

WE BRING BUILDINGS TO LIFE

ANNUAL REPORT 2014



CONTENTS



6.

- 3. Bravida in brief
- 6. Message from the CEO
- 8. Message from the CFO
- 9. Five-year overview



12.

- 10. Mission, Vision and strategies
- 11. Objectives
- 12. Business model
- 13. Growth and profitability

VISION

/// Leading multi-technical service provider in the Nordics. Our comprehensive knowledge is to increase our customers' competitiveness.



32.

- 16. Offering
- 22. Cases
- 24. Market
- 32. Customers
- 34. Employees and Company culture



16.

- 40. Directors' Report
- 44. Financial statements
- 52. Notes
- 84. Signatures of the Board of Directors



24.

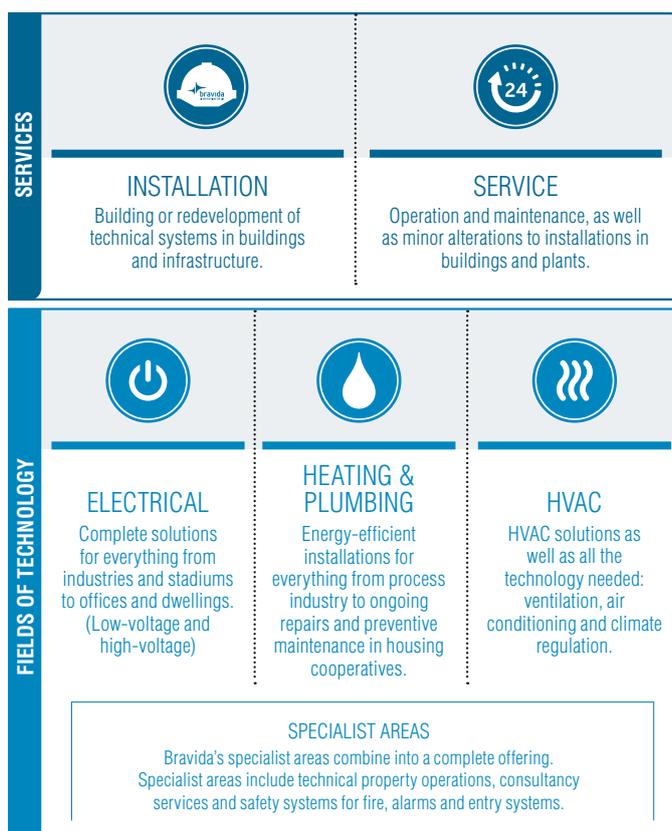
- 85. Audit report
- 86. Corporate governance
- 88. The Board and Group Management
- 89. Definitions

The Annual Report is prepared in Swedish and translated into English.

Should differences occur between the Swedish Annual Report and the English translation, the Swedish version shall prevail.

BRAVIDA – MULTI-TECHNICAL SERVICES PROVIDER

With modern technology and innovative solutions, we bring buildings to life. Our installation and service contracts cover building's life-supporting functions: energy, heating, cooling, water and air. Through the installation of modern technical systems and regular servicing, we create the right conditions for sustainable growth and development in our communities.



2014 IMPORTANT EVENTS DURING THE YEAR

TURNAROUND IN NORWAY AND DENMARK

GREAT IMPROVEMENT in both sales and operating profit in Norway. Increased sales in Denmark. Sweden stable.

ACQUISITIONS

17 ACQUISITIONS were completed. These acquisitions increased sales on an annual basis by SEK 1,046 million. Acquisitions increased sales by SEK 319 million in 2014.

IMPROVED PRODUCTIVITY

GROUP-WIDE improvement programmes formed the basis for improved productivity.

NEW CEO

THE DIVISION HEAD in Norway, Mattias Johansson, was appointed as the new CEO. He entered the position in January 2015.

GROWTH

8%

EBIT- IMPROVEMENT

18%

THE YEAR IN FIGURES

KEY PERFORMANCE INDICATORS, SEK MILLION

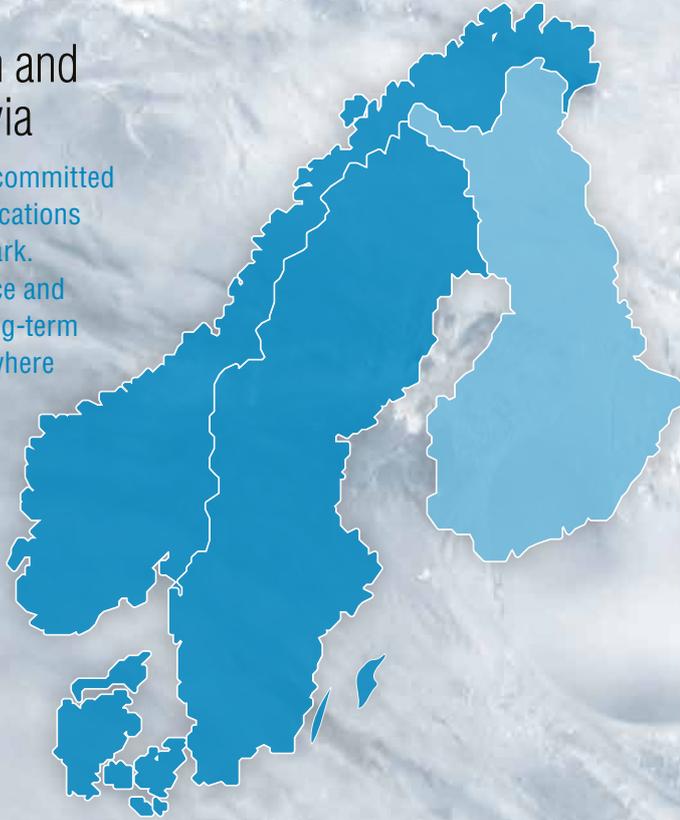
	2014	2013	2012	2011	2010
Net sales	12,000	11,080	11,400	10,768	10,345
Operating profit (EBIT)	705	600	570	663	621
Profit after financial items (EBT)	440	222	539	616	573
Operating margin, %	5.9	5.4	5.3	6.2	6.0
Adjusted* EBIT	759	649	616	663	573
Adjusted* EBIT, %	6.3	5.9	5.4	6.2	6.0
Cash flow from operating activities	659	457	424	559	398
Order backlog	6,580	6,075	4,809	4,590	3,840

* Adjusted for productivity programme, severance costs and transaction costs.

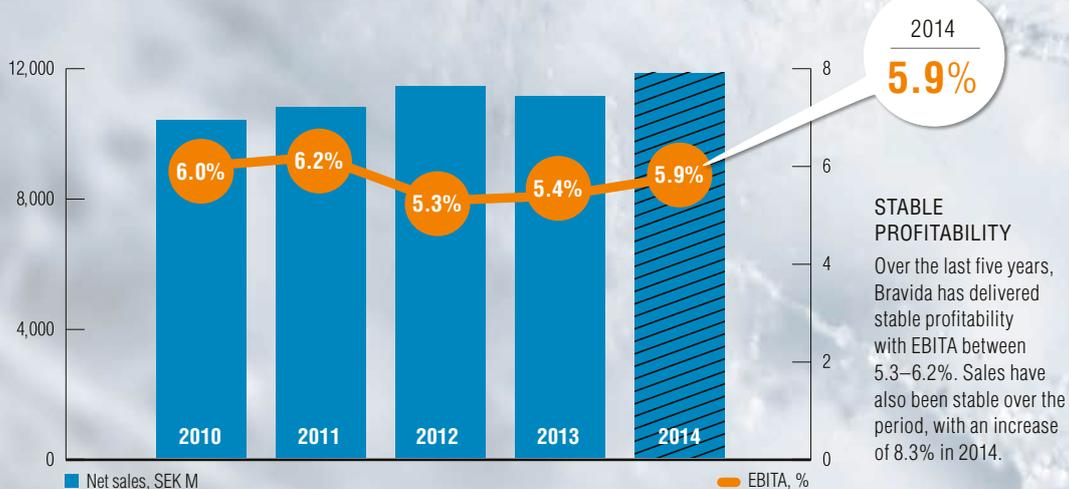
THIS IS BRAVIDA

Leader in installation and service in Scandinavia

We have approximately 9,000 committed employees at more than 150 locations in Sweden, Norway and Denmark. Through a strong local presence and close cooperation, we build long-term relationships with customers where we offer both confidence and new opportunities. Bravida aims to be the obvious choice and an active partner for our customers, old and new.



GROWTH AND PROFIT DEVELOPMENT 2010-2014





MSEK	2014	2013
Net sales	7,385	7,347
EBITA	474	451
Operating margin	6.4%	6.1%

+ 24 MSEK
PROFIT INCREASE



MSEK	2014	2013
Net sales	2,818	2,375
EBITA	150	68
Operating margin	5.3%	2.9%

+ 82 MSEK
PROFIT INCREASE



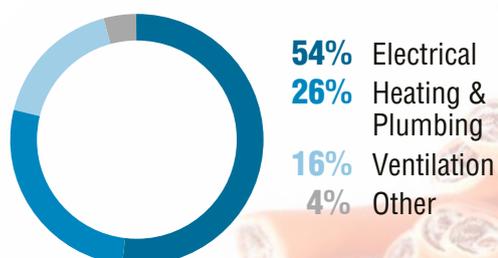
MSEK	2014	2013
Net sales	1,792	1,354
EBITA	95	71
Operating margin	5.3%	5.2%

+ 24 MSEK
PROFIT INCREASE

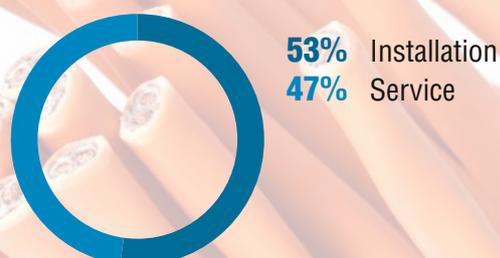


DISTRIBUTION OF SALES

FIELDS OF TECHNOLOGY
SHARE OF BRAVIDA'S SALES



INSTALLATION / SERVICE
SHARE OF BRAVIDA'S SALES



STABLE BASIS FOR PROFITABLE GROWTH



2014 was a strong year for Bravida. We delivered on our strategic plan, giving a clear step towards our long-term financial goals. The profit potential that can be realised through our strategic initiatives is still considerable, which is driving the whole organisation strongly into the future.

CONTINUITY AND TEMPO ARE IMPORTANT FOR THE FUTURE

I took up the position as CEO at year-end, after Staffan Pålsson. As a result of his successful leadership, Bravida has delivered its strongest results ever and I am taking over a strong Bravida. Continuity is a key aspect of my leadership. Tempo is also important, and we will continue to implement our strategic plan at high speed.

STRONG DEVELOPMENT DURING THE YEAR

Financial developments in 2014 gave clear proof that the organisation's efforts are bringing results on many levels. Sales grew about 8 per cent and operating profit increased by 18 per cent, with all divisions showing improved profits. This meant a clear rise for the operating margin. Sales and profitability in Norway and Denmark showed significant improvement. The order intake was good and we carry a strong order book forward into 2015. Our focus on cash flow also provided significant results.

It appears that the stable growth in the installation and service markets will continue. The market in Scandinavia grew by 4 per cent last year. The pace of growth has been at this level in recent years and is expected to be the same in 2015.

SERVICE SHOWS A STABLE DEVELOPMENT

In recent years we have had expanding results even when the market has been receding. That makes us stand out from our colleagues in the industry. There are a number of explanations for this. The most important single one is that service activities represent about half of our sales. This provides both stability and profitability. It is also significant that we always prioritise profitability over volume in our actions on the market. We also have a clear focus on assessing the risk of major projects, to ensure that we only take business that contributes to profitability on the bottom line.

// Financial developments during 2014 have been clear proof that our work is giving results on many levels.

GREAT CONFIDENCE IN THE MARKET – BOTH NATIONAL AND LOCAL

Bravida continues to be an important supplier in large and complex projects all over Scandinavia. Work continues on the new central hospital in Sarpsborg, Norway. Both the Norwegian and Swedish divisions are collaborating on this, to deliver electrical and heating & plumbing installations.

In Sweden, we took over the operation and maintenance of the Postnord postal terminal at Rosersberg in September. It has about 500 employees, handling approximately two million letters a day. Bravida had previously provided all installations in this huge terminal and confidence has now been shown in our service offering.

Infrastructure remains a significant area for Bravida. In Denmark, we are part of the Scandinavian consortium that has pre-qualified in the procurement of work on the new connection between Denmark and Germany, the Fehmarn Belt Tunnel. Our safety and security company Bravida Fire & Security has entered into a strategic partnership with Panasonic which means that it will market our entry control system on the European market. This has great potential and is clear proof of our market-leading security products.

These assignments and the confidence we receive from important stakeholders in the market give us self-confidence and show the power of what Bravida offers. At the same time, it is important to remember that the engine of our activities is in our local business, where our departments complete many projects and thousands of service assignments every year all over Scandinavia.

A CLEAR PLAN FOR THE FUTURE

As we look forward, we have an overall focus on developing the great potential that lies in the service business. This represents a significant part of our financial objective of creating organic growth, higher than the market growth. On top of this, acquisitions are to contribute approximately the same amount. We are also aiming to improve the operating margin by a further percentage point to 7 per cent, from the 5.9 per cent of last year.

For our service business, we have both a strong starting position and considerable growth opportunities. To a large extent, this is about moving our positions forward and working even closer to our customers. We are in the middle of a project to clarify and strengthen our service offering.

We focus on three main initiatives to expand both invoicing and margins.

- Increased efficiency in the organisation via a streamlining programme covering all Bravida's 227 branches and their employees. This is about improving productivity through a more structured way of working and by working smarter.
- Optimising the purchasing function so as to maximise

outcomes for both our customers and ourselves. Last year we began a long-term programme to build a stronger supplier base, with fewer suppliers at Nordic and national level.

- Acquisition is important, both for local growth and for building competence within selected specialist areas. Rapid integration is the key to their value creation for the Group as a whole. Our decentralised organisational structure is an important piece of the puzzle in this context. Bravida's well-known brand and good reputation mean that many are interested in selling to us, which gives a strong starting point for potential business. Last year, we completed a total of 17 acquisitions, which both strengthened our presence and brought new competence. At the year-end, we have made more acquisitions, such as Vega Energi and Abeka, which strengthen our offerings in the field of energy-efficient solutions. Altogether, this means that we now offer sustainable services throughout the entire power network, from the power source to the socket in the wall.

WE DEVELOP OUR EMPLOYEES

Our growth and profitability targets require us to be an attractive employer so as to attract the most talented engineers and fitters to Bravida. Developing our employees is a strong focus for us. It is therefore very gratifying to note that the Sweden's Best Employer survey ranked us at number 32, which is clearly better than others in the industry. The employees particularly appreciate Bravida's environmental responsibility and development opportunities according to the survey, which is compiled each year by Universum and Metrojobb.

THE BRAVIDA WAY – OUR ENGINE FOR CHANGE

I am proud of the commitment that is shown by all our employees. The entire organisation participates in our success. To summarise, I can state that The Bravida Way has become a key phrase for the future. It means that we do what we said we would do, that we follow up and that we constantly work towards improving our activities. Together with my Management Group, I will continue to strengthen the Company and to make Bravida the natural first choice of both customers and employees in 2015 and beyond.

Mattias Johansson
President and CEO

DELIVERING ON A BROAD FRONT

In recent years, Bravida has created a strong platform for continued robust development of the business. The 2014 profits are a confirmation that we are reaping clear gains from the intensive work that is being done. Besides being one of the most profitable in its class, Bravida is characterised by stability in both business and finances.

Bravida's organisation is permeated by a great will to change and by ambitious goals, which can be clearly seen in the key performance indicators for 2014, with all divisions improving their profits. Operating profit for the Group as a whole increased by as much as 18 per cent, to SEK 705 million. Operating margin improved by half a percentage point to 5.9 per cent. We organically grew sales by a strong 5 per cent, which was better than the market as a whole. On top of this, acquisitions added a further 3 per cent to our turnover.

CASH FLOW CREATES OPPORTUNITIES

Cash flow is also a clear strength factor. Cash flow from operating activities improved by almost 40 per cent to SEK 659 million. Thus more than 90 per cent of the operating profit was converted into cash flow, which is very strong. This gives us financial flexibility and underlines Bravida's growth potential from acquisitions in the long term.

Our cash and cash equivalents of around SEK 1 billion also contributes to our room for financial manoeuvre.

MANY CUSTOMERS MEANS STABILITY

Our fragmented customer structure contributes to stability in the Company. Our largest individual customer represents less than 5 per cent of the Group's invoicing. Our business with the big construction companies is also based on long-term customer relations with a significant amount of repeat business. At the same time, 90 per cent of our sales turnover is made up of assignments of less than SEK 50 million.

READY TO FURTHER STRENGTHEN THE BUSINESS

As a relatively newly-appointed CFO, I am opti-

mistic that we will be able to continue this positive development over the coming years. We are well equipped to achieve our financial goals and push many strategic initiatives forward so as to continue to deliver improvements. We are working on improving efficiency and margins, as well as in the growth dimension, where service and acquisition are the key to success.

A STRUCTURED WAY OF WORKING LAYS THE FOUNDATION FOR SUCCESS

A structured way of working is key to achieving efficiency and margin improvements. An ambitious improvement programme, embracing the entire organisation, has strengthened our joint working methods. We see promising results on several levels in all our divisions, such as in improved project calculation combined with ongoing follow-up of outcomes. In this way, we ensure the profitability of projects. It also gives the organisation self confidence that we are correctly priced when we bid on large projects, which is an important factor in our ambition to grow faster than the market.

Ongoing streamlining of the organisation, as well as strategic efforts to significantly lower purchasing costs, are other important ways of gradually expanding the operating margin.

GREAT POTENTIAL IN OUR SERVICE BUSINESS

That service represents about half of all invoicing is also an important explanation for the stability that has characterised Bravida in recent years. Service activities are also fundamental to the achievement of our financial targets. There is great potential for significantly developing the service business in the future, such as by a better focus on service in the organisation, with separate departments with a clear service culture. Service and installation cross-fertilize each other in that each generates business for the other. In this way, our clear growth ambitions for service also become an engine for expansion of the installation business.

CONTINUED GROWTH THROUGH ACQUISITION

We intend to continue to acquire companies during the coming years. We also have a clear focus on integrating the existing acquisitions, so as to maximise the synergies. Our decentralised organisational structure is an important piece of the puzzle in this context. It eases and simplifies the integration of our new activities, which normally bring either a new technical branch to an existing location or business in a new location.

To summarise, I can conclude that Bravida enters the coming years in a strong financial position and that we have excellent conditions to generate profitable growth.

Nils-Johan Andersson
CFO



INCOME STATEMENT, SEK MILLIONS	2014	2013	2012	2011	2010
Net sales	12,000	11,080	11,400	10,768	10,345
Costs of production	-9,601	-8,856	-9,164	-8,573	-8,205
Gross profit	2,399	2,224	2,236	2,195	2,140
Administrative and selling expenses	-1,693	-1,624	-1,633	-1,531	-1,519
Earnings before goodwill amortisation (EBITA)	706	600	604	664	621
Disposal of activities			-33		
Amortisation and write-down intangible assets	-1	0	-1	0	-
Operating profit (EBIT)	705	600	570	663	621
Net financial income/expenses	-265	-378	-31	-48	-48
Profit before taxes	440	222	539	616	573
Tax	-120	-47	-145	-106	-161
Profit for the year	320	174	394	510	412
BALANCE SHEET ITEMS, SEK MILLION					
Goodwill	6,940	6,733	6,745	2,203	2,134
Other non-current assets	385	354	291	409	444
Current assets	3,739	3,623	3,036	3,306	2,501
Total assets	11,064	10,710	10,072	5,919	5,079
Equity	3,306	3,701	3,378	2,121	1,355
Non-current liabilities	3,862	3,495	3,100	221	210
Current liabilities	3,896	3,514	3,594	3,576	3,515
Total equity and liabilities	11,064	10,710	10,072	5,919	5,079
CASH FLOW, SEK MILLION					
Cash flow from operating activities	659	457	424	559	398
Cash flow from investing activities	-136	-54	-37	-66	19
Cash flow from financing activities	-545	344	-408	-453	-1,244
Cash flow for the year	-22	746	-21	41	-827
KEY PERFORMANCE INDICATORS, SEK MILLION					
EBITA margin	5.9%	5.4%	5.3%	6.2%	6.0%
Adjusted EBITA margin	6.3%	5.9%	5.4%	6.2%	6.0%
Order intake	12,149	12,346	11,564	11,315	10,601
Order backlog	6,580	6,075	4,809	4,590	3,840
Average no. of employees	8,213	7,967	8,139	7,955	7,834
Sales per employee	1.461	1.391	1.401	1.354	1.321
Administration costs as % of sales	14.1%	14.7%	14.3%	14.2%	14.7%
Working capital as % of sales	-7.1%	-5.5%	-4.2%	-4.3%	-3.7%

* Comparative figures reported in 2010–2012 are pro forma figures comprised of information for the Bravida AB Group where there were comparable activities.

LEADER IN INSTALLATION AND SERVICE

MISSION

- We offer installation and service of electrical, heating & plumbing and HVAC solutions.
- Our actions are competent and efficient in order to add value and benefit to our customers on a daily basis.
- We combine local presence with the resources of a big company.

VISION

/// We aim to become the leading multi-technical service provider in the Nordics. Our comprehensive knowledge is to increase our customers' competitiveness.

STRATEGIES

CUSTOMER STRATEGY

● Bravida works proactively to identify and meet the needs of our customers. With clear, attractive offers and high quality in our deliveries, we work systematically to increase customer satisfaction. With a local presence at more than 150 locations throughout Scandinavia, we are always close to our customers.

PROFITABILITY STRATEGY

● Bravida prioritises profitability over faster growth. By only taking on contracts with quantifiable risks and continually adapting our production capacity and administrative expenses to sales volume, we reduce risks while improved operational efficiency and coordinated purchasing creates the space for increased profitability.

GROWTH STRATEGY

● In order to create a complete and strong offering in electrical, heating & plumbing, and HVAC installation and service, Bravida aims to grow its operations in selected markets in Nordics, organically and through acquisitions. A continued focus on our service activities and continuous development of our customer offerings create additional opportunities for growth.

COMPETENCE STRATEGY

● In order to attract, retain and develop our employees, we provide professional leadership development and focus on continuous internal training. Opportunities to work in diverse areas and in different types of projects combined with decentralised decision-making form the foundation for our employees' competence development. The recruitment of young engineers is a priority within Bravida.

OUR LONG-TERM GOALS

OUR LONG-TERM FINANCIAL GOALS

OBJECTIVE	LONG-TERM GOAL	OUTCOME
Operating margin exceeding seven per cent	At Group level, Bravida's goal is to achieve an operating margin exceeding 7 per cent of sales turnover.	Bravida's EBITA margin in 2014 was 5.9 per cent.
Profitable growth – higher than market growth	The goal is to organically grow more than the market. Bravida will also grow through acquisitions.	The Group's net sales turnover increased by 8.3 per cent compared with 2013. Organically, the increase was 5.2 percentage points. Currency effects increased turnover by 0.2 percentage points and acquisitions contributed 2.9 percentage points.

5.9%
EBITA MARGIN

8.3%

OUR LONG-TERM GOALS – CUSTOMER AND MARKET

OBJECTIVE	LONG-TERM GOAL	OUTCOME
The most satisfied customers	Our ambition is to have the market's most satisfied customers, who will both come back to Bravida and recommend us to others.	CSI for installation assignments amounted to 3.8 and 3.9 for service activities. The customers display a high level of loyalty, with a majority probably choosing to appoint Bravida again and recommend others to use Bravida.
The strongest brand	The strongest brand in installation and service in the Nordic region.	Among companies in the industry , 99 per cent are aware of the Bravida brand in Sweden, with the corresponding figures for Norway and Denmark being 100 and 85 per cent respectively. In total, 56 per cent are "very familiar" with the Bravida brand. (2012) The next measurement is in 2015.
Local market leader	Bravida will be biggest or second biggest in all the locations where it chooses to operate.	During 2014, we have strengthened our market position in many of the places where we operate. Local acquisitions have contributed to this.



OUR OTHER LONG-TERM GOALS

OBJECTIVE	LONG-TERM GOAL	OUTCOME
Service > 50 per cent of sales	In order to reduce our sensitivity to fluctuations in the economic cycle, our objective is that service should account for more than half of our sales.	In 2014, service activities accounted for approximately 47 per cent of sales and installation for 53 per cent.
The most attractive employer	Achieve a Motivated Employee Index (MEI) exceeding 75 on a scale of 100.	In 2014, MEI was 66. Among salaried employees, MEI amounted to 69, and among employees under a collective agreement, the equivalent figure was 65.
Leading supplier of energy efficient and environmentally friendly services	Leading supplier of energy- and environmentally-efficient solutions and reduce our own environmental impact. Reduced CO ₂ -emissions.	Strengthened competence and offering of energy efficient solutions, part of this by acquisition. Reduced fuel consumption per kilometer.
No occupational injuries	No employees of Bravida should suffer physical or mental illness because of work – a zero vision.	The rate of occupational injuries (the number of occupational accidents that lead to at least one day of sickness absence per million working hours) was 9.4 in 2014. We have strengthened our working environment activities in Denmark.

OUR MODEL FOR CUSTOMER VALUE AND PROFITABILITY

Our business model is designed to create value for our customers and profitability for Bravida. A number of important factors form the foundation for how we do business.

DEPTH, BREADTH AND COORDINATION

Bravida's breadth and depth provide customers with access to all types of installation and service solutions in the electrical, heating & plumbing, and HVAC fields of technology, while at the same time we take responsibility for the various parts working together. The coordination of electrical, heating & plumbing, and HVAC installations generates customer value through a more efficient execution of the deliveries and the energy savings that can be realised over time. With supplementary specialist areas such as security, cooling and sprinkler systems, Bravida has a full-scale installation and service offering.

COMBINING INSTALLATION AND SERVICE

Bravida's installation activities include new construction and major alterations of technical systems in buildings, plants and infrastructure. Its service activities consist of operation and maintenance, as well as minor alterations.

By combining installation and service, Bravida is able to operate in and on the property throughout its entire life-cycle. This ensures a long-term solution in terms of both the initial installation and operation and maintenance through regular servicing.

At the same time, this mix of installation and service creates more stable business for Bravida over time.

OTHER VALUE-ADDING FACTORS

Size and proximity

With a local presence in more than 150 locations throughout Scandinavia, Bravida is always close to its customers. Thanks to our size, we also have the capacity needed to perform bigger and more complex projects without being geographically restricted.

High and consistent quality

Bravida ensures a high and consistent quality in all its deliveries with the help of uniform work processes and project methodology used throughout the Group.

Proactivity

Bravida works proactively to create successful, long-term solutions for both customers and the environment. With a high level of competence and highly professional staff, we work preventively by providing regular servicing and taking early action.

Cost-effectiveness

Bravida works continuously to improve cost-effectiveness, and with coordinated purchasing of materials to achieve lower costs. We aim to have a strong cost-consciousness throughout the entire delivery process.

Coordinated purchasing

Bravida has a strong purchasing organisation that supplies a competitive range of production materials through common systems.



“ On the spot – with a local presence throughout Scandinavia, Bravida is always close to the customer.

PROFITABILITY IS FIRST AND LAST WHEN WE GROW

Bravida will continue to grow. Organically, we will grow more than the market, primarily through increased focus on service. Acquisition is also an important part of our growth. At the same time, profitable production is key and involves a clear focus on customer value and effective ways of working.

Organic growth

GROWTH IS CREATED IN OUR LOCAL DEPARTMENTS

Our growth is based on Bravida being the local market leader in a number of priority geographical areas in Scandinavia.

MARKET LEADER IN KEY GEOGRAPHIC MARKETS

Our growth is based on Bravida being the local market leader in a number of priority geographical areas in Scandinavia where we have activities in all our fields of technology. In addition, we operate in a number of other locations where our objective is to be established within one or two of our fields of technology. In locations that do not have their own activities in all our fields of technology, other local offices can provide the competence they are lacking.

Important key markets are Copenhagen, Stockholm, and Oslo, but medium-sized cities such as Aarhus, Luleå and Bergen are also key. In smaller locations such as Vansbro in Sweden, Bravida is currently represented by only one field of technology.

THE LOCAL COMPANY WITH THE COMPETENCE AND RESOURCES OF A BIG GROUP

The ability to perform total projects including electrical, heating & plumbing and HVAC, as well as specialist areas such as security and sprinklers, makes Bravida different from most of our local competitors. As the local company with the big group resources, we have the capacity to perform major installation and service assignments throughout Scandinavia. Together with our departments, the Group pursue overall, growth-promoting initiatives:

- Joint marketing and the development of packaged services that include more than one field of technology, such as Bravida Plus and Bravida Energy Contract.
- Increased collaboration between departments and branches in joint projects, which lead to increased competitiveness, better use of resources and the exchange of competence between different parts of the organisation.
- Nationwide agreements with large customers with operations in several locations in Scandinavia.

Aarhus University Hospital

– total assignment for Bravida

One of Denmark's largest hospital buildings

Aarhus in Denmark is an important market for Bravida. Here we have a strong position in electrical, heating & plumbing, and HVAC.

Representatives of our various areas of technology are working together in one of Denmark's largest hospital buildings, the new University Hospital in Aarhus – a huge new building of 250,000 square metres plus remodelling of the existing hospital building of 160,000 square metres.

Bravida Aarhus is responsible for electrical, heating & plumbing, HVAC and lift installations in three sections of this gigantic project and the contract value

of our work is DKK 350 million. In addition to planning and managing our own work, the assignment also includes planning and control of fire protection, property automation, access and intrusion-prevention systems, mist sprinklers, computer network and pneumatic tube system.

“Being able to offer a total solution that is based on our various areas of technology is obviously a clear competitive advantage in large projects such as the University Hospital. It also attracts a lot of attention and profiles our expertise in the region,” Johnny Hey Jensen, regional manager of Region North in Denmark.

Growth through acquisition

ACQUISITIONS ARE IMPORTANT FOR FURTHER GROWTH

The Nordic installation and service markets are in the process of consolidating, providing good opportunities to grow through acquisitions. Bravida is actively seeking attractive companies to acquire in the Nordic region.

A number of acquisitions were made in 2011 and 2012, and these have been successfully integrated into the Group. The acquisition market then deteriorated, before improving in 2014, when Bravida made several acquisitions. The purpose of our new acquisitions is primarily to follow our strategy of being the local market leader in the places where we operate.

A WELL DEFINED ACQUISITION PROCESS

In the first instance, acquisitions are carried out in priority growth localities. Acquisition candidates have a long and stable history and a strong management who, through incentives, are encouraged to remain in the companies after the acquisition. The key to success is a rapid and controlled integration with Bravida's

organisation, business systems and our common brand. This normally occurs over a two-year period.

BRAVIDA PERFORMS VARIOUS TYPES OF ACQUISITIONS

During 2014, Bravida completed 17 different acquisitions which together increased annual turnover by SEK 1,046 million. Acquisitions strengthen Bravida in various ways. Such as Forsbäck Ventilation in Eskilstuna, a company that was acquired to complement Bravida's already strong position in electrical and heating & plumbing or JiHå El & Automation in Landskrona, an acquisition which strengthens our existing competence and presence in the local market.

Locations where Bravida strengthened its activities by means of acquisitions in 2014:

Borlänge, Borås, Eskilstuna, Hörby, Landskrona, Stockholm, Östersund, Kristiansand, Bergen, Asker, Stavanger, Tromsø and others.

During 2015, we have grown in:

Nyköping, Göteborg, Stockholm and Västerås.

Bravida strengthens its position in southern Norrland, Sweden

Bravida's extensive national competence will secure the continued development of the company.

Per Nilsson, CEO Attacus Invest

Three acquisitions in 2015 are extending and strengthening existing activities in south Norrland, Sweden. Our heating and plumbing area is being strengthened by the heating and plumbing company Attacus Rör och Energi AB, part of Attacus Invest, with 40 employees altogether. Niwentec with 85 employees supplements and strengthens our HVAC activities and Elservice Din Elinstallatör AB with 22 employees strengthens our electrical offering.

The newly-acquired companies have already created new business in the region and Niwtech has been entrusted with the plumbing, heating and HVAC installations in Norra Kajen in Sundsvall.

Bravida, together with the newly-acquired companies, has been commissioned to perform installations in Norrporten, LF-huset, Kvarteret Sjöfröstrand, SEB, Gävle Strand and Skottsundsbacken.

Photo: White arkitekter

Growth through profitable production

CUSTOMER VALUE, PRODUCTIVITY AND COST-AWARENESS

The basis of Bravida's profitability is every department's ability to identify and win assignments with good potential for profitability. This is combined with great cost consciousness among managers and employees. With constant productivity improvements, we are working to perform our assignments effectively.

CUSTOMER VALUE AND PRODUCTIVITY

Our customers prioritise working with suppliers who can deliver on time, on budget and with high quality. Bravida works with common business systems and working methods throughout the Group. This raises the quality of our deliveries and the customer perceives that there is "one Bravida" throughout Scandinavia.

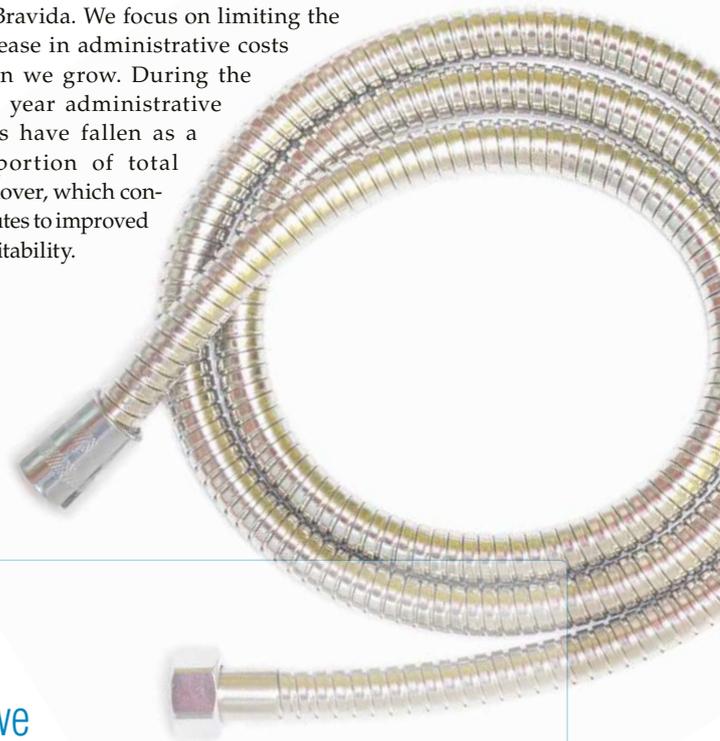
Common working methods also make it easier for our departments and branches to collaborate on large projects. Since 2013, the whole organisation has been working on an ambitious programme to increase efficiency in our installation and service assignments.

MARGIN BEFORE VOLUME

Bravida prioritises margins before volume. By means of careful selection and a focus on profitable projects, our departments endeavour to avoid contract projects with high risk and low profitability. By focusing on increased growth within service, we also aim to raise profitability.

HIGH COST-AWARENESS

High cost-consciousness is a success factor for Bravida. We focus on limiting the increase in administrative costs when we grow. During the past year administrative costs have fallen as a proportion of total turnover, which contributes to improved profitability.



Bravida Way

– We do what we said we would do, we follow up and we constantly work towards improving our activities

Bravida Way – our engine for change

Over the past decade, Bravida has successfully worked on the development and improvement of our operations, so as to continuously improve our quality, productivity and profitability. At the same time, we have established a strong engine for change – Bravida Way – so as to be able to constantly run new improvement projects. We can mobilise and engage our entire organisation in our development work, whether in productivity improvements or proactive sales.

Improved quality, productivity and planning

In 2012 began an extensive new culture and change development programme throughout

the Group. In the first stage (2013–2015), the aim is to develop our productivity, planning and quality.

An important principle in this work is to use the strength and competence in our own organisation. By learning from how the Group's best departments work, we have together created a better, common way of working for all departments.

This programme affects the entire organisation – from managers to project and service managers as well as fitters and technicians. Focusing on training, leadership and follow-up, the new way of working is being introduced in all Bravida's departments during 2013–2015.

The first stage of the improvement

programme has already given clear benefits in the form of strengthened control over project implementation and project outcome, improved national pricing and better opportunities for controlling purchasing and material deliveries.

Bravida Way

“ We set the right price, work more efficiently and have better control over how our projects are proceeding.

Magnus Olsson

Departmental Manager, Gävle

TECHNOLOGY SOLUTIONS FOR A LIVING SOCIETY

With thousands of employees, Bravida installs and maintains functions in electrical, heating & plumbing and HVAC. Functions that provide society with energy, heat, water, air and security – things that really must work properly. And they do.

● HOSPITALS

Hospitals and other health care centres have some of the most installation-intense buildings that exist. They also set extremely high requirements for safety and functionality. We work with hospitals in all of the Scandinavian countries.

● COMPLETE HOUSING SOLUTIONS

Our installation solutions for housing include not only the basic functions in the electrical, heating & plumbing and HVAC areas, but also energy recovery, lifts, fire and intrusion prevention, as well as telecommunications and data networks.

● SWIMMING POOLS

An indoor swimming pool environment sets tough requirements for technical solutions. Bravida has enormous experience in the installation and maintenance of swimming pools all over Scandinavia.

● SAFETY AND SECURITY SYSTEMS

We supply security functions such as keycard access, video surveillance, intrusion and fire alarms, including in the form of integrated end-to-end solutions.

● RAIL ELECTRIFICATION

These systems include overhead contact lines and substations where AC is converted to 15,000 V DC for train services.

● BOREHOLE HEAT EXCHANGERS

Exploits the relatively stable temperature of groundwater (6-8°C) to produce space heating and tap hot water using a heat pump. The depth of the borehole is 50-200 metres.

● LIGHTING

We install lighting solutions primarily in sports stadiums, car parks, and in road tunnels. Projects include everything from electricity supply to mounting the light fittings.



● COMPLETE OFFICE SOLUTIONS

Electrical, heating & plumbing, and HVAC are the core of our technology solutions for offices. Besides basic installations, comfort cooling, air purification, communications networks, as well as fire and intrusion prevention can be included.

● AUTOMATION

Includes both industrial and building automation, that is, automatic control of industrial processes, and control and regulation of a building's technical systems. Optimal operational reliability and energy efficiency is the goal.

● PROCESS COOLING

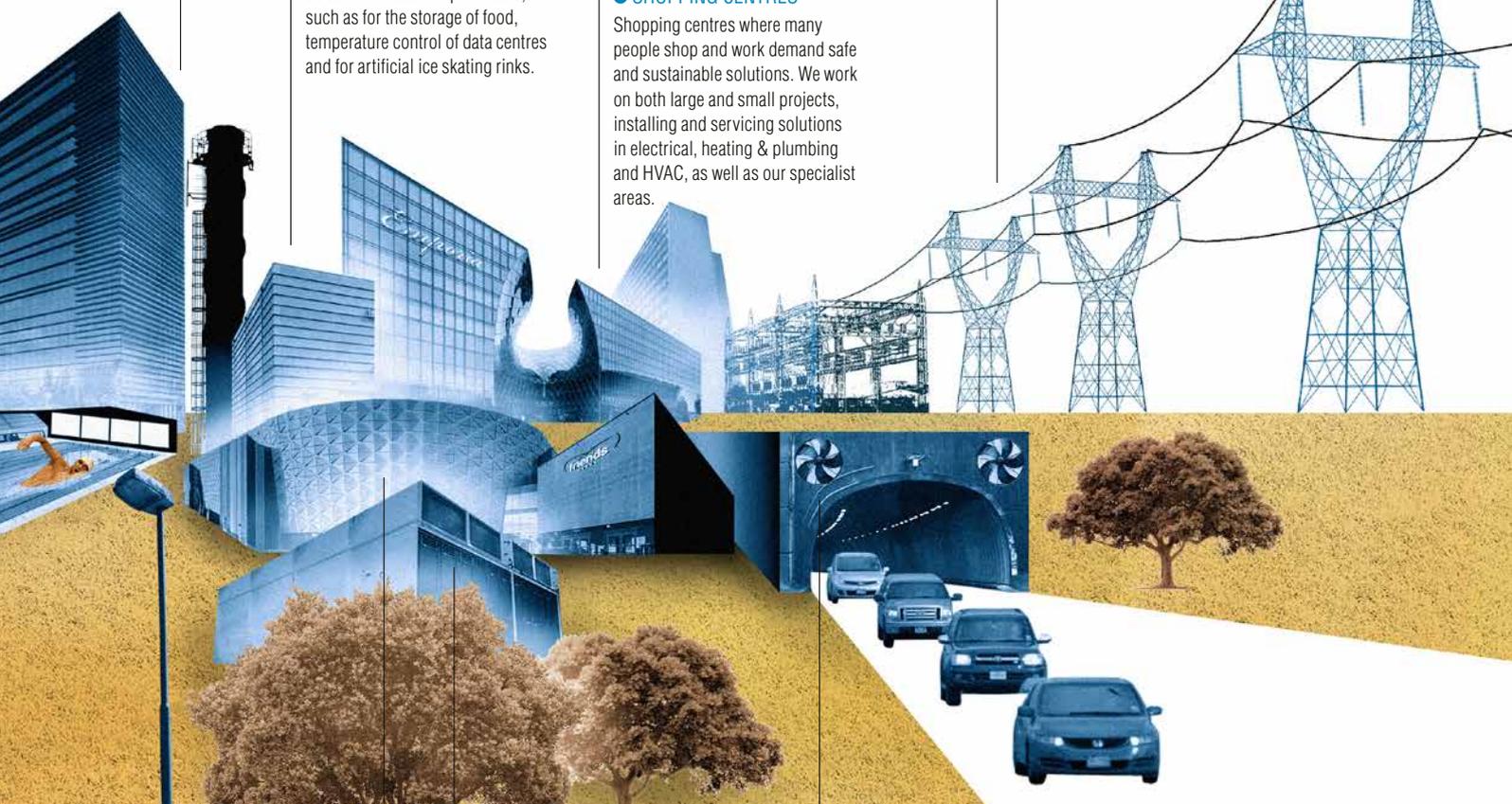
Our solutions for cooling can be used in industrial processes, such as for the storage of food, temperature control of data centres and for artificial ice skating rinks.

● SHOPPING CENTRES

Shopping centres where many people shop and work demand safe and sustainable solutions. We work on both large and small projects, installing and servicing solutions in electrical, heating & plumbing and HVAC, as well as our specialist areas.

● ELECTRICAL SUBSTATIONS

Direct electric power safely to different regions and users in the community. Where necessary, the voltage is transformed from higher to lower levels.



● STADIUMS

We have installed and maintain many stadiums. These large buildings place heavy demands on installations, in particular on their capacity to be adapted as necessary and to manage large numbers of people.

● COMPUTER CENTRES

Even if modern data centres and server halls are energy-efficient, they consume a lot of energy and the equipment in these facilities generates a lot of heat. Continuous cooling is needed to create a stable indoor climate, and their high energy consumption means that effective installation solutions play a central role.

● VENTILATION SYSTEMS

In road tunnels, it is important that the air quality is maintained at a good level under normal traffic conditions, and that in the event of a fire, toxic fumes can be rapidly vented out of the tunnel.

● INFRASTRUCTURE

We work on many large infrastructure projects that contribute to the growth and development of society – right now, for example, on road tunnels, railway technology and underground rail systems.

MULTI- TECHNICAL SERVICE PROVIDER

Bravida works with a building's life-supporting functions, such as energy, heating, cooling and air. With sustainable, modern installations and regular service, we create the conditions for a pleasant environment – we bring buildings to life.

Bravida is Scandinavia's leading multi-technical service provider. Our competence and experience ensure long-term solutions for the customer – both initial installation investments and operation and maintenance by means of regular service.

FULL-SCALE OFFERINGS ADD VALUE

Within our technical areas of electrical, heating & plumbing and HVAC, Bravida takes full control of the entire installation and service process, from consultancy and project planning to installation and service. With our complementary specialist areas, such as security, safety, sprinklers and cooling, we can offer independent and full-scale solutions.

Function and energy efficiency are components that are becoming increasingly important when customers invest in installation solutions. With

both breadth of knowledge and depth of competence, we deliver all types of installation and service solutions, as well as take responsibility for the various components working together.

SUSTAINABILITY IN FOCUS

As builders for society, we take responsibility for both our solutions and how we deliver our work. Our installation and service solutions contribute to a sustainable society by reducing energy and resource consumption in the buildings we install and maintain. By means of analysis and regular inspection, preventive maintenance and early action, we create the conditions for sustainable solutions that form the basis for ongoing growth and development.

THE BIG COMPANY WITH A LOCAL PRESENCE

Bravida's local presence throughout Scandinavia means we are where the customer is. This creates security and flexibility for our customers. Our size and presence mean that we have the capacity to perform large and complex projects without any geographical limitation.

With Bravida, local customers also have access to the resources of a big company, in the form of competence, economies of scale and structured processes. Whatever the size, all Bravida's projects are performed with methods that ensure consistent and high quality.

Installation



TOTAL INSTALLATIONS

Bravida's modern building installations create the conditions for the growth and development of society. What we build and install is sustainable – not only for the environment, but for future generations.

INSTALLATION AT BRAVIDA

Installation involves new construction and remodelling of technical systems in buildings, plant and infrastructure. Bravida coordinates engineers and installers from our different fields of technology and provide the customer with access to a partner who organises and takes responsibility for the whole installation. We prioritise installations and solutions that lead to the efficient use of energy. Increased functionality and more energy efficiency reduce both operating costs and environmental impact.

LARGE AND SMALL INSTALLATION ASSIGNMENTS

Bravida is competitive in both large and small installation projects. Where customers do not handle project planning and design themselves, Bravida has the competence to perform these parts of the process. We take total responsibility for everything from initial needs analysis to planning, design, programming, installation and commissioning. We supply a turnkey system for the customer's facility.

Whatever the size, all Bravida's projects are performed with methods that ensure consistently high quality. Our strong purchasing organisation also gives the customer access to a competitive range of products of a high standard.

FIELDS OF TECHNOLOGY



ELECTRICAL Bravida handles all types of electrical installations that focus on reliable operations and personal safety for industrial, residential or office applications. We plan, design and install complete solutions for optimal function and efficient energy consumption.



HEATING AND PLUMBING Heating and plumbing is about smart solutions that reduce energy consumption. Our heating and cooling systems create a good indoor climate and guarantee the right temperature in sensitive environments.



HVAC Bravida offers customised HVAC solutions and technology relating to air treatment, air conditioning and climate control for a pleasant and efficient indoor climate.

Turnkey contracts

Bravida is performing all installations in Gothenburg's new multi-sport facility

The biggest multi-sport complex in the Nordic region has entrusted Bravida with the turnkey contract.

Bravida has total control over all installations in electrical, heating & plumbing, HVAC, automatic control systems, sprinklers, lifts and cooling for this huge complex, which includes both a football pitch and a ski centre.

"This project demands good technical solutions that protect the many synergies between different installations such as electrical, heating & plumbing and HVAC. Having a single supplier that can handle all of this is a very important parameter in the choice of installer," says Ola Serneke, CEO of Serneke, which is the main contractor.



Service



SERVICE EXTENDS LIFETIME

Efficient operation is becoming increasingly important as environmental requirements increase and regulations become stricter. Servicing and maintenance of a building's technical systems are therefore no longer just a cost, but essential for sustainable development and good economy.

SERVICE AT BRAVIDA

Service at Bravida comprises operation and maintenance assignments, as well as smaller redevelopment jobs. Continuous inspection and care increases the lifetime of an installation. Ongoing operating costs are also reduced and the customer can be sure that the various components maintain their proper function.

SERVICE AGREEMENTS FOR INCREASED GROWTH AND PROFITABILITY

Regular preventive servicing means reduced costs for unplanned downtime and disruptions, as well as higher operational reliability and longer life for the building's installations.

Bravida Service Contracts offer regular servicing and maintenance to increase the property's net operating income, raise its environmental profile and increase its value. We make inventories and analyse the property's needs, make suggestions concerning what investments would be profitable directly, and what could be done to save energy and money over the long term. We carry out continuous service, inspection and maintenance that we follow up in service reports. A service contract provides security and simplifies life for both property owners and managers – one contract, one supplier, one invoice.

A QUALITY ASSURANCE SYSTEM MAKES LIFE EASIER

Bravida has been around for a long time and along the way we have learned to appreciate simplicity. We have developed a quality assurance system that makes life easier for us and for our customers. Our customers always have access to fault reporting, logs, reports and other significant information. We keep inventories, document and produce a list of installed solutions, what needs attention and when it needs to be done. Using analyses and comparisons, we produce proposals for adjustments and investments, showing the customer precisely what energy-savings are feasible.

NATIONAL SERVICE AGREEMENT

We are a stable and flexible partner when it comes supporting customers in national framework agreements – you will find us wherever the customers are. Because Bravida has competence in many technical areas, the customer can choose one partner to service all its installations. One agreement, one contact, same solution – wherever the customer is located in the country.



Examples of services

- Maintenance, cleaning and upkeep of HVAC plants, filters and grilles.
- Proposals for energy- and cost-saving changes.
- Regular checks of fire, alarm and keycard systems.
- Monitoring of servers, and updating the software in security systems.
- Maintenance of water and sanitation pipes, as well as cleaning of floor drains and discharge.
- Inspection of boiler rooms and mechanical rooms.
- Inspection of electrical substations, panels and control cabinets.
- Replacement of light sources and fittings, as well as cleaning of reflectors.
- Measurement and adjustment of pressure and temperature in cooling systems.
- Documentation and service reports for compliance with government regulations.

Bravida takes complete responsibility for Stadium's shops

Operation and maintenance at Stadium

Stadium has 118 shops around Sweden, and Bravida takes complete responsibility for the operation and maintenance of all their electrical, plumbing and heating and HVAC systems. This assignment is handled by 90 local Bravida offices all over Sweden – quite simply, Bravida is always found wherever the customer is. By obtaining all service through one provider, Stadium has effective treatment and a local connection.



Specialist areas

SPECIALIST AREAS COMPLETE THE WHOLE

Our specialist areas – security, TSM, cooling, lifts and sprinklers – create a complete offering together with our technical areas.

With complementary activities in security, safety, lifts, cooling and sprinklers we can offer our customers independent and full-scale solutions. In this way added value is created for the customers.

A functional solution is based on one or more of the three technical areas electrical, heating & plumbing and HVAC. It may include everything from complete concepts for alarms and fire safety to measures for efficient energy consumption and modern property operation services.

BRAVIDA'S SPECIALIST AREAS

Security

● Bravida Fire & Security offers customers throughout Scandinavia customised security and safety solutions to secure access, operations and employees. With a full range of advice, project and service offerings in security, our ambition is to guarantee total security for our customers around the clock.

Sprinklers

● Bravida supplies reliable solutions for the installation and service of sprinkler systems. A sprinkler system with automatic fire protection can save a property from suffering extensive damage in the event of fire.

TSM

● Bravida Technical Service Management (TSM) is Bravida's department for technical service management for buildings. TSM offers end-to-end solutions for

the management of all types of buildings. With our knowledge of the interaction between the building's different installations, we are able to ensure that they get the service required to operate in the best possible way.

Lifts

● Bravida offers new installations, as well as service to newly-installed, modernised or existing lifts. Our solutions and maintenance create the conditions for reliability and economy.

Cooling

● Bravida offers complete solutions in the installation and service of cooling. By analysing, mapping and actioning a property's needs for cooling and comfort, we can offer customised solutions that fulfil requirements for energy optimization and long-term operating economy.

Bravida Fire & Security in partnership with Panasonic

Bravida Fire & Security enters into partnership with Panasonic

In June 2014, Bravida Fire & Security entered into a strategic partnership with Japanese Panasonic on the European market for access control systems. The partnership means that Panasonic sells Bravida's in-house developed system Bravida Integra outside Scandinavia. Initially in the United Kingdom, Germany, France, Turkey and the Benelux countries, as well as to Panasonic's key customers throughout Europe.

Bravida Integra is Scandinavia's market leader in large and complex entry systems. There are access control systems installed in many places in Sweden, the Nordic countries and Europe, with 2,600 systems and over 150,000 card readers. Through the partnership, the product range offered by Bravida Fire & Security in Scandinavia is complemented with video solutions from Panasonic.



BRAVIDA'S MISSION – A LIVING SOCIETY

An electricity supply that works, the possibility of taking a flight abroad or of receiving post in the post box every day are self-evident aspects of modern society.

As society changes, ever greater demands are set for long-term sustainable solutions in which electrical, heating and plumbing, HVAC and security services are vital parts. Through the installation of modern technical systems and regular servicing, we create the right conditions for sustainable growth and development in our communities.

Here you can read more about our important projects in which we contribute to energy being used more efficiently, transport to flow more smoothly and our customers' daily activities to work as they should in Denmark, Norway and Sweden.

Project: New high-voltage connection in Denmark.

Customer: Energinet.dk.

Bravida's areas: Electrical and power.

The power network for the future in Denmark



In a strategic project for Denmark's future energy supplies, Bravida has been working as part of a select team to build a new power line between Kassø and Tjele in Denmark. Bravida is installing vital switches and pulling all cables.

The development of the power grid is vital in order for Denmark to be able to increase its wind power network sufficiently that, in principle, the whole country could be powered by wind power. This new and stronger power line replaces the current one and will be able to carry current in

several directions. It will also be connected to the national grids of Norway, Sweden and Germany and later also the Netherlands. In this way, Denmark will be able to draw on power from its neighbouring countries when there is insufficient wind to provide the country by wind power alone. Similarly, when Denmark is producing more wind power than it needs, power can be sent back.

"This is a significant project for long-term, sustainable energy supplies. With our high-voltage competence, we can make an important

contribution. It is also an innovative and developing project for our employees, in which we can build a strong position for future projects and challenges," says Ole Høgh, head of electrical in Copenhagen.

The construction of this new power line was part of an existing framework agreement between Bravida and Denmark's national power supplier Energinet.dk. The next project under the agreement will involve renovation of existing parts of the power grid.

Installation became service at Sweden's largest post terminal



Project: Post terminal in Rosersberg.
Customer: Postnord.
Technical areas: Electrical, heating & plumbing, HVAC, sprinklers, automation and monitoring and service.

Turnkey contract that became a service agreement.

Every day the 500 employees at the Postnord post terminal in Rosersberg handle about two million letters. Bravida has already completed all the electrical, heating & plumbing, HVAC and sprinkler installations, as well as monitoring in this giant terminal. Now Bravida has also been entrusted with responsibility for the operation and maintenance.

This is Sweden's biggest post terminal, at 49,000 square metres. It handles 200 vehicles a day. Trains pick up and deliver post to the terminal daily. Bravida completed all installations in the terminal, which was ready in august 2014.

"Every day about two million letters are handled in the terminal, which means that electrical, heating & plumbing and HVAC systems must work without problems. With total responsibility for operation and maintenance we ensure that this happens," says Hamid Bakhtiari, case officer at

Bravida TSM and responsible for operation and maintenance at Postnord.

Altogether 800,000 households and 77,000 companies receive their postal deliveries via the terminal at Rosersberg. The terminal has low energy consumption and there are 2,000 square metres of solar cells on the roof. During the installation work, Bravida fulfilled Postnord's stringent requirements for low energy consumption and continues to focus on this in the operation and maintenance work.

Gardermoen is increasing Scandinavia's accessibility



Project: Pier North, Gardermoen.
Customer: Avinor.
Technical areas: Electrical.

The new Pier North will increase capacity at Gardermoen, Oslo airport, with 17 new gates, which will enable more travellers to visit Scandinavia every year. Bravida Norway has been given the task of performing the complete electrical work, as well as laying computer and fibre-optic cable.

Five Norwegian and Swedish departments of Bravida are performing the work together. The project at Gardermoen began in 2014 with the installation of cables and lighting for technical

rooms. Installation work will continue until summer 2016.

The new Pier North project at Gardermoen is helping to create a large and effective Scandinavian hub. With our high level of competence in technical electrical solutions, we are able to provide all installations of telecom and computer networks. This work is going on in parallel with day-to-day airport traffic, which sets extra-high security and safety requirements for us," says Tore S. Hansen, regional manager of Bravida Oslo.

The new terminal, Pier North, will provide room for 17 new gates, which will streamline all boarding and alighting. When the new terminal opens in 2017, it will be of 63,000 square metres and increase the airport's passenger capacity sufficiently to serve 28 million passengers a year.

The client is Avinor, Norway's largest owner of airports.

STABLE GROWTH IN THE INSTALLATION AND SERVICE MARKET

DEVELOPMENT GENERATES GROWTH

Greater focus on energy-efficient installations and energy-saving measures, an increased demand for sophisticated IT and technology solutions and a growing market for infrastructure investments.

The installation and service market in Scandinavia

SEK **268** MILLION
TURNOVER 2014

4%
GROWTH 2014

THE INSTALLATION AND SERVICE MARKET



The installation and service market is made up of a number of parts, the more volatile market for new builds and the more stable markets for renovations and extensions, operation and maintenance.



Bravida is Scandinavia's leading multi-technical service provider. The industry enjoyed stable growth in 2014 and continued interest in reducing energy consumption, changes in technology and increasing service needs mean that demand will continue.

Technical services in electrical, heating, plumbing and HVAC are an important part of a building project and the amount of installation involved varies from project to project. In commercial plant and property, installation represents about 30 per cent of building costs. This percentage is lower for residential property, but in hospitals and server halls for example, it is much higher. The Scandinavian market spent around SEK 268 billion in 2014 and grew about 4 per cent* compared with the previous year. The pace of growth has been at this level in recent years and is expected to be the same in 2015. Services in operation, maintenance and renovation represent a significant part of activities and accounted for around half of total turnover in 2014. Service occurs at various levels, from an individual fitter correcting specific faults to service contracts that offer continuous operation and maintenance.

The largest customer group is made up of building contractors that buy installation services, but property companies, the public sector and industry are also big customers. A growing number of property owners are realising that a clear plan for maintenance and operation reduces their costs over time while preventing service interruptions, accidents and costly production outages. There is increasing demand for service throughout the installation's lifetime. Continuous inspection and care increase the lifetime of the installation and operation can be optimised.

The building market can be characterised as a late-cycle industry, following about a year after general economic developments, depending on the length and nature of the building project. Production of homes and commercial property follows economic cycles, while infrastructure projects and public investments are controlled by political decisions. The cyclical nature of technical services is reduced because assignments for the installation and service industry cover different types of projects and the demand for service is continuous. The need for renovation

and maintenance also tends to increase in more difficult times. Service agreements in the aftermarket ensure a repeat flow of customers, which contributes to stability and growth for the industry.

DRIVING FORCES AND TRENDS

Demand for technical services has increased over the years, a significant reason for which is a greater focus on energy-saving measures and environmental considerations. Another reason is the increasing need for advanced IT and technical solutions both at work and in the home. The complexity of today's modern installation solutions is generating a greater need for service and maintenance. New requirements such as energy audits and assessments, CE marking of installations in buildings, and mandatory ventilation inspections (OVK) are additional factors that steadily increase demand for these services.

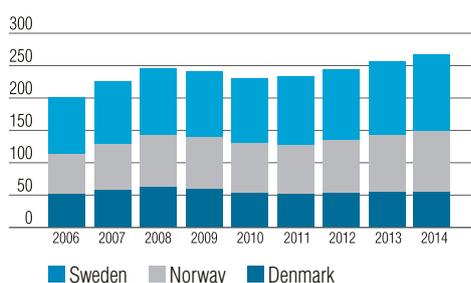
The size of infrastructure investments also has a great effect on the development of the installation industry, especially in the case of projects with a high level of installations.

Growing environmental interest

Energy costs represent about two thirds of total operating costs and property owners are investing in ever more advanced installations and building techniques in order to reduce these costs. Electrical installations account for the highest volumes in the industry, but increasing environmental awareness and the desire to reduce costs mean that HVAC and heating and plumbing services are also increasing. And it is not only in new buildings that low energy consumption is in demand, but also in existing buildings. In addition, the increased use of renewable energy demands investment in corresponding technology. The trend is being driven by government regulations and stricter directives on energy use from the EU and others, combined with a growing interest in environmental labelling.

In order to strengthen their environmental profile and reduce costs, more and more property owners are choosing to apply for environmental certification for their buildings, which means increased investment in installations. Environmentally-certified buildings, such as Green Building classified properties, are not only good for the environment. These buildings find it easier to attract tenants, which means that higher rents can be charged and the sales price of properties increases. It has become something of a quality label that a property is better thought out than a traditional building.

GROWTH IN THE INSTALLATION AND SERVICE MARKET*
PER COUNTRY IN SCANDINAVIA 2006–2014, SEK BILLION



*Data on market size and growth derived from each country's central statistical office with processing by Bravida for 2014.



Technology makes new demands

A further driving force for the installation and service market is that today's information society makes quite different demands on IT environments, security and capacity than previously, in both residential and public environments such as the workplace. Demanding advanced technology for new properties has become increasingly common. Cooled server rooms, broadband cabling and the automatic control of the technical systems are just a few examples of technical solutions that are becoming increasingly common. More advanced technology also increases the demand for services, which benefits the industry.

According to the Data Centre Risk Index, which ranks countries in the world based on their prerequisites for data centres, Sweden was ranked in third place in 2013.

Infrastructure, an important engine for the industry

Large infrastructure investments with a high level of installations, such as tunnels, railways and power supplies, have contributed to a growing installation market in the Scandinavian

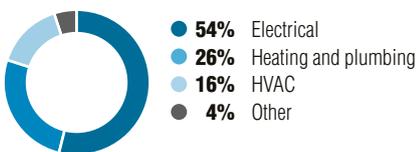
countries. Public investments, such as hospitals, universities and swimming pools, have also driven growth in the industry. Road projects such as Norra Länken and Förbifart Stockholm in the Stockholm region are just some examples of large Swedish infrastructure projects, and the world's longest sunken tunnel, the so-called Fehmarnbelt connection, is to be built between Rödby in Denmark and Puttgarden in Germany. Road and rail investments have been prioritised in Norway, and the Follobanen railway is one of Norway's largest current transport projects.

The development is towards bigger Groups

The Scandinavian installation and service market is local and very fragmented. There are around 35,000 companies on the market, about 80 per cent of which have fewer than ten employees, and with the majority specialising in a single technical area. The industry is characterised by low entry barriers and acquisition is a normal way to grow. Small local companies are increasingly being bought up by larger groups, while international players are expanding. Increasing demand for complete solutions and a wider range of services have also driven consolidation in the industry. The highest activity in this respect in 2014 was in Sweden, including the creation of a new group called Instalco, consisting of nine companies. Bravida bought the Norwegian Otera Elektro and HS:Vagle in 2014, while there were no large acquisitions in Denmark.

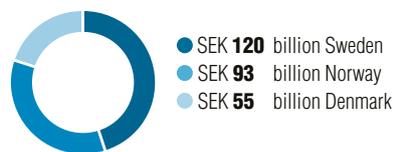
MARKET SIZE PER FIELD OF TECHNOLOGY*

IN SCANDINAVIA 2014



MARKET SIZE, INSTALLATION AND SERVICE*

IN SCANDINAVIA 2014



*Data on market size and growth derived from each country's central statistical office with processing by Bravida for 2014.

GREAT POTENTIAL IN THE SERVICE MARKET

Service represents almost 50 per cent of Bravida's sales, but the Group sees good opportunities for growth. Ingela Lindholm, head of marketing for Bravida's division North and responsible for developing Bravida's service offering, explains more about how service business works.

SERVICE MAKES LIFE EASIER FOR CUSTOMERS

Good service lets the customer focus on its core business. The service part of the market is characterised by consistent demand and many small assignments. Long service agreements with ongoing invoicing are common. The service provider's employees normally work close to customers, in their properties and premises.

"A service provider's most important job is to create added value for its customers. By offering preventive and corrective maintenance that secures day-to-day operation, the user of premises is able to run its business to the optimum and focus on its core activities," Ingela explains.

"At Bravida, we can see that as the installations in properties become more advanced, property owners are focusing more on creating partnerships with a service provider that can ensure the operation of all installations in the property. Customers endeavour to achieve longer lifetimes for their installations and reduce operating costs, while at the same time they wish to achieve their environmental goals and increase the value of the property," continues Ingela.



// The service market is an interesting market. There is a great deal that a large and competent company like Bravida can do to develop the business and create value for its customers, explains Ingela Lindholm, head of marketing for Bravida's division North and responsible for developing Bravida's service offering.

CROSS-SELLING BETWEEN SERVICE AND INSTALLATION

There are good opportunities for selling more in collaboration between service and installation.

"If we perform our assignments successfully, we often have the opportunity to work on rebuilds and new installations when properties have a need for change or renovation. Similarly, an installation assignment can create opportunities for a service assignment," says Ingela.

NATIONAL CUSTOMERS WISH TO COORDINATE TECHNICAL MAINTENANCE AND OPERATION

Ingela explains that large national customers with activities at many locations are now thinking much more strategically. In order to reduce costs and create better control and follow-up, they wish to work with a nationwide supplier. This also increases quality and leads to better coordination of environmental activities. Most local customers, on the other hand, are still traditional in the way they think about operation and maintenance. This is often based on local relationships with local suppliers that they engage for fault-correction service and maintenance.

DIGITAL SOLUTIONS ARE DEVELOPING THE INDUSTRY

There are great benefits to be made from working on digital solutions. With good system support, both the customer and the customer's service partner have full control over what installations the customer has, where they are located and what their service needs are. The system makes planning and optimal maintenance easier.

"With a good knowledge of and a plan for the customer's installations, a supplier can also create the budget basis for the next year's priority measures," explains Ingela.

PROACTIVITY AND PROXIMITY TO THE CUSTOMER ARE DECISIVE

Ingela takes a positive view of developments in service. There is a great deal that can be done to develop the business.

"In future, the winners will be those suppliers who manage to work close to their customers and proactively propose solutions that create added value for the customer. This will require competent and committed employees at all levels of the organisation, as well as good system support," she says.

OPINIONS ON ENERGY

“WITHOUT LOOKING AT THE WHOLE PICTURE, ENERGY SAVINGS CAN EASILY BE LOST”



Nicklas Walldan
Head of technical service and development at Vasakronan.

What have you done to reduce energy costs in your properties?

People frequently say that energy investments are needed in order to reduce energy consumption and thereby costs. But half the savings at Vasakronan come straight from optimising operation. We own properties to the value of SEK 92 billion and most of the buildings are old. We have therefore chosen to focus on reducing energy consumption in the existing stock, because in new builds energy consumption is normally already very low. By adjusting the plant we can optimise operation and systems so that they function as intended.

What are your goals for energy consumption?

Vasakronan's long-term goal is that our energy consumption should be 50 per cent lower than property in general. We have succeeded well in heating, where we are now 47 per cent lower than the industry average. Hopefully, the industry will want to catch us and we can inspire others to follow suit. We also have a goal of an annual saving of six per cent, which we have more than accomplished in the last four years.

What are the biggest challenges?

The trend is towards advanced technology and there is a risk that systems will become unnecessarily difficult to run. That will make

it harder to optimise operation. It is also important to look at the whole picture and understand how different systems, such as cooling, heating and HVAC, work together in a property. Without looking at the whole picture, energy savings can easily be lost.

What do the tenants think about energy savings?

Working with the tenants is important for reducing energy consumption. Over the last four years, Vasakronan has increased the properties' energy savings by 30 per cent, while tenant satisfaction has increased over the same period. This shows that the customers also want to be able to control the flow and appreciate what we do.

“ENERGY SAVINGS ARE THE HIGHEST PRIORITY AMONG PROPERTY OWNERS TODAY”

What have you done to reduce your properties' energy costs?

We manage around 2,000 properties worth about SEK 125 billion and about 90 per cent of the stock is made up of properties more than ten years old. The majority of the building stock is owned by banks, pension funds and insurance companies. We make energy savings by improving the way buildings are operated and by investing in new energy systems, including renewable energy such as wind power.

What are your goals for energy consumption?

The goal we have set on our customers' behalf is to reduce carbon dioxide emissions from the property stock by 40 per cent over the period 2010 to 2015. The most effective way to achieve this goal is with the aid of energy savings and for 10-15 per cent of the properties the goal has already been fulfilled.

What are the biggest challenges?

The biggest challenge is to make property management as efficient as possible. A portfolio of 2,000 properties makes it difficult to keep an overview of energy consumption and of what savings are actually being made in the property stock. We work on the basis of

several smaller projects, so as to be able to verify the actual savings, and to help us we have several programmes running in order to gain control over energy consumption.

What do the customers think about energy savings?

This is the highest priority among property owners today. In Denmark, landlords are entitled to raise rents for residents for investments intended to reduce energy costs for the building. There is thus a strong incentive for energy saving in homes, but also in commercial properties. More effective energy systems that reduce maintenance costs and improve the indoor climate attract more tenants, which can be needed when competition is hard.

Hans Andersen

Head of the energy advice department at the property management company DEAS.

NATIONAL SUMMARY

SWEDEN

KEY FIGURES

	2014	2013
Net sales	7,385	7,347
Operating margin	6.4%	6.1%
Order intake	7,582	7,654
Order backlog	3,677	3,564

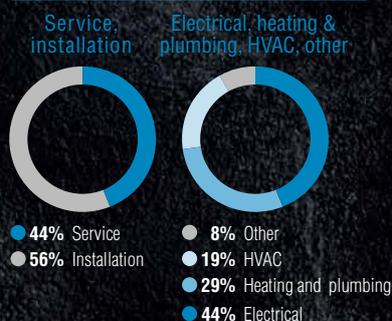
IMPORTANT PROJECTS 2014

- Division South has been commissioned to perform installations in two stadiums. In Helsingborg, Bravida is performing heating & plumbing and electrical installations at Olympia and in Gothenburg we are responsible for all installations at Bravida Arena.
- In division North, we are installing energy-efficient installations for HVAC, heating & plumbing and sprinklers in a new shopping centre in Umeå. We also have a turnkey contract for heating & plumbing installations in a swimming pool in Skellefteå.
- Division Stockholm has been entrusted with performing further HVAC installations at Nya Karolinska Hospital. Bravida will also perform all installations at a new tram depot at Lidingö.
- On the service side, several national service agreements have been signed with customers such as Swedavia and Stadium. We have also taken over operations at Sweden's largest post terminal.
- Service accounted for 44% of sales in Swedish operations.

PROPORTION OF GROUP



PROPORTION OF SALES



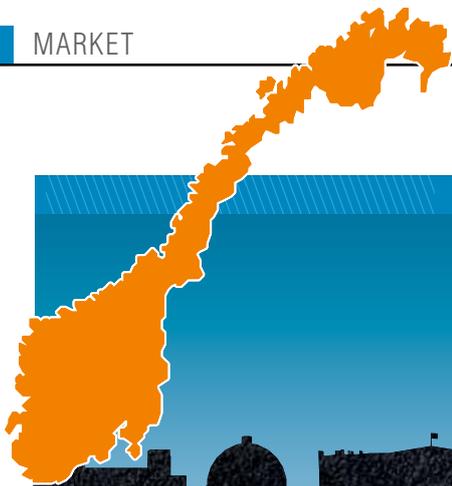
MARKET TRENDS

Sweden is the largest market for installations and service in Scandinavia and accounts for 45 per cent of the total market. Sales amounted to SEK 119 billion in 2014, which was an increase of 3 per cent over the previous year. Bravida's rate of growth has been lower than the market as we have been selective in our choice of projects. GDP grew by 1.7 per cent in 2014 and is expected to grow by 2.6 per cent in 2015, driven by private consumption, low interest rates and increased employment.

Several large infrastructure projects are under way in the Stockholm region, which will benefit the installation industry. Locum, the manager of health care properties, plans to spend SEK 25 billion on modernising health care properties over the next ten years. In the Gothenburg region, the Västlänken rail project is planned and plans are well under way for the construction of Sweden's highest skyscraper, Karlavagnstornet at Karlavagnsplatsen, the development of which will also include shops, offices and homes. The relocation of Kiruna is a gigantic urban transformation project that is expected to continue for 15 years.

Sweden is well ahead among the Scandinavian countries with regard to environmental certification in new projects, and also in existing properties. The low production of new homes and commercial premises in recent years means that the need for service linked to renovation and smaller rebuilding projects is increasing. Less new production, tax breaks on renovation and tougher energy saving requirements mean that demand for energy-saving installations and service will increase on the Swedish market, which is expected to grow by 4 per cent in 2015. The largest investments will still be in electrical installations, which represented more than half of all installations in 2014, while cooling installations are expected to show the greatest growth.

Only a few companies can offer total services in many technical areas in many geographical markets, as Bravida can. On the other hand there are many competitors that are strong in individual markets and specific technical areas. The leading companies in Sweden are Bravida, Caverion, Imtech, Goodtech and Midroc Electro.



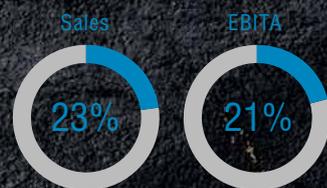
NATIONAL SUMMARY

NORWAY

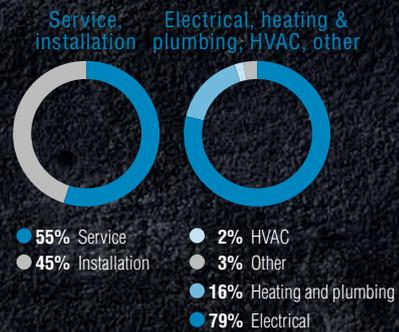
KEY RATIOS

	2014	2013
Net sales	2,818	2,375
Operating margin	5.3%	2.9%
Order intake	2,666	2,640
Order backlog	1,369	1,204

PROPORTION OF GROUP



PROPORTION OF SALES



IMPORTANT PROJECTS 2014

- PNØ (the project for a new hospital in Østfold) is the largest project in Norway and assembly is almost completed. Bravida has completed three large parts in the main building covering electrical, heating & plumbing and security. In 2014, Bravida also began work on electrical installations at OSL, Oslo Airport Gardermoen. This is a large and wide-ranging assignment that continues into 2015.
- The service business showed good growth. One of the larger new contracts is for Statoils facilities, where we perform maintenance together with the TCM company Coor.
- Service accounted for 55 per cent of sales in Norwegian operations.

MARKET TRENDS

The Norwegian installation and service market had a turnover of SEK 93 billion in 2014, which corresponds to 35 per cent of the Scandinavian market. The falling oil price has mainly affected the oil industry, but also the Norwegian economy as a whole. Growth forecasts for 2015, excluding the oil sector, have been revised down to 1.5 per cent.

The Norwegian installation and service market grew by 5 per cent in 2014 and is expected to grow by a further 5 per cent in 2015. The greatest volumes are still in electrical installations and investment in

transport and energy projects are expected to grow considerably. Several large infrastructure projects will contribute to growth in the industry, such as motorways, tunnels and the extension of the airport at Gardermoen.

The main players on the Norwegian market are Bravida, Caverion, Imtech, Gunnar Karlsen and Oras.



NATIONAL SUMMARY

DENMARK

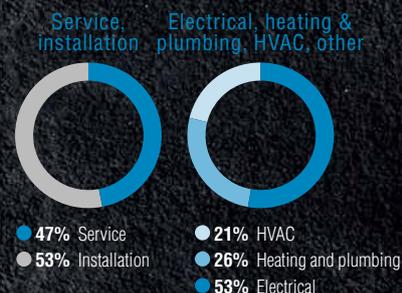
KEY FIGURES

	2014	2013
Net sales	1,792	1,354
Operating margin	5.3%	5.2%
Order intake	2,020	2,146
Order backlog	1,534	1,307

PROPORTION OF GROUP



PROPORTION OF SALES



IMPORTANT PROJECTS 2014

- Division Denmark obtained many assignments during the year, some of which were in the energy and in the public sector. It includes the performing of all electrical installations for a new building complex at Copenhagen University.
- Denmark has also signed an agreement with the country's biggest energy company, NRGi, for service streamlining and performing all the energy company's electrical supply assignments.
- Service accounted for 47 per cent of sales in Danish operations.

MARKET TRENDS

The Danish installation and service market grew by approximately 2 per cent and accounted for sales of around SEK 55 billion in 2014, which corresponds to a fifth of total sales in Scandinavia. Volumes on the Danish market have remained stable at around SEK 50 billion in recent years and have not seen the same growth as in Sweden and Norway. The Danish economy has been weak for several years and is marked by falling house prices. Many installation companies went bankrupt in 2013, but the market has stabilised somewhat in 2014, with fewer bankruptcies as a consequence. Economic growth of 1.5 per cent is expected in 2015.

Electrical installations accounted for almost half of the total volumes in 2014 and it was still public sector installations in energy, railways, universities and hospitals that showed the most growth. Public sector investments will continue to drive growth and one of the largest projects is the sunken tunnel between Denmark and Germany. Zero growth is expected for the installation and service market and it is likely to be a couple of years before private investment picks up.

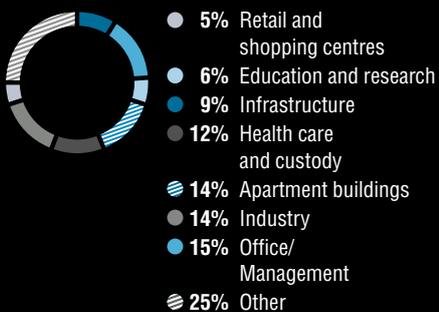
The leading players in the Danish market are Bravida, Caverion and Kemp & Lauritzen.

CLOSE COLLABORATION WITH CUSTOMERS

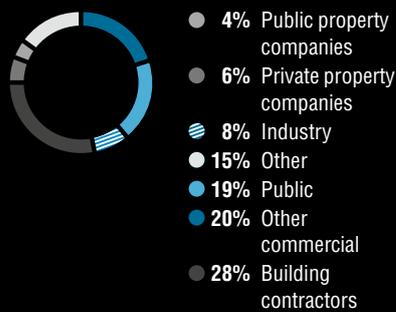


Proportion of Bravida's total sales

TYPE OF PLANT



CUSTOMER GROUP



90%

of Bravida's sales correspond to assignments < SEK 50 million

Bravida aims to be the obvious choice and an active partner for our customers. Through a strong local presence and close cooperation, we build long-term relationships with customers where we offer both confidence and new opportunities.

Bravida's customers can be divided into two main Groups: end-users and building contractors. Building contractors account for the biggest share of our installation contracts while end customers, professional tenants and property owners, are central to our service activities. Our customer base is found among thousands of small and large customers in various industries throughout Scandinavia. With our local presence and an attractive offering, Bravida has achieved a strong position in the Scandinavian installation and service market.

Bravida is engaged for installation and service solutions in all types of plants and buildings, including residential, commercial premises, infrastructure projects, sports stadiums, hospitals, schools and industrial buildings. With proactive sales and closer customer contacts, we aim to further strengthen our profile as the customer's first choice.

BROAD BASE AMONG BIG AND SMALL CUSTOMERS

Bravida has a broad and diversified customer portfolio in which the largest customer group is building contractors, who purchase installation services as part of a construction contract. Income from customers in the public sector still accounts for a great deal of Bravida's turnover. Private property owners and industry are other major customer groups.

Bravida's sales consist for the most part of a large number of small and medium-sized projects, such as minor adjustments of office spaces as well as refurbishment and additions to buildings and related services. In addition, Bravida is active in a number of large-scale projects and new builds. As an example, in 2014 we were commissioned to install energy-efficient solutions for HVAC, heating & plumbing and sprinklers in a new shopping centre in Umeå, Sweden.

A typical installation project has an execution time to final delivery of six months, but projects may also extend over several years. Service contracts comprise everything from 1-2 hour emergency call-outs to multi-annual maintenance contracts.

Of Bravida's just over 50,000 customers, no individual customer accounts for more than 5 per cent of Bravida's sales, which greatly spreads the risk.

INCREASED DEMAND FOR END-TO-END SOLUTIONS

The installation industry is one where price competition is tough, and where customers' tendering processes traditionally are based on the lowest price. In most cases, customers put out separate tenders for electrical installations, heating & plumbing, and HVAC, and building services providers are often engaged at a later stage after a construction project has already begun and the principal contractor has been appointed.

As investments in installations become increasingly important, a growing number of property developers are choosing to procure building services directly from an installation company, or as part of a partnering arrangement in which the developer, consultants and contractors take on the project jointly. By handing overall responsibility for the integration of all the installations to an experienced building services provider with expertise in all the relevant fields of technology, the developer can achieve significant synergies, in terms of the economics and performance of the solutions. One example of a project where Bravida provided complete solutions across several technical areas in 2014 was the national hospital in Copenhagen, where Bravida is responsible for installations in electrical, heating & plumbing, HVAC as well as controls and control systems.

LOCAL PRESENCE AND STRONG CUSTOMER RELATIONSHIPS

Bravida's local presence and good customer relationships are key assets in a market largely characterised by personal relationships and mutual trust. In addition, our customer relationships are often long-lasting, with most customers coming back to us to buy new services. For example, we have handled service for the insurance company Folksam's head office for almost 30 years and in 2014 we were further entrusted with performing electrical installations in the building.

To further strengthen our relationships, we work actively to develop closer ties with our customers. Through frequent dialogue, we aim to increase our understanding of their needs while taking the opportunity to demonstrate our broad range of expertise. Our local departments are encouraged to proactively contact existing and new customers with the support of centrally produced promotional materials.

Continuous work for high customer satisfaction

Bravida's goal is to be our customers' first choice and we work with continuous improvement in order to satisfy our customers' requirements. We subsequently survey what our customers think about us in CSI (customer satisfaction index) surveys and brand recognition surveys.

Bravida's overall quality goals are to achieve an average CSI score of at least 4 (scale 0-5) and to exceed the previous year's value each

year. In 2014, CSI for installation assignments was 3.8 and for service activities 3.9. These results mean that Bravida achieves a high level of customer satisfaction, equal to or better than average customer satisfaction in Sweden. However, customer satisfaction is at a somewhat lower level than in 2013.

(Source: Swedish quality index – Customer satisfaction in Sweden 2013, Whole economy)

CSI TABLE

Year	Installation	Service
2014	3.8	3.9
2013	3.9	4.0
2012	3.9	4.0
2011	4.0	3.8
2010	4.0	3.8
2009	4.0	3.9

The CSI measurements for 2014 show that we remain at a high level, in both service and installation. The customers display a high level of loyalty, with a majority probably choosing to appoint Bravida again and recommend others to use Bravida.

OUR EMPLOYEES BRING BUILDINGS TO LIFE

VALUES

PROFESSIONALISM

– A clear economic responsibility

● In all parts of the organisation, opportunities and paths are seen that lead the Company forward. Our employees take personal responsibility for the Company's economy in all stages of a project.

SIMPLICITY

– A uniform and uncomplicated approach

● Simple and uncomplicated routines and work processes make daily activities smooth and efficient. With the aid of a consistent viewpoint, our Bravida departments solve similar questions in the same way. The motto is "same needs – same solution"

COMPETENCE

– Knowledge, will and ability

● Bravida always ensures that the right competence is in the right place for every assignment. The competence is organised in the best interests of both the Company and the customer. Bravida is a step ahead and thinks along new paths. Employees collaborate between both departments and technical areas.

CONDUCT

– Reliability and correct behaviour

● Bravida has a clear business conduct that is based on reliability and correct behaviour. Employees take personal responsibility and deliver what they promise. A normal and accommodating approach is self-evident in all meetings.



Bravida's success has been based on committed and competent employees who share common values. There are around 9,000 of us daily providing and developing the offerings around Scandinavia.

WE OPERATE CLOSE TO OUR CUSTOMERS

Bravida has a decentralised organisation with strong local ties, as our customers largely operate in particular geographic areas with their own, local market conditions. Having a local presence and getting to know one's market are crucial for building trust among customers and cooperation partners.

Bravida's organisation has four main levels: Group, division, region and local department. All operational activities take place in local departments that are specialized in a field of technology. A local department can also have a branch with a particular specialisation, for example, in Service. Central functions for accounting and finance, legal affairs, procurement, operations development, communications, HR and IT support the local department. For bigger, more extensive projects, however, operational activities can be coordinated at the regional, divisional or group level.

COMMON BUSINESS SYSTEMS

Group-wide business systems for project management, finance and accounting, and quality management, along with a strong purchasing organisation and well-developed administrative processes support the local offices in their operative tasks.

The majority of Bravida's work is performed and controlled locally. But with its size, capacity and strong business systems, Bravida is able to take responsibility for larger and more complex projects. Competence from various parts and departments of Bravida can work together with no geographical limitations. With well-established systems, clear procedures and experienced employees, Bravida is a strong partner.



227 departments

- All operational activities are carried out by our local departments, where the local department manager is responsible for sales, staffing, production support (costing, planning, etc.) and daily operations. Each local department is specialised in one field of technology.

25 regions

- The regions are responsible for communicating and following up on group and divisional strategies and objectives, and for providing operational support to the activities carried out by the local departments.

5 divisions

- The divisions are responsible for communicating and following up on group strategies and objectives and for providing operational support to the activities carried out at the regional and local office levels.

1 Group

- At group level, Bravida draws up central strategies and objectives, which are then communicated and followed up. Central support functions and group-wide business systems are developed and maintained to support operational activities.

Østfold Hospital

Collaboration across national borders

When the 80,000 square metre Østfold Hospital in Sarpsborg, Norway is ready in 2016, it will be the biggest and most modern hospital in Norway.

About 100 Bravida employees are working on electrical, heating & plumbing and security installations. Five offices are collaborating on the project – Fredrikstad, Sarpsborg and Oslo from Norway and Halmstad and Göteborg from Sweden. This Norwegian-Swedish

collaboration is historic in a project of this scope – every week about 30 Swedish fitters travel 200 kilometres to work in Norway.

"This collaboration has been valuable for both fitters and project managers. We are constantly learning from each other's methods and using each other's complementary competence and areas of expertise," says department manager Erik Dobloug.



EMPLOYEES WHO DEVELOP BRAVIDA

Every day, fitters, service technicians, project managers, support personnel and managers develop and administer Bravida's technical installations in properties and plants all over Scandinavia.

Bravida is a knowledge-based company. As the installation and service industry develops, demands increase on our knowledge and skills in running projects effectively.

Our most important resource are our employees and their ability to meet the customers' requirements is vital. We therefore work consistently to keep, develop and attract the best competence. Our recipe for success is about offering an attractive workplace with continuous training of our personnel, leadership and recruitment.

VALUES THAT UNITE BRAVIDA

Motivated employees help to provide high quality for the customer. We endeavour to create a winner culture in which all employees contribute to our continuous improvement. And in which our values permeate the entire organisation. In this way, our internal culture contributes to clarity for our customers.

Our values:

Professionalism – we take clear responsibility for economy and profitability.

Simplicity – we have a uniform and uncomplicated approach.

Competence – we have knowledge, will and ability.

Good Conduct – we are reliable and act responsibly.

INDEPENDENCE, RESPONSIBILITY AND COMPETENCE

At Bravida, we work closely with our customers, often in their own buildings or construction sites. Our local managers and supervisors make many decisions themselves, and have significant individual responsibility.

Our fitters and service technicians represent the core of Bravida's activities and they work independently to a great extent. Bravida's project leaders, service leaders and managers lead our installation and service contracts, from advice and planning to the implementation of installation and service projects. A manager at Bravida is a role model and a support in the development of our employees. Managing also involves a great deal of responsibility for safety, health and the working environment.

LEADERSHIP THAT DEVELOPS THE BUSINESS

Bravida's leadership profile is based on the ability to create and run strong local operations, in line with our growth strategy. There is a group-wide leadership programme to develop our managers. Among other things, the programme demonstrates the importance of creating a strong corporate culture, and how we successfully use and develop our common processes and methods. Our managers learn the importance of follow-up and feedback as part of management. The programme also promotes the exchange of experience and contact among our managers. Since 2007, the majority of Bravida's managers have started or completed the programme.

COMPETENCE DEVELOPMENT

Our objective is that Bravida must always be at the forefront of the industry. In terms of both our working methods and the technical

Bravida – one of Sweden's best employers

32 in Sweden

Bravida is one of Sweden's best employers, according to a survey by Universum and Metrojobb.

Bravida is in 32nd place in this employee-based poll, higher than ÅF, NCC, Sweco and Siemens.

Among other things, Bravida's employees state that Bravida is an industry leader, offers good development and career opportunities with managers who are supportive, as well as a good working environment and that we take environmental responsibility.

"We have long worked to create a stimulating workplace. Since it is our competence we are selling, attracting the best employees is important. This ranking is a mark of quality that demonstrates that we are doing the right things at Bravida," says Magnus Hamerslag, Bravida's head of operations development.

// We have long worked to create a stimulating workplace.

Magnus Hamerslag, head of operations development at Bravida.



solutions we offer. Bravida's training programme, the Bravida School, further develops our employees. It has a wide range and employees in many occupational categories are given the opportunity to develop their competence. Fitters and service technicians have access among other things to training for certification and specialist competence or for further training to become leading fitters.

RECRUITMENT

Bravida will further reinforce the organisation in priority growth areas, which means that a number of new competent resources and specialist competence is required. We therefore focus on recruiting the best competence in the industry, among engineers, technicians and fitters.

Bravida's need for technicians increases as the installations in demand today become more complex and demand clear coordination between different disciplines, such as electrical, heating & plumbing and HVAC. With a strong presence in technical colleges, occupational colleges and other fora, we are working to increase both the visibility of and interest in the industry and Bravida. Our development programme called *BraIngenjörer* (good engineers) has been created to provide young engineers with a good basis for a future career at Bravida.

INTERNAL CAREERS

Being able to recruit employees from our own organisation to leading positions creates both security and continuity while it is also proof of the organisation's strength. During the year, a new CEO, a division head, and several local office managers were recruited internally.

At Bravida there is the opportunity to choose from many career paths, as a specialist, project or service manager or as a manager. Our presence in over 150 locations means there is also the opportunity to work on projects in many places in the Scandinavian countries.

MOTIVATED EMPLOYEES

Motivated employees who are happy in their work are vital for Bravida's success. For this reason we regularly monitor our employees' perception of their work situation in employee surveys. 2014 was the first year in which the survey measured Motivated Employee Index (MEI), which shows not only satisfaction but also motivation. Results for 2014 show that Bravida has a high and stable MEI of 66, higher than the comparative figure of 63. It also shows improvements in the working environment and that employees have great confidence in their immediate supervisor and in management.

**SATISFIED
EMPLOYEE INDEX**

66

Bravida's score is higher than the comparative figure of 63.

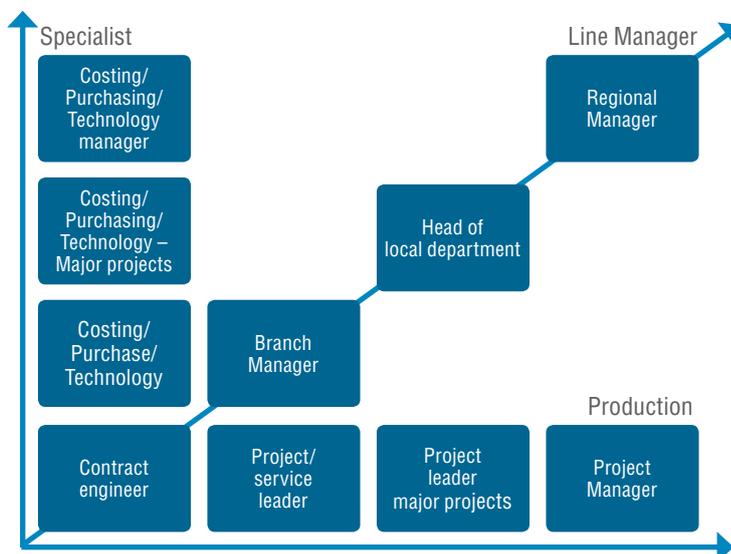
NUMBER OF EMPLOYEES
AVERAGE FIGURE DURING THE YEAR

	2014	2013
Total in Group	8,212	7,967
Of whom women	524	378
Sweden	4,862	4,900
Norway	2,003	1,894
Denmark	1,340	1,166
Slovakia	7	7

AGE STRUCTURE

%	2014	2013
Over 60 years	7.3	7.5
51-60 years	19.9	19.7
41-50 years	24.4	24.9
31-40 years	20.8	20.8
21-30 years	23.4	23.1
Under 20 years	4.2	4.0

CAREER PATHS AND DEVELOPMENT OPPORTUNITIES



**Many
career paths**

There are several interesting career paths in Bravida, as a specialist, project or service leader within production, or as an administrative manager.

SUSTAINABLE WORKING METHODS AND SOLUTIONS

Bravida is helping to build the society of the future. We are and wish to be perceived as a reliable and responsible provider of installation and service. As builders for society, we take responsibility for our solutions and how we deliver our work.

SUSTAINABLE SOLUTIONS

Bravida's installation and service solutions contribute to a sustainable society by reducing energy and resource consumption in the buildings and plants we install and maintain. On a daily basis, our employees work to convert new energy-saving technologies into concrete customer projects. By combining expertise in electrical, heating & plumbing, and HVAC solutions, we can improve the efficiency and economy of our customers' investments.

SIMPLIFY AND STREAMLINE

A key principle for achieving a simple and uniform solution in all Bravida's deliveries is "same needs – same solution". By learning from each other, finding simpler solutions and planning intelligently, we strive to maintain a high and consistent quality in our deliveries and increase the value added for our customers. At the same time, we are contributing to sustainable development by economising with our resources. Bravida works to raise awareness of these possibilities among our employees.

Bravida's management system is based on the standards ISO 9001, ISO 14001 and OHSAS 18001. This means that we continuously improve our quality, environment and working environment according to market requirements.

"ONE COMPANY – ONE CULTURE"

An important motto for Bravida is "one company – one culture". Our local offices work independently and our company culture serves as the common denominator that holds the organisation together and unites our employees in a team.

SUSTAINABLE GROWTH ACCORDING TO BRAVIDA

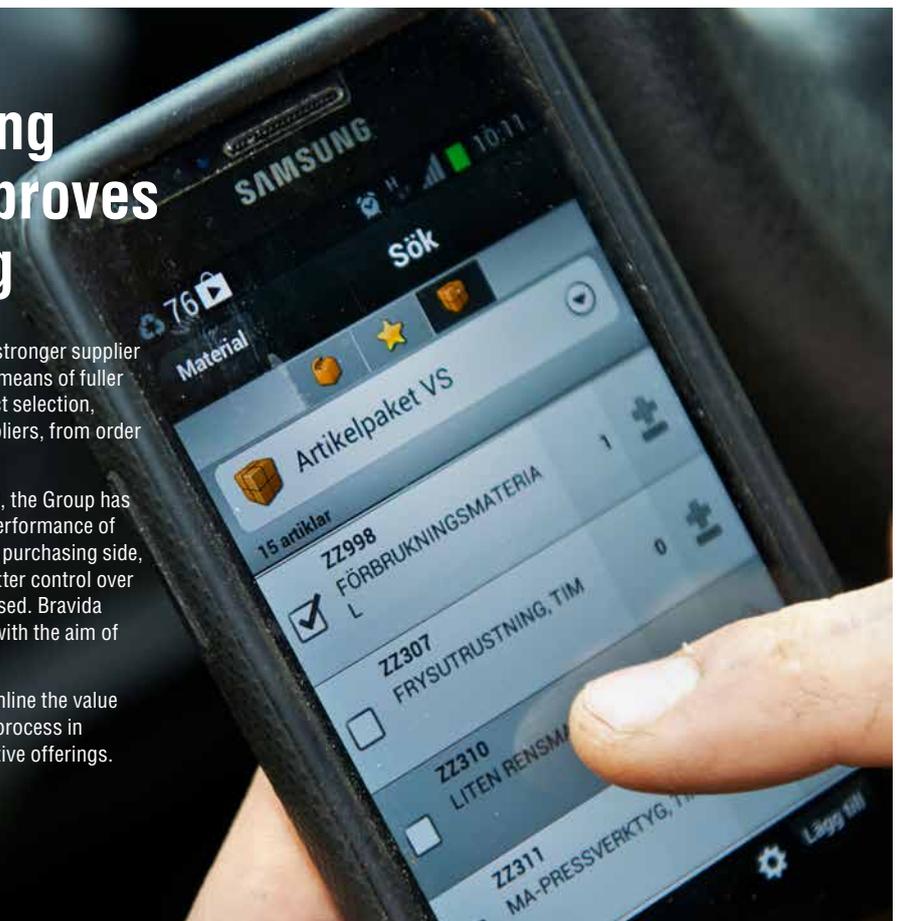
- Offering solutions that save energy.
- Offering materials and products with low environmental impact.
- Providing solutions that will give the user a safe, secure and healthy environment.
- Offering our customers a supplier who is actively working to reduce CO₂ emissions throughout the supply chain.
- Guaranteeing a high and consistent quality in all deliveries.
- Offering our customers efficient production that makes use of our joint resources.
- Offering a safe and secure workplace.
- Offering our employees work that helps them to grow and develop, where ideas and suggestions are embraced.
- Having a high standard of business ethics.
- Respecting human rights, with an emphasis on equality and diversity.
- Taking responsibility for sustainability when we choose suppliers.

Combined purchasing and partnership improves material purchasing

In 2014, Bravida began a long-term programme to build a stronger supplier base, with fewer suppliers at Nordic and national level. By means of fuller relationships, improved processes and competitive product selection, the Group intends to create a deeper partnership with suppliers, from order to final delivery.

Bravida now has a strong purchasing platform. Since 2012, the Group has completed a successful streamlining programme for the performance of installation and service projects (see also page 15). On the purchasing side, this has led among other things to the establishment of better control over our internal processes and how material is procured and used. Bravida is now taking the next step and introducing a new project with the aim of building a lasting supplier base with fewer suppliers.

Together with selected suppliers, Bravida intends to streamline the value chain. This means greater focus on product selection and process in purchasing. This is to continue to give customers competitive offerings.



A SAFE AND SECURE WORKPLACE

Bravida works to ensure that the working environment is safe and secure for all employees. Since 2011, we work with the vision of zero workplace accidents.

A GOOD WORKING ENVIRONMENT KEY TO BEING COMPETITIVE

We work to establish a good working environment at the sites where our employees carry out their tasks. Since we often perform our work in the customer's buildings and plants, this places high demands on our work with the working environment since conditions vary from project to project, and over time.

A safe workplace where everything is in good order leads to strong results, not just in the form of healthier employees but also for our owners, customers and other stakeholders. We carry out extensive efforts to identify, monitor and analyse risks in our working environment to be able to take make improvements. Our incident reporting system is well-developed and an important part of achieving our vision.

Occupational health and safety are also each employee's individual responsibility. We therefore invest in training our employees so that they are all able to safeguard themselves against the risks associated with their work.

SICK LEAVE, %

	2014	2013
Sweden	4.8	4.9
Norway	5.2	5.6
Denmark	3.1	3.5
Group	4.6	4.8

OCCUPATIONAL INJURY RATE*

	2014	2013
Sweden	6.8	7.4
Norway	9.5	13.8
Denmark	23.5	23.3
Group	9.4	10.7

*Occupational accidents that lead to at least one day of sickness absence per million hours worked.

OUR OCCUPATIONAL HEALTH AND SAFETY EFFORTS INCLUDE:

- **MANAGEMENT** – Bravida's leadership programme provides our managers with tools to help get all employees more involved in our activities. We are working with new tools to support communication and feedback.
- **SAFETY** – Developing a living safety culture where, with clear communications, procedures and follow-up, we strive to incorporate our safety awareness into daily routines.
- **HEALTHIER EMPLOYEES** – We prevent occupational injuries through measures designed to protect our employees from dust, noise, vibrations and repetitive strain injuries. We also work preventively with a fitness programme and health motivators.
- **REHABILITATION** – Rehabilitation for employees on long-term sick leave and action plans and measures to get as many of them as possible back to work.

A safe working environment



Targeted health and safety efforts in Denmark

The work towards our zero vision for occupational accidents involves systematic health and safety activities integrated into the ordinary activities.

As part of this, Bravida Denmark performed targeted work during the year aimed at creating better control of processes, rules and documentation for quality, the environment and the working environment. One of the methods for achieving a constant and routine focus on safety is to perform regular safety inspections. During 2014, supervisors and managers throughout Bravida Denmark performed a total of 464 safety inspections.

Having managers clearly involved and becoming role models in this area is intended to increase awareness of quality, the environment and the working environment out on the projects – and thus reduce the frequency of occupational accidents.

As a result of the targeted work, division Denmark now hold certificates for its work within quality, environment and health and safety.

DIRECTORS' REPORT

The Board of Directors and Chief Executive Officer of Bravida Holding AB, reg. no. 556891-5390, hereby present their annual report and consolidated financial statements for the financial year 2014.

THE BUSINESS

Bravida is Scandinavia's leading multi-technical services provider, about 9,000 employees at around 150 locations in Sweden, Norway and Denmark. Bravida provides specialist services and integrated solutions in three main fields of technology: electrical, heating & plumbing and HVAC.

In its electrical installation business, the Group offers integrated solutions for lighting, heating and energy supply. Alarm, surveillance and security systems are rapidly changing segments and constitute an important additional area of business on top of traditional electrical installations.

The company's heating & plumbing segment provides integrated solutions for water, waste water, energy, heating and cooling. The segment also has specialist expertise in sprinkler systems, an area in which Bravida has special certification.

The HVAC segment (heating, ventilating and air conditioning) offers customised ventilation solutions and all the technology required for air handling, air conditioning and climate control. In response to the growing demand for energy-efficient buildings, Bravida is prioritising installation solutions which ensure improved functionality and make more efficient use of energy, resulting in lower running costs and reduced environmental impact.

Bravida also has qualified staff in certain specialist areas. Bravida Fire & Security specialises in fire and security technology. Bravida Technical Service Management (TSM) offers technical property services comprising supervision, maintenance and on-call services. Erfator Projektleddning offers project management services in the construction and real estate sectors.

Bravida takes an integrated approach to the entire installation and service process, from advice and planning to execution and maintenance.

Installation

Installation involves new construction and remodelling of technical systems in buildings, plant and infrastructure. Bravida coordinates engineers and installers from our fields of technology and provides the customer with access to a partner who can successfully coordinate and take responsibility for the whole installation.

Service

Service at Bravida consists of operation and maintenance assignments, as well as minor alteration work. With regular inspections and maintenance, the life of an installation increases.

Bravida's goal is that service should account for more than half of our sales.

Operations are organised in five divisions: Divisions North, Stockholm and South in Sweden, Division Norway and Division Denmark. Operational management and administration are performed at local level.

The Group's head office is located in Stockholm and provides support functions including purchasing, business development, IT, communications, HR, legal affairs, and accounting and finance.

ACTIVITIES IN 2014

The Group reports a good, stable result. Demand is strong in all countries. Work continued during the year on the implementation of the Group-wide streamlining programme developed in 2013, which is designed to introduce more efficient, common working methods and tools in order to improve profitability.

NET SALES

Consolidated net sales were 12,000 (11,080). The installation business accounted for 53 per cent (52) of net sales and the service business for the remaining 47 per cent (48). Net sales were 7,385 (7,347) in Sweden, 2,818 (2,375) in Norway and 1,792 (1,353) in Denmark.

OPERATING PROFIT/LOSS

EBITA was 706 (600), resulting in an EBITA margin of 5.9 per cent (5.4). The EBITA margin was 6.4 per cent (6.1) in the Swedish business. The margin in Norway was 5.3 per cent (2.9) and in Denmark the margin was 5.3 per cent (5.3). The operating profit was 705 (600), which represents an operating margin of 5.9 per cent (5.4).

EARNINGS BEFORE TAX AND APPROPRIATIONS

The net financial expense was -265 (-378) while earnings before tax and Group contributions were 440 (221).

EARNINGS AFTER TAX

The tax expense for the year was -120 (-47). The tax expense comprised -95 (-36) in deferred tax and the remainder in current tax. Earnings after tax for the period were 320 (174).

COMPREHENSIVE INCOME FOR THE PERIOD

Translation differences for the period from the translation of foreign operations were 28 (-18) due to changes in the exchange rates during the period. In addition to this is the revaluation of defined benefit pensions and financial derivatives. Comprehensive income for the period was 140 (323).

ORDER INTAKE AND ORDER BACKLOG

The order intake has been good. The order intake was at the same level as sales over the year. There is considerable regional variation, however, with some areas experiencing a weak market, resulting in continued pressure on prices, while other locations saw good demand. Public-sector investments have increased in recent years and the assessment is that these will continue to increase in the future within healthcare, public buildings, universities and infrastructure, such as road and rail. Housing production in Sweden has increased dramatically in Sweden since 2013, while in Norway it has declined somewhat. Housing production in Denmark improved slightly during 2014. Investments in commercial property and in the industrial sector have remained stable, although falling in some geographical areas. Bravida's order intake was 12,149 (12,343). The order backlog was 6,580 (6,075). The order backlog figures do not include Bravida's service business.

ACQUISITIONS AND DISPOSALS

Several acquisitions were made in 2014.

Acquired company	Company or assets and liabilities	Acquiring division
Forsbäcken Ventilation	Assets and liabilities	Division North
Belab Ventilation AB	Company	Division North
Masens Kyl & Frys AB	Company	Division North
Attacus Rör & Energi AB	Company	Division North
Niwentec AB	Company	Division North
INIS Sweden AB	Assets and liabilities	Division Stockholm
AV-line Vitvaruservice AB	Company	Division Stockholm
Vega Energi AB	Company	Division Stockholm
Nicopia VVS AB	Company	Division Stockholm
Eltjänst Hörby	Assets and liabilities	Division South
Johnson Control & Service	Assets and liabilities	Division South
TD-larm i Borås	Assets and liabilities	Division South
JiHå EL & automation AB	Company	Division South
JiHå Automation AB	Company	Division South
Otera Elektro AS	Company	Division Norway
HS: Vagle Elektro AS	Company	Division Norway
HS: Vagle Rør AS	Company	Division Norway
Vekas AS	Assets and liabilities	Division Norway
Ing. Mosness Norstad AS	Remaining 9%	Division Norway
Möller Christensen A/S	Assets and liabilities	Division Denmark

All acquisitions are in line with Bravida's strategy to expand in its priority markets. Acquisitions and disposals increased net sales for the year by 319. For more information about the acquisitions, see Note 4.

REGIONAL MARKETS

Operations in Sweden

In Sweden Bravida operates through three divisions: North, Stockholm and South. The divisions generally correspond to the geographical areas in which they each operate. Division North operates in Norrland, Dalarna, Västmanland, Sörmland, Östergötland, Gotland and Närke. Division Stockholm operates in Stockholm and Uppland. Division South operates in southern Sweden and Värmland. Net sales were 7,385 (7,347). Demand varies significantly from one locality to another, and we have seen a general stabilisation in industrial locations. The metropolitan regions of Stockholm, Gothenburg and Malmö, however, have been relatively weak as a result of price pressure and in some cases weak demand. The operating profit and EBITA for Sweden was 474 (452), which represents an operating margin of 6.4 per cent (6.2). The order intake for the year was 7,458 (7,556). At year-end the order backlog was 3,677 (3,564). The average number of employees was 4,807 (4,822).

Operations in Norway

Division Norway had net sales of 2,818 (2,375), which were wholly attributable to external sales. EBITA was 150 (68), resulting in an EBITA margin of 5.3 per cent (2.9). The operating profit was 150 (68). Operating profit was positively affected by cost savings, better project selection and improved production. The order intake was 2,666 (2,640) and the order backlog at the end of the period was 1,369 (1,204). The average number of employees was 1,997 (1,894).

Operations in Denmark

Division Denmark's operations experienced strong growth during the year, as some of the large orders received in 2013 went into production. Net sales were 1,792 (1,353) and were wholly attributable to external sales. The order intake was 2,020 (2,146). EBITA was 95 (71), resulting in an EBITA margin of 5.3 per cent (5.2). The operating profit was 94 (70). The Danish economy has been weak over the past few years, which

has a direct impact on the construction market and also on the installation market. The order backlog was 1,534 (1,307) and includes several large projects that will be produced over a number of years. The average number of employees during the year was 1,333 (1,166).

CASH FLOW AND INVESTMENTS

Cash flow from operating activities was 659 (457). Cash flow includes -5 (-32) in taxes paid. Cash flow from investing activities was -136 (-54), largely attributable to acquisitions of operations and companies. Cash flow before financing activities was 523 (403). Group contributions of 45 (0) and dividends of -500 (0) were paid out during the year. Cashflow from financing activities was -545 (344). The previous year's cash flow is the result of refinancing, with further loans were taken out (net). The cash flow for the year was therefore -22 (746).

FINANCIAL POSITION

Consolidated cash and cash equivalents at 31 December were 828 (838). Bravida also had access to 365 (450) in undrawn credit facilities. At 31 December, the company had interest-bearing liabilities of 3,441 (3,312). Equity at year-end was 3,306 (3,701) representing an equity/assets ratio of 29.9 per cent (34.6).

EMPLOYEES

The average number of employees was 8,213 (7,967).

Skills development

Bravida's success is based on the expertise, knowledge and commitment of its employees and their ability to deliver the solutions demanded by the customers. Continuous training is the key to improving the efficiency and quality of all processes and deliveries.

Bravida's common culture is shaped by clear leadership and motivated employees. The Bravida School offers a wide range of training programmes for the Group's employees. In 2014 we worked on improving our existing range of courses and added new course options, especially in business skills, service and Health and Safety. The importance of leadership at Bravida has led us to offer leadership training to managers at all levels since autumn 2014.

Recruitment

The installation and service industry is set to grow, and technological advances will require more skilled employees. The age structure of Bravida's staff also points to a general need to attract younger people with a high level of education. For a few years now the Group has therefore stepped up its recruitment efforts, with a particular emphasis on recruiting engineers. For each vacant position, Bravida seeks to identify the individual who has the best skills profile and development potential among the applicants. To be able to offer good career prospects in the company, Bravida promotes internal recruitment and personal development. A number of graduate engineers have been recruited over the years, resulting in a common development programme for engineers at Bravida.

Health and Safety

A safe workplace where everything is in good order leads to strong results, not just in the form of healthier employees but also for our owners, customers and other stakeholders.

Bravida has a zero vision for workplace accidents, and the work to achieve this takes the form of systematic health and safety activities that are integrated in our regular operations.

Bravida has made major strides during the year, in particular at Bravida Denmark, where there have been targeted efforts to achieve OHSAS 18001 certification. This has resulted in additional focus on all staff having the requisite knowledge about Health and Safety and about the responsibility of each individual member of staff. Bravida Denmark has also increased the number of safety inspections. In 2014, there were

464 safety inspections made by Bravida Denmark managers as part of the efforts to reduce the accident rate. At Bravida Norway the focus was on local Health and Safety work and local cooperation meetings. The Norwegian Health and Safety manual has also been revised. A successful "SAM" project was carried out at Bravida Sweden, from senior management level to local office level. This aimed to improve follow-up on the systematic health and safety work and to generate input for strategic work etc. in relation to the new business plan.

Equality and diversity

Bravida works actively on issues such as harassment and equal opportunities. The Group has an equality and diversity plan which promotes equal opportunities and rights for all employees and prospective employees. Bravida also works actively to prevent all forms of discrimination.

As in the rest of the building services industry, the proportion of female employees at Bravida is currently small. As part of a long-term plan to change this, the Group is working with other employer groups and apprenticeship councils to increase the proportion of skilled women in the industry.

Employee targets and follow-up

Bravida's goal is to be the first-choice employer for employees. Every two years Bravida conducts an employee survey, Bravida Compass, which measures the motivated employee index (MMI). The overall aim is to achieve an MMI score of 75 on a scale of 1–100. The result of the employee survey conducted in 2014 was a score of 66 out of 100, which compares with the Swedish average of 63. Bravida has also significantly improved its response rate over the last two years.

QUALITY AND ENVIRONMENT

Bravida carries out its quality and environmental work on the basis of the policies drawn up by the company management and taking into account legal requirements and the needs of customers and other stakeholders. Bravida has an integrated ISO-certified management system that supports and safeguards quality and environmental considerations in the overall governance, planning and follow-up of operations, as well as in day-to-day work on projects and service assignments. As part of its commitment to constant improvement, Bravida works actively to achieve general and specific quality and environmental goals, uses business plans and reviews, and measures and follows up results. Bravida identifies and evaluates the impact on the environment of the company's activities, products and services annually. Bravida's most significant environmental impact is considered to be in areas such as travel, transport, energy consumption in building services and waste, and the company's environmental targets are based on these.

Bravida's operations are currently not of such scale or nature as to be subject to the permit requirements for environmentally hazardous activities under Chapter 9, Section 6 of the Swedish Environmental Code. The operations are conducted in such a way that there is no risk of significant contamination or of other significant damage to human health or the environment. Bravida holds a permit for the transportation of hazardous waste in accordance with Section 36 of the Swedish Ordinance of Waste. There is a local notification requirement for environmentally hazardous activities for the interim storage of hazardous waste at locations in Sweden.

Quality targets and follow-up in 2014

Bravida's quality target is to achieve an average annual CSI score (customer satisfaction index) of at least 4.0 at local office level.

In order to assess and measure the quality of our products and services, Bravida conducts customer satisfaction surveys on a regular basis. The definition of a satisfied customer in these surveys is a customer who generates a CSI score over 4.0 on a scale of 1 to 5. In the 2014 customer survey, Bravida achieved a CSI score at Group level of 3.8 for installation business and 3.9 for service business.

Environmental targets and follow-up in 2014

Bravida's overall environmental goals are to work actively to reduce energy consumption and other environmental impact from the company's projects and to measure and reduce the environmental impact of the company's transport. Follow-up on the aim to reduce carbon dioxide emissions from the company's approximately 3,500 vehicles indicates lower fuel consumption per kilometre, while emissions relating to sales have increased slightly.

SIGNIFICANT RISKS AND UNCERTAINTIES FOR THE GROUP AND PARENT COMPANY

In its operations Bravida is exposed to various types of risk, both operational and financial. Operational risks are associated with day-to-day operations relating to economic activity, tendering, capacity utilisation, price risks and revenue recognition. Financial risks arise from the amount of capital tied up, the company's capital requirements, and currencies. Bravida is exposed to greater operational risks than financial risks.

RISK MANAGEMENT

In Bravida's projects, there is a risk of loss due to incorrect calculation, improper execution and customer losses. The management of operational risks is a continuous process covering a large number of ongoing projects and service assignments. In 2013 and 2014, Bravida had executed an extensive education programme throughout the Group to improve our quality of production. Risk management is clearly defined in Bravida's management system, which is designed to prevent risks and reduce the company's risk exposure. The company's systematic work on quality and environmental issues as well as occupational health and safety issues are key building blocks which make up the backbone of the management system. The Group's financial risks are managed centrally for the purpose of minimising and controlling the risk exposure while credit risks in the business operations are managed locally.

OPERATIONAL RISKS

Economic activity

Fluctuations in the economy affect the building services sector, which is sensitive to market fluctuations and political decisions that can have an impact on demand for residential and commercial new builds and investments in industry and the public sector. Demand for service and maintenance work is not as sensitive to fluctuations in the economic cycle. The service business accounts for nearly half of Bravida's net sales.

Tendering

A building services company is exposed to commercial and production-related risks, which need to be identified and managed during the tendering process. To ensure that this is done, Bravida has drawn up process descriptions and checklists that are aimed at identifying and pricing the risks in the company's cost estimates and tenders.

Capacity utilisation

Capacity utilisation is heavily dependent on demand on Bravida's local markets. An unforeseen decline in capacity utilisation generally results in a loss of revenue which in the short term cannot be offset by a corresponding cost reduction. Bravida seeks to mitigate these risks through continuous resource planning and by employing subcontractors during periods of peak production.

Price risks

Unforeseen variations in input prices and prices charged by subcontractors constitute a risk. Bravida seeks to offset the risk of rising prices through the use of contract forms that are appropriate for the project, indexation for fixed-price agreements and efficient purchasing procedures.

Revenue recognition

Bravida recognises revenue from its projects in accordance with the percentage of completion method. The recognition of revenue is based on the degree of completion of the project and the final forecast. Bravida continually monitors the economic status of its projects to limit the risk of incorrect forecasts and consequently of incorrect revenue recognition. Bravida's quality assurance system specifies the processes to be used from the beginning to the end of the project, in order to ensure efficient production. In large projects the company also performs continuous project assurance activities to ensure a high quality in the implementation of its projects.

Insurances

Bravida has adequate insurance cover for its operations, including liability, contract and property insurance.

FINANCIAL RISKS

Bravida is exposed to financial risks, which arise partly as a result of changes in debt levels and interest rates. For information about financial risks, including interest, currency, financing and credit risks, see Note 26. The Group's interest risk and currency exposure has increased following borrowing in the form of a corporate bond in June 2013. These risks have been managed through currency and interest rate hedges.

MATERIAL DISPUTES

There were no material disputes at the closing date.

OUTLOOK

Bravida is established in about 150 locations across Scandinavia, each with its own particular local market conditions. The Scandinavian building services market as a whole has improved in the last two years. The economy as a whole was weaker than expected in 2014. However, in 2015, we expect to see a certain amount of improvement in the economic situation in Sweden and Denmark, but a slight worsening in Norway. Several aspects of the global economy could affect Bravida's operations in the future, such as a continued weak economy in the eurozone, falling raw material prices and higher interest rates. The weaker prices of oil and iron ore affect operations in Norway and northern Norrland through lower levels of demand from certain sections of industry. The assessment is that the market in Norway will remain stable, as public-sector projects will compensate for falling demand from industry. Operations in Sweden and Denmark will generally experience a stable market during 2015.

New commercial construction is expected to improve slightly. A stable market for residential construction is expected in Sweden, primarily in the metropolitan regions, as a result of a supply and demand imbalance, while at the same time consumers are being more positive and interest rate levels are low. The existing housing stock in Sweden requires renovation and refurbishment, not least those in the "million programme". Public-sector investments, especially in hospitals and infrastructure, are expected to remain at good levels over the next few years in all countries. The need for energy efficiencies and reduced running costs is expected to lead to an increase in the share of installation investments in existing buildings.

With supplementary specialist services in security, cooling and sprinkler systems, Bravida offers a full range of services, providing a foundation for solid growth. Owing to Bravida's strong order backlog, net sales are expected to grow during 2015.

In recent years Bravida has restructured and streamlined its activities in sales, purchasing, production and administration. Bravida is implementing a far-reaching streamlining programme across all departments, which is designed to improve profitability through more efficient production, better pricing and more efficient procurement. The streamlining programme will continue in 2015, along with an ongoing effort to expand the service business and improve materials procurement. Thanks to

the measures described above, Bravida is in a stable position heading into 2015.

OWNERSHIP

Bravida Holding AB is a wholly owned subsidiary of Bravissima Holding AB, reg. no. 556930-5625.

THE WORK OF THE BOARD OF DIRECTORS

Five Board meetings were held in 2014. The regular meetings were normally held at Bravida's head office in Stockholm, according to a specified annual schedule. Members of the Group senior management and the central Group functions presented reports at the Board meetings. Bravida's chief auditor was present at one of the Board meetings.

The Board's work followed the rules of procedure for the Board, which were adopted at the Board meeting in December 2013, and new rules of procedure that were adopted at the Board meeting in May 2014.

The Board addressed strategic issues, business plans, financial statements, acquisitions and disposals, and other significant events. Reporting on the development of the activities and financials of the company and Group has been a standing item on the agenda.

Parent company

Bravida Holding AB's net sales for the year were 52 (1). All sales were internal.

The operating profit was 0 (-4) while earnings before tax and appropriations were -284 (-237). Cash and cash equivalents were 746 (1). Equity was 4,686 (3,303) and the equity/assets ratio was 44.2 per cent (49.4). The average number of employees at the parent company was 8 (1). The number of shares at the beginning and end of the year was 403,133,196.

EVENTS DURING THE REPORTING PERIOD

Mattias Johansson was appointed President and CEO with effect from 1 January 2015. Mattias Johansson was the Division Manager in Norway until 31 December 2014. Staffan Pahlsson was CEO from 21 September 2012 to 31 December 2014. Pahlsson will continue his involvement in the Bravida Group in the role of Senior Vice President.

During the year, the wholly owned subsidiary Bravida Installation och Service AB, 556892-0705, was merged into Bravida Holding AB. See Note 35 for more information.

EVENTS AFTER THE BALANCE SHEET DATE

Five companies were acquired during the first quarter. These companies have combined annual sales of just over SEK 300 million, as well as over 100 employees.

PROPOSED ALLOCATION OF PROFIT

The Board proposes that the parent company's non-restricted equity of 4,682,165,353 be allocated as follows:

Dividend	SEK	277,000,000
Carried forward	SEK	4,405,165,353
Total	SEK	4,682,165,353

For more information about the company's results and financial position, see the following income statements and balance sheets and the notes to the accounts.

CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

SEK millions	NOTE	1 Jan 2014 -31 Dec 2014	1 Jan 2013 -31 Dec 2013
Net sales	2	12,000	11,080
Costs of production		-9,601	-8,856
Gross profit/loss		2,399	2,224
Administrative and selling expenses		-1,694	-1,624
Operating profit/loss	3, 5, 6, 7, 29	705	600
PROFIT/LOSS FROM FINANCIAL ITEMS			
Financial income		195	145
Financial expenses		-459	-523
Net financial income/expenses	8	-265	-378
Earnings before tax		440	221
Tax on profit/loss for the year	9	-120	-47
Profit/loss for the year		320	174
OTHER COMPREHENSIVE INCOME			
<i>Items that have been transferred or can be transferred to profit/loss for the year</i>			
Translation differences for the year from the translation of foreign operations	19	28	-18
Changes in the fair value of financial derivatives for the year		-100	-70
Tax attributable to the fair value of financial derivatives		22	15
<i>Items that cannot be transferred to profit/loss for the year</i>			
Revaluation of defined benefit pensions		-166	284
Tax attributable to the revaluation of pensions		37	-62
Other comprehensive income for the year		-180	149
Comprehensive income for the year		140	323
COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:			
Equity holders of the parent company		133	322
Non-controlling interests		6	1
Comprehensive income for the year		140	323

CONSOLIDATED BALANCE SHEET

SEK millions	NOTE	31 Dec 2014	31 Dec 2013
ASSETS			
Intangible assets	10	6,943	6,737
Property, plant and equipment	11	49	38
Interests in associates	12	5	6
Pension assets	13	9	85
Other securities held as non-current assets	14	8	8
Long-term receivables	15	217	71
Deferred tax asset	9	93	105
Total non-current assets		7,326	7,049
Inventories		71	61
Tax assets		17	25
Trade receivables	16	1,969	1,764
Accrued but not invoiced income	17	655	761
Prepayments and accrued income	18	168	149
Other receivables	15	31	24
Cash and cash equivalents		828	838
Total current assets		3,739	3,623
TOTAL ASSETS	25	11,064	10,672
EQUITY			
Share capital	19	4	4
Other contributed capital		3,518	3,518
Reserves		-142	-70
Retained earnings including profit/loss for the year		-86	245
Equity attributable to equity holders of the parent		3,293	3,697
Non-controlling interests		13	4
Total equity		3,306	3,701
LIABILITIES			
Bond loan	20	3,441	3,312
Other non-current liabilities		179	51
Pension provisions	13	130	15
Other provisions	21	61	44
Deferred tax liabilities	9	50	35
Total non-current liabilities		3,862	3,457
Overdraft facilities	20	6	–
Trade payables		1,030	964
Tax liabilities		2	19
Invoiced but not accrued income	22	1,200	1,154
Other liabilities	23	402	313
Accrued expenses and deferred income	24	1,128	946
Provisions	21	129	118
Total current liabilities		3,897	3,514
Total liabilities		7,758	6,971
TOTAL EQUITY AND LIABILITIES	25	11,064	10,672

PLEGDED ASSETS AND CONTINGENT LIABILITIES FOR THE GROUP

SEK millions	NOTE	31 Dec 2014	31 Dec 2013
Pledged assets	20, 28	13,059	16,923
Contingent liabilities	20, 28	21	21

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK millions	Share capital	Other contributed capital	Translation reserve	Hedging reserve	Retained earnings, incl. profit/loss for the year	Total Equity
Opening balance acc. to balance sheet equity at 31 December 2012	4	3,518	18	–	-161	3,378
Profit/loss for the year					174	174
Other comprehensive income for the year			-18	-55	222	149
Equity 31 Dec 2013	4	3,518	0	-55	234	3,701
Profit/loss for the year					320	320
Other comprehensive income for the year			28	-78	-130	-180
Dividend					-500	-500
Group contribution					-45	-45
Tax effect on Group contribution					10	10
Equity 31 Dec 2014	4	3,518	28	-133	-111	3,306

More information on equity is provided in Note 19.

CONSOLIDATED CASH FLOW STATEMENT

SEK millions	NOTE	1 Jan 2014 -31 Dec 2014	1 Jan 2013 -31 Dec 2013
OPERATING ACTIVITIES			
Earnings before tax		440	221
Adjustments for non-cash items	31	46	73
Income taxes paid		-5	-32
Cash flow from operating activities before changes in working capital		480	262
CASH FLOW FROM CHANGES IN WORKING CAPITAL			
Increase (-) / Decrease (+) in inventories		4	5
Increase (-) / Decrease (+) in operating assets		116	99
Increase (+) / Decrease (-) in operating liabilities		59	91
Cash flow from operating activities		659	457
INVESTING ACTIVITIES			
Acquisition of subsidiaries	4, 30	-107	-40
Acquisition of assets and liabilities	4	-15	-1
Acquisition of property, plant and equipment	11	-15	-13
Cash flow from investing activities		-136	-54
FINANCING ACTIVITIES			
Loans raised	20	-	3,269
Repayment of loans	20	-	-2,925
Dividend paid		-500	-
Group contribution paid		-45	-
Cash flow from financing activities		-545	344
Cash flow for the year		-22	746
Cash and cash equivalents at beginning of year		838	97
Foreign exchange difference in cash and cash equivalents		12	-6
Cash and cash equivalents at end of year		828	838

PARENT COMPANY INCOME STATEMENT

SEK millions	NOTE	1 Jan 2014 -31 Dec 2014	1 Jan 2013 -31 Dec 2013
Net sales		52	1
Administrative and selling expenses	5, 6, 7	-52	-5
Operating profit/loss		0	-4
PROFIT/LOSS FROM FINANCIAL ITEMS			
Interest and similar income		255	169
Interest and similar expenses		-540	-402
Net financial income/expenses	8	-284	-233
Earnings after financial items		-284	-237
APPROPRIATIONS			
Group contribution		528	1
Earnings before tax		244	-236
Deferred tax liabilities	9	-54	52
Profit/loss for the year¹⁾		190	-184

¹⁾ Profit/loss for the year corresponds to comprehensive income for the year.

PARENT COMPANY BALANCE SHEET

SEK millions	NOTE	31 Dec 2014	31 Dec 2013
ASSETS			
Non-current assets			
Financial assets			
Interests in Group companies	30	7,341	3,673
Deferred tax asset	9	8	62
Total non-current assets		7,349	3,734
Current assets			
Current receivables			
Receivables from Group companies	29	1,962	2,953
Other receivables	15	1	1
Prepayments and accrued income	18	2	1
		1,965	2,954
Cash and bank balances		746	1
Total current assets		2,711	2,956
TOTAL ASSETS	25	10,060	6,690
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital (403,133,196 shares)		4	4
		4	4
Non-restricted equity			
Share premium reserve		3,518	3,518
Retained earnings		974	-35
Profit/loss for the year		190	-184
		4,682	3,299
		4,686	3,303
Provisions			
Other provisions	21	6	-
		6	-
Non-current liabilities			
Bond loan		3,441	3,312
		3,441	3,312
Current liabilities			
Trade payables		21	3
Liabilities to Group companies	29	1,874	63
Other liabilities	23	2	0
Accrued expenses and deferred income	24	30	9
		1,927	75
TOTAL EQUITY AND LIABILITIES	25	10,060	6,690

PLEGDED ASSETS AND CONTINGENT LIABILITIES FOR THE PARENT COMPANY

SEK millions	NOTE	31 Dec 2014	31 Dec 2013
Pledged assets	20, 28	7,341	3,673
Contingent liabilities	20, 28	1,052	1,050

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

SEK millions	Non-restricted equity				Total
	Share capital	Share premium reserve	Retained earnings	Profit/loss for the year	
OPENING BALANCE ACC. TO BALANCE SHEET					
Equity 31 Dec 2012	4	3,518	–	-35	3,487
Profit/loss for the year				-184	-184
Appropriation of retained earnings			-35	35	–
Equity 31 Dec 2013	4	3,518	-35	-184	3,303
Profit/loss for the year				190	190
Appropriation of retained earnings			-184	184	–
Dividend			-500		-500
Profit from merger			1,693		1,693
Equity 31 Dec 2014	4	3,518	974	190	4,686

More information on equity is provided in Note 19.

Profit/loss for the year corresponds to comprehensive income for the year.

PARENT COMPANY CASH FLOW STATEMENT

SEK millions	NOTE	1 Jan 2014 -31 Dec 2014	1 Jan 2013 -31 Dec 2013
OPERATING ACTIVITIES			
Earnings after financial items		-284	-237
Adjustments for non-cash items	31	174	87
Income taxes paid		-	-
Cash flow from operating activities before changes in working capital		-110	-150
CASH FLOW FROM CHANGES IN WORKING CAPITAL			
Increase (-) / Decrease (+) in operating assets		353	-1
Increase (+) / Decrease (-) in operating liabilities		365	33
Cash flow from operating activities		608	-118
INVESTING ACTIVITIES			
Acquisition of subsidiaries		-	-
Cash flow from investing activities		-	-
FINANCING ACTIVITIES			
Loans raised	20	-	3,269
Repayment of loans	20	-	-2,804
Loans granted to Group companies		-	-235
Dividend paid		-500	-
Group contribution paid		-45	-
Group contribution received		1	-
Cash flow from financing activities		-544	230
Cash flow for the year		64	112
Cash and cash equivalents at merged subsidiary		569	-
Cash and cash equivalents at beginning of year		114	2
Cash and cash equivalents at end of year		746	114
Cash and cash equivalents			
		31 Dec 2014	31 Dec 2013
THE FOLLOWING COMPONENTS ARE INCLUDED IN CASH AND CASH EQUIVALENTS:			
Cash and bank balances		746	1
Cash pool balances at subsidiaries		-	112
Total cash and cash equivalents		746	114

NOTES

AND ACCOUNTING POLICIES

Notes content

NOTE 1	Significant accounting policies	52	NOTE 14	Other securities held as non-current assets	69	NOTE 26	Financial risks and financial policies	75
NOTE 2	Distribution of revenues	56	NOTE 15	Long-term receivables and other receivables	69	NOTE 27	Lease payments under operating leases	78
NOTE 3	Segment reporting	57	NOTE 16	Trade receivables	69	NOTE 28	Pledged assets and contingent liabilities	78
NOTE 4	Acquisition of operations	58	NOTE 17	Accrued but not invoiced income	69	NOTE 29	Related parties	79
NOTE 5	Employees, staff costs and compensation to senior executives	59	NOTE 18	Prepayments and accrued income	70	NOTE 30	Interests in Group companies	80
NOTE 6	Auditors' fees and expenses	60	NOTE 19	Equity	70	NOTE 31	Statement of cash flows	83
NOTE 7	Operating expenses by function of expense	60	NOTE 20	Interest-bearing liabilities	71	NOTE 32	Events after the balance sheet date	83
NOTE 8	Net financial income/expenses	61	NOTE 21	Provisions	72	NOTE 33	Significant estimates and assessments	83
NOTE 9	Tax	62	NOTE 22	Invoiced but not accrued income	73	NOTE 34	Information about the parent company	83
NOTE 10	Intangible assets	64	NOTE 23	Other liabilities	73	NOTE 35	Merger	83
NOTE 11	Property, plant and equipment	65	NOTE 24	Accrued expenses and deferred income	73			
NOTE 12	Interests in associates	65	NOTE 25	Valuation of financial assets and liabilities at fair value	73			
NOTE 13	Pension assets and provisions for pensions and similar obligations	66						

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

GENERAL ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as well as interpretations from the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the EU. Recommendation RFR 1 Supplementary Accounting Rules for Corporate Groups of the Swedish Financial Reporting Board has also been applied.

The parent company applies the Swedish Annual Accounts Act and Recommendation RFR 2 Accounting for Legal Entities, of the Swedish Financial Accounting Standards Council. In cases where the parent company applies other accounting policies than the Group this is stated at the end of this Note.

REGISTERED OFFICE

The company is a limited liability company with its registered office in Stockholm, Sweden. The address of the head office is Mikrofönvägen 28, SE-126 81 STOCKHOLM.

BASES OF VALUATION APPLIED IN PREPARING THE FINANCIAL STATEMENTS

Assets and liabilities have been recognised at historical cost, with the exception of certain financial assets and liabilities, which are carried at fair value. Financial assets and liabilities carried at fair value comprise financial assets carried at fair value through the income statement or financial assets available for sale.

ASSESSMENTS AND ESTIMATES IN THE FINANCIAL STATEMENTS

Preparing financial statements in accordance with IFRS requires that management make assessments and estimates as well as assumptions which affect the application of the accounting policies and the recognised amounts of assets, liabilities, income and expenses. Actual outcomes may differ from these estimates and assessments.

Estimates and assessments are reviewed on a regular basis. Changes to estimates are reported in the period when the change is made if the change only affects this period, or in the period when the change is made and future periods if the change affects both the current period and future periods.

Assessments made by management in applying IFRS which have a significant impact on the financial statements and estimates that can lead to significant

adjustments to the financial statements for the following year are described in greater detail in Note 33.

NEW OR AMENDED RELEVANT IFRS AND INTERPRETATIONS THAT HAVE NOT YET BEEN APPLIED

The Group has chosen not to apply any new standards or interpretations in advance in preparing these financial statements and is currently not planning to apply standards or interpretations in advance in coming years.

FUTURE CHANGES TO ACCOUNTING POLICIES

IFRS 9 Financial Instruments will replace IAS 39 Financial Instruments: Recognition and Measurement. IASB has produced a whole package of changes for the reporting of financial instruments in the form of IFRS 9. The package includes a new model for the classification and measurement of financial instruments, a forward-looking 'expected loss' impairment model and a simplified approach to hedge accounting. IFRS 9 is effective from 1 January 2018.

The provisional assessment is that IFRS 9 will not have any significant impact on the reporting of financial instruments. Bravida may be affected by the proposed changes to IFRS 15 Revenue from Contracts with Customers, which are proposed to apply from 2017. An analysis is underway of the effects which IFRS 15 may have on the Group, but the changes will at the very least involve increased disclosure requirements.

OPERATING SEGMENT REPORTING

An operating segment is a component of the Group which engages in business from which it may earn revenues and incur expenses, for which separate financial information is available and whose results are regularly reviewed by the company's chief operating decision-maker for the purpose of evaluating the results and allocating resources to the operating segment.

See Note 3 for additional information on the breakdown into and presentation of operating segments.

CONSOLIDATION

Subsidiaries

The consolidated financial statements include subsidiaries in which the parent company directly or indirectly holds more than 50 per cent of the votes.

Subsidiaries are companies in which Parent Company Ltd has a controlling influence. A controlling influence exists where Parent Company Ltd has influence over the investment object, is exposed or entitled to a variable return on its investment and is able to exert its influence over the investment in such a way as to affect the return.

The purchase method is used in accounting for the Group's acquisition of subsidiaries. The cost of an acquisition is the fair value of all assets provided as compensation, issued equity instruments and liabilities incurred or assumed at the transfer date. Transaction costs are charged to expense immediately. Identifiable acquired assets and assumed liabilities and contingent liabilities in the acquisition of an operation are initially stated at fair value at the acquisition date regardless of the size of any non-controlling interests. In an acquisition where the transferred compensation, any non-controlling interests and the fair value of the previously owned interest (in incremental acquisitions) exceed the fair value of the acquired assets and assumed liabilities which are accounted for separately, the difference is recognised as goodwill. When the difference is negative, in a so-called bargain purchase, the difference is recognised in profit/loss for the year.

Intercompany transactions and balance sheet items and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but any losses are viewed as an indication of possible impairment. Where applicable, the accounting policies for subsidiaries have been amended to guarantee a consistent application of the Group's policies.

ASSOCIATES

Associates are those companies in which the Group exercises a significant, but not a controlling, influence, which normally applies for shareholdings representing between 20 and 50 per cent of the votes. Interests in associates are accounted for by applying the equity method and are initially stated at cost.

TRANSLATION OF FOREIGN CURRENCIES

Functional currency and reporting currency

Items included in the financial statements for the various units of the Group are valued in the currency used in the economic environment in which each company primarily operates (functional currency). Swedish kronor (SEK), the functional and reporting currency of the parent company, is used in the consolidated financial statements.

Transactions and balance sheet items

Transactions in foreign currencies are translated to the functional currency at the exchange rates applying at the transaction date. Foreign exchange gains and losses arising from such transactions and upon translation of monetary assets and liabilities in foreign currencies at closing date rates are recognised in the income statement. Foreign exchange differences on borrowing are recognised under financial items while other foreign exchange differences are included in operating profit/loss.

Financial statements of foreign operations

Results and financial position for all foreign operations included in the consolidated financial statements that have a different functional currency than the reporting currency are translated to the Group's reporting currency as follows:

- assets and liabilities for each of the balance sheets are translated at the closing rate
- income and expenses for each of the income statements are translated at the average rate
- all resulting foreign exchange differences are recognised through other comprehensive income as a separate part of equity (translation reserve)

Upon consolidation, foreign exchange differences arising from the translation of net investments in foreign operations are transferred to equity through other comprehensive income. Upon consolidation, foreign exchange differences arising from the translation of net investments in foreign operations are transferred to equity through other comprehensive income. Upon divestment, wholly or partially, of a foreign operation, the foreign exchange differences recognised in equity through other comprehensive income are transferred to profit/loss for the year. Goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities in this operation and translated at the closing date rate.

CASH FLOW STATEMENT

The cash flow statement is prepared in accordance with the indirect method, which means that adjustments are made for transactions that do not result in incoming or outgoing payments.

REVENUE

Revenue is recognised in the income statement when it is possible to reliably measure the revenue and it is probable that the economic benefits will accrue to the Group. The company's revenue primarily consists of revenues from installation contracts. Revenue is recognised in accordance with the percentage of completion method. This method is described below in the section "Installation contracts". Interest income is recognised over the term of the loan by applying the effective interest method. Dividend income is recognised when the right to receive payment has been established.

Installation contracts

Bravida applies the percentage of completion method. Under this method, earnings are recognised in accordance with the degree of completion of the project. Determining the earnings accrued at any given time requires information about the following components:

- Project revenue – the value of all revenues attributable to the contract.
- Project cost – all costs corresponding to the project revenues that are attributable to the project.
- Degree of completion – recognised costs in relation to estimated total project costs.

Expenditure that has been incurred during the year but that relates to future work is not included in project costs paid at the time of determining the degree of completion. These are reported as materials and inventories, advances or other assets depending on their character. Changes to the scope of the project, claims and incentive pay are included in project revenue to the extent that they have been agreed with the customer and can be reliably measured. A fundamental condition for application of the percentage of completion method is that project revenues and project costs can be reliably measured and that the degree of completion is determined in a way that is relevant with respect to the reliability requirement.

For projects where revenues and costs cannot be reliably measured at the closing date, the zero profit method is applied. This means that revenue equal to the incurred costs is recognised for the project, i.e. the profit is zero until such time as it is possible to determine the earnings. As soon as this is possible the percentage of completion method is applied. Provisions are made for expected losses, i.e. when the project costs are expected to exceed the total project revenues, and these amounts are charged to earnings for the year.

The Bravida Group recognises as assets receivables (balance sheet item "Accrued but not invoiced income") from buyers of installation projects for which the project costs and recognised profits (after deducting recognised losses) exceed the invoiced amount. Partially invoiced amounts that have not yet been paid by the customer and amounts withheld by the buyer are included in the item Trade receivables. Bravida recognises as liabilities (balance sheet item "Invoiced but not accrued income") any liabilities to buyers of installation contracts for projects in progress for which the invoiced amount exceeds the project costs and recognised profits (after deducting recognised losses).

INTANGIBLE ASSETS

Goodwill

Goodwill represents the difference between the cost of an acquired operation and the fair value of the Group's share of the acquired operation's identifiable net assets at the time of acquisition. Goodwill from the acquisition of operations is recognised as an intangible asset. Goodwill is tested annually for impairment and stated at cost less accumulated impairment losses. Goodwill impairment losses are never reversed. Any gain or loss from the sale of a unit includes the divested portion of the recognised value of goodwill. In testing for impairment, goodwill is allocated to cash-generating units.

Goodwill is thereby allocated to those cash-generating units or groups of cash-generating units that are expected to benefit from the acquisition giving rise to the goodwill item.

Subsequent expenditure

Subsequent expenditure on an intangible asset is added to the asset's carrying amount only if it increases the future economic benefits and the expenditure can be reliably measured. All other expenditure is recognised as it is incurred.

Depreciation and amortisation

Amortisation is based on the asset's original cost less any residual value. Amortisation is recognised in the income statement on a straight-line basis over the useful life of the intangible asset, unless the asset has an indefinite useful life. Assets are amortised from the date at which they became available for use. Other intangible assets are amortised over 5 years. Useful lives are reassessed annually or more frequently.

PROPERTY, PLANT AND EQUIPMENT

Land and buildings mainly comprise warehouses and offices. All property, plant and equipment is stated at cost less depreciation. Cost includes expenditure that is directly attributable to the acquisition of the asset. Any additional expenditure is added to the carrying amount of the asset or recognised as a separate asset only when it is probable that the future economic benefits associated with the asset will accrue to the Group and the cost can be reliably measured. The carrying amount of the replaced portion is removed from the balance sheet. All other forms of repairs and maintenance are recognised as expenses in the income statement in the periods in which they are incurred.

Land is not depreciated. Other assets are depreciated to allocate the cost down to the estimated residual value over the assets' estimated useful lives.

The assets are depreciated on a straight-line basis as follows:

	Useful life
Buildings	20 years
Expenditure on property not owned by the company	Over remaining lease term
Machinery and other technical plant	3–5 years
Equipment, tools and installations	3–10 years

Residual values and useful lives of assets are tested at each closing date and adjusted where required. Any gain or loss from the sale of an asset is determined by comparing the sale proceeds and the carrying amount, whereby the difference is recognised in other operating income or other operating expenses in the income statement.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Goodwill and other intangible assets with indefinite useful lives are tested annually to determine whether the recoverable amount, i.e. the higher of fair value less selling expenses and value in use, exceeds the carrying amount. For other non-financial assets a similar test is made as soon as there is an indication that the carrying amount is too high. The value of an asset is written down to the recoverable amount as soon as this is shown to be lower than the carrying amount.

LEASING

Non-current assets held under a lease agreement are classified based on the economic substance of the lease. Leases of non-current assets where the economic risks and benefits associated with ownership have essentially been transferred to the Group are classified as finance leases. Finance leases are accounted for as non-current assets at the beginning of the lease term and recognised at the lower of the fair value of the leased asset and the present value of the minimum lease payments. The corresponding payment obligations are recognised as a liability in the balance sheet. Each lease payment is divided into repayment of the loan and financial expenses to obtain a fixed rate of interest for the recognised liability.

The recognised liability is included in the balance sheet item "Liabilities relating to finance leases". The interest portion of the financial expense is recognised in the income statement distributed over the term of the lease so that an amount corresponding to a fixed interest rate for the liability recognised in each accounting period is charged to the income statement in each period. Non-current assets that are held under finance leases are depreciated over their estimated useful lives. The Bravida Group has not classified any leases as

finance leases. Other leases are classified as operating leases. Payments made during the lease term are charged to the income statement on a straight-line basis over the term of the lease.

FINANCIAL ASSETS

Bravida classifies its financial assets in the following categories: financial assets carried at fair value through the income statement, financial assets available for sale, and loans and trade receivables. The classification depends on the purpose for which the financial asset was acquired. The classification of financial assets is determined by management upon initial recognition.

General principles

A receivable is recognised when the company has performed a service and the counterparty is contractually obliged to pay, even if an invoice has not yet been issued. Trade receivables are recognised in the balance sheet when the invoice has been sent. Purchases and sales of financial assets are recognised at the transaction date, which is the date when the Group undertakes to buy or sell the asset. Financial instruments are initially recognised at cost plus transaction costs, which applies to all financial assets that are not carried at fair value through the income statement. Financial assets carried at fair value through the income statement are initially recognised at fair value while the related transaction costs are recognised in the income statement. Financial assets are removed from the balance sheet when the right to receive cash flows from the instrument has expired or been transferred and the Group has transferred virtually all risks and benefits associated with ownership to another party. After the acquisition date, financial assets available for sale and financial assets carried at fair value through the income statement are stated at fair value. Loans and trade receivables are stated at amortised cost by applying the effective interest method.

At each balance sheet date the Group assesses whether there is objective evidence of impairment of a financial asset or group of financial assets, for instance that it is unlikely that the debtor will be able to fulfil its obligations. Impairment tests of trade receivables are described below. Examples of objective evidence include significant financial difficulties for a debtor, a breach of contract such as non-payment or delayed payment of interest or principal, or that it is probable that the borrower will become bankrupt or enter into another form of financial reorganisation.

Financial assets/liabilities carried at fair value through the income statement

Financial assets carried at fair value through the income statement are financial assets that are held for trading. A financial asset is classified in this category if it was acquired primarily for the purpose of being sold in the short term. Any derivatives are classified as held for trading if they have not been identified as hedges. An interest rate swap is stated at fair value based on future discounted cash flows, which means that the value will vary with changes in interest rates.

Hedge accounting

Hedge accounting is applied only where there is an economic relationship between the hedge instrument and the hedged item that corresponds to the company's risk management objectives. The hedge relationship must also be expected to be highly effective during the period for which the hedge has been identified and the hedge relationship and the company's objectives for risk management and risk strategy with regard to the hedge must be documented no later than when the hedge is made.

Financial assets available for sale

This class of financial assets in the Group comprises assets which are not derivatives but can be sold. Assets in this category are classified as non-current assets if management does not intend to sell the asset within 12 months of the balance sheet date.

Loans and trade receivables

Loans and trade receivables are financial assets that are not derivatives. They have specified or specifiable payments and are not listed on an active market. They are included in current assets, with the exception of items maturing later than 12 months from the balance sheet date, which are classified as non-current assets. Loans and trade receivables are initially stated at fair value and subsequently at amortised cost by applying the effective interest method, less any provisions for impairment.

A provision for impairment of trade receivables is posted when there is objective evidence that the Group will not be able to recover all overdue amounts in accordance with the original terms and conditions for the receivables. The size of the provision is the difference between the carrying amount of the asset and the present value of estimated future cash flows. An impairment loss on trade receivables is recognised in the income statement in the function "other operating expenses" while an impairment loss on loans is recognised in financial items.

Reversal of impairment losses

Impairment losses on loan receivables and trade receivables stated at amortised cost are reversed if a later increase in the recoverable amount can objectively be attributed to an event occurring after the time at which the impairment loss was recognised.

INVENTORIES

Inventories are measured at the lower of cost and net realisable value. This also takes into account the risk of obsolescence. Cost is determined using the first-in-first-out method (FIFO). Net realisable value is the estimated selling price in the company's operating activities less any applicable variable selling expenses. The cost of company-produced semi-finished and finished goods consists of direct costs of production plus a reasonable portion of indirect costs of production. Normal capacity utilisation is also taken into account in the valuation.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash and bank balances, and other short-term investments maturing within three months of the acquisition date.

FINANCIAL LIABILITIES

The Bravida Group's financial liabilities are divided into the following categories: Financial liabilities carried at fair value through the income statement, borrowing and other financial liabilities, e.g. trade payables.

General principles

A liability is recognised when the company has a contractual obligation to pay, even if a supplier invoice has not yet been received. Supplier invoices are recognised in the statement of financial position when the invoice has been received. The liability is removed when payment has been made or when a contractual obligation to pay no longer exists.

Offsetting

A financial asset and a financial liability are offset and recognised as a net amount in the statement of financial position only when there is a legal right to offset amounts and there is the intention to settle the items as a net amount or simultaneously realise the asset and settle the liability.

Financial liabilities carried at fair value through the income statement

Derivatives with negative fair value that do not meet the criteria for hedge accounting are carried at fair value through the income statement. For information about which derivatives are reported by the Bravida Group, see the section "Financial assets carried at fair value through the income statement".

Financial liabilities carried at amortised cost

Loans and other financial liabilities, e.g. trade payables, are included in this category. Financial liabilities are initially stated at fair value, net of transaction costs. Subsequently financial liabilities are carried at amortised cost and any difference between the amount received (net of transaction costs) and the amount repayable is recognised in the income statement over the term of the loan by applying the effective interest method. Compensation for any difference in interest upon early redemption of a loan is recognised in the income statement at the date of redemption. Dividends paid are recognised as a liability upon approval of the dividend by the Annual General Meeting.

Borrowing and other financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer payment of the liability for at least 12 months after the balance sheet date.

Financial income and expenses

Financial income and expenses comprise interest income on bank deposits, receivables and interest-bearing securities, interest expenses on loans, dividend income, unrealised and realised gains and losses on financial assets and liabilities.

INCOME TAX

Reported income taxes include tax that is payable or receivable in respect of the current year, adjustments relating to current tax for previous years and changes in deferred tax. All tax liabilities and assets are valued at their nominal amounts and based on the tax rules and tax rates that have been adopted or that have been announced and are highly likely to be confirmed. Income taxes are recognised in the profit and loss for the year except where the underlying transaction is recognised in other comprehensive income or in equity, in which case the associated tax effects are recognised in other comprehensive income or in equity. Deferred tax is calculated in accordance with the balance sheet method for all temporary differences between the carrying amounts and tax bases of assets and liabilities. Deferred tax assets relating to unused tax loss carry-forwards or other future tax deductions are recognised to the extent that it is probable that such deductions can be used to offset future taxable profits.

EMPLOYEE BENEFITS

Post-employment benefits

In Sweden most employees are covered by a defined contribution plan, but a significant number are covered by a defined benefit plan. In Norway virtually all employees are covered by a defined contribution pension plan. In Denmark and Finland all employees are covered by defined contribution plans.

In a defined contribution plan the company makes fixed contributions to a separate legal entity and has no obligation to make any further contributions. Costs are charged to the consolidated income statement when the benefits are earned.

Defined benefit plans are plans for post-employment benefits other than defined contribution plans. The Group's net liability relating to defined benefit plans is calculated separately for each plan by estimating the future compensation earned by the employees through their employment in the current and previous periods. The Group bears the risk for ensuring that the plan provides the promised compensation.

The defined benefit pension plans are both funded and unfunded. In a funded plan the assets have been segregated, mainly in pension funds. These plan assets can only be used to make payments in accordance with the terms of the pension agreements.

The estimated present value of the obligations less fair value of the plan assets is recognised in the balance sheet as a provision or a non-current financial asset, as appropriate.

The pension cost and the pension obligation for defined benefit pension plans is calculated annually by independent actuaries. The discount rate is the interest rate on the balance sheet date of a high-quality corporate bond, including mortgage bonds, with a term corresponding to the pension obligations of the Group. If there is no functioning market for such corporate bonds, the market interest rate on government bonds with a corresponding term is used instead. The calculation is made by a qualified actuary using the Projected Unit Credit Method. The fair value of any investment assets on the reporting date is also calculated.

Net interest expense/income on the defined benefit obligation/asset is recognised under net financial expense in profit and loss for the year. Net interest income is based on the interest arising from the discounting of the net obligation, i.e. interest on the obligation, plan assets and interest on the effect of any asset restrictions. Other components are recognised in operating profit.

Revaluation effects comprise actuarial gains and losses, the difference between the actual return on plan assets and the sum included in the net interest income and any changes to the effects of asset restrictions (excluding interest included in net interest income). The revaluation effects are recognised in other comprehensive income. If the calculation results in an asset for the Group, the carrying amount of the asset is limited to the lower of the plan surplus and the asset restriction calculated using the discount rate. The asset restriction consists of the present value of the future economic benefits in the form of reduced

future contributions or cash repayments. Any requirements for minimum funding are taken into account in the calculation of the present value of future repayments or contributions.

Changes to or reductions in a defined benefit plan are recognised at the earlier of the following times: a) when the change to the plan or the reduction takes place, or b) when the company recognises related restructuring costs and termination benefits. Changes/reductions are recognised directly in profit and loss for the year.

Special payroll tax forms part of the actuarial assumptions and is therefore recognised as part of the net obligation/asset. For reasons of simplicity, the element of special payroll tax that is calculated on the basis of the Swedish Act on Safeguarding Pension Obligations at legal entities is recognised as accrued cost instead of as part of the net obligation/asset.

Yield tax is recognised on an ongoing basis in the profit and loss for the period to which the tax relates and therefore is not included in the calculation of the liability. For funded plans, the tax is payable on the return on plan assets and is recognised in other comprehensive income. For unfunded or partially unfunded plans, the tax is charged to the profit and loss for the year.

Termination benefits

A cost for payments in connection with termination of staff employment is recognised when the company is no longer able to withdraw the offer to the employees or when the company recognises costs for restructuring, whichever is the earlier. Remuneration that is expected to be settled after twelve months is recognised at its present value. Remuneration that is not expected to be fully settled within twelve months is recognised as long-term remuneration.

PROVISIONS

A provision is recognised on the balance sheet when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Warranty provision

A provision is recognised when the underlying product or service has been sold. Upon completion of the installation work a warranty period of 24 months normally applies. The warranty provision is calculated on the basis of previous years' warranty expenditure and an assessment of future warranty risks.

Restructuring reserve

A provision is recognised when a detailed restructuring plan has been adopted and the restructuring has been initiated or publicly announced. No provision is made for future operating expenses.

Contingent liabilities

A contingent liability is recognised when there is a possible obligation arising from past events and whose existence will be confirmed only by one or more uncertain future events, or when there is an obligation which is not recognised as a liability or provision because it is unlikely that an outflow of resources will be required.

PARENT COMPANY ACCOUNTING POLICIES

The parent company prepares its annual accounts in accordance with the Swedish Annual Accounts Act and Recommendation RFR 2 Accounting for Legal Entities of the Swedish Financial Reporting Board. RFR 2 states that the parent company's annual accounts for the legal entity should be prepared by applying all EU-adopted IFRS statements insofar as this is possible under the Swedish Annual Accounts Act and with regard to the relationship between accounting and taxation. The parent company prepares a statement of comprehensive income.

Differences between the Group and parent company accounting policies

Differences between the Group and parent company accounting policies are described below. The stated accounting policies have been applied consistently for all periods presented in the parent company's financial statements.

Subsidiaries

Interests in subsidiaries are accounted for in the parent company using the cost method. This means that transaction costs are included in the reported value of interests in subsidiaries. In the consolidated financial statements, transaction costs attributable to subsidiaries are recognised directly in the consolidated income statement when they are incurred.

Contingent considerations are valued based on the probability that the consideration will be paid. Any changes to the provision or receivable are added to or reduce the cost. In the consolidated financial statements, contingent considerations are stated at fair value while changes in value are passed through the income statement.

Bargain purchases which relate to future expected losses and expenses are eliminated in the periods when the expected losses and expenses are incurred. Bargain purchases which arise for other reasons are accounted for as a provision to the extent that they do not exceed the fair value of the acquired identifiable non-monetary assets. Any portion exceeding this value is recognised as income immediately. The portion which does not exceed the fair value of the acquired identifiable non-monetary assets is recognised as income systematically over a period which is calculated based on the remaining weighted average useful life of those acquired identifiable assets that are depreciable. In the consolidated financial statements, bargain purchases are recognised directly in the income statement.

Group contributions and shareholder contributions

In the parent company, shareholder contributions are recognised in shares and interests, insofar as no write-down is required, and directly in equity in the receiving entity. Group contributions received/paid are recognised as appropriations.

Leased assets

In the parent company, all leases are accounted for in accordance with the rules for operating leases.

Presentation of the income statement and balance sheet

The parent company applies the form of presentation for income statements and balance sheets prescribed in the Swedish Annual Accounts Act, which means, among other things, a separate form of presentation for equity and that provisions are reported under a separate main heading on the balance sheet.

INFORMATION ABOUT THE GROUP

The company is a wholly owned subsidiary of Bravissima Holding AB (reg. no. 556930-5625) with its registered office in Stockholm. The highest company in the Group that prepares consolidated financial statements is Bravissima Sweden AB, (reg. no. 556896-0578) with its registered office in Stockholm. The consolidated financial statements are available from Bravida AB.

Of the parent company's total purchases and sales in Swedish kronor, 100 per cent (-) of purchases and 0 per cent (0) of sales refer to other companies in the corporate group to which the company belongs.

NOTE 2. DISTRIBUTION OF REVENUES

Group	1 JAN 2014 -31 DEC 2014	1 JAN 2013 -31 DEC 2013
Invoicing	12,186,005	11,148,951
Change in work in progress on behalf of third parties	-185,816	-68,540
Net sales	12,000,189	11,080,411

Revenue by significant revenue type

Group	1 JAN 2014 -31 DEC 2014	1 JAN 2013 -31 DEC 2013
Installation contracts	6,339,084	5,709,226
Service	5,661,105	5,371,185
Net sales	12,000,189	11,080,411

NOTE 3. SEGMENT REPORTING

The Group's operations are monitored and reviewed on a geographic market basis by the chief operating decision-maker. Operationally, Bravida is organised into divisions which correspond to these geographic markets. Internal prices charged between the various segments of the Group are set based on the arm's length principle, i.e. between parties that are independent of one another, are well informed and have an interest in ensuring that the transactions are completed. None of the companies' customers generate more than 5 per cent of total consolidated income. For information on non-current assets by segment, see Note 10 concerning goodwill.

GEOGRAPHIC MARKETS

Geographic markets constitute the company's operating segments. The Group's geographic markets comprise the divisions North, Stockholm and South in Sweden, and Norway and Denmark. In each geographic market, activities are conducted in the areas of electrical, heating & plumbing, HVAC and other.

2014	North	Stockholm	South	Norway	Denmark	Central	Elimination and other	Total
REVENUE								
External net sales	2,127,912	1,902,139	3,361,632	2,818,090	1,792,185	-1,769		12,000,189
Internal net sales	12,650	88,377	15,339	24	244	241,008	-357,642	–
Net sales¹⁾	2,140,562	1,990,516	3,376,971	2,818,114	1,792,429	239,239	-357,642	12,000,189
Operating expenses	-1,980,574	-1,885,232	-3,176,828	-2,668,064	-1,697,678	-243,679	357,642	-11,294,413
Amortisation of intangible assets	–	–	–	–	-1,199	–	–	-1,199
Operating profit/loss	159,988	105,284	200,143	150,050	93,552	-4,440	–	704,577

¹⁾ External net sales in Sweden were SEK 7,286,100,000.

2013	North	Stockholm	South	Norway	Denmark	Central	Elimination and other	Total
REVENUE								
External net sales	2,089,332	2,071,981	3,184,001	2,375,053	1,348,798	11,247		11,080,412
Internal net sales	15,198	71,578	13,695	192	4,679	221,489	-326,831	–
Net sales¹⁾	2,104,530	2,143,559	3,197,696	2,375,245	1,353,477	232,736	-326,831	11,080,412
Operating expenses	-1,947,357	-2,040,211	-3,013,627	-2,307,255	-1,282,369	-215,570	326,831	-10,479,558
Amortisation of intangible assets	–	–	–	–	-1,069	–	–	-1,069
Operating profit/loss	157,173	103,348	184,069	67,990	70,039	17,166	–	599,785

¹⁾ External net sales in Sweden were SEK 7,310,445,000.

FIELDS OF TECHNOLOGY

The Group consists of the fields of technology electrical installations, heating & plumbing, HVAC and other.

2014	Electrical	Heating & plumbing	HVAC	Other	Total
External sales	6,486,186	3,122,685	1,892,029	499,289	12,000,189
2013	Electrical	Heating & plumbing	HVAC	Other	Total
External sales	5,803,178	2,970,324	1,862,361	444,549	11,080,412

NOTE 4. ACQUISITION OF OPERATIONS**2014**

Bravida made the following acquisitions in 2014:

Acquired unit	Division	Type	Acquisition date	No. of employees	Estimated annual sales
Product company	Stockholm	Assets and liabilities	February	–	5
Heating & plumbing business, Tromsø	Norway	Assets and liabilities	March	21	28
Electrical business	South	Assets and liabilities	April	1	1
Electrical business, remaining minority 9%	Norway	Company	April		
Electrical business, Hörby	South	Assets and liabilities	May	11	4
Electrical business, Norway	Norway	Company	June	300	340
Linen service, Stockholm	Stockholm	Company	June	10	5
HVAC business, Denmark	Denmark	Assets and liabilities	June	8	13
HVAC business, Eskilstuna	North	Assets and liabilities	October	12	35
Alarm company, Borås	South	Assets and liabilities	October	6	6
HVAC business, Dalarna	North	Company	October	11	35
HVAC business, Dalarna	North	Company	October	31	65
Electrical business, Landskrona	South	Company	December	36	45
Automation, Landskrona	South	Company	December	9	12
Heating & plumbing business, Stavanger	Norway	Company	December	32	54
Electrical business, Stavanger	Norway	Company	December	65	125
Heating & plumbing business, Stockholm	Stockholm	Company	December	25	43
HVAC business, Östersund	North	Company	December	85	115
Heating & plumbing business, Östersund	North	Company	December	39	50
Energy technical operation business	Stockholm	Company	December	40	65

If the acquisition had taken place at 1 January, consolidated net sales would have increased by around 6 per cent.

Effects of acquisitions in 2014

The acquisition has the following effects on consolidated assets and liabilities.

	Fair value recognised in Group
Intangible assets	–
Other non-current assets	9,498
Other current assets	241,121
Cash and cash equivalents	32,324
Non-current liabilities	-40,581
Current liabilities	-230,126
Net identifiable assets and liabilities	12,236
Consolidated goodwill	197,506
Cost	209,742
Consideration recognised as a liability	57,285
Cash and cash equivalents (acquired)	32,324
Net effect on cash and cash equivalents	-120,133
Calculation of cost	
Cash consideration paid	152,457
Consideration recognised as a liability	57,285
Cost	209,742

2013

Bravida made the following acquisitions in 2013:

Acquired unit	Division	Type	Acquisition date	No. of employees	Estimated annual sales
Heating & plumbing business, Bergen	Norway	Assets and liabilities	January	13	24

If the acquisitions had taken place at 1 January, this would not have changed the consolidated net sales.

Effects of acquisitions in 2013

The acquisition has the following effects on consolidated assets and liabilities.

	Fair value recognised in Group	1 Jan 2014 – 31 Dec 2014		1 Jan 2013 – 31 Dec 2013	
		Salaries, other compensation and social security contributions	Social security contributions	Salaries and compensation	Social security contributions
Other non-current assets	–				
Other current assets	543				
Cash and cash equivalents	–				
Current liabilities	-900				
Net identifiable assets and liabilities	-357				
Consolidated goodwill	3,481				
Cost	3,124				
Consideration recognised as a liability	1,044				
Cash and cash equivalents (acquired)	–				
Net effect on cash and cash equivalents	-2,080				
Calculation of cost					
Cash consideration paid	2,080				
Consideration recognised as a liability	1,044				
Cost	3,124				

	1 Jan 2014 – 31 Dec 2014		1 Jan 2013 – 31 Dec 2013	
	Board, CEO and other senior executives ¹	Other employees	Board, CEO and other senior executives ¹	Other employees
Salaries and other compensation by country and broken down between Directors etc. and other employees				
PARENT COMPANY				
Sweden	5,792	16,577	–	589
(of which bonuses, etc.)	(1,577)	(–)	(–)	(–)
SUBSIDIARIES				
Sweden	23,312	2,372,764	26,156	2,396,274
(of which bonuses, etc.)	(10,898)	(62,692)	(6,955)	(53,545)
Norway	6,377	1,268,526	2,352	1,094,363
(of which bonuses, etc.)	(1,438)	(26,656)	(–)	(16,233)
Denmark	5,518	749,931	3,204	637,112
(of which bonuses, etc.)	(2,505)	(8,669)	(619)	(6,204)
Slovakia	–	2,949	–	2,284
(of which bonuses, etc.)	(–)	(–)	(–)	(–)
Subsidiaries, total	35,207	4,394,170	31,712	4,130,033
(of which bonuses, etc.)	(14,841)	(98,017)	(7,574)	(75,982)
Total, Group	40,999	4,410,747	31,712	4,130,622
(of which bonuses, etc.)	(16,418)	(98,017)	(7,574)	(75,982)

NOTE 5. EMPLOYEES, STAFF COSTS AND COMPENSATION TO SENIOR EXECUTIVES

Average number of employees	1 JAN 2014 -31 DEC 2014	of which women	1 JAN 2013 -31 DEC 2013	of which women
PARENT COMPANY				
Sweden	8	25.0%	0	0.0%
Total at parent company	8	25.0%	0	0.0%
SUBSIDIARIES				
Sweden	4,776	6.0%	4,900	3.9%
Norway	2,003	5.6%	1,894	7.5%
Denmark	1,394	9.0%	1,166	5.8%
Slovakia	7	0.0%	7	0.0%
Total at subsidiaries	8,180	6.4%	7,967	4.9%
Total, Group	8,188	6.4%	7,967	4.7%

Breakdown of men and women in management	31 Dec 2014	31 Dec 2013
	Female representation	
PARENT COMPANY		
The Board of Directors	0.0%	0.0%
Other senior executives	0.0%	0.0%
TOTAL, GROUP		
The Board of Directors	0.0%	0.0%
Other senior executives	0.0%	0.0%

¹⁾ During these years, the Group's other senior executives consisted of 9 persons (8).

Senior executives' benefits

The compensation paid to senior executives refers mostly to fixed salaries and variable remuneration. The CEO's contract is subject to six months' notice. In case of termination, the CEO has a right to severance pay in the amount of 12 months' salary in addition to the notice period. The contracts of other senior executives are subject to six months' notice. The CEO and other senior executives have a contractual right to an occupational pension.

Remuneration and other benefits during 2014	Basic salary/Board fees	Variable remuneration	Other benefits	Pension expenses	Total
Director Jay Corrigan	–	–	–	–	–
Director Jan Johansson	250	–	–	–	250
Director Michel Plantevin	–	–	–	–	–
Director Jeffery Scherer	–	–	–	–	–
Director Ivano Sessa	–	–	–	–	–
Director Michael Siefke	–	–	–	–	–
Director Marc Valentiny	–	–	–	–	–
CEO Staffan Pahlsson	3,379	3,276	–	1,267	7,922
Former CEO, Mats O Paulsson ¹⁾	850	899	–	–	1,749
Other senior executives ¹⁾	19,046	12,244	1,055	3,827	36,172
	23,525	16,419	1,055	5,094	46,093

¹⁾ During the year, the Group's other senior executives consisted of 9 persons.

Remuneration and other benefits during 2013	Basic salary/Board fees	Variable remuneration	Other benefits	Pension expenses	Total
Director Jay Corrigan	–	–	–	–	–
Director Jan Johansson	–	–	–	–	–
Director Michel Plantevin	–	–	–	–	–
Director Ivano Sessa	–	–	–	–	–
Director Michael Siefke	–	–	–	–	–
Director Marc Valentiny	–	–	–	–	–
CEO Staffan Pahlsson	4,132	2,283	–	1,142	7,557
Former CEO, Mats O Paulsson	3,865	–	–	833	4,698
Other senior executives ¹⁾	15,406	5,291	735	3,301	24,732
	23,403	7,573	735	5,276	36,988

¹⁾ During the year, the Group's other senior executives consisted of 8 persons.

NOTE 6. AUDITORS' FEES AND EXPENSES

	Group		Parent company	
	1 JAN 2014 -31 DEC 2014	1 JAN 2013 -31 DEC 2013	1 JAN 2014 -31 DEC 2014	1 JAN 2013 -31 DEC 2013
<i>KPMG</i>				
Audit engagement	4,098	3,313	852	625
Audit assignments in addition to audit engagement	108	1,249	–	1,160
Tax advice	48	64	–	–
Other assignments	584	2,892	27	820
<i>Other</i>				
Other assignments, Ernst & Young	–	1,245	–	282
Other assignments, other	667	131	–	–
	5,505	8,894	879	2,887

NOTE 7. OPERATING EXPENSES BY FUNCTION OF EXPENSE

	Group		Parent company	
	1 JAN 2014 -31 DEC 2014	1 JAN 2013 -31 DEC 2013	1 JAN 2014 -31 DEC 2014	1 JAN 2013 -31 DEC 2013
Costs of materials	3,383,103	3,172,736	–	–
Subcontractors and purchased services in production	1,361,544	1,206,190	–	–
Staff costs	5,277,988	4,969,346	27,806	747
Depreciation and amortisation	14,993	12,615	–	–
Vehicle expenses	343,463	319,068	134	–
Premises expenses	189,933	194,558	240	71
Consulting fees	79,850	77,013	8,927	2,707
IT expenses and telephony	85,751	90,740	128	–
Travel expenses	49,067	38,579	3,572	13
Other operating expenses	509,920	399,781	10,715	1,037
	11,295,612	10,480,626	51,522	4,575

NOTE 8. NET FINANCIAL INCOME/EXPENSES

	Group		Parent company	
	1 JAN 2014 -31 DEC 2014	1 JAN 2013 -31 DEC 2013	1 JAN 2014 -31 DEC 2014	1 JAN 2013 -31 DEC 2013
FINANCIAL INCOME				
Interest income, Group companies	–	–	82,952	114,379
Interest income, other	112,709	56,073	112,462	54,758
Foreign exchange gains	60,085	7,644	59,716	–
Interest on arrears	3,210	3,045	–	–
Reassessment of derivatives	14,534	77,269	–	–
Other	4,151	559	–	–
	194,689	144,590	255,130	169,137
FINANCIAL EXPENSES				
Interest expense, Group companies	–	–	-8,319	–
Interest expense, other	-368,491	-307,586	-365,549	-225,177
Foreign exchange losses	-84,979	-108,376	-162,180	-82,276
Interest on arrears	-690	-1,643	-3	–
Other	-5,035	-105,432	-3,478	-94,768
	-459,195	-523,037	-539,529	-402,221
Net financial income/expenses	-264,506	-378,447	-284,399	-233,084

NOTE 9. TAX

	Group		Parent company	
	1 JAN 2014 -31 DEC 2014	1 JAN 2013 -31 DEC 2013	1 JAN 2014 -31 DEC 2014	1 JAN 2013 -31 DEC 2013
CURRENT TAX EXPENSE (-)/TAX INCOME (+)				
Tax expense for the period	-24,284	-11,865	–	–
Adjustment of tax in respect of prior years	-913	-2	–	–
	-25,197	-11,867	–	–
DEFERRED TAX EXPENSE (-)/TAX INCOME (+)				
Deferred tax arising from temporary differences	-72,607	-32,970	–	–
Deferred tax relating to changes in tax rates	2,017	-2,277	–	–
Deferred tax income in tax loss carry-forwards recognised during the year	17,232	69,208	8,079	51,923
Deferred tax liability resulting from utilisation of previously recognised taxable value in tax loss carry-forwards	-78,150	-69,177	-61,823	–
Deferred tax relating to untaxed reserves	36,245	-405	–	–
	-95,263	-35,621	-53,744	51,923
Total recognised tax expense/tax income	-120,460	-47,488	-53,744	51,923
RECONCILIATION OF EFFECTIVE TAX				
Earnings before tax	440,071	221,338	244,194	-236,016
Tax at tax rate applying to parent company	-96,816	-48,694	-53,723	51,923
Effect of different tax rates for foreign subsidiaries	-11,384	-4,046	–	–
Impairment of consolidated goodwill	–	–	–	–
Group adjustment of foreign exchange differences internal loans	-5,641	9,774	–	–
Other non-deductible expenses	-9,315	-8,876	-22	–
Deductible items not affecting earnings	1,055	1,385	–	–
Non-taxable income	949	5,572	1	–
Increase in tax loss carry-forwards without corresponding recognition of deferred tax	-673	–	–	–
Recognition of tax loss carry-forwards in respect of prior years	814	–	–	–
Use of tax loss carry-forwards not previously recognised	–	66	–	–
Tax in respect of prior years	-913	4	–	–
Standard interest on tax allocation reserve	-552	-396	–	–
Non-taxable income, dividend	1	–	–	–
Effect of changed tax rates	2,015	-2,277	–	–
Recognised effective tax	-120,460	-47,488	-53,744	51,923

Reported deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable as follows:

Group	31 Dec 2014		31 Dec 2013	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Intangible assets	–	-142	–	-297
Property, plant and equipment	3,812	–	5,144	–
Inventories	873	–	741	–
Trade receivables	7,285	–	6,124	–
Pension provisions	20,435	–	–	-22,239
Provisions for projects	–	-132,794	–	-81,197
Warranty provisions	21,841	–	13,518	–
Other provisions	2,103	–	1,738	–
Tax allocation reserves	–	-4,374	–	-38,876
Other	23,634	–	39,951	–
Tax loss carry-forwards	101,232	–	145,089	–
	181,215	-137,310	212,305	-142,609
Net asset	43,905		69,696	

Sweden has a corporate tax rate of 22.0 per cent (22.0). Norway has a corporate tax rate of 27.0 per cent (28.0). Denmark has a corporate tax rate of 24.5 per cent (25.0).

	Group		Parent company	
	31 DEC 2014	31 DEC 2013	31 DEC 2014	31 DEC 2013
SPECIFICATION BY COUNTRY				
Sweden	38,503	13,740	8,079	61,823
Norway	54,995	90,789	–	–
Denmark	-49,593	-34,833	–	–
	43,905	69,696	8,079	61,823

Unrecognised deferred tax assets

Deductible temporary differences and tax loss carry-forwards for which deferred tax assets have not been recognised in the income statements and balance sheets:

	Group		Parent company	
	31 DEC 2014	31 DEC 2013	31 DEC 2014	31 DEC 2013
SPECIFICATION BY COUNTRY				
Finland	706	–	–	–
	706	–	–	–

Change in deferred tax in temporary differences and tax loss carry-forwards

Group 2014	Amount at 1 Jan 2014	Recognised in profit/loss for the year	Recognised in other comprehensive income	Translation difference	Acquisition/sale of company	Amount at 31 Dec 2014
Tax loss carry-forwards	145,089	-60,918	–	-501	17,562	101,232
Untaxed reserves	-38,876	35,622	–	–	-1,120	-4,374
Property, plant and equipment	5,144	-1,373	–	89	-48	3,812
Trade receivables	6,124	-12	–	82	1,091	7,285
Provisions for projects	-81,197	-42,041	–	-2,370	-7,186	-132,794
Warranty provisions	13,518	6,770	–	-21	1,574	21,841
Pensions	-22,239	6,111	36,575	121	-133	20,435
Derivatives	-1,013	-25,819	22,090	–	–	-4,742
Other	43,146	-13,603	–	-256	1,923	31,210
Total	69,696	-95,263	58,665	-2,856	13,663	43,905

Group 2013	Amount at 1 Jan 2013	Recognised in profit/loss for the year	Recognised in other comprehensive income	Translation difference	Acquisition/sale of company	Amount at 31 Dec 2013
Tax loss carry-forwards	155,908	31	–	-10,850	–	145,089
Untaxed reserves	-39,185	309	–	–	–	-38,876
Property, plant and equipment	5,106	352	–	-314	–	5,144
Trade receivables	8,704	-2,071	–	-509	–	6,124
Provisions for projects	-70,534	-13,115	–	2,452	–	-81,197
Warranty provisions	13,422	509	–	-413	–	13,518
Pensions	27,449	8,902	-62,482	3,892	–	-22,239
Derivatives	0	-16,445	15,432	–	–	-1,013
Other	56,568	-14,093	–	671	–	43,146
Total	157,438	-35,621	-47,050	-5,071	–	69,696

NOTE 10. INTANGIBLE ASSETS

Group 31 Dec 2014	Goodwill	Other intangible	Total
ACCUMULATED COST			
At beginning of year	6,740,447	7,694	6,748,141
Purchases	197,506	–	197,506
Adjustments to acquisition analyses	-6,537	–	-6,537
Foreign exchange differences for the year	16,239	377	16,616
At end of year	6,947,655	8,071	6,955,726
ACCUMULATED SCHEDULED AMORTISATION			
At beginning of year	–	-3,825	-3,825
Scheduled amortisation for the year	–	-1,199	-1,199
Foreign exchange differences for the year	–	-177	-177
At end of year	–	-5,201	-5,201
ACCUMULATED IMPAIRMENT			
At beginning of year	-7,644	–	-7,644
Foreign exchange differences for the year	-1	–	-1
At end of year	-7,645	–	-7,645
Carrying amount at beginning of period	6,732,803	3,869	6,736,672
Carrying amount at end of period	6,940,010	2,870	6,942,880
Group 31 Dec 2013			
ACCUMULATED COST			
At beginning of year	6,752,125	7,204	6,759,329
Purchases	9,594	285	9,879
Foreign exchange differences for the year	-21,272	205	-21,067
At end of year	6,740,447	7,694	6,748,141
ACCUMULATED SCHEDULED AMORTISATION			
At beginning of year	–	-2,694	-2,694
Scheduled amortisation for the year	–	-1,069	-1,069
Foreign exchange differences for the year	–	-62	-62
At end of year	–	-3,825	-3,825
ACCUMULATED IMPAIRMENT			
At beginning of year	-7,644	–	-7,644
At end of year	-7,644	–	-7,644
Carrying amount at beginning of period	6,744,481	4,510	6,748,991
Carrying amount at end of period	6,732,803	3,869	6,736,672

Impairment tests for cash-generating units containing goodwill

The following cash-generating units have significant recognised goodwill values in relation to total goodwill values recognised in the consolidated financial statements:

Group	31 DEC 2014	31 DEC 2013
Sweden	4,618,371	4,504,844
Norway	1,497,075	1,424,083
Denmark	824,564	803,876
	6,940,010	6,732,803
Units without significant goodwill values	0	0
	6,940,010	6,732,803

Impairment of goodwill

For those cash-generating units where the recoverable amount has been calculated and no impairment has been identified, management deems that no reasonably possible changes in key assumptions would cause the recoverable amount to fall below the carrying amount.

Method for calculating the recoverable amount

For all goodwill values, the recoverable amount has been determined by calculating value in use for the cash-generating unit. The model of calculation is based on the discounting of future expected cash flows in relation to carrying amounts for the unit. Future cash flows are based on five-year forecasts produced by the management for each cash-generating unit. Impairment tests of goodwill are based on the assumption of a perpetual horizon and the extrapolation of cash flows for the years after the forecasting period has been based on a growth rate of 2–3 per cent from year 6.

Key variables for calculating value in use:

The following variables are material and common for all cash-generating units in calculating value in use.

Sales: The competitiveness of the business, expected trends in the construction sector, general socio-economic trends, central and local government investment plans, interest rates, and local market conditions.

Operating margin: Historical profitability levels and efficiency in the business, access to key individuals and qualified labour, skills in dealing with customers/customer relationships, access to internal resources, trends in expenses for salaries, materials and subcontractors.

Working capital requirements: An assessment in each individual case of whether the working capital reflects the operational requirements or needs to be adjusted for the forecasting periods. For the trend going forward, a reasonable or cautious assumption is that working capital will track sales growth.

Investment needs: Investment needs in the businesses are assessed based on the investments required to achieve the forecast cash flows from the baseline, i.e. without investments for expansion. Normally, the level of investment has corresponded to the rate of depreciation of property, plant and equipment.

Tax burden: The tax rate in the forecasts is based on Bravida's expected tax situation in each country in respect of tax rates, tax loss carry-forwards, etc.

Discount rate: Forecast cash flows and residual values are discounted to present value using the weighted average cost of capital (WACC). The interest rate paid on borrowed capital is defined as the average interest rate on consolidated net debt. The required rate of return on equity is defined using the capital asset pricing model (CAPM). Calculations of value in use are based on a weighted discount rate before tax of 7.75 per cent.

NOTE 11. PROPERTY, PLANT AND EQUIPMENT

Group 31 Dec 2014	Buildings and land	Machinery and equipment	Total
ACCUMULATED COST			
At beginning of year	2,997	154,674	157,671
Purchases	–	19,522	19,522
Acquisition of subsidiaries	–	15,428	15,428
Sales and disposals	–	-5,237	-5,237
Foreign exchange differences for the year	–	3,783	3,783
	2,997	188,170	191,167
ACCUMULATED SCHEDULED DEPRECIATION			
At beginning of year	-913	-119,221	-120,134
Acquisition of subsidiaries	–	-10,337	-10,337
Sales and disposals	–	4,798	4,798
Scheduled depreciation of cost for the year	-95	-14,030	-14,125
Foreign exchange differences for the year	–	-2,482	-2,482
	-1,008	-141,272	-142,280
Carrying amount at end of period	1,989	46,898	48,887

Group 31 Dec 2013	Buildings and land	Machinery and equipment	Total
ACCUMULATED COST			
At beginning of year	2,946	148,319	151,265
Purchases	51	12,942	12,993
Sales and disposals	–	-3,962	-3,962
Reclassifications	–	169	169
Foreign exchange differences for the year	–	-2,794	-2,794
	2,997	154,674	157,671
ACCUMULATED SCHEDULED DEPRECIATION			
At beginning of year	-820	-114,150	-114,970
Sales and disposals	–	3,739	3,739
Reclassifications	–	-118	-118
Scheduled depreciation of cost for the year	-93	-11,519	-11,612
Foreign exchange differences for the year	–	2,827	2,827
	-913	-119,221	-120,134
Carrying amount at end of period	2,084	35,453	37,537

NOTE 12. INTERESTS IN ASSOCIATES

Group	31 DEC 2014	31 DEC 2013
ACCUMULATED COST		
At beginning of year	6,358	3,773
Added during the year	350	1,450
Sales	–	188
Share in profit of associates	1,479	4,310
Withdrawals for the year	-2,976	-3,125
Adjustments for previous years	23	-211
Foreign exchange differences for the year	-1	-27
Carrying amount at end of period	5,233	6,358

Specification of interests in associates

31 Dec 2014

Associate, reg.no., regd office	Profit/loss for the year	Owned share, %	Consolidated value of capital share	Carrying amount
Kraftkompaniet Sverige HB, 969740-4755, Stockholm	2,039	50%	4,382	4,475
Svensk Berg Energi HB, 969753-2852, Stockholm	-560	50%	654	596
Forenede & Mosness Installasjon AS, 991 008 195, Oslo, Norway	-19	50%	162	162
			5,198	5,233

31 Dec 2013

Associate, reg.no., regd office	Profit/loss for the year	Owned share, %	Consolidated value of capital share	Carrying amount
Kraftkompaniet Sverige HB, 969740-4755, Stockholm	5,412	50%	4,583	5,412
Svensk Berg Energi HB, 969753-2852, Stockholm	-1,112	50%	783	783
Forenede & Mosness Installasjon AS, 991 008 195, Oslo, Norway	102	50%	181	163
			5,547	6,358

NOTE 13. PENSION ASSETS AND PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS**Defined benefit pension plans**

Number of people covered by the IAS 19 calculation

31 Dec 2014	Parent company	Other Sweden	Norway	Denmark	Total
Active	–	905	52	–	957
Former employees, not retired	–	2,448	–	–	2,448
Retired	–	2,932	59	–	2,991
Total	–	6,285	111	–	6,396

31 Dec 2013	Parent company	Other Sweden	Norway	Denmark	Total
Active	–	969	25	–	994
Former employees, not retired	–	2,551	–	–	2,551
Retired	–	2,817	34	–	2,851
Total	–	6,337	59	–	6,396

Defined benefit obligations and the value of plan assets

Group	31 DEC 2014	31 DEC 2013
Present value of fully or partly funded obligations	-1,422,435	-1,186,217
Fair value of plan assets	1,338,838	1,255,506
Total fully or partly funded obligations	-83,597	69,289
Present value of unfunded defined benefit obligations	-16,524	-15,406
Net obligations before adjustments	-100,121	53,883
Adjustments:		
Payroll tax/employer's contribution	-21,341	16,012
Total	-121,462	69,895
The net amount is recognised in the following items on the balance sheet:		
Pension assets	8,783	85,220
Provisions for pensions and similar obligations	-130,244	-15,325
Total	-121,461	69,895
The net amount is distributed among plans in the following countries:		
Sweden	-129,328	60,908
Norway	7,867	8,987
Total	-121,461	69,895

Changes in the present value of the obligation for defined benefit plans

Group	31 DEC 2014	31 DEC 2013
Obligation for defined benefit plans at 1 Jan	1,201,621	1,338,951
Cost of vested benefits during period	24,760	31,613
Interest expense	44,331	40,067
Pension payments	-52,818	-51,766
Effect of acquisitions	12,527	-
Actuarial (gain) / loss resulting from financial assumptions	208,855	-151,484
Actuarial (gain) / loss resulting from demographic assumptions	-	-
Foreign exchange differences	-319	-5,760
Obligation for defined benefit plans at 31 Dec	1,438,957	1,201,621

Changes in fair value of plan assets

Group	31 DEC 2014	31 DEC 2013
Fair value of plan assets at 1 Jan	1,255,507	1,194,569
Interest income recognised in the income statement	46,737	35,498
Withdrawn	-51,757	-50,708
Insurance premium (-) paid from plan assets	-40	-82
Paid in	990	2,169
Return on plan assets excluding interest income	74,780	80,651
Foreign exchange differences	12,622	-6,590
Fair value of plan assets at 31 Dec	1,338,839	1,255,507

Cost recognised in the income statement

Group	31 DEC 2014	31 DEC 2013
Costs relating to service during current period	-24,760	-31,594
Insurance premium (-) paid from plan assets	-40	-82
Interest expense on obligation	2,407	-4,569
Payroll tax	-5,450	-8,590
Net expense in profit/loss for the year	-27,843	-44,835

The cost for benefit-based pensions is recognised as an administrative expense in the income statement.

Group	31 Dec 2014		31 Dec 2013	
	Pension assets	Pension obligations	Pension assets	Pension obligations
Defined benefit pension plans	8,783	-114,358	85,220	-898
PRI	–	-15,886	–	-14,427
Other	532	–	–	–
	9,315	-130,244	85,220	-15,325

Sensitivity analysis, pensions

The table below shows the effect of possible changes to the Swedish KTP plan.

	Current liability	+ 0.5%	- 0.5%
Change in discount rate	1,371,181	1,266,411	1,490,345
	Current assets	+ 1%	- 1%
Change in return	1,279,888	1,292,686	1,267,089

Actuarial assumptions

The following significant actuarial assumptions have been applied in calculating the obligations: (weighted average values)

	Sweden		Norway	
	31 DEC 2014	31 DEC 2013	31 DEC 2014	31 DEC 2013
Discount rate	2.50%	3.75%	3.30%	2.60%
Expected return on plan assets for coming year	3.00%	3.00%	4.40%	4.10%
Assumed long-term salary increases	3.00%	3.00%	3.75%	3.50%
Long-term increase in income base amount	3.00%	3.00%	–	–
Assumed long-term inflation	2.00%	2.00%	–	–
Expected increase in base amount	–	–	3.50%	3.25%
Future increase in pensions	–	–	0.60%	0.10%

The actuarial assumptions are based on commonly used assumptions relating to demographic factors and termination of employment. As of the actuarial calculations for 2007, new mortality assumptions (longer life expectancy) have been taken into account.

Historical information

Group	31 DEC 2014	31 DEC 2013	31 DEC 2012
Present value of defined benefit obligation	-1,438,957	-1,201,621	-1,338,951
Fair value of plan assets	1,338,839	1,255,507	1,194,567
Surplus/deficit in plan	-100,118	53,886	-144,384

Group	31 DEC 2014	31 DEC 2013
Of which credit-insured via FPG/PRI	21,034	21,004

In Sweden there are pension plans covering all employees. Most of these are defined contribution plans. During the year Bravida Sverige AB closed the pension plan that was part of the KP Foundation to new employees. As of 1 July 2014, all new employees are registered with the ITP plan, while those who were previously with the KTP plan remain with that plan. For white-collar workers in Sweden, the pension obligations for all new employees at Bravida Sverige AB as of 1 July 2014 and for employees of other companies are therefore secured with the ITP plan at Alecta.

For those white-collar workers in Sweden covered by the ITP 2 plan's defined benefit pension obligations for old-age and family pension, this is secured through an insurance policy with Alecta. According to a statement of the Swedish Financial Reporting Board (UFR 3 Classification of ITP plans financed by insur-

ance in Alecta) this a multi-employer defined-benefit plan. Bravida has not had sufficient access to the information required in order to report its proportional share of the plan obligation and of the plan assets and costs and has therefore been unable to report the plan as a defined benefit plan. The ITP 2 pension plan, which is secured through an insurance policy at Alecta, is therefore reported as a defined contribution plan. The premium for defined benefit old-age and family pensions is individually calculated and is dependent, among other things, on salary, pension previously earned and expected remaining period of service. The fees for the year for ITP 2 insurance policies arranged with Alecta amount to SEK 10 (9) million. The collective funding level is the market value of Alecta's assets as a percentage of the insurance commitments, calculated in accordance with Alecta's calculation methods and assumptions for insurance purposes, which

do not comply with IAS 19. The collective funding level is normally permitted to vary between 125 and 155 per cent. If Alecta's collective funding level falls below 125 per cent or exceeds 155 per cent, measures must be taken in order to create the conditions for the funding level to return within the normal range. If funding is too low, measures include increasing the agreed price for new subscriptions and extending existing benefits. If funding is too high, measures include applying premium reductions. At year-end 2014, Alecta's surplus in the form of the collective funding level was 143 per cent (148).

The premiums paid to Alecta are determined on the basis of assumptions about interest rates, longevity, operating costs and yield tax, and are calculated such that the payment of a consistent premium until the time of retirement will cover the entire target benefit to have been earned by then, which is based on the current pensionable salary of the insured. No rules have been established for the handling of any shortfalls that may arise, but in the first instance losses are to be covered by Alecta's collective funding capital, thus avoiding increased costs in the form of higher agreed premiums. There are also no rules on how any surplus or shortfall is to be allocated on the liquidation of the plan or if the company withdraws from the plan.

White-collar employees covered by the KTP plan have a defined benefit pension plan, which is accounted for in the Group in accordance with IAS 19.

In Norway there are pension plans covering all employees. Most of these are defined contribution plans. A few have a defined benefit plan. A relatively large company was acquired during the year, where most employees have a defined contribution pension plan, although a few have a defined benefit plan.

Denmark and Finland have a defined contribution pension plan.

The largest pension plan is the Swedish KTP plan, which accounts for approximately 95 per cent of the total obligation and assets for the defined benefit pension plans. The KTP plan is structured in a similar way to the ITP plan and the pension benefit is based on a theoretical final salary. This pension plan has a share of the KP Foundation, which overall is one of the largest pension foundations in Sweden. The foundation, like all foundations, is subject to the supervision of the County Administrative Board. For more information see <http://arbetsgivare.folksam.se/pensionsstiftelsen> Bravida has chosen a medium risk portfolio, where the assets are approximately 30% shares, 60% interest-bearing securities and 10% property. The pension plan requires 107% funding and is reinsured at PRI.

NOTE 14. OTHER SECURITIES HELD AS NON-CURRENT ASSETS

	Group		Parent company	
	31 DEC 2014	31 DEC 2013	31 DEC 2014	31 DEC 2013
ACCUMULATED COST				
At beginning of year	8,138	48,374	–	–
Acquisition of subsidiaries	189	–	–	–
Sales and disposals	-27	-100	–	–
Reclassification of endowment policies	–	-40,534	–	–
Changes in value	-12	381	–	–
Foreign exchange differences for the year	95	17	–	–
Carrying amount at end of period	8,383	8,138	–	–
SPECIFICATION OF SECURITIES				
Tenant-owner apartment	6,600	6,600	–	–
Other	1,783	1,538	–	–
	8,383	8,138	–	–

The above securities are not stated at market value with changes in earnings recognised through the income statement.

NOTE 15. LONG-TERM RECEIVABLES AND OTHER RECEIVABLES

	Group		Parent company	
	31 DEC 2014	31 DEC 2013	31 DEC 2014	31 DEC 2013
LONG-TERM RECEIVABLES THAT ARE NON-CURRENT ASSETS				
Market valuation of derivatives	203,721	57,670	–	–
Deposit rent for premises	11,827	11,280	–	–
Other	1,782	2,005	–	–
	217,330	70,955	–	–
LONG-TERM RECEIVABLES THAT ARE CURRENT ASSETS				
Receivable, pension funds	10,741	12,620	–	–
Value-added tax receivable	–	1	–	544
Other	20,640	11,717	673	33
	31,381	24,338	673	577

NOTE 16. TRADE RECEIVABLES

Trade receivables are recognised after taking account of bad debts, which were SEK -9,014,000 (+25,500,000) in the Group. Bad debts in the parent company were SEK 0 (0). Bad debts consist of actual and expected bad debts. See also Note 26 for information on credit risks and maturity structure.

NOTE 17. ACCRUED BUT NOT INVOICED INCOME

Group	31 DEC 2014	31 DEC 2013
Accrued income from work not yet completed	5,049,478	4,705,759
Invoicing of work not yet completed	-4,394,697	-3,944,343
	654,781	761,416

Accrued income from installation projects in progress is recognised in accordance with the percentage of completion method. The degree of completion is defined as project expenditure incurred at the end of the period compared with the total project cost corresponding to the project income.

On the balance sheet, installation projects are recognised gross on a project by project basis, either as Accrued but not invoiced income in current assets or as Invoiced but not accrued income in current liabilities. Projects for which the accrued income exceeds the amount invoiced are recognised as an asset while projects for which the amount invoiced exceeds the accrued income are recognised as a liability.

NOTE 18. PREPAYMENTS AND ACCRUED INCOME

	Group		Parent company	
	31 DEC 2014	31 DEC 2013	31 DEC 2014	31 DEC 2013
Prepaid rents	22,126	19,806	–	–
Prepaid insurance premiums	762	929	613	727
Prepaid leasing fees	4,987	4,668	–	–
Accrued income	125,219	110,819	1,441	–
Other items	15,082	12,988	–	–
	168,176	149,210	2,054	727

NOTE 19. EQUITY

Parent company	31 DEC 2014	31 DEC 2013
NUMBER OF SHARES		
Opening number of shares	403,133,196	403,133,196
Closing number of shares	403,133,196	403,133,196

There is one class of share and each share entitles the holder to one vote.

Specification of equity item reserves:

Group	31 DEC 2014	31 DEC 2013
TRANSLATION RESERVE		
Opening translation difference	-70	17,610
Translation differences for the year, foreign subsidiaries	28,158	-17,680
Closing translation difference	28,088	-70

Specification of equity item reserves:

Group	31 DEC 2014	31 DEC 2013
HEDGING RESERVE		
Opening translation difference	-54,713	–
Hedging reserve for the year	-78,320	-54,713
Closing translation difference	-133,033	-54,713

Translation reserve

The translation reserve includes all foreign exchange differences arising from the translation of financial statements of foreign operations for which the financial statements have been prepared in a different currency than the currency in which the consolidated financial statements are presented. The parent company and Group present their financial statements in Swedish kronor. The translation reserve also includes foreign exchange differences arising from expanded investments in foreign operations as well as loans received from foreign operations.

Retained earnings including profit/loss for the year

Retained earnings including profit/loss for the year includes profits earned at the parent company and its subsidiaries and associates. Previous transfers to the statutory reserve, excluding transfers from share premium accounts, and previous equity method reserves are included in this equity item.

Dividend

After the balance sheet date, the Board of Directors and Chief Executive Officer have proposed the following dividend payment. The dividend will be put forward for adoption at the Annual General Meeting on 23 April 2015.

A cash dividend of SEK 0.687118 per share (1.240438), totalling SEK 277,000,000 (500,000,007), calculated on the basis of the number of registered shares. The total dividend payment is calculated on the basis of the number of outstanding shares at the dividend date.

Capital management

Bravida aims to maintain a good capital structure and financial stability. This creates a stable foundation for the company's continued business activities, which creates opportunities to retain existing owners and attract new owners. A good capital structure should also help to ensure that relationships with the Group's creditors evolve in a way that is beneficial for all parties. Capital is defined as equity and refers to equity attributable to holders of interests in the parent company.

One of Bravida's financial targets is an equity/assets ratio (equity divided by total assets) in excess of 25 per cent. The Board deems that this level is appropriate for Bravida's operations in the service and installation markets in Sweden, Norway and Denmark. The target is a part of the Group's strategic planning. If the equity/assets ratio is expected to permanently exceed this level, capital should be transferred to the shareholders in an appropriate form. At year-end 2014, the equity/assets ratio was 29.8 per cent (34.5). The Board's ambition is to maintain a balance between a high return on equity, which can be achieved through increased leverage, and the benefits and security afforded by a higher share of equity.

In addition to regular dividend payments, special dividends may be proposed if the Board deems that funds are available that are not required for the development of the Group.

Bravida's loan agreements specify key financial performance indicators (covenants) that the Group is required to meet, which is customary for this type of loan. At year-end, Bravida was meeting these covenants by a wide margin.

PARENT COMPANY**Restricted funds**

Restricted funds may not be reduced through the payment of dividends.

Non-restricted equity

Retained earnings and the profit or loss for the year make up non-restricted equity, i.e. the amount that is available for dividend payments to the shareholders.

Retained earnings

Retained earnings consist of retained earnings from previous years plus the profit or loss less dividends paid during the year.

Earnings per share

Group	1 JAN 2014 -31 DEC 2014	1 JAN 2013 -31 DEC 2013
Profit/loss for the year	319,611	173,850
Average number of shares before and after dilution, thousands	403,133	403,133
Earnings per share before and after dilution, SEK	0.79	0.43
Proposed dividend, SEK	277,000,000	500,000,007
Proposed dividend per share, approximate, SEK	0.687118	1.240285

NOTE 20. INTEREST-BEARING LIABILITIES

The following is a presentation of the contractual terms applying to the company's interest-bearing liabilities.
For more information about the company's exposure to interest risk and the risk of changes in exchange rates, see Note 26.

	Group		Parent company	
	31 DEC 2014	31 DEC 2013	31 DEC 2014	31 DEC 2013
NON-CURRENT LIABILITIES				
Bond loan	3,440,988	3,312,175	3,440,988	3,312,175
	3,440,988	3,312,175	3,440,988	3,312,175
CURRENT LIABILITIES				
Overdraft facilities	5,901	–	–	–
	5,901	–	–	–
Amount out of liability item that is expected to be paid within 12 months of balance sheet date	–	–	–	–
Amount out of liability item that is expected to be paid later than 5 years from balance sheet date	–	–	–	–

See table below for covenants and repayment periods.

	2014				2013	
	Maturity	Nom. interest	Nom. value	Carr. amount	Nom. value	Carr. amount
Bond loan, SEK-denominated	2019	5.65%	1,300,000	1,300,000	–	–
Bond loan, EUR-denominated	2019	5.08%	225,000	2,140,988	–	–
Bond loan, SEK-denominated	2019	6.40%	–	–	1,300,000	1,300,000
Bond loan, EUR-denominated	2019	5.30%	–	–	225,000	2,012,175
Total interest-bearing liabilities				3,440,988		3,312,175

The liabilities are subject to certain covenants relating to the company's earnings and financial position. For more information about loans, see also Note 26, which also provides a description of derivatives related to the bond loans.

Credit limits

	Group		Parent company	
	31 DEC 2014	31 DEC 2013	31 DEC 2014	31 DEC 2013
Credit limit granted	460,000	450,000	450,000	150,000
Undrawn portion	364,803	–	360,704	–
Credit drawn	95,197	450,000	89,296	150,000
CREDIT LIMIT GRANTED, BY COUNTRY				
Sweden	460,000	450,000	450,000	150,000
Total credit limit granted	460,000	450,000	450,000	150,000

Assets pledged as collateral for liabilities to credit institutions

	Group		Parent company	
	31 DEC 2014	31 DEC 2013	31 DEC 2014	31 DEC 2013
Property mortgages	1,800	1,800	–	–
Floating charges	1,039,470	999,100	–	–
Shares in subsidiaries	12,266,296	15,050,030	7,341,332	3,672,582
Trade receivables	404,425	445,951	–	–
	13,711,991	16,496,881	7,341,332	3,672,582

For pledged assets, see also Note 28.

NOTE 21. PROVISIONS

	Group		Parent company	
	31 DEC 2014	31 DEC 2013	31 DEC 2014	31 DEC 2013
PROVISIONS THAT ARE NON-CURRENT LIABILITIES				
Warranties	52,548	34,602	–	–
Other	8,851	9,192	–	–
	61,399	43,794	–	–
PROVISIONS THAT ARE CURRENT LIABILITIES				
Warranties	52,548	34,602	–	–
Disputes	12,021	17,915	–	–
Provision for vacant premises	2,553	1,803	–	–
Costs of restructuring	7,876	17,240	6,469	–
Provision for project losses	7,835	10,159	–	–
Other	45,887	35,970	–	–
	128,720	117,689	6,469	–

Change in provisions 2014	Warranties	Disputes	Empty premises	Restructuring measures	Provision for project losses and other	Total
Carrying amount at the beginning of the year	69,204	17,915	1,803	17,240	55,321	161,483
Provisions made during the period	69,689	10,743	2,192	3,680	83,499	169,803
Amount used during the period	-46,306	-16,616	-1,536	-13,197	-79,868	-157,523
Provisions in acquired companies	11,843	–	–	–	3,542	15,385
Foreign exchange differences	666	-21	94	153	79	971
Carrying amount at end of year	105,096	12,021	2,553	7,876	62,573	190,119

Change in provisions 2013	Warranties	Disputes	Empty premises	Restructuring measures	Provision for project losses and other	Total
Carrying amount at the beginning of the year	75,124	8,664	3,027	19,003	64,444	170,262
Provisions made during the period	47,165	16,716	516	18,107	72,205	154,709
Amount used during the period	-52,339	-7,791	-1,838	-19,954	-79,999	-161,921
Foreign exchange differences	-746	326	98	84	-1,329	-1,567
Carrying amount at end of year	69,204	17,915	1,803	17,240	55,321	161,483

	Group		Parent company	
	31 DEC 2014	31 DEC 2013	31 DEC 2014	31 DEC 2013
Amount out of provision that is expected to be paid within 12 months.	128,720	117,689	6,469	–

Warranties

Refers to the expected cost of correcting errors and defects in respect of completed projects that occur during the warranty periods for the projects. The outflow of resources takes place during the warranty periods for the projects, which normally range from two to five years. As the effect of when payment is made is not material, expected future outgoing payments are not discounted to present value.

Disputes

The provision is based on an individual risk assessment for unresolved disputes at the balance sheet date.

Empty premises

Linked to the restructuring and coordination of operations, a provision has been

made for empty premises. Account has been taken of the possibility of sub-letting the premises or terminating the contracts prematurely.

Restructuring measures

Restructuring measures include items such as costs for staff reductions. A provision is recognised when a detailed restructuring plan has been adopted and the restructuring has been initiated or publicly announced. No provision is made for future operating expenses.

Loss provision, contracts

Installation projects are accounted for in accordance with the percentage of completion method. Individual provisions are made for expected losses, i.e. when the project costs are expected to exceed the total project income.

NOTE 22. INVOICED BUT NOT ACCRUED INCOME

Group	31 DEC 2014	31 DEC 2013
Invoicing of work not yet completed	8,472,963	7,146,002
Accrued income from work not yet completed	-7,272,766	-5,991,643
	1,200,197	1,154,359

Accrued income from installation projects in progress is recognised in accordance with the percentage of completion method. The degree of completion is defined as project expenditure incurred at the end of the period compared with the total project cost corresponding to the project income.

On the balance sheet, installation projects are recognised gross on a project by project basis, either as Accrued but not invoiced income in current assets or as Invoiced but not accrued income in current liabilities. Projects for which the accrued income exceeds the amount invoiced are recognised as an asset while projects for which the amount invoiced exceeds the accrued income are recognised as a liability.

NOTE 23. OTHER LIABILITIES

	Group		Parent company	
	31 DEC 2014	31 DEC 2013	31 DEC 2014	31 DEC 2013
OTHER CURRENT LIABILITIES				
Value-added tax liability	149,298	137,990	1,147	–
Employee withholding taxes	114,078	96,661	485	35
Other	138,327	78,114	285	–
	401,703	312,765	1,917	35

NOTE 24. ACCRUED EXPENSES AND DEFERRED INCOME

	Group		Parent company	
	31 DEC 2014	31 DEC 2013	31 DEC 2014	31 DEC 2013
Accrued holiday pay and salaries	763,097	668,601	6,586	154
Accrued social security contributions	284,558	219,385	2,553	51
Accrued interest expenses	12,925	11,755	10,103	7,887
Other items	67,544	46,714	10,640	1,125
	1,128,124	946,455	29,882	9,217

NOTE 25. VALUATION OF FINANCIAL LIABILITIES AT FAIR VALUE

The following table shows carrying amounts and fair values for financial instruments. For interest-bearing assets and liabilities, fair value has been determined by discounting future payment flows at the market interest rate applying at the balance sheet date. The carrying amounts of trade receivables and trade payables are deemed to be the same as the fair values. The discount rate is the market interest rate for similar instruments at the balance sheet date.

Group 31 Dec 2014	Held for trading	Hedging instruments	Loans and trade receivables	Other financial liabilities	Total carrying amount	Fair value
Currency hedges	–	203,721	–	–	203,721	203,721
Trade receivables	–	–	1,968,987	–	1,968,987	– ⁽¹⁾
Other receivables	–	–	10,741	–	10,741	– ⁽¹⁾
Total assets	–	203,721	1,979,728	–	2,183,449	203,721
Non-current liabilities to credit institutions	–	–	–	3,440,988	3,440,988	3,440,988
Interest rate hedges	19,096	160,327	–	–	179,423	179,423
Overdraft facilities	–	–	–	5,901	5,901	– ⁽¹⁾
Trade payables	–	–	–	1,030,238	1,030,238	– ⁽¹⁾
Total liabilities	19,096	160,327	–	4,477,127	4,656,550	3,620,411

Group 31 Dec 2013	Financial assets	Hedging instruments	Loans and trade receivables	Other financial liabilities	Total carrying amount	Fair value
Currency hedges	–	56,178	–	–	56,178	56,178
Trade receivables	–	–	1,763,755	–	1,763,755	– ¹⁾
Other receivables	–	–	12,620	–	12,620	– ¹⁾
Total assets	–	56,178	1,776,375	–	1,832,553	56,178
Non-current liabilities to credit institutions	–	–	–	3,312,175	3,312,175	3,312,175
Interest rate hedges	6,040	43,014	–	–	49,054	49,054
Trade payables	–	–	–	964,096	964,096	– ¹⁾
Total liabilities	6,040	43,014	–	4,276,271	4,325,325	3,361,229

Parent company 31 Dec 2014	Financial assets	Hedging instruments	Loans and trade receivables	Other financial liabilities	Total carrying amount	Fair value
Currency hedges	–	203,721	–	–	203,721	203,721
Current receivables from Group companies	–	–	1,961,900	–	1,961,900	– ¹⁾
Total assets	–	203,721	1,961,900	–	2,165,621	203,721
Non-current liabilities to credit institutions	–	–	–	3,440,988	3,440,988	3,440,988
Interest rate hedges	19,096	160,327	–	–	179,423	179,423
Current liabilities to Group companies	–	–	–	1,874,062	1,874,062	– ¹⁾
Trade payables	–	–	–	20,883	20,883	– ¹⁾
Total liabilities	19,096	160,327	–	5,335,933	5,515,356	3,620,411

Parent company 31 Dec 2013	Financial assets	Hedging instruments	Loans and trade receivables	Other financial liabilities	Total carrying amount	Fair value
Currency hedges	–	56,178	–	–	56,178	56,178
Current receivables from Group companies	–	–	2,953,010	–	2,953,010	– ¹⁾
Total assets	–	56,178	2,953,010	–	3,009,188	56,178
Non-current liabilities to Group companies	–	–	–	3,312,175	3,312,175	3,312,175
Interest rate hedges	6,040	43,014	–	–	49,054	49,054
Current liabilities to Group companies	–	–	–	62,830	62,830	– ¹⁾
Trade payables	–	–	–	3,259	3,259	– ¹⁾
Total liabilities	6,040	43,014	–	3,378,264	3,427,318	3,361,229

¹⁾ Fair value information not provided owing to short term.

Derivatives have been valued by an external expert using the cash flow model, which is based on observable market data for the currency and interest rate markets. The fair values of interest rate hedges are calculated using the market value on the basis of listed prices. Based on the input data used for the valuation, the following classifications are made.

– Level 1 refers to fully observable data, unadjusted listed prices on an active market for identical assets and liabilities to which the company has access at the time of valuation.

– Level 2 refers to observable data, other than the listed prices of level 1, which is directly or indirectly observable

– Level 3 refers to non-observable data for assets or liabilities. An asset or liability is included in its entirety in one of the three levels, based on the lowest level of input data that is material to the valuation.

The valuation of bank loans and derivatives of the Group and the parent company are based on data from level 2.

NOTE 26. FINANCIAL RISKS AND FINANCIAL POLICIES**Financial risks and financial policies**

Through its operations the Group is exposed to various types of financial risk. Financial risks refer to fluctuations in the company's earnings and cash flow as a result of changes in exchange rates, interest rates, and refinancing and credit risks. The Group's financial management is governed by the applicable financial policy, which is adopted by Bravida's Board of Directors and constitutes a framework of guidelines and rules in the form of risk mandates and limits for the company's financial activities. The central Accounting & Finance support function is responsible for coordinating the Group's financial activities. The general goal for the Accounting & Finance function is to provide cost-effective financing and to minimise negative effects on the Group's earnings that derive from financial risks.

Market risk

Market risk is the Group's risk that the fair value of financial instruments or future cash flows from financial instruments will fluctuate as a result of changes in market prices. The Group's main market risks are interest risk and currency risk.

Interest risk

Interest risk is the risk that the Group's future earnings and cash flow will be negatively affected by changes in interest rates. The Group is primarily exposed to interest risk through cash and cash equivalents and through interest-bearing liabilities. The average fixed-rate period for all interest-bearing assets was 0 years (0). The interest rate for these at year-end was 0.6 per cent (0.6). Of the Group's total interest-bearing financial assets, 0 per cent (0) have fixed interest rates and 100 per cent (100) have variable interest rates.

The average fixed-rate period for all interest-bearing liabilities, taking derivatives into account and excluding pension liabilities, was 4 years (5). The interest rate for interest-bearing liabilities at year-end was 5.3 per cent (5.7). Taking derivatives into account, the interest rate was 6.70 per cent (7.2). Of total interest-bearing financial liabilities, after taking derivatives into account, 73 per cent (76) have fixed interest rates and 27 per cent (24) have variable interest rates. In order to limit the risk, the Group has entered into interest rate swaps with a nominal value of SEK 2,518 million (2,520). A net amount of SEK 2,518 million (2,520) of the Group's borrowing has been swapped from variable to fixed interest rates. Bravida applies hedge accounting to these hedging instruments. In addition to the interest rate swaps, Bravida has entered into interest rate options with an interest rate ceiling. The portion relating to the time value is recognised in the net financial expense, while hedge accounting is applied to the remaining portion. The fair value of these hedges at 31 December 2014 was SEK -160 million (-43). The hedges fulfil the effectiveness requirements, which means that unrealised gains and losses are recognised in other comprehensive income. A positive change in the market interest rate of one percentage point over the entire interest rate curve would change the fair value of interest-bearing financial assets and liabilities, as well as derivatives, by around SEK -95 million, while a negative change in the market interest rate of one percentage point over the entire interest rate curve would change the fair value by around SEK +50 million, given the same volume and fixed-interest period as at 31 December 2014.

Currency risk

Currency risk is defined as the risk that changes in exchange rates will have a negative impact on the consolidated income statement and cash flow. This risk can be divided into transaction exposure, i.e. the net operating and financial (interest/repayments) flows, and translation exposure, which relates to net investments in foreign subsidiaries. Bravida's transaction exposure is low, as both sales and purchases are largely made in local currency. Translation exposure arises when assets and liabilities are denominated in different currencies, and when the results and net assets of foreign subsidiaries are translated to Swedish kronor. For the Group, translation risks arise for the major subsidiaries in Norway and Denmark, as well as in the form of borrowings in foreign

currencies. Assets and liabilities in foreign currencies are translated at closing date rates. In order to limit the risk, the Group has entered into currency swaps for borrowings in foreign currencies with a nominal value of SEK 2,141 million (1,938). A net amount of SEK 2,141 million (1,938) of the Group's borrowing in foreign currency has been swapped from foreign currency to Swedish kronor and Norwegian kroner. The fair value of these hedges at 31 December 2014 was SEK 128 million (15). The fair value of the currency loans is SEK 2,141 million (2,012). Bravida applies hedge accounting to the currency swaps that are in SEK. The hedges fulfil the effectiveness requirements, which means that unrealised gains and losses are recognised in other comprehensive income. If the Swedish krona were to fall/rise by 10 per cent against other currencies, this would have an effect of SEK +/-36 million (37), after taking hedges into account.

Liquidity risks

Liquidity risk is the risk that the Group will face problems meeting its obligations associated with financial liabilities. The Group has a rolling one-month liquidity planning system that covers all units in the Group. The plans are updated continually. The Group's forecasts also comprise medium-term liquidity planning. Liquidity planning is used to manage liquidity risk and the costs of funding the Group. The goal is to ensure that the Group is able to meet its financial obligations regardless of economic climate without incurring significant unforeseen expenses. Liquidity risk throughout the Group is managed by the central Accounting & Finance department.

FINANCIAL LIABILITIES

Financial liabilities comprise utilised overdraft facilities, trade payables and accrued interest. At 31 December 2014, financial liabilities totalled SEK 1,046 million (972).

Bond loan

The Group issued two bond loans, one for SEK 1,300 million and one for EUR 225 million. The bond loans mature at 15 June 2019. The bond loans are subject to interest rates tied to the 3-month STIBOR and EURIBOR respectively.

Credit facilities

In addition to the bond loans, the Group has an overdraft facility of SEK 310 million (300) linked to the Group's cash pool, as well as a revolving facility of SEK 150 million (150). The loan agreements specify key financial performance indicators (covenants) that the Group is required to meet, which is customary for this type of loan. At year-end, Bravida was meeting these covenants by a good margin. The total credit granted, including overdraft facilities, was SEK 460 million (450) at 31 December 2014. Of the total credit granted, SEK 95 million (0) was utilised. The total credit granted is SEK 460 (450). The fixed-rate period for utilised credit last year was 0 months. The remaining term for unused credit was 54 months (66), and for total credit granted was 54 months (66).

Maturity structure of financial liabilities

Group 31 Dec 2014	2015	2016	2017	2018	2019
Loans	–	–	–	–	3,440,988
Overdraft facilities	5,901	–	–	–	–
Trade payables	1,030,238	–	–	–	–
Accrued expenses	10,103	–	–	–	–
Total	1,046,242	–	–	–	3,440,988

Group 31 Dec 2013	2014	2015	2016	2017	2018
Loans	–	–	–	–	–
Overdraft facilities	–	–	–	–	–
Trade payables	964,096	–	–	–	–
Accrued expenses	7,887	–	–	–	–
Total	971,983	–	–	–	–

Parent company 31 Dec 2014	2015	2016	2017	2018	2019
Loans	–	–	–	–	3,440,988
Trade payables	20,883	–	–	–	–
Accrued expenses	10,103	–	–	–	–
Total	30,986	–	–	–	3,440,988

Parent company 31 Dec 2013	2014	2015	2016	2017	2018
Loans	–	–	–	–	–
Overdraft facilities	–	–	–	–	–
Trade payables	3,259	–	–	–	–
Accrued expenses	7,887	–	–	–	–
Total	11,146	–	–	–	–

Credit facilities

Group 31 Dec 2014	Nominal	Drawn	Available
Bond loan, SEK	1,300,000	1,300,000	–
Bond loan, EUR	2,140,988	2,140,988	–
Revolving facilities	150,000	89,296	60,704
Overdraft facilities	310,000	5,901	304,099
Cash and cash equivalents	827,775	–	827,775
Liquidity reserve	4,728,763	3,536,185	1,192,578

Group 31 Dec 2013	Nominal	Drawn	Available
Bond loan, SEK	1,300,000	1,300,000	–
Bond loan, EUR	2,012,175	2,012,175	–
Revolving facilities	150,000	–	150,000
Overdraft facilities	300,000	–	300,000
Cash and cash equivalents	837,517	–	837,517
Liquidity reserve	4,599,692	3,312,175	1,287,517

Fixed-rate period for utilised credit, 31 Dec 2014

	Amount	Average effective interest rate, %	Share, %
2014	3,440,988	5.30	100
Total	3,440,988	5.30	100

Fixed-rate period for utilised credit, 31 Dec 2013

	Amount	Average effective interest rate, %	Share, %
2013	3,312,175	5.70	100
Total	3,312,175	5.70	100

Exposure of net assets in foreign currency

The translation exposure that arises through investments in foreign net assets is not hedged.

Foreign net assets

Local currency	Group	
	31 DEC 2014	31 DEC 2013
NOK	560,008	453,037
DKK	186,507	172,651

A 10 per cent strengthening of the Norwegian krone at 31 December 2014 would have a positive translation effect on equity of SEK 56 million. The same increase in the value of the Danish krone would have a positive translation effect on equity of SEK 19 million. The effects of the corresponding exchange rate changes on profit for the year are limited. The foreign exchange difference for the year in comprehensive income was SEK -28 million (18).

Commercial exposure

International purchases and sales of goods and services in foreign currencies are limited in scope but can be expected to increase as the Group expands and in response to mounting competition in respect of purchasing of goods and services.

Credit risk

Credit risk refers to the risk of losing money due to the inability of a counterparty to meet its obligations.

Credit risks in financing activities

The credit risk in the Group's financing activities is very small, as Bravida only concludes agreements with counterparties with the highest creditworthiness. Credit risks refer mainly to counterparty risks in connection with receivables from banks and other counterparties. The Group's financial policy contains a set of counterparty regulations specifying maximum credit exposures for different counterparties. The estimated gross exposure to counterparty risk in respect of cash and cash equivalents and short-term investments was SEK 828 million (838).

Credit risks in trade receivables

The risk that the company's customers will fail to fulfil their obligations, i.e. that the company will not receive payment from its customers, constitutes a customer credit risk. Credit losses are normally small thanks to the very large number of projects and customers, which are invoiced regularly during the period of production. Before a project is initiated, the credit risk of the customer is assessed, whereby information about the customer's financial position is obtained from various credit information companies. The Group has adopted a credit policy for the management of customer credits. The policy states, among other things, where decisions should be made on credit limits of various sizes and how doubtful receivables should be handled. A bank guarantee or other security is required for customers with low creditworthiness or an insufficient credit history. The maximum credit exposure is stated in the consolidated balance sheet. Total credit losses were SEK -9.0 million (+25.5). There was no significant concentration of credit risks at the balance sheet date. Based on historical data, the Group makes the assessment that no impairment of trade receivables that are not yet due is necessary at the balance sheet date.

Trade receivables past due but not impaired

Carrying amount, unimpaired receivables	Group	
	31 DEC 2014	31 DEC 2013
Trade receivables not yet due	1,712,590	1,529,274
Trade receivables past due 1–15 days	184,480	131,820
Trade receivables past due 16–30 days	28,773	25,122
Trade receivables past due 31–60 days	31,891	24,038
Receivables past due > 60 days	11,253	123,006
Total	1,968,987	1,833,260

Impaired trade receivables	Group	
	31 DEC 2014	31 DEC 2013
Opening balance	-69,506	-101,257
Change for the year	4,427	31,751
Closing balance	-65,079	-69,506

In other financial receivables there are no past due receivables.

Sensitivity analysis	Group	
	Change +- %	Effect on earnings before tax +- SEK mn
Sales	1%	9
Operating margin	1% point	120
Payroll costs	1%	53
Materials and subcontractors	1%	47
Share productive installer time	1% point	65
Interest rate on loans	1% point	8
Exchange rate DKK	10%	8
Exchange rate NOK	10%	18

NOTE 27. LEASE PAYMENTS UNDER OPERATING LEASES

	Group		Parent company	
	1 JAN 2014 -31 DEC 2014	1 JAN 2013 -31 DEC 2013	1 JAN 2014 -31 DEC 2014	1 JAN 2013 -31 DEC 2013
ASSETS HELD UNDER OPERATING LEASES			None	None
Minimum lease payments	142,851	147,182	–	–
Variable payments	–	–	–	–
Total lease costs	142,851	147,182	–	–
BREAKDOWN OF LEASE PAYMENTS BY AGREEMENT				
Lease payments, vehicles	141,203	143,785	–	–
Lease payments, IT	24	92	–	–
Lease payments, other	1,624	3,305	–	–
Total lease costs	142,851	147,182	–	–
FUTURE LEASE COMMITMENTS				
Nominal value of future minimum lease payments relating to non-cancellable contracts fall due for payment:				
- Within 1 year	124,095	124,095	–	–
- Between 1 and 5 years	165,458	165,458	–	–
- After 5 years	–	–	–	–
	289,553	289,553	–	–
FUTURE COMMITMENTS, RENT FOR PREMISES				
Nominal value of future commitments in respect of rent for premises fall due for payment:				
- Within 1 year	117,222	111,823	–	–
- Between 1 and 5 years	200,875	226,177	–	–
- After 5 years	11,199	5,498	–	–
	329,296	343,498	–	–

Cars, office equipment and IT equipment are classified as operating leases. In Sweden, Norway and Denmark, Bravida has framework agreements covering operating leases for cars and related administrative services. The terms of the leases normally range from three to five years. The purchase of leased assets and the extension of leases require a separate agreement.

NOTE 28. PLEDGED ASSETS AND CONTINGENT LIABILITIES

	Group		Parent company	
	31 DEC 2014	31 DEC 2013	31 DEC 2014	31 DEC 2013
PLEDGED ASSETS				
For own liabilities and provisions				
Property mortgages	1,800	1,800	–	–
Floating charges	1,039,470	999,100	–	–
Shares in subsidiaries	11,982,184	15,884,439	7,341,332	3,672,582
Funds, endowment policies	35,791	37,891	–	–
	13,059,245	16,923,230	7,341,332	3,672,582
CONTINGENT LIABILITIES				
For own liabilities and provisions				
Guarantee commitments, FPG/PRI	21,034	21,004	–	–
Guarantee commitments, for Group companies	–	–	1,051,709	1,050,194
	21,034	21,004	1,051,709	1,050,194

Bravida Holding AB has acted as guarantor for Bravida Sverige AB's pension liabilities, which in turn are guaranteed by PRI. At the same time, Bravida Sverige AB has a pension fund containing assets of SEK 1,277,597,000 (1,200,039,000), which more than covers the liability.

NOTE 29. RELATED PARTIES

The Group is under a controlling influence from Bravissima (BC) LuxCo S.C.A. (Luxemburg), the parent company of Bravissima Sweden AB.

During 2012, funds represented by the private equity firm Bain Capital Europe acquired Bravida from Triton. The transfer of ownership took place on 31 July 2012, following approval of the transfer by the EU Competition Authority. In view of their influence, transactions with the following companies are regarded as related-party transactions.

	Group		Parent company	
	31 DEC 2014	31 DEC 2013	31 DEC 2014	31 DEC 2013
TRANSACTIONS WITH PG ADVISORS SWEDEN AB				
Purchases from PG Advisors Sweden AB	20,186	15,211	20,186	–
	20,186	15,211	20,186	–
TRANSACTIONS WITH BRAVISSIMA HOLDING AB				
Dividend paid to Bravissima Holding AB	-500,000	–	-500,000	–
Group contribution made to Bravissima Holding AB	-45,000	–	-45,000	–
	-545,000	–	-545,000	–
TRANSACTIONS WITH BRAVIDA INSTALLATION OCH SERVICE AB				
Interest received from Bravida Installation och Service AB	–	–	–	91,873
Group contribution made to Bravida Installation och Service AB	–	–	–	-324,424
Dividend received from Bravida Installation och Service AB	–	–	–	–
Receivable from Bravida Installation och Service AB	–	–	–	1,990,354
Other items	–	–	–	–
	–	–	–	1,757,803
TRANSACTIONS WITH BRAVIDA AB				
Sales to Bravida AB	–	–	51,600	1,000
Interest received from Bravida AB	–	–	64,655	–
Interest paid to Bravida AB	–	–	-609	–
Group contribution made to Bravida AB	–	–	–	-63,448
Group contribution received from Bravida AB	–	–	43,248	–
Liability to Bravida AB	–	–	–	-62,830
Receivable from Bravida AB	–	–	43,248	–
	–	–	202,142	-125,278
TRANSACTIONS WITH BRAVIDA SVERIGE AB				
Interest received from Bravida Sverige AB	–	–	2,992	–
Interest paid to Bravida Sverige AB	–	–	-2,008	-986
Group contribution received from Bravida Sverige AB	–	–	529,982	388,515
Receivable from Bravida Sverige AB	–	–	529,982	388,515
	–	–	1,060,948	776,044
TRANSACTIONS WITH BRAVIDA NORGE HOLDING AS				
Interest received from Bravida Norge Holding AS	–	–	15,243	22,506
Interest paid to Bravida Norge Holding AS	–	–	-14	–
Receivable from Bravida Norge Holding AS	–	–	–	574,140
	–	–	15,229	596,646
TRANSACTIONS WITH OTHER SUBSIDIARIES				
Interest received from other subsidiaries	–	–	62	–
Interest paid to other subsidiaries	–	–	-5,688	–
	–	–	-5,626	–

In addition to the related-party relationships indicated for the Group, the parent company has related-party relationships involving a controlling influence with its subsidiaries. See Note 30. Bravida Holding AB is now the primary account holder of the Group's cash pool, hence interest transactions with the subsidiaries.

Senior executives

For information on salaries and other remuneration, expenses and obligations in respect of pensions and similar benefits, and agreements on severance pay for the Board of Directors, Chief Executive Officer and other senior executives, see Note 5.

NOTE 30. INTERESTS IN GROUP COMPANIES

	Parent company	
	31 DEC 2014	31 DEC 2013
ACCUMULATED COST		
At beginning of year	3,672,582	3,672,582
Merger with wholly owned subsidiary Bravida Installation och Service AB	-3,672,582	–
Value of merged subsidiary Bravida AB	7,341,332	–
Carrying amount at end of period	7,341,332	3,672,582

Bravida Holding AB owns shares directly in Bravida Installation och Service AB. The other subsidiaries listed below are indirectly owned.

Specification of interests in Group companies

31 Dec 2014

Subsidiary / Reg.no. / Regd office	No. of shares	Share, % ¹⁾	Carrying amount	
Bravida AB, 556713-6519, Stockholm	1,012,429,900	100.0	7,341,332	
Bravida Sverige AB, 556197-4188, Stockholm	20,000	100.0	2,543,983	
Bravida Prenad AB, 556454-1315, Malmö	50,000	100.0	103,044	
Jihå Automation AB, 556651-4054, Landskrona	140,000	100.0	11,938	
Jihå El & Automation AB, 556607-4190, Landskrona	60,000	100.0	8,966	
Bravida Säkerhet AB, 556193-1832, Stockholm	5,100	100.0	24,961	
Erfator Projektledning AB, 556401-7795, Kista	1,000	100.0	14,022	
C2M Sprinkler AB, 556684-9021, Mark	2,100	70.0	16,827	
Rörspecialisten i Stockholm AB, 556353-5227, Stockholm	1,000	100.0	49,624	
Bravida Service Mellersta AB, 556181-4020, Norrköping	1,000	100.0	160	
E/S Intressenter AB, 556564-6741, Skellefteå	1,000	100.0	14,828	
E/S Elconsult AB, 556311-0633, Skellefteå	1,000	100.0	432	
E/S Installation AB, 556306-0838, Skellefteå	1,000	100.0	415	
E/S Styromatic AB, 556111-9248, Skellefteå	1,000	100.0	1,028	
Juhl Air Control AB, 556308-0356, Kävlinge	2,000	100.0	229	
Appelgrens Elektriska Mölndal AB, 556296-9435, Mölndal	30,000	100.0	361	
Byggnadsaktiebolaget Konstruktör, 556012-3670, Stockholm	1,485,417,130	100.0	502	
AV-line Vitvaruservice AB, 556762-1643, Stockholm	1,000	100.0	1,300	
Belab Ventilation AB, 556305-5507, Borlänge	1,000	100.0	11,557	
Masens Kyl- och Frys AB, 556226-7558, Falun	1,000	100.0	3,184	
Attacus Rör & Energi AB, 556026-9937, Östersund	1,000	100.0	11,094	
Niwentec AB, 556621-7278, Östersund	1,000	100.0	27,600	
Niccopia VVS AB, 556288-2307, Nyköping	1,000	100.0	13,654	
Vega Energi AB, 556484-7506, Stockholm	2,040	100.0	29,448	
Bravida Danmark A/S, 14769005, Brøndby, Denmark	4	100.0	260,859	
Selskabet av 7 oktober 2003 ApS, 10035422, Brøndby, Denmark	DKK '000	2,211	100.0	2,797
Bravida Norge Holding AS, 998 121 221, Oslo, Norway	30	100.0	909,021	
Bravida Norge AS, 987 582 561, Oslo, Norway	NOK '000	10,796,137	100.0	788,678
El Team Drift AS, 981 402 561, Bodø, Norway	NOK '000	46,410	91.0	10,682
Bravida Norge 3 AS, 982 850 355, Kristiansand, Norway	NOK '000	10,500	100.0	18,747
HS: Vagle Elektro AS, 89104740822, Stavanger, Norway	NOK '000	740,284	75.0	31,000
HS: Vagle Rör AS, 994 706 152, Stavanger, Norway	NOK '000	10,000	75.0	14,000
BPA Talotekniikka Oy, 2528874-1, Helsinki, Finland	2,500	100.0	23	

¹⁾ Refers to the ownership share of the capital, which is also consistent with the share of voting rights for the total number of shares.

31 Dec 2013

Subsidiary / Reg.no. / Regd office	No. of shares	Share, % ¹⁾	Carrying amount	
Bravida Installation och Service AB, 556892-0705, Stockholm	456,832,121	100.0	3,672,582	
Bravida AB, 556713-6519, Stockholm	1,012,429,900	100.0	7,341,332	
Bravida Sverige AB, 556197-4188, Stockholm	20,000	100.0	2,543,983	
Bravida Prenad AB, 556454-1315, Malmö	50,000	100.0	73,044	
Bravida Säkerhet AB, 556193-1832, Stockholm	5,100	100.0	14,961	
Erfator Projektledning AB, 556401-7795, Kista	1,000	100.0	9,072	
C2M Sprinkler AB, 556684-9021, Mark	2,100	70.0	16,827	
Rörspecialisten i Stockholm AB, 556353-5227, Stockholm	1,000	100.0	46,624	
Bravida Service Mellersta AB, 556181-4020, Norrköping	1,000	100.0	160	
E/S Intressenter AB, 556564-6741, Skellefteå	1,000	100.0	14,828	
E/S Elconsult AB, 556311-0633, Skellefteå	1,000	100.0	432	
E/S Installation AB, 556306-0838, Skellefteå	1,000	100.0	415	
E/S Styromatic AB, 556111-9248, Skellefteå	1,000	100.0	1,028	
Juhl Air Control AB, 556308-0356, Kävlinge	2,000	100.0	229	
Appelgrens Elektriska Mölndal AB, 556296-9435, Mölndal	30,000	100.0	361	
Byggnadsaktiebolaget Konstruktör, 556012-3670, Stockholm	1,485,417,130	100.0	553,010	
Bravida EI Stockholm AB, 556439-4681, Stockholm	30,000	100.0	58,727	
Styltsnäppan AB, 556181-0812, Stockholm	9,500	100.0	1,140	
Bravida Danmark A/S, 14769005, Brøndby, Denmark	4	100.0	260,859	
Selskabet av 7 oktober 2003 ApS, 10035422, Brøndby, Denmark	DKK '000	2,211	100.0	2,797
Bravida Norge Holding AS, 998 121 221, Oslo, Norway	30	100.0	320,035	
Bravida AS, 982 281 024, Oslo, Norway	NOK '000	500,001	100.0	788,678
Bravida Norge AS, 987 582 561, Oslo, Norway	NOK '000	10,796,137	100.0	246,688
Ing. Mosness Norstad AS, 974 445 158, Drammen, Norway	NOK '000	364	91.0	13,644
EI Team Drift AS, 981 402 561, Bodø, Norway	NOK '000	46,410	91.0	8,532

¹⁾ Refers to the ownership share of the capital, which is also consistent with the share of voting rights for the total number of shares.

NOTE 31. STATEMENT OF CASH FLOWS

SEK millions	Note	Group		Parent company	
		1 JAN 2014 -31 DEC 2014	1 JAN 2013 -31 DEC 2013	1 JAN 2014 -31 DEC 2014	1 JAN 2013 -31 DEC 2013
INTEREST PAID AND DIVIDEND RECEIVED					
Interest received		113	56	112	55
Interest paid		-366	-330	-364	-254
ADJUSTMENTS FOR NON-CASH ITEMS, ETC.					
Depreciation/amortisation and impairment of assets	7, 10, 11	15	13	–	–
Unrealised foreign exchange differences		26	43	129	87
Realised foreign exchange differences		–	61	–	–
Hedge accounting in net financial expense		-12	-75	–	–
Pension provisions		34	37	–	–
Change in provisions		-18	-6	0	–
Profit at merged subsidiary		–	–	46	–
		46	73	174	87
UNUSED CREDITS					
Unused credit facilities were:	20	-365	–	-361	–

NOTE 32. EVENTS AFTER THE BALANCE SHEET DATE

Bravida Sverige AB continued to acquire companies during the first quarter of 2015. The following companies have been added to the list of acquisitions: ABEKA EI & Kraftanläggningar AB, VVS-Teknik Rör i Väst AB, Elservice Din Eliinstallatör AB, Skellefteå Elektriska AB and Perra Bloms VVS AB. These companies have annual sales in excess of SEK 300 million, as well as around 125 employees.

NOTE 34. INFORMATION ABOUT THE PARENT COMPANY

Bravida Holding AB is a Swedish-registered limited liability company with its registered office in Stockholm. The address of the head office is Mikrofönvägen 28, SE-126 81 Stockholm.

The consolidated financial statements for 2014 comprise the parent company and its subsidiaries, which are jointly referred to as "the Group". The Group also includes the owned portion of interests in associates.

NOTE 33. SIGNIFICANT ESTIMATES AND ASSESSMENTS

The following is a description of certain significant accounting estimates and assessments that have been made in applying the Group's accounting policies.

Percentage of completion accounting

Reported earnings for installation projects in progress are accounted for in accordance with the percentage of completion method based on the degree of completion of the project. Use of this method requires that project income and project expenses can be reliably measured, which in turn requires a well-functioning system for cost estimates, forecasting procedures and project review. Forecasts relating to the final outcome for the project are a critical assessment that is material to the reporting of earnings during the course of the project. There is a risk that the final earnings for the project may differ from earnings as reported in accordance with the percentage of completion method.

Impairment tests of goodwill

In estimating recoverable amounts for cash-generating units for the purpose of testing for impairment of goodwill, several assumptions about future circumstances and estimates of parameters have been made. These are described in Note 10.

Pension assumptions

Bravida has some defined benefit pension plans. The pension obligation is calculated using actuarial assumptions and the plan assets are valued at the market value at the balance sheet date. A change in any of these assumptions and valuations may have a significant impact on the estimated pension obligation and pension cost.

NOTE 35. MERGER

In 2014, the subsidiary Bravida Installation och Service AB, reg. no. 556892-0705, was merged into the parent company. The income statement and balance sheet of the subsidiary Bravida Installation och Service AB at the date of the merger, 1 July 2014, are summarised below.

Amount at	1 JUL 2014
Net sales	19,000
Operating profit/loss	3,237
Non-current assets	7,341,332
Current assets	2,146,797
Cash and bank balances	568,789
Provisions	-6,722
Liabilities	-4,730,138
	5,320,058

The Board of Directors and Chief Executive Officer warrant that the annual accounts have been prepared in accordance with generally accepted accounting principles in Sweden and that the consolidated financial statements have been prepared in accordance with the international financial reporting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards. The annual accounts and consolidated financial statements give a true and fair view of the parent company's and Group's financial positions and results. The Directors' Report for the parent company and Group gives a true and fair overview of the development of the parent company's and Group's activities, their financial positions and results, and describes significant risks and uncertainties faced by the parent company and the companies included in the Group.

Stockholm, 23 April 2015

Michael Siefke
Chairman of the Board

Jay Corrigan
Director

Jan Johansson
Director

Michel Plantevin
Director

Jeffery Scherer
Director

Ivano Sessa
Director

Mattias Johansson
Chief Executive Officer

Jan-Erik Arvidsson
Employee representative

Kai-Otto Helmersen
Employee representative

Anders Mårtensson
Employee representative

Peter Sjöquist
Employee representative

Our audit report was submitted on 23 April 2015.
KPMG AB

Anders Malmeby
Authorised Public Accountant

As stated above, the annual accounts and consolidated financial statements were approved for release by the Board of Directors on 23 April 2015. The consolidated statement of comprehensive income and balance sheet and the parent company income statement and balance sheet will be submitted for adoption at the Annual General Meeting on 23 April 2015.

AUDIT REPORT

To the Annual General Meeting of Bravida Holding AB, reg. no. 556891-5390



REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED FINANCIAL STATEMENTS

We have audited the annual accounts and consolidated financial statements for Bravida Holding AB for year 2014. The company's annual accounts and consolidated financial statements are included in the printed version of this document on pages 40 – 84.

THE BOARD OF DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S RESPONSIBILITY FOR THE ANNUAL ACCOUNTS AND CONSOLIDATED FINANCIAL STATEMENTS

Responsibility for preparing annual accounts which give a true and fair view pursuant to the Swedish Annual Accounts Act and consolidated financial statements which give a true and fair view pursuant to the International Financial Reporting Standards, as adopted by the EU, and the Swedish Annual Accounts Act, and for such internal control as the Board of Directors and Chief Executive Officer deem necessary for the purpose of preparing annual accounts and consolidated financial statements that are free from material misstatement, whether due to irregularities or error, rests with the Board of Directors and Chief Executive Officer.

THE AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the annual accounts and consolidated financial statements based on our audit. We have conducted our audit in accordance with the International Standards on Auditing and generally accepted auditing standards in Sweden. These standards require that we observe professional ethical standards and that we plan and conduct our audit with the aim of obtaining a reasonable degree of certainty that the annual accounts and consolidated financial statements are free of material misstatement.

An audit involves obtaining, through various actions, audit evidence of the accuracy of amounts and other information contained in the annual accounts and consolidated financial statements. The auditor decides which actions to take, partly by assessing the risks of material misstatements in the annual accounts and consolidated financial statements, whether due to irregularities or errors. In this risk assessment, the auditor considers those aspects of the internal control that are relevant for how the company prepares its annual accounts and consolidated financial statements with the aim of giving a true and fair view for the purpose of devising auditing actions that are appropriate in view of the circumstances, but not for the purpose of expressing an opinion on the efficacy of the company's internal control. An audit also includes an evaluation of the appropriateness of the accounting principles employed and the reasonableness of the estimates used by the Board of Directors and Chief Executive Officer in preparing the accounts, as well as an evaluation of the general presentation in the annual accounts and consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and adequate as a basis for our opinion.

OPINION

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and give an essentially true and fair view of the parent company's financial position at 31 December 2014 and of its financial results and cash flows for the year in accordance with the Annual Accounts Act. The consolidated financial statements have been prepared in accordance with the Annual Accounts Act and give an essen-

tially true and fair view of the Group's financial position at 31 December 2014 and of its results and cash flows in accordance with the International Financial Reporting Standards, as adopted by the EU, and with the Annual Accounts Act. The Directors' Report accords with the other parts of the annual accounts and consolidated financial statements.

We therefore recommend that the Annual General Meeting adopt the parent company income statement and balance sheet and the consolidated statement of comprehensive income and balance sheet.

REPORT ON OTHER STATUTORY AND REGULATORY REQUIREMENTS

In addition to our audit of the annual accounts and consolidated financial statements, we have also audited the proposed appropriation of the company's profit or loss and the Board of Directors' and Chief Executive Officer's administration of Bravida Holding AB for 2014.

THE BOARD OF DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S RESPONSIBILITY

Under the Swedish Companies Act, responsibility for the proposal for appropriation of the company's profit or loss rests with the Board of Directors, and responsibility for the administration rests with the Board of Directors and Chief Executive Officer.

THE AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion, with a reasonable degree of certainty, on the proposal for appropriation of the company's profit or loss and on the administration, on the basis of our audit. We have conducted our audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposal for appropriation of the company's profit, we have examined the Board of Directors' reasoned opinion and a selection of evidence for this in order to determine whether the proposal is consistent with the Swedish Companies Act.

As a basis for our statement on release from liability, we have, in addition to our audit of the annual accounts and consolidated financial statements, examined significant decisions, actions and circumstances of the company in order to be able to determine the liability, if any, to the company of any Director or of the Chief Executive Officer. We have also examined whether any Director or the Chief Executive Officer has in any other way acted in violation of the Swedish Companies Act, the Annual Accounts Act or the company's articles of association.

We believe that the audit evidence we have obtained is sufficient and adequate as a basis for our opinion.

OPINION

We recommend that the Annual General Meeting appropriate the profit as proposed in the Directors' Report and grant release from liability to the members of the Board of Directors and Chief Executive Officer in respect of the financial year.

Stockholm, 23 April 2015
KPMG AB

Anders Malmeby
Authorised Public Accountant

CORPORATE GOVERNANCE

INTRODUCTION

Corporate governance, including issues relating to internal control and risk management, is a core concern of the Bravida Holding AB Group. There follows a brief summary of some of the key areas of this work. Bravida Holding AB is a Swedish public limited company whose shares are not currently listed. This section does not constitute a corporate governance report in the formal sense, as the requirements are therefore not applicable.

The Swedish Code of Corporate Governance applies to all Swedish companies whose shares are listed on a regulated market in Sweden and must be applied as soon as possible and no later than with the first Annual General Meeting held after listing. The Swedish Code of Corporate Governance specifies a standard for good corporate governance that surpasses the level stipulated by law and over time has involved sections of the Swedish Code being incorporated into law.

Bravida intends to apply the Swedish Code of Corporate Governance from the Annual General Meeting 2016. Bravida expects to be in compliance with the rules of the Swedish Code of Corporate Governance in force at that time. Any possible deviations from the Swedish Code of Corporate Governance will be reported in the company's Corporate Governance Report, which is expected to be prepared for the first time for the 2015 financial year.

This report does not form part of the Directors' Report. As indicated above, the report does not constitute a formal corporate governance report, therefore it has not been examined by the company's auditors.

CORPORATE GOVERNANCE POLICIES

Where appropriate, Bravida Holding AB has implemented working practices that closely follow the rules of the Swedish Code of Corporate Governance, even though, as indicated above, the rules do not apply to the Group.

Corporate Governance defines the way in which our operations are controlled and monitored. In its broadest sense, Corporate Governance prescribes the roles and rules that we apply in our operations – from the very top of the organisation down to each individual employee.

The governance of Bravida's operations is documented at a general level in the form of the rules of procedure of the Board of Directors, the instructions for the Chief Executive Officer and the Group's authorisation procedure. These are broken down, in turn, into a number of policies and work instructions.

SHAREHOLDERS

At 31 December 2014, Bravissima Holding AB was the sole shareholder in the company.

ARTICLES OF ASSOCIATION

The articles of association (see company website: www.bravida.se) were adopted at the Annual General Meeting of 14 May 2013. The articles of association do not contain any special provisions concerning the appointment and dismissal of Directors or the amendment of the articles of association.

GENERAL MEETING

The General Meeting is the company's highest executive body. The General Meeting is where the shareholders are able to exercise their influence. Under the Swedish Companies Act, several matters are the

preserve of the General Meeting, such as the adoption of the income statement and balance sheet, the appropriation of the company's profit or loss, discharge from liability, the election of Directors and the election of the auditor.

The Board of Directors is also able to convene Extraordinary General Meetings during the year. This is done where, for example, a decision is required on a matter that can only be decided upon by the General Meeting and where it is not appropriate to wait until the next Annual General Meeting.

ANNUAL GENERAL MEETING

The Annual General Meeting of Bravida Holding AB for 2014 was held on 13 March at the company's head office at Mikrofonvägen 28, Stockholm, Sweden. The Annual General Meeting passed resolutions on the adoption of the income statement and balance sheet for 2013, the appropriation of profit, the dividend of SEK 1.2403 per share, and the discharge from liability of the CEO and the Board of Directors for the previous financial year.

The Annual General Meeting for 2015 will be held at the company's head office on 23 April.

AUTHORITY

The General Meeting has not currently conferred any authority upon the Board of Directors to decide whether the company shall issue new shares or acquire own shares.

ELECTION COMMITTEE

Owing to its status as at 31 December 2014, the company does not have a traditional election committee. The Board of Directors is nominated through a process at owner level above Bravida Holding AB, with the exception of the employee representatives on the Board. These are appointed in accordance with the Swedish Board Representation (Private Sector Employees) Act.

AUDITORS

The firm of auditors elected at the 2014 Annual General Meeting is KPMG AB, with Authorised Public Accountant Anders Malmeby as the principal auditor. The next election of the auditor will take place at the 2015 Annual General Meeting.

It is the duty of the auditors, on behalf of the shareholder, to examine the company's annual report and accounts, as well as the administration performed by the Board of Directors and the Chief Executive Officer. The auditors report continually to the Board of Directors. The auditors' fees are stated in Note 4.

THE BOARD OF DIRECTORS

The composition of the Board of Directors is shown on page 88 of the Annual Report.

THE WORK OF THE BOARD OF DIRECTORS

The Board of Directors carries out its work as prescribed by the Swedish Companies Act and by other rules and regulations that are applicable to the company. The Board's work followed the rules of procedure for the Board, which were adopted at the Board meeting in December 2013, and new rules of procedure that were adopted at the Board meeting in May 2014.

The Board of Directors held five meetings during 2014. Members of the senior management and the central Group functions presented reports. During the year, the Board's work primarily addressed company strategy, business plans, financial results, acquisitions and disposals, as well as reporting and internal control. The company's principal auditor attended one of the Board meetings, at which he reported on the conclusions of the statutory audit.

BOARD COMMITTEES

The Board of Directors has performed the functions that are in some cases assigned to special committees. Issues relating to financial reporting and internal control, as well as dialogue with the company auditor, have therefore taken place at plenary meetings of the Board of Directors. The same is also true of issues relating to remuneration.

SENIOR MANAGEMENT

The Board of Directors appoints a President and Chief Executive Officer. The Chief Executive Officer leads the Group's work and takes decisions in consultation with other members of the senior management. The composition of the senior management is shown on page 89 of the Annual Report.

The senior management hold minuted meetings every month and at quarterly meetings the Group's Chief Executive Officer and Chief Financial Officer, together with the respective Heads of Division, review the results and progress of the divisions. Both the meetings with the senior management and the quarterly reviews are held in a similar manner at divisional, regional and local office level.

INTERNAL CONTROL OF FINANCIAL REPORTING

The Board's responsibility for internal control is stipulated in the Swedish Companies Act. There follows a description of the main elements of the company's systems for internal control and risk management. The aim of internal control of financial reporting is partly to provide reasonable certainty in terms of the reliability of external financial reporting, and partly to ensure that external financial reporting has been prepared in accordance with the law, applicable reporting standards and other requirements.

Control environment

The Board of Directors has overall responsibility for internal control in relation to financial reporting. The control environment for financial reporting is based on the allocation of roles and responsibilities within the organisation, established and communicated decision paths, instructions relating to powers and responsibilities, and accounting and reporting instructions. The Board of Directors has adopted rules of procedure, a CEO instruction including an authorisation instruction for the CEO, as well as an instruction for financial reporting. In addition to the Board's rules of procedure, the CEO instruction and the reporting instruction, there are policies and guidelines in a number of areas for operational activities.

At Bravida, the special review function represented by an internal audit is largely fulfilled by the controlling organisation.

Risk assessment

An integral part of the management work of the Board of Directors and the senior management is a broad-based risk assessment that includes, but is not limited to, financial risks and significant business risks. Risks

are reported to the Board of Directors on a continual basis. During the year, the Board has held ongoing discussions about various kinds of risk, as well as the company's risk management process. A key issue in this respect is the control and monitoring of projects that are underway.

Information and communication

Information about internal control documents for financial reporting are available to the relevant staff via Bravida's intranet. Information and training on the internal control documents is provided through internal seminars and meetings, etc.

Control activities

The Group's control activities, for authorisation and project approval for example, originate at Group level, but are then handled primarily at local level at the various subsidiaries in each country.

Starting in 2014, the senior management, on behalf of the Board of Directors, began implementing partially modified working practices for the control and monitoring of Bravida's project activities, with the primary aim of further improving production, calculations and system compliance. All local offices will receive training, with certification on successful completion.

Follow-up

Follow-up to ensure the effectiveness of internal control in relation to financial reporting is carried out by the Board of Directors, the Chief Executive Officer, the senior management and the management teams at the Group's companies. Work at project management level is central to this, given the nature of the business. Follow-up involves, among other things, reviewing each company's monthly financial statements in comparison with budget and targets.

BOARD OF DIRECTORS BRAVIDA HOLDING AB



From left to right: Kai-Otto Helmersen, Jay Corrigan, Jeffrey Scherer, Ivano Sessa, Michael Siefke, Michel Plantevin, Jan-Erik Arvidsson, Peter Sjöquist, Anders Mårtensson, Jan Johansson.

MICHAEL SIEFKE

Partner, Bain Capital
Role on the Board: Chairman
Elected to the Board: 2012
Year of birth: 1967

JAY CORRIGAN

CFO, Bain Capital
Role on the Board: Director
Elected to the Board: 2013
Year of birth: 1971

JAN JOHANSSON

CEO, Malmö Cityfastigheter
Role on the Board: Director
Elected to the Board: 2013
Year of birth: 1959

MICHEL PLANTEVIN

Partner, Bain Capital
Role on the Board: Director
Elected to the Board: 2012
Year of birth: 1956

JEFFREY SCHERER

Operating partner, Bain Capital
Role on the Board: Director
Elected to the Board: 2014
Year of birth: 1975

IVANO SESSA

Partner, Bain Capital
Role on the Board: Director
Elected to the Board: 2012
Year of birth: 1977

EMPLOYEE REPRESENTATIVES

JAN-ERIK ARVIDSSON

Title/profession: Electrician –
The Swedish Electricians' Union
Elected to the Board: 2014
Year of birth: 1950

KAI-OTTO HELMERSEN

Title/profession: Electrical fitter –
The Norwegian Electricians' Union
(EL & IT)
Elected to the Board: 2014
Year of birth: 1973

ANDERS MÅRTENSSON

Title/profession: Plumber –
The Swedish Building Workers' Union
(Byggnads i Sverige)
Elected to the Board: 2014
Year of birth: 1965

PETER SJÖQUIST

Title/profession: Project
Manager/Technician –
Ledarna i Sverige
Elected to the Board: 2014
Year of birth: 1957

BRAVIDA'S SENIOR MANAGEMENT



From left to right: Petter Håkanson, Anders Ahlquist, Mikael Lidström, Nils-Johan Andersson, Lars Korduner, Magnus Hamerslag, Magnus Liljefors, Mattias Johansson, Filip Bjurström, Bent Andersen, Tore Bakke, Staffan Pålsson.

MATTIAS JOHANSSON

Chief Executive Officer and
Group President
Year of birth: 1973
Year of employment: 1998

NILS-JOHAN ANDERSSON

Chief Financial Officer
Year of birth: 1962
Year of employment: 2014

MIKAEL LIDSTRÖM

Head of Division North
Year of birth: 1966
Year of employment: 1995–2006,
2013

FILIP BJURSTRÖM

Head of Division Stockholm
Year of birth: 1969
Year of employment: 2009

ANDERS AHLQUIST

Head of Division South
Year of birth: 1966
Year of employment: 2008

STAFFAN PÅHLSSON

Senior Vice President
Year of birth: 1952
Year of employment: 1980

BENT ANDERSEN

Head of Division Denmark
Year of birth: 1961
Year of employment: 2003

PETTER HÅKANSON

Head of Business
Development, IT and
Communications
Year of birth: 1967
Year of employment: 2005

LARS KORDUNER

Chief Purchasing Officer
Year of birth: 1966
Year of employment: 2005

MAGNUS LILJEFORS

Chief Legal Officer
Year of birth: 1963
Year of employment: 2005

TORE BAKKE

Head of Division Norway
Year of birth: 1970
Year of employment: 2009

MAGNUS HAMERSLAG

Head of Operations Development
Year of birth: 1973
Year of employment: 2008

DEFINITIONS

FINANCIAL DEFINITIONS

OPERATING MARGIN

Earnings before impairment of goodwill (EBITA), as a percentage of net sales.

PROFIT MARGIN

Earnings after financial items, as a percentage of net sales.

CAPITAL EMPLOYED

Balance sheet total (total assets) less non-interest-bearing liabilities.

RETURN ON CAPITAL EMPLOYED

Profit after financial items plus financial expense, as a percentage of average capital employed.

EQUITY/ASSETS RATIO

Equity plus, in the parent company, the equity share of untaxed reserves, as a percentage of total assets at year-end.

INTEREST COVERAGE RATIO

Profit after financial items plus interest expense, divided by interest expense.

NET SALES

In the installation business, net sales are accounted for in accordance with the percentage of completion method. These revenues are recognised in proportion to the degree of completion of the installation projects. In other operations, net sales is the same as billing for the year.

ORDER INTAKE

The value of received projects and changes to existing projects during the period concerned.

ORDER BACKLOG

The value of remaining, not yet accrued project revenues from orders on hand at the end of the period.

OPERATIONAL DEFINITIONS

INSTALLATION/INSTALLATION CONTRACT

The building or redevelopment of technical systems in buildings and infrastructure.

SERVICE

Operation and maintenance as well as minor redevelopment of installations in buildings, plant and infrastructure.

NUMBER OF EMPLOYEES

The average number of employees during the year, taking account of full-time and part-time jobs.

ELECTRICAL (FIELD OF TECHNOLOGY)

Power supply, lighting, heating, automatic control and surveillance systems. Telecom and other light-current installations. Fire and burglar alarm products and systems, access control systems, CCTV surveillance and integrated security systems.

HEATING & PLUMBING (FIELD OF TECHNOLOGY)

Water, waste water, heating, sanitation, cooling and sprinkler systems. District heating and district cooling. Industrial piping with expertise for all types of pipe welding. Energy-saving measures in the form of integrated energy systems.

HVAC (FIELD OF TECHNOLOGY)

Comfort ventilation and comfort cooling in the form of air handling, air conditioning and climate control. Commercial cooling in freezer rooms and cold rooms. Process ventilation, automatic control systems. Energy assessments and energy-saving measures in the form of heat recovery ventilation, heat pumps, etc.

HEAD OFFICE

Bravida Holding AB
SE-126 81 Stockholm
Visiting address:
Mikrofonvägen 28
Sweden
Telephone: +46 8 695 20 00
www.bravida.se

DIVISION NORTH

Bravida Sverige AB
Box 818
SE-721 22 Västerås
Visiting address:
Betonggatan 1
Sweden
Telephone: +46 60 66 39 00
www.bravida.se

DIVISION STOCKHOLM

Bravida Sverige AB
SE-126 81 Stockholm
Visiting address:
Mikrofonvägen 28
Sweden
Telephone: +46 8 695 20 00
www.bravida.se

DIVISION SOUTH

Bravida Sverige AB
Box 40
SE-431 21 Mölndal
Visiting address:
Alfagatan 8
Sweden
Telephone: +46 31 709 51 00
www.bravida.se

DIVISION NORWAY

Bravida Norge AS
Postboks 313 Økern
NO-0511 Oslo
Norway
Visiting address:
Østre Aker vei 90
Telephone: +47 2404 80 00
www.bravida.no

DIVISION DENMARK

Bravida Danmark A/S
Park Allé 373
DK-2605 Brøndby
Denmark
Telephone: +45 4322 1100
www.bravida.dk

