020-01-01 TSEK
Accrued payroll related costs	2,535	470	331
Accrued social security costs	238	65	21
Other accrued costs	229	230	1,077
Accrued interest	4,217	-	-
Recognized value	<u>7,219</u>	<u>765</u>	<u>1,429</u>

16. *Notes to cash flow statement*

	2021-12-31 TSEK	2020-12-31 TSEK	2020-01-01 TSEK
Cash and bank	113,097	18,162	-
Overdraft facilities (see note 14)	-	- 74,372	- 26,681
	<u>113,097</u>	<u>- 56,210</u>	<u>- 26,681</u>

Cash and bank consist of cash and short-term bank balances with a maturity of three months or less after deduction of outstanding overdraft facilities. The recognised amount of these assets is a good approximation of their fair value. Cash and cash equivalents at the end of the reporting period as shown in the consolidated cash flow may be reconciled with the items in the statement of financial position shown above.

17. *Security and contingent liabilities*

	2021	2020
Shares in subsidiary	1,061,522	1,061,522
Charging of intercompany loan	396,330	-
Warranty commitment	3,105	-
Guarantee with direct liability in favor of group companies	<u>7,200</u>	<u>8,973</u>
	<u>1,468,157</u>	<u>1,070,495</u>

18. Transactions with related parties

Transactions between the parent company and its subsidiaries, which are related parties of the parent company, and information on transactions between other related parties are presented below:

	Sale of goods and services		Purchase of goods and services	
	2021 TSEK	2020 TSEK	2021 TSEK	2020 TSEK
<i>Fidelio Capital</i>	-	-	1,484	-
Total	-	-	1,484	-

	2021-12-31 TSEK	2020-12-31 TSEK	2020-01-01 TSEK
Receivables from related parties			
<i>Fidelio Capital</i>	-	-	-
Total	-	-	-
Debt to related parties			
<i>Fidelio Capital</i>	-	-	-
<i>Other related parties</i>	-	-	322,067
Total	-	-	322,067

19. Events after the balance sheet date

We have especially continued to consider how the effects of the covid-19 outbreak affects and may affect the group's future development and risks, which may affect the financial reporting going forward. We assess that the impact on the group is limited. During 2022, security was provided for the loans from Ares Management Ltd. contracted in 2021. The value of the security on 31 December 2021 amounted to mSEK 901.3

20. Proposal for distribution of net profit

The following profits are at the disposal of the annual general meeting

Retained earnings	843 882 375
<u>Profit for the year</u>	<u>50 594 752</u>
Total	894 477 127
The board of directors proposes that is carried forward	894 477 127

The board of directors and the managing director hereby certify that the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards IFRS as adopted by the European Union and give a true and fair view of the group's financial position and profit/loss.

The financial statements have been prepared in accordance with generally accepted accounting principles and provide a true and fair view of the parent company's financial position and profit/loss. The management's review for the group and the parent company provides a fair overview of the development of the group and the parent company's operations, financial position and profit/loss and describes material risks

and uncertainties faced by the parent company and group companies The financial statements have been approved by the board of directors on 27 May 2022.

Stockholm, 30 May 2022

Martin Erleman
Chairman of the board of directors

Oscar Södergren
Board members

Hampus Tunhammar
Board members

Mattias Malmback
Board members

Our auditor's report has been submitted on 30 May 2022

Grant Thornton Sweden AB

Carl-Johan Regell
Authorized accountant

Adhoc Translations hereby confirms the preceding text to be a true and faithful translation of the original Swedish document into the English language.

In Witness Whereof we have hereunto affixed our company stamp.

For AdHoc-Translations A/S, 27 June 2022



Yardenia L. M. Jensen

Administration Assistant / Payables