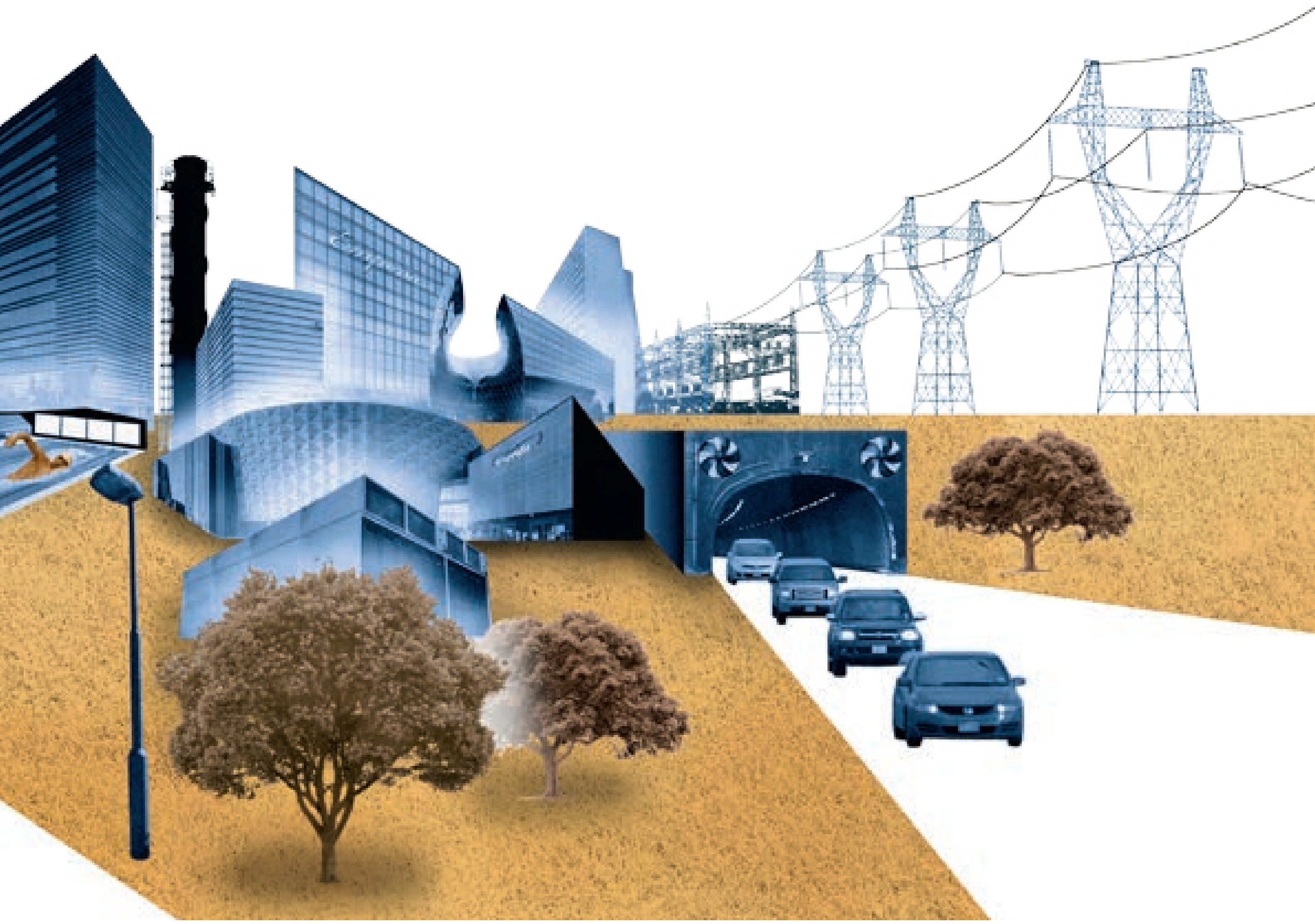
WE BRING BUILDINGS TO LIFE



BRAVIDA ANNUAL REPORT 2015

bravida
BRINGING BUILDINGS TO LIFE

MESSAGE FROM THE CEO
“Strong base for even greater growth”
6.

34.
EMPLOYEES.
Bravida – among Sweden’s best employers

Market trends
22.

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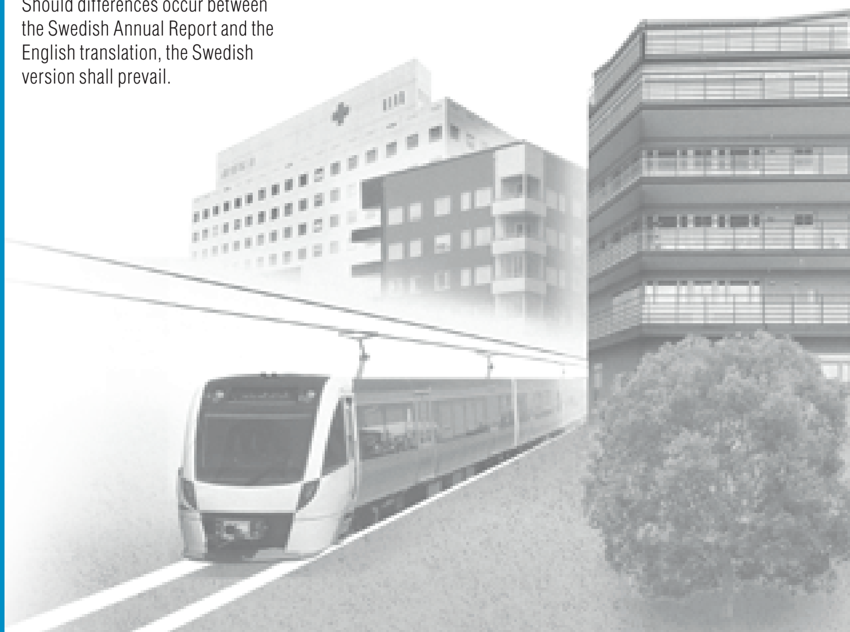
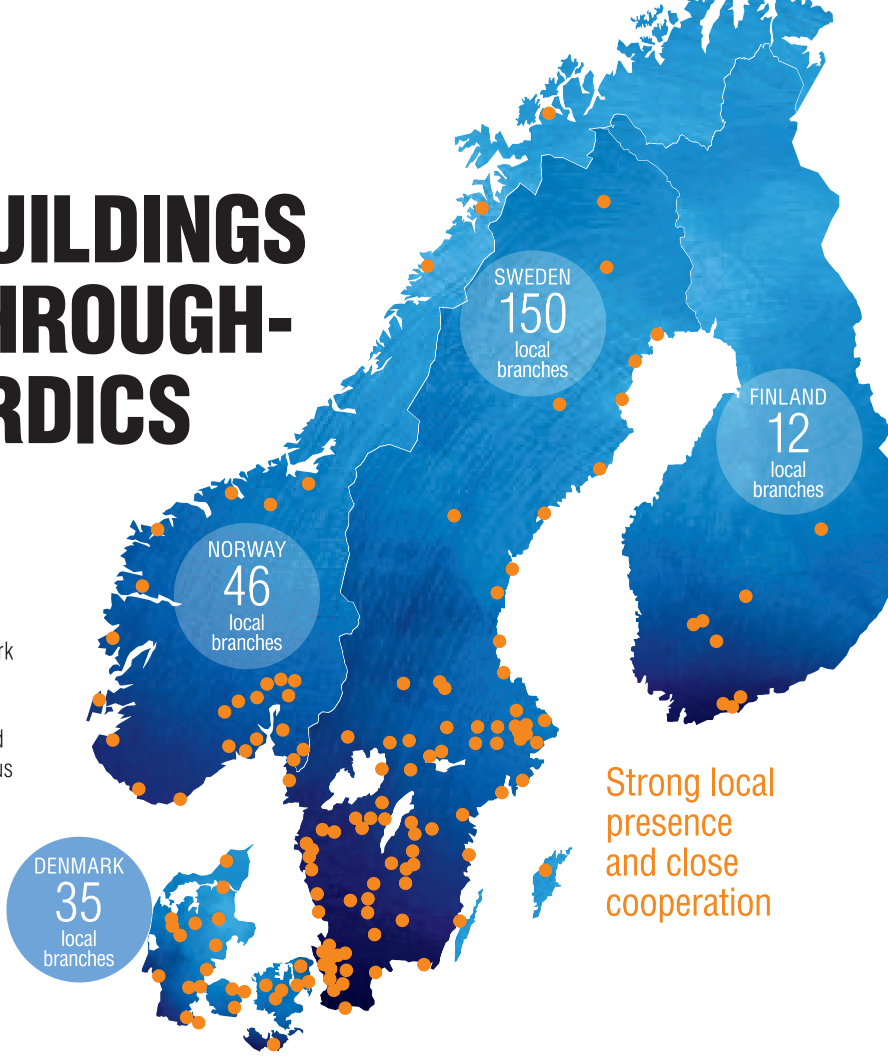
BRAVIDA’S CUSTOMERS.
Broad base comprising big and small customers

The Annual Aeport 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.



WE BRING BUILDINGS TO LIFE – THROUGHOUT THE NORDICS



Leader in installation and service in the Nordics

We have more than 9,000 committed employees at more than 140 locations in Sweden, Norway, Denmark and Finland. Through a strong local presence and close cooperation, we build long-term relationships with customers, in which we offer both peace of mind and new opportunities. Bravida aims to be the obvious choice and an active partner for our customers, existing and new.

Strong local presence and close cooperation

We bring buildings to life

With modern technology and innovative solutions, we bring buildings to life. Our installation and service projects cover buildings' 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 development and growth in society.

SERVICES

INSTALLATION

Building and redevelopment of technical systems in buildings, plant and infrastructure.

SERVICE

Operation and maintenance, as well as minor alterations to installations in buildings and plant.

TECHNOLOGY AREAS

ELECTRICAL

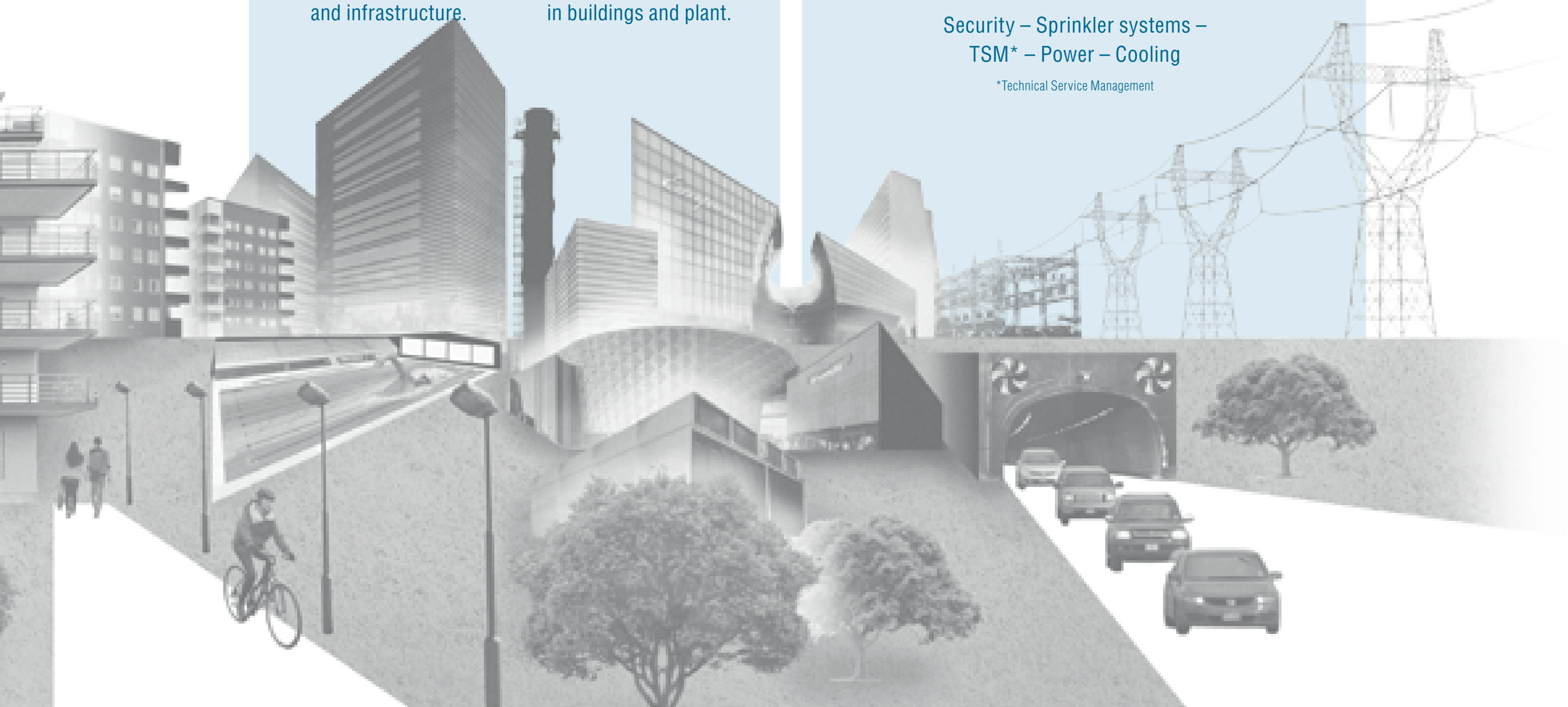
HEATING & PLUMBING

HVAC

SPECIALIST AREAS

Security – Sprinkler systems – TSM* – Power – Cooling

*Technical Service Management



IMPORTANT EVENTS DURING 2015

IPO
Bravida was listed on Nasdaq Stockholm in October. The Bravida share is abbreviated to BRAV.

ESTABLISHMED IN FINLAND
Bravida is establishing a presence in Finland through its acquisitions of the Peko Group's installation and service operation and Halmesvaara Oy.

NEW CEO AND GROUP PRESIDENT
Mattias Johansson took up the post of CEO and Group President in January.

ACQUISITIONS
A total of 16 companies were acquired during the year, which boost annual sales by SEK 1.5 billion.

ONGOING IMPROVEMENTS IN PRODUCTIVITY
The Group-wide improvement programmes are continuing to make progress and are laying the foundation for our productivity improvements.

THE YEAR IN FIGURES

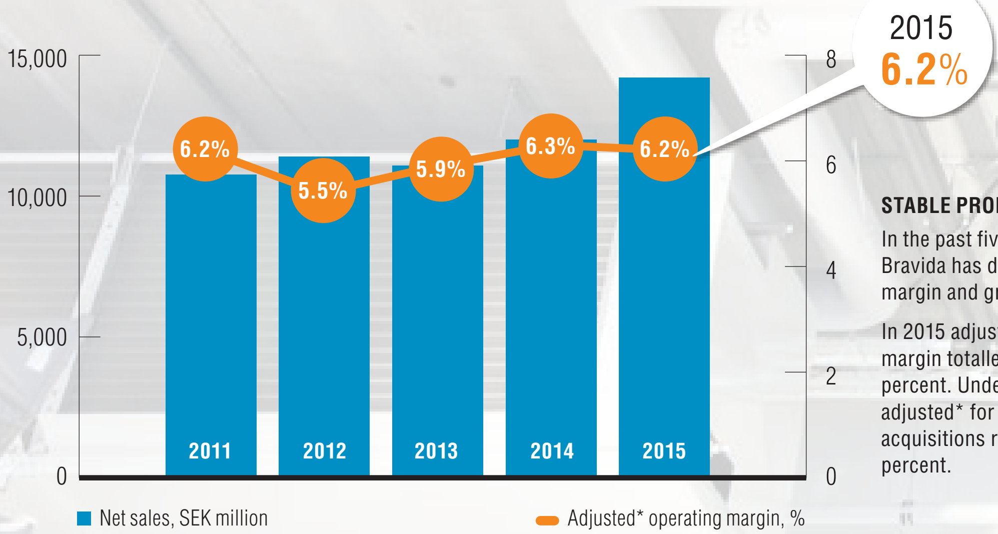
KEY PERFORMANCE INDICATORS, SEK MILLION	2011	2012	2013	2014	2015
Net sales	10,768	11,400	11,080	12,000	14,206
Operating profit/loss (EBIT)	663	570	600	705	782
Profit after financial items (EBT)	615	539	221	440	422
Operating margin, %	6.2	5.0	5.4	5.9	5.5
Adjusted* operating profit/loss	663	624	649	759	878
Adjusted* operating margin, %	6.2	5.5	5.9	6.3	6.2
Cash flow from operating activities	559	424	457	659	841
Order backlog	4,590	4,809	6,075	6,580	7,092

INCREASE IN NET SALES
18%

ADJUSTED* IMPROVEMENT IN OPERATING PROFIT
16%

CASH FLOW INCREASED
28%

GROWTH AND PROFIT DEVELOPMENT 2011–2015



STABLE PROFITABILITY
In the past five years Bravida has delivered stable margin and growth.

In 2015 adjusted* operating margin totalled 6.2 percent. Underlying margin adjusted* for the Finnish acquisitions reached 6.4 percent.

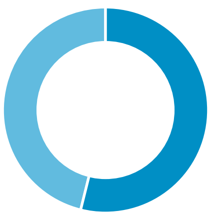
*Adjusted for special costs

BRAVIDA IN FIGURES

		2014	2015	SHARE OF BRAVIDA'S NET SALES	SHARE OF BRAVIDA'S OPERATING PROFIT/LOSS
SWEDEN	Net sales	7,322	8,583	60%	61%
	Operating profit/loss	408	480		
	Operating margin	5.6%	5.6%		
NORWAY	Net sales	2,922	3,173	22%	33%
	Operating profit/loss	192	256		
	Operating margin	6.6%	8.1%		
DENMARK	Net sales	1,792	2,116	15%	14%
	Operating profit/loss	94	108		
	Operating margin	5.2%	5.1%		
FINLAND	Net sales	–	358	3%	0%
	Operating profit/loss	–	0		
	Operating margin	–	0.0%		

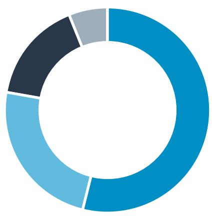
REVENUE DISTRIBUTION

INSTALLATION/SERVICE
Share of Bravida's sales



- **54%** Installation
- **46%** Service

TECHNOLOGY AREAS
Share of Bravida's sales



- **54%** Electrical
- **24%** Heating & plumbing
- **16%** HVAC
- **6%** Specialist areas

SHARE OF BRAVIDA'S TOTAL SALES

TYPE OF PLANT/ FACILITY

- **15%** Apartment buildings
- **14%** Industry
- **14%** Offices
- **12%** Infrastructure
- **12%** Healthcare and social care
- **6%** Education
- **5%** Retail
- **22%** Other

CUSTOMER GROUPS

- **32%** Building contractors
- **20%** Other commercial
- **19%** Public sector
- **10%** Property companies
- **9%** Industry
- **10%** Other

STRONG BASE FOR FURTHER IMPROVEMENTS

2015 really stands out as a strong, eventful year in Bravida's history. With our expansion into Finland and our IPO, we have passed two key milestones, while also delivering record-breaking results. Long-term work has laid the foundation for a robust company. Our market has good future prospects, driven by society's needs for energy-efficient solutions and sustainable use of resources.

Adjusted operating profit for the full year increased by 16 percent, which was roughly in line with sales growth. We are expanding both organically and through acquisitions. In addition to our 16 acquisitions, 7 percent of our growth was organic – exceeding our target by 2 percent and market growth by approximately 3 percent, which is proof of Bravida's strength and show that we are doing a lot right. The order backlog – consisting solely of installation projects – remains strong, totalling more than SEK 7 billion. In 2015 we won a number of key assignments, primarily in new construction and renovation of hospitals. However, our many small and medium-sized orders that lay the foundation for our operations and create stability are even more important to our business.

THE BRAVIDA WAY DRIVES US FORWARD

Our results for 2015 represent the combined effort of 243 local branches. Our business model is based on a decentralised organisation focused on entrepreneurship. Our local branches are united by a strong, targeted culture that we call the Bravida Way – we keep our promises, we follow up and we constantly improve. The Bravida Way combines local entrepreneurship with control, follow-up, support and a will to achieve constant improvement.

Our decentralised organisation is unique in the market. The key to success is that our local branch managers shoulder full responsibility for results, at the same time they can profit from the economies of scale found in a larger organisation. The branches are compared in terms of their key performance indicators, and it is natural for them to learn from and compete with each other. This creates energy and strength to continuously drive the organisation forward.

SMOOTH PROCESS FOR INTEGRATING ACQUISITIONS

Our acquisitions constitute another powerful means of creating value in our long-term strategy. Our decentralised model underpins our rapid pace of acquisitions by significantly simplifying integration. We are an attractive buyer for small entrepreneur-driven companies that want to continue developing while maintaining their own responsibility. They can also utilise our size to cut costs, expand their expertise and clinch new deals through the broader customer exposure that they obtain.

The many acquisitions we made in 2015 are likely to be followed by a number of further additions in 2016. There are many potential candidates because the market is so fragmented.

We continue our work with integrating our two strategic acquisitions in Finland. I am confident about our future opportunities in Finland because the market is displaying a positive trend after a number of weak years, and we are bringing in support for working methods and tools as well as purchasing synergies. The market and our organisation are also permeated by a high degree of maturity regarding service, which benefit the margins in the longer term. With comprehensive Nordic coverage we can now offer a pan-Nordic service solution to our largest customers. Our strategy is to continue to grow in Finland.

STRATEGIC IMPROVEMENT INITIATIVES HAVE CONTINUED POTENTIAL

Our strategic improvement initiatives have a clear effect on our margin and have future potential. In 2015 the majority of our local branches were successful in receiving certification in a major productivity programme and they implemented improved working methods and tools.

Our work on establishing a stronger purchasing platform, aimed at cutting purchasing costs by 10 percent, remains ongoing in 2016. With fewer suppliers, lower prices, the right product choice and a better process, we successfully bolstered our purchasing activities in 2015. Now we're taking the next step by increasing our proportion of international purchases. We are also working on a service initiative to boost organic growth in our service branches in the long term. Our ambition is to work proactively on proposals and solutions to develop and grow our customer base.

GOOD MARKET ACROSS THE BOARD

The market is good right across the board. The ongoing and expected flow of small deals will be complemented by several larger projects in the public sector. In Sweden we have major public investments to come, and the market in Finland is successively improving. Our part of the market in Norway developed well during 2015. Nonetheless, we are being cautious due to the impact of the low price of oil in certain regions. In Denmark we see a strengthening market.

SKILLS SUPPLY CRUCIAL IN FUTURE

Access to a supply of skilled employees is crucial to our ability to grow. There is increasingly tough competition for employees – for engineers, fitters and technicians. In Denmark we are already seeing signs that the difficulty in recruitment is curbing organic growth. We are working on our skills supply with a long-term approach. Being an interesting employer able to attract the top talent to Bravida is a prerequisite for the achievement of our objectives. In March 2016 our management team was reinforced with the addition of a new HR manager, who will focus strongly on this.

SUSTAINABILITY A KEY COMPONENT FOR THE FUTURE

Sustainability is an important issue to Bravida overall and it is crucial in the development of our product range and customer offering for the future. We aim to further clarify our offering for energy-saving measures. This area contains considerable sales potential.

A great deal remains to be done to reduce energy consumption in buildings, which currently account for 40 percent of energy consumed in the EU. For example, 80 percent of all public buildings in Sweden do not meet the energy requirements that will come into force in the EU in 2020. These requirements stipulate that energy consumption in existing and new buildings must be reduced by 20 percent by 2020 compared to the level for 2020 that was forecast in 2007. Bravida's exemplary areas of lighting, heating and cooling are driving this development.

Sustainability is not rocket science for Bravida; most potential lies primarily in the work that our technicians and fitters do every day at our customers, such as replacing old, inefficient installations with new, better solutions, as well as servicing and maintaining facilities, or installing new, better light fittings. There is a great deal to be done here, and we can rapidly make a sizeable difference. In order to succeed we have considerable responsibility for training our employees and customers and increasing their awareness of the opportunities available. This constitutes the starting point for our service initiative.

HEALTH AND SAFETY ARE PRIORITIES

We have successfully reduced our sickness absence and occupational injuries until 2015. Last year, however, the trend changed and this is serious. We are now analysing our surveys in order to implement the right measures. Our employees should come to work every day feeling well and healthy. This is top priority at Bravida.

IPO CREATES NEW OPPORTUNITIES

Bravida's IPO that took place in the autumn was a success in many respects. Not least, it achieved greater recognition of our brand, making us more attractive to both potential customers and employees. More than 1,200 employees opted to subscribe for shares in conjunction with our IPO. This clearly illustrates the firm commitment to developing the company that permeates our corporate culture.

Many Bravida employees achieved great things in the past year. But in the words of the Norwegian skiing team: "world champion is not something that you are. It's something you've been and something you can be again." Now we're starting afresh and getting down to business in 2016. We have a strong base, which we need to work on in our ongoing pursuit of further improvements.

Mattias Johansson
CEO and Group President

"Our decentralised organisation is unique in the market. The key to success is that our local branch managers shoulder full responsibility for results, at the same time they can profit from the economies of scale found in a larger organisation."

FINANCIAL STABILITY AND FLEXIBILITY

Bravida delivers in line with or better than its financial targets on a broad front. And there is considerable potential for further growth, both within its existing operations and via acquisitions. The new financing structure that was implemented during the autumn forms a solid financial foundation for further growth. Our strategic profitability initiatives will continue to have a clear effect on our margin in the future.

Our net sales rose 18 percent last year, of which 7 percent organically. We thereby exceeded our growth target of 10 percent. Adjusted operating profit increased 16 percent, and the adjusted margin consequently reached 6.2 percent. Adjusted for dilution from the two strategic acquisitions in Finland this corresponds to a 0.1 percent increase compared to 2014. We thereby came closer to our long-term margin target of 7 percent, even though the rapid pace of acquisitions outside Finland weighed on the margin slightly.

Bravida is an industry leader in terms of the breadth and depth of its customer offering, as well as the company's efficiency and structured working methods. This is the result of long-term work and is an important reason why our profitability and organic growth continue to surpass market levels. Our market share is consequently increasingly steadily.

ACQUISITIONS CONTRIBUTE STRONGLY TO SALES GROWTH

We have made 33 acquisitions in the past two years. They add about SEK 2.5 billion to annual sales and we are thereby leading the consolidation of the industry. The installation and service industry is fragmented, and growth potential through acquisitions remains considerable.

Bravida is often contacted by entrepreneurs who are keen to sell their businesses. Our strong brand, clearly decentralised organisation and structured working methods make us attractive. A strategic motive and clear synergies are important criteria when we evaluate potential acquisitions. They usually mean supplementing our customer offering in an existing location or expanding our market coverage to a new location.

The purchase price is usually about five times EBITA, excluding synergies. The risk involved in acquisitions is limited due to the size and number of our acquisitions combined with cost synergies in the majority of them. We have consistently maintained a solid track record for our rapid integration process and the size of the synergies gained for the companies that we acquired in 2014–2015.

"There is considerable potential for continued growth, both within existing operations and via acquisitions."

STRONG CASH FLOWS FUNDAMENTAL TO OUR STRATEGY

Our ability to generate significant, stable cash flows is also fundamental to our ability to grow both organically and via acquisitions and to fulfil our dividend policy of paying out at least 50 percent of profit after tax. Last year our cash generation amounted to 125 percent of operating profit, which was in line with the average for the past four years. Despite the rapid rate of acquisitions in 2015, the cash flow reduced the net debt/equity ratio to 2.7 times EBITDA from 3.3 one year earlier. This gives us a robust balance sheet and means that we are close to our long-term target of 2.5.

ATTRACTIVE FINANCING ENSURES EXPANSION

In conjunction with our IPO we refinanced the main part of our debt, in total SEK 4,000 million with a five-year maturity. Our net financial items will improve by just under SEK 200 million. With the attractive interest conditions and long maturity we have secured the financing required for the Group's further expansion in coming years.

LIMITED RISK LEVEL

With a good financial follow-up at all levels in our organisation, Bravida runs stable operations with controlled risk-taking. We also benefit from our diversified and fragmented customer structure with small orders. Our service operation, which accounts for nearly half our sales, is also stable thanks to its recurring nature. Complementing this, renovations and extensions constitute nearly 20 percent of our sales and also involve limited exposure to changes in the business climate. Our cost structure, with a low proportion of fixed costs, gives us flexibility should the market for new-build-related projects falter.

Nils-Johan Andersson
CFO

INCOME STATEMENT, SEK MILLION	2011	2012	2013	2014	2015
Net sales	10,768	11,400	11,080	12,000	14,206
Production costs	-9,114	-9,740	-9,420	-10,173	-12,081
Gross profit/loss	**1,653**	**1,660**	**1,660**	**1,827**	**2,124**
Administrative and selling expenses	-990	-1,057	-1,061	-1,123	-1,342
Other operating expenses	–	-33	–	–	–
Operating profit/loss	**663**	**570**	**600**	**705**	**782**
Adjustments of costs of a specific nature	–	55	49	54	96
Operating profit/loss after costs of a specific nature	**663**	**624**	**649**	**759**	**878**
Net financial items	-48	-31	-378	-265	-360
Profit/Loss after financial items (EBT)	**615**	**539**	**221**	**440**	**422**
Tax	-106	-145	-47	-120	-135
Profit/loss for the period	**510**	**394**	**174**	**320**	**287**

BALANCE SHEET, SEK MILLION					
Goodwill	2,203	6,745	6,733	6,940	7,211
Other non-current assets	409	291	354	386	218
Current assets	3,384	2,939	2,785	2,911	3,394
Cash and cash equivalents	-78	97	838	828	573
Total assets	**5,919**	**10,072**	**10,710**	**11,064**	**11,396**
Equity	2,121	3,378	3,701	3,306	3,555
Loans	202	2,854	3,312	3,441	2,700
Other non-current liabilities	19	246	182	420	177
Current liabilities	3,576	3,594	3,514	3,897	4,964
Total equity and liabilities	**5,919**	**10,072**	**10,710**	**11,064**	**11,396**

CASH FLOW, SEK MILLION	jan-dec 2011	jan-dec 2012	jan-dec 2013	jan-dec 2014	jan-dec 2015
Cash flow from operating activities	559	424	457	659	841
Cash flow from investing activities	-66	-37	-54	-136	-262
Cash flow from financing activities	-453	-408	344	-545	-767
Cash flow for the period	**41**	**-21**	**746**	**-22**	**-189**

KEY FIGURES					
Operating margin, %	6.2	5.0	5.4	5.9	5.5
Adjusted EBITA margin, %	6.2	5.5	5.9	6.3	6.2
Profit margin, %	5.7	4.7	2.0	3.7	3.0
Return on equity, %	29.4	14.3	4.9	9.1	8.4
Net debt	124	–	2,468	2,595	2,433
Capital structure (net borrowings/adj. EBITDA)	–	–	3.7	3.3	2.7
Cash conversion, %	74.0	100.0	146.0	128.0	125.0
Interest coverage ratio, x	20.2	15.4	1.7	2.2	2.5
Equity/assets ratio, %	35.8	33.5	34.6	29.9	31.2
Order intake	11,315	11,564	12,346	12,149	14,249
Order backlog	4,590	4,809	6,075	6,580	7,092
Average no. of employees	7,955	8,139	7,967	8,188	9,359
Sales per employee	1,354	1,401	1,391	1,466	1,518
Administration costs as % of sales	9.2	9.3	9.6	9.4	9.4
Working capital as % of sales	-4.3	-4.2	-5.5	-7.1	-7.9
Earnings per share for the period, SEK, after reverse split	–	–	0.86	1.59	1.43

LEADER IN INSTALLATION AND SERVICE

MISSION

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

VISION

"We will become the leading partner in the Nordics for efficient technical solutions in installation and service. Our comprehensive knowledge will increase our customers' competitiveness."

TARGETS

We control our operations according to a number of key targets that reflect our ambition to achieve sustainable growth, stability and leadership in the industry.

Financial targets

SALES GROWTH

10%

Bravida aims to increase its sales by more than 10 percent per year, of which 5 percent organically and 5–7 percent through acquisitions.

Outcome 2015

18%

growth, of which 7% organic

OPERATING MARGIN

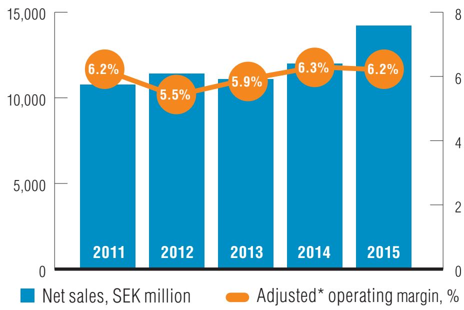
7%

Bravida aims to achieve an adjusted* EBITA margin exceeding 7 percent, including the dilution effect of acquisitions.

Outcome 2015

6.2%

adjusted* EBITA margin



STABLE PROFITABILITY

In the past five years Bravida has delivered stable profitability and growth.

In 2015 adjusted* operating margin totalled 6.2 percent. Underlying margin adjusted* for the Finnish acquisitions reached 6.4 percent.

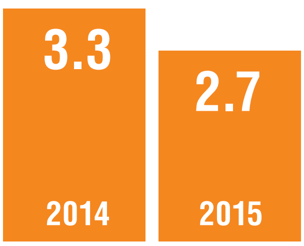
CAPITAL STRUCTURE

2.5x

net debt/adjusted* EBITDA

Bravida's capital structure aims to enable a high degree of financial flexibility and provide scope for acquisitions. The company's target is a net debt/equity ratio of about 2.5x net debt/adjusted EBITDA.

Outcome



DIVIDEND POLICY

> 50%

Bravida's objective is to pay out at least 50 percent of the Group's consolidated net profit, taking account of other factors such as financial position, cash flow and growth opportunities.

Proposed dividend for 2015

SEK 1.00 per share

CASH GENERATION

> 100%

Average cash generation in the past three years totalled 124%.

Outcome 2015

125%

*Adjusted for special costs

Targets – customer and market

THE MOST SATISFIED CUSTOMERS

Bravida enjoys a high level of customer satisfaction, and four out of five customers would consider recommending Bravida to others.

	Satisfied customer index (0–100)	Loyalty index (0–100)
Targets	75	85
Outcome 2015		
Installation	73	80
Service	74	81

STRONGEST BRAND IN THE NORDICS

According to our own brand survey (conducted in spring 2015), Bravida is the most recognized brand in Scandinavia for installation, while the awareness of our brand is slightly weaker on the service side (survey not done in Finland).

LOCAL MARKET LEADER

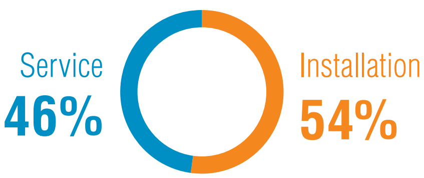
Bravida will be the biggest or second biggest player in all the locations where we choose to operate. During 2015 we strengthened our market position in several of the places where we operate, partly through acquisitions.

Other targets

SERVICE IS TO EXCEED INSTALLATION

In 2015 service accounted for approximately 46 percent of sales and installation for 54 percent.

Outcome 2015



LEADING SUPPLIER OF ENERGY-EFFICIENT AND ENVIRONMENTALLY FRIENDLY SERVICES

Through acquisitions and other measures we are continuing to strengthen our skills and the energy-efficient solutions we offer. We are striving to reduce our own environmental impact and CO_2 emissions.

THE MOST ATTRACTIVE EMPLOYER

In 2014 the motivated employee index, MEI (in Swedish: MMI), was 66. Our ambitious target is 75. The comparable figure in Sweden was 63. Among salaried employees the MEI amounted to 69, and among employees under a collective agreement the equivalent figure was 65. The next survey will take place in 2016.

IN 15TH PLACE

Among Sweden's best employers
(the survey is performed annually by Universum)

NO OCCUPATIONAL INJURIES

No employee should have work-related physical or mental illness. The frequency of occupational injuries at Bravida* increased from 9.4 to 11 in 2015. Sickness absence increased from 4.7 percent to 5.3 percent.

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

BUSINESS MODEL

Bravida is a service company that builds its offer to customers on our skilled and committed employees. A number of key factors form the foundation of how we organise our business and how we work.

HOW WE ORGANISE OUR BUSINESS

COMBINING INSTALLATION AND SERVICE

By combining installation and service, Bravida is able to operate throughout the lifecycle of a property. This ensures a long-term solution for the customer. The combination of installation and service operations creates more stable business for Bravida over time.

BREADTH, DEPTH AND COORDINATION

Bravida's breadth and depth give customers access to a comprehensive installation and service offering in electrical, heating & plumbing, HVAC and specialist areas.

SIZE AND PROXIMITY

With a local presence in about 140 locations in the Nordics, Bravida is always close to its customers. Our size and expertise also give us the capacity to perform large and complex projects without geographical limitations.

HOW WE PERFORM OUR BUSINESS

HIGH AND CONSISTENT QUALITY

By applying uniform working processes and project methodology, Bravida can ensure high and consistent quality in all its deliveries.

COST-EFFECTIVENESS

Strong cost-awareness throughout the delivery process gives us competitive strength.

PROACTIVITY

Through proactivity we create long-term solutions for customers and the environment. We work preventively by performing regular service and taking action at an early stage.

COORDINATED PURCHASING

A strong purchasing organisation provides a competitive range of materials, components and services from subcontractors, through common systems and coordinated purchases.

THE BRAVIDA WAY – OUR WAY OF WORKING

We keep our promises, we follow up and we constantly improve

The Bravida Way – our own culture and way of working – is based on a decentralised organisation, in which entrepreneurship and taking responsibility are essential for development and success. Economies of scale, well-established control and support from the big organisation drive local development. A company-wide working model designed to create constant improvement helps our local branches share experiences and learn from each other.

STRATEGIES

CUSTOMER
– Proactivity creates customer benefit

– Proactive customer relationships meet needs.

– Attractive offerings and high quality in our deliveries result in returning customers.

PROFITABILITY
– Margin before volume

– We take on assignments with calculable risks.

– We adapt production capacity and administrative expenses according to sales volume.

– Constantly improved operational efficiency and coordinated purchasing.

GROWTH
– Growth in selected markets

– We are building up a comprehensive and strong offering in electrical, heating & plumbing and HVAC solutions in the Nordics.

– We are growing organically and through acquisitions.

– We are increasing our growth in service operations.

EMPLOYEES
– Attract, retain and develop

– Decentralised decision making.

– Varied challenges in different projects.

– Professional leader development and internal training.

– Recruitment of young engineers.

VALUES

PROFESSIONALISM
– Clear responsibility for economy and profitability

● In all parts of the organisation, we identify opportunities and paths that lead the Company forward. All our employees take responsibility for the Company's finances through all stages of a project.

SIMPLICITY
– A uniform and uncomplicated approach

● Simple and uncomplicated routines and work processes make day-to-day operations run smoothly and efficiently. With the aid of a uniform approach, all of our local branches solve similar issues in the same way. Our motto in this respect 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 in new ways. Employees collaborate between branches and technical areas.

GOOD CONTUCT
– Reliability and correct behaviour

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

OUR PROFITABLE GROWTH CONTINUES

Bravida will continue to grow profitably. We will grow both organically and via acquisitions in our various key geographical markets. A greater focus on service constitutes an important part of our growth, and efficient working methods and coordinated purchasing will boost profitability.

MARKET LEADER IN KEY GEOGRAPHICAL MARKETS

We are to be the local market leader in a number of priority geographical areas in the Nordics where we have activities in all our fields of technology. This forms the foundation for Bravida's growth. 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 operations in all technology fields, other local branches can assist by providing the supplementary skills required.

Significant key markets include Copenhagen, Stockholm, Oslo, and Helsinki but also medium-sized locations such as Odense, Trollhättan and Tromsø. In many smaller locations Bravida is currently represented with only one field of technology.

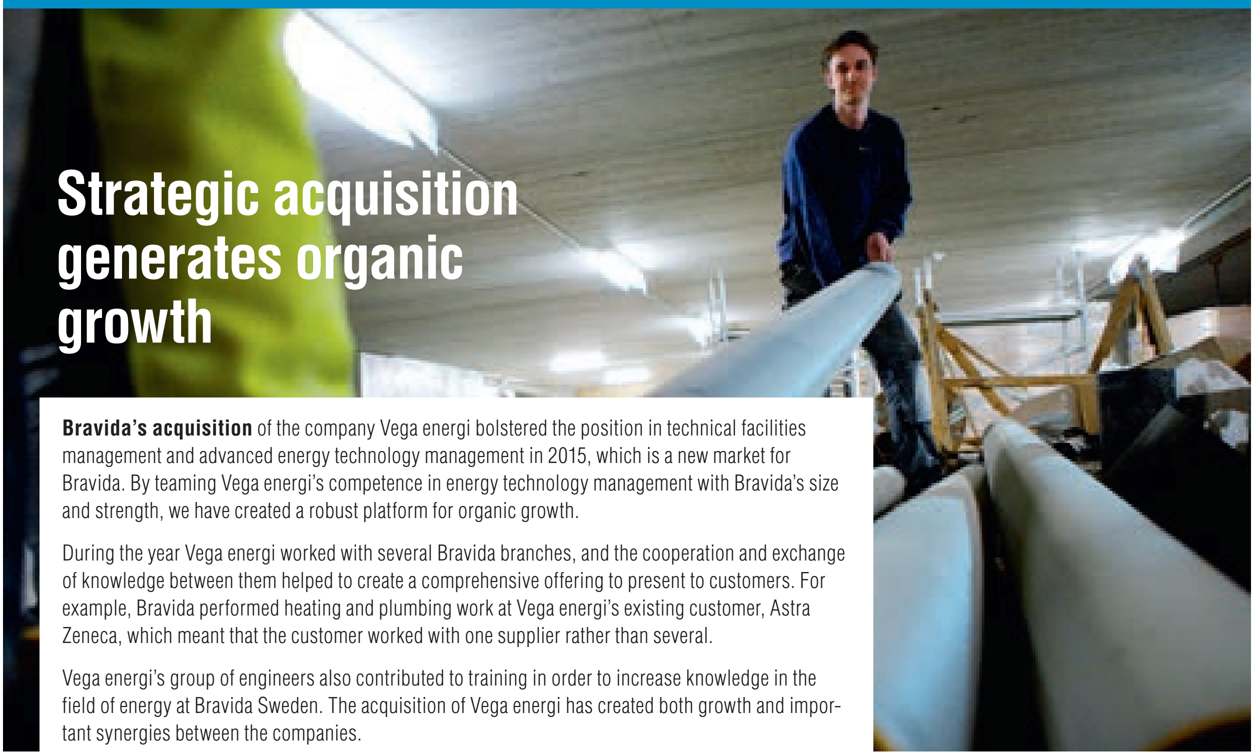
LOCAL COMPANY WITH THE COMPETENCE AND RESOURCES OF A BIG GROUP

Our ability to perform total projects that include electrical, heating and plumbing, and HVAC solutions, as well as our specialist areas: security, sprinklers, TSM (Technical Service Management), power and cooling, distinguishes Bravida from most of our local competitors. As the local company with the resources and economies of scale of a big group of companies, we have the capacity to perform major installation and service assignments throughout the Nordics.

Together with our local branches, the Group is implementing overall, growth- promotion initiatives:

- Strengthened focus on service with proactive sales and reinforcement of the local service branches.
- Joint marketing initiatives and development of packaged services that include more than one field of technology, such as Bravida Plus.
- Increased collaboration between local branches in joint projects, which leads to heightened competitiveness, better use of resources and exchanges of competence between different parts of the organisation.
- Nationwide agreements with major customers with operations in several Nordic locations.

BRAVIDA'S ACQUISITION OF VEGA ENERGI



Strategic acquisition generates organic growth

Bravida's acquisition of the company Vega energi bolstered the position in technical facilities management and advanced energy technology management in 2015, which is a new market for Bravida. By teaming Vega energi's competence in energy technology management with Bravida's size and strength, we have created a robust platform for organic growth.

During the year Vega energi worked with several Bravida branches, and the cooperation and exchange of knowledge between them helped to create a comprehensive offering to present to customers. For example, Bravida performed heating and plumbing work at Vega energi's existing customer, Astra Zeneca, which meant that the customer worked with one supplier rather than several.

Vega energi's group of engineers also contributed to training in order to increase knowledge in the field of energy at Bravida Sweden. The acquisition of Vega energi has created both growth and important synergies between the companies.

ACQUISITIONS KEY PART OF OUR GROWTH

The Nordic installation and service market is being consolidated, providing good opportunities for growth through acquisitions. Bravida is actively seeking attractive companies to acquire in the Nordic region.

ACQUISITIONS CONTRIBUTING GROWTH OF AT LEAST 5–7 PERCENT

Acquisitions are one of the foundation stones in Bravida's growth strategy. Our objective is that acquisitions will account for 5–7 percent of our growth. In 2014 acquisitions contributed 3 percent and in 2015 the corresponding figure was 12 percent.

A WELL-DEFINED ACQUISITION PROCESS

We have a constantly ongoing process through which to identify and implement new acquisitions. The purpose of most of our acquisitions is primarily to follow our strategy of being the local market leader in prioritised locations of growth. Acquisition candidates have a long, stable history and a strong management who, through incentives, are encouraged to remain in the companies after the acquisition. The key to success is rapid and controlled integration with Bravida's organisation, business systems and our common brand. This normally occurs over a 12-month period.

BRAVIDA PERFORMS VARIOUS TYPES OF ACQUISITIONS

During 2015, Bravida completed 16 acquisitions which together increased annual sales by SEK 1,478 million. The acquisitions strengthen Bravida in various ways:

Reinforced local offering:
In 2015 Bravida made 13 local acquisitions in Sweden, Norway and Denmark.

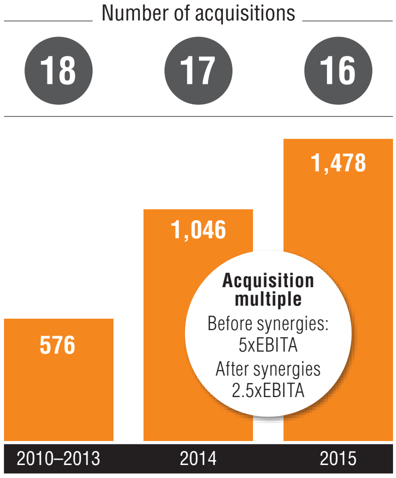
Complete technology offering:
ABEKA was acquired in January to complement Bravida's offering by adding expertise in electrical power services.

Geographical expansion:
During the summer of 2015 Bravida established a platform for growth in Finland by acquiring Peko Group's installation and service operation and the company Halmesvaara Oy.

Strong acquisition history

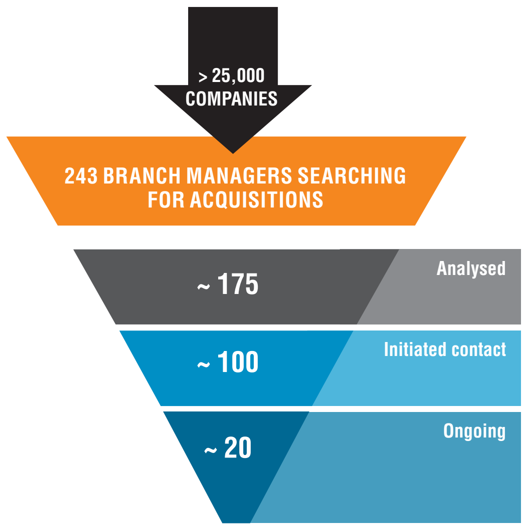
Bravida increased its focus on acquisitions in 2014–2015. Acquisitions accounted for 12 percent of Bravida's growth in 2015.

ANNUAL SALES, ACQUIRED COMPANIES, SEK million



Large number of potential acquisitions

Bravida conducts a continuous acquisition process at various levels in its organisation to identify and qualify small, local acquisitions as well as acquisitions of major companies.



CUSTOMER VALUE, PRODUCTIVITY AND PROFITABILITY

Bravida's profitability is based on each local branch's ability to identify and win assignments with sound potential profitability and our ability to fulfil our customers' stringent quality requirements. With constant improvements, we are striving to perform our assignments efficiently and profitably.

CUSTOMER VALUE AND PRODUCTIVITY

Our customers prioritise working with suppliers who can deliver on time, on budget and with high quality. With joint business systems and working methods we offer our customers high, consistent quality in our deliveries throughout the Nordics. Joint working methods also make it easier for our local branches to collaborate on large and complex projects. Since 2012 Bravida has been working with a Group-wide programme aimed at improving efficiency, quality and profitability in our installation and service assignments.

MARGIN BEFORE VOLUME

Bravida prioritises margin before volume. By means of careful selection and a focus on profitable projects, our local branches endeavour to avoid projects that involve high risk and low profitability.

HIGH LEVEL OF COST AWARENESS

A high level of cost awareness is a success factor for Bravida. We focus on limiting the increase in administrative expenses when we grow. During the past year administrative expenses have reduced their proportion of total sales, which contributes to improved profitability.

CONSTANT IMPROVEMENT IN PRACTICE

Best at change

"We have gained daily dialogue, especially in the service department. In installation operations we are more skilled at planning and looking for wastage, which are good watchwords."

Björn Utne, branch manager, Bravida, Sarpsborg Elektro

In 2015 Sarpsborg Elektro was awarded the prize for being the Group branch that had been most successful at implementing Bravida's major improvement programme designed to enhance productivity, planning and quality. Although the branch was already successful, it displayed substantial commitment to further improving its installation and service operations.

"The improvement work has given us a joint working method, both at the branch and throughout Bravida. We have gained useful tools for future work as well as better organisation and structure, which helps us increase profitability," says Björn Utne, branch manager at Sarpsborg Elektro.

In 2016 Sarpsborg continues on the next stage in the improvement programme, which comprises improving purchasing and boosting growth in service operations.

CONSTANT IMPROVEMENT MAKES US STRONGER

Over the past decade, Bravida has successfully worked on developing our operations to continuously improve our quality, productivity and profitability.

ENTIRE GROUP DRIVES IMPROVEMENT

We run our business improvement efforts as part of the Bravida Way, our corporate culture. We have established a strong joint engine for change that helps us activate and engage our entire organisation in our development work, be it productivity improvements, improved purchasing or proactive sales.

NEW WORKING METHODS STRENGTHEN THE BUSINESS

In 2012 an extensive new programme of culture and change work was launched throughout the Group. In the first stage (2013–2015), the objective was to develop our productivity, planning and quality. An important principle in doing so is to use the strength and competence in our own organisation. By learning from how the Group's best branches work, we have together created a better, common way of working for all our branches.

By the end of 2015 a total of 83 percent of Bravida's local branches had received certification in accordance with the new working methods. The programme has already produced clear benefits including heightened control of project implementation and project outcome, improved national pricing and greater opportunities for controlling purchasing and material deliveries.

NEW INITIATIVES IN PURCHASING AND SERVICE

We have created a strong platform from which to take the next step in our development work, which comprises new initiatives to improve the Group's purchasing activities and measures to strengthen Bravida's service operations. This work will continue in our branches in 2016–2017.

IMPROVED PURCHASING

Purchasing – a success factor

Purchases of materials, components and services from subcontractors account for about 45 percent of Bravida's total sales.

In a joint programme designed to increase productivity, planning and quality, the Group's local branches have honed their ability to plan and make purchases. For example, we have successfully decreased the number of trips to wholesalers made by our fitters to collect items. Meanwhile, Bravida has also cultivated its cooperation with selected suppliers and manufacturers. The objective is to be able to offer customers both better quality and sustainable products and to gain cost benefits through coordination.

In the next stage, Bravida will also increase its focus on better coordination of purchasing between branches. In the next two years buyers and project managers working in our operations will receive training in how to harness maximum benefit from the new opportunities.

"Bravida is one of the largest installation and service companies in the industry. As a small player in the town of Ängelholm, I can benefit from this in my purchases."

Robert Greve, department manager HVAC, Bravida Ängelholm

TECHNOLOGY SOLUTIONS FOR A LIVING SOCIETY

Bravida maintains electrical, heating and plumbing, and HVAC functions. Functions that provide society with energy, heat, water, air and security. Things that people use every day – at work and at home.

INDOOR SWIMMING POOL
The technical solutions for an indoor swimming pool environment must meet stringent requirements. Bravida has extensive experience of installing and maintaining swimming pools throughout the Nordics.

COMPREHENSIVE HOUSING SOLUTIONS
Our installation solutions for housing include not only the basic electrical, heating and plumbing, and HVAC functions, but also energy recovery, lifts, fire prevention and security systems, as well as telecommunications and data networks.

HOSPITALS
Hospitals and other healthcare centres are examples of buildings with some of the highest concentrations of installations. They also set extremely strict requirements on safety and functionality.

SECURITY SYSTEMS
We supply security functions such as entry control, video surveillance, intrusion alarms and fire alarms – also in the form of integrated end-to-end solutions.

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

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

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

● COMPREHENSIVE OFFICE SOLUTIONS
Electrical, heating and plumbing, and HVAC solutions form the core of our technology solutions for offices. Besides basic installations, we can include functions such as comfort cooling, air purification, communication networks, fire prevention and security systems.

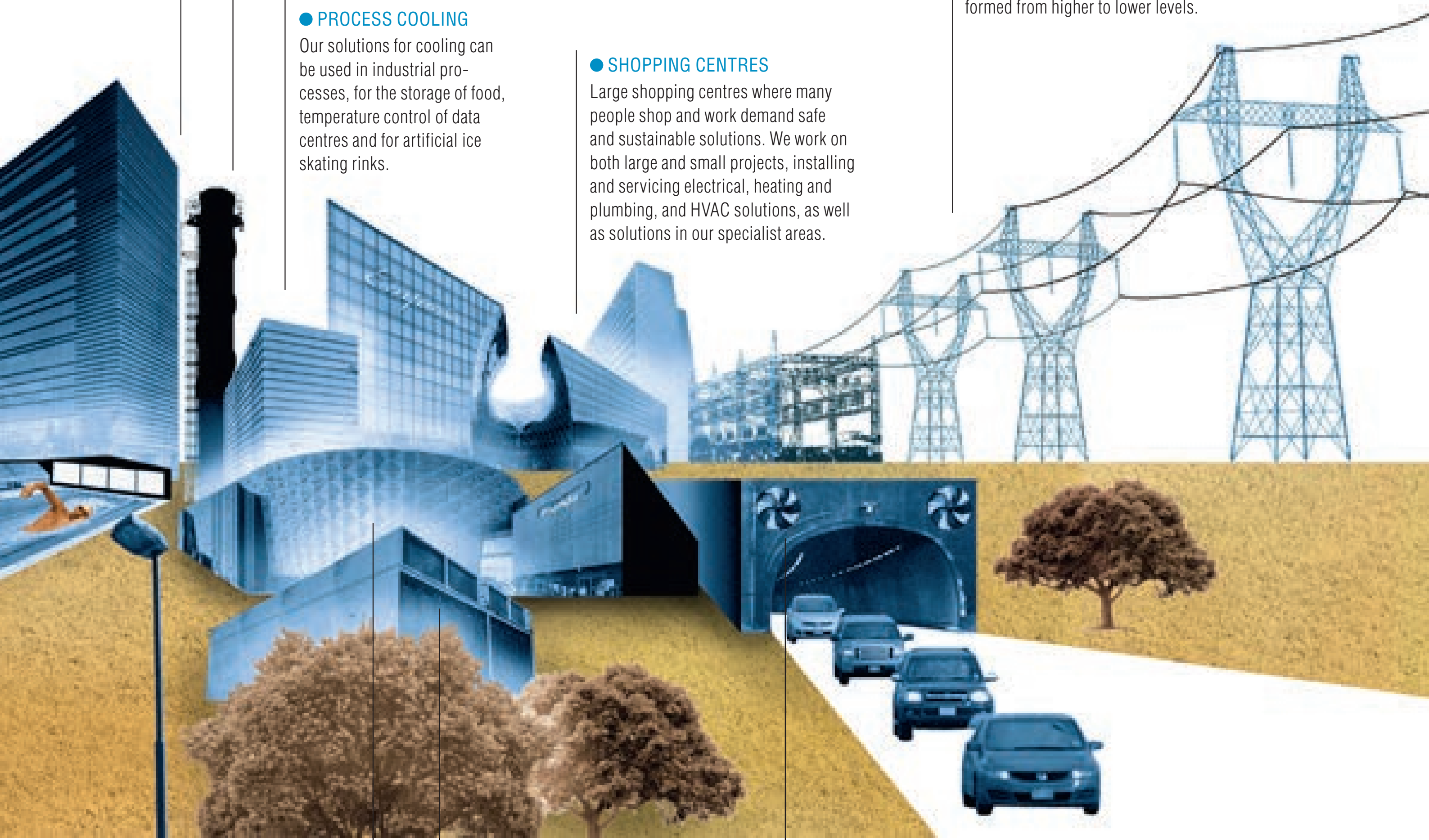
● INDUSTRY
We have extensive experience of installation assignments in industrial environments with ongoing production. Bravida offers complete installation solutions, operation, and energy efficiency improvement measures – without disruption to parallel production operations.

● AUTOMATION
This 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, for the storage of food, temperature control of data centres and for artificial ice skating rinks.

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

● ELECTRICAL SUBSTATIONS
We direct electrical power safely to various regions and users in society. Where necessary, the voltage is transformed from higher to lower levels.



● ARENAS/STADIUMS
We install and maintain several arenas/stadiums. These large buildings place heavy demands on installations, in particular on their capacity to be adapted as necessary and to manage large events with big audiences.

● DATA CENTRES
Even though 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 the high energy consumption means that efficient installation solutions play a central role.

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

● INFRASTRUCTURE
We work on several 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.

STABLE GROWTH IN THE INSTALLATION AND SERVICE MARKET

The installation and service market in the Nordics

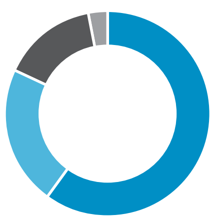
260 SEK Billion
SALES 2015

4%
GROWTH 2015

THE NORDIC INSTALLATION AND SERVICE MARKET

- **30%** Sweden
- **31%** Noway
- **19%** Denmark
- **20%** Finland

SHARE OF BRAVIDA'S NET SALES



- **60%** Sweden
- **22%** Norway
- **15%** Denmark
- **3%** Finland

Bravida is the leading integrated supplier of installation and service for buildings and plant in the Nordics. The industry grew in a stable manner in 2015, and several factors indicate that the growth in the market will continue in the future. There is primarily continued interest in energy efficiency improvements, renovation of properties, and large public investments, as well as the gradually increasing complexity in installations.

Technical services in electrical, heating and plumbing, and HVAC solutions are an important part of a construction project, and the concentration of installations involved varies depending on the type of project. In commercial plant and property, the proportion of installations in relation to building costs is about 30 percent. The proportion of installations is lower in residential properties, but in hospitals and server halls, for example, it is much higher.

BRAVIDA'S CORE MARKET

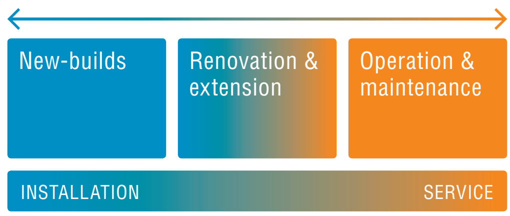
Bravida's core market comprises the construction segment within technical installation and service. It accounts for about 90 percent of Bravida's net sales; the remaining 10 percent is attributable to infrastructure projects. Bravida's core market had sales of around SEK 260 billion in 2015 and grew by about 4 percent compared to the previous year. The core market is divided into installation and service. Installation refers to new-builds and major renovation projects, and amounted to about 54 percent of the Group's net sales in 2015. Service work within operation, maintenance and minor renovations represents a significant part of our activities and accounted for around 46 percent of total sales in 2015. Service is available at various levels, from individual fitters correcting specific faults to service contracts that offer continuous operation and maintenance.

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

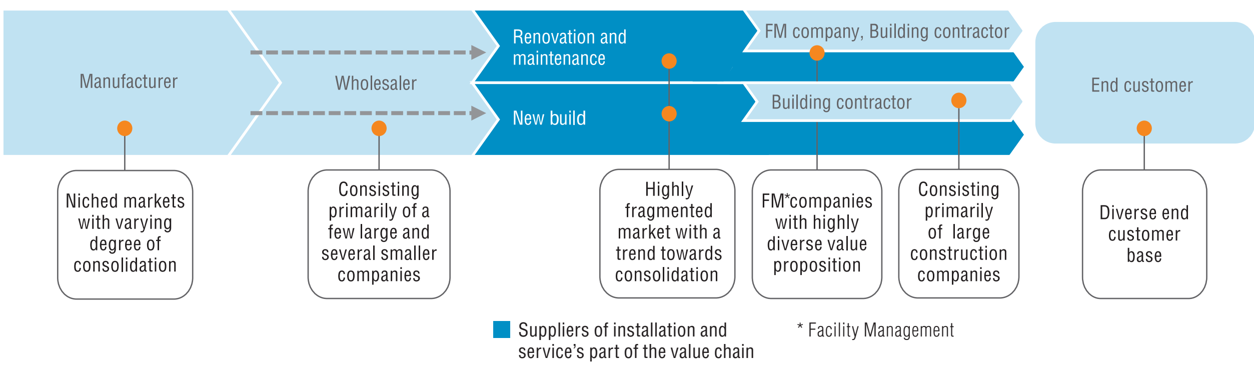
COMBINATION OF INSTALLATION AND SERVICE CREATES STABLE MARKET

The construction market can be characterised as late-cyclical, following about a year after general economic developments, depending on the nature and length of the construction projects. The production of homes and commercial property follows fluctuations in the economy, while infrastructure projects and public investments are controlled by political decisions. The cyclical aspects in the market for technical services are reduced because assignments for the installation and service industry span different types of projects and the demand for service is continuous. The need for renovation and maintenance work 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.

THE INSTALLATION AND SERVICE MARKET



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



TRENDS AND DRIVERS IN THE MARKET

Several strong driving forces affect Bravida's market. Society's increased focus on the environment and sustainability stimulates demand for energy efficiency improvements, and the increasing complexity of new installations entails a need for advanced service. A large number of residential properties built between the mid-1960s and mid-1970s to address a housing shortage now need to be extensively renovated. Major public investments in infrastructure projects, new hospitals and schools further strengthen demand for installation and service.

ENERGY EFFICIENCY IMPROVEMENTS – SUSTAINABLE SOLUTIONS THAT ADD VALUE

The energy cost constitutes about two thirds of a building's total running costs. Property owners are investing in increasingly advanced installations and construction techniques to reduce their running and maintenance costs. Electrical installations account for the highest volumes in the industry, but heightened environmental awareness and the desire to reduce costs mean that HVAC, heating and plumbing services are also increasing. Property owners do not only invest in solutions that reduce energy consumption when constructing new buildings; investments are also made in existing properties. In addition, greater use of renewable energy necessitates investments in related technologies. 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 and a focus on a sustainable society.

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. Properties with environmental certification, such as Green Building-classed properties, benefit the environment and attract new tenants. It has become a mark of quality that such properties have been better thought-

GROWTH IS DRIVEN BY FOUR KEY TRENDS

1. Energy efficiency improvements

Greater interest in opting for energy-efficient solutions is driving demand. Properties account for 40 percent of total energy consumption.

2. Ageing properties and need for new homes

More than 500,000 Swedish homes built in the 1960s and 1970s to address a housing shortage now need renovating. At the same time, the demand for new dwellings increases, primarily in Stockholm. The longterm projection, 2012–2015, estimates the total requirement for new dwellings to 558 000, out of which 75 percent relates to new builds in the metropolitan areas Stockholm, Gothenburg and Malmö, and the need is greatest until 2018.

out than a traditional building. It leads to an increase in rents and sales prices for properties that have environmental certification.

NEW HOMES AND RENOVATION OF OLD ONES

A large proportion of properties and infrastructure such as railways and heating and plumbing systems in the Nordics are now old, which contributes to a major need for renovation work in which installations play an important part. More than 500,000 Swedish homes built in the 1960s and 1970s due to a housing shortage now need renovating. Similar needs exist in the rest of the Nordic region. At the same time, Swedish Boverket estimates the long term demand 2015–2020 to 426,000 dwellings or 71,000 per year.

PUBLIC INVESTMENTS

Large infrastructure investments with a high concentration of installations, such as tunnels, railways and electrical power supplies, have contributed to a growing installation market in the Nordics. Public investments in hospitals, universities and indoor swimming pools also drive growth in the industry. Projects such as the Nya Karolinska hospital and the Stockholm Bypass (Förbifart Stockholm) in the Stockholm region are two examples of major public projects in Sweden. In Denmark the world's longest immersed tunnel, the Fehmarn Belt Fixed Link, will be built between Rødby in Denmark and Puttgarden in Germany, and sections of the railway network will be electrified. Substantial investments are being made in hospitals and road tunnels in Norway, and Oslo's Gardermoen Airport is being expanded to cope with increased flights. In Finland the airport in Helsinki is also being expanded for the same reason.

TECHNOLOGY MAKES NEW DEMANDS

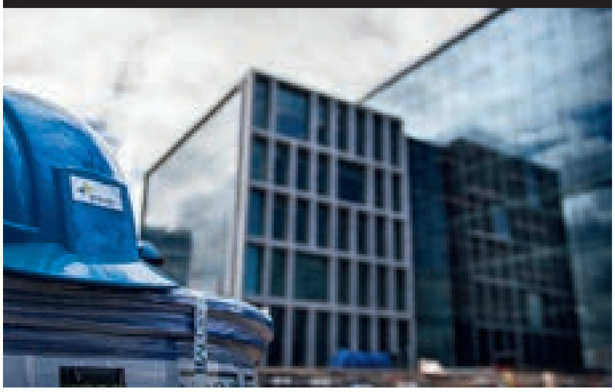
Today's information society makes quite different demands of IT environments, security and capacity compared to the past, in both residential settings and public environments such as the workplace. Advanced technology and complex installations are becoming increasingly common in residential new-builds. Cooled server rooms, broadband installation and automatic control of technical systems are examples of this.

The complexity of today's modern installation solutions is generating a greater need for service and maintenance. As installations are growing in complexity, companies are finding it more difficult to manage installation and service internally and are instead choosing to work with external suppliers to a greater extent. With a clear strategy and a comprehensive contract for technical maintenance and service, the companies can cut their total operating costs for properties and plant, at the same time that they simplify internal administration.

3. Investment in infrastructure

Considerable public infrastructure projects are being conducted in the Nordics as a consequence of neglected maintenance and investments.

4. Greater complexity in buildings



A high content of technology in modern properties increases the complexity and the need for competence in installation and service.

A FRAGMENTED INSTALLATION AND SERVICE MARKET

The Nordic market for installation and service is fragmented with more than 25,000 companies. The three largest players in the Nordics together constitute less than 20 percent of the market.

INSTALLATION AND SERVICE INDUSTRY UNDERGOING CONSOLIDATION

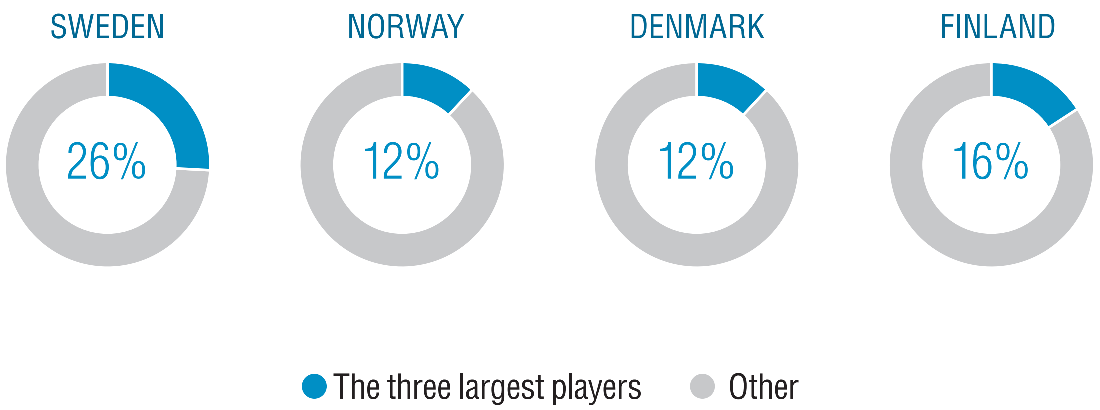
The Nordic installation and service market is local and very fragmented. The industry has been characterised by low entry barriers, and in the Nordic region there are around 25,000 companies with net sales under SEK 500 million. The majority of these companies work in geographically limited areas and within one single field of technology. But larger, national and complex contracts set other requirements. They need suppliers with broader offerings within several fields of technology and with financial capacity. Greater demand for comprehensive technical solutions, a complete range of services in the local market and the ability to manage national service contracts are driving consolidation in the industry.

THE LARGEST PLAYERS

The three largest players in the Nordic market for technical installations and service together constitute less than 20 percent of the market. The three largest players in Sweden are estimated to have a market share of about 26 percent, and in Denmark and Norway the three largest have around 12 percent of each market. The three largest players in Finland are estimated to have a market share of about 16 percent.

Bravida's main competitors in the core market, the construction segment in technical installation and service, mainly comprise small and medium-sized companies in the local market. Competition for large contracts primarily comes from international companies, such as Assemblin and Caverion, and from national players such as Gunnar Karlsen in Norway, Are in Finland and Kemp & Lauritzen and Wicotec KirKebjerg in Denmark. Bravida does not regard the listed companies Eltel Group and Coor Service Management as competitors as these companies mainly offer services that are outside of Bravida's core operations.

THE LARGEST PLAYERS' SHARE OF THE INSTALLATION AND SERVICE MARKET



FINLAND – BRAVIDA'S NEW MARKET

With two strategic acquisitions, Bravida has established a strong platform in Finland. The Finnish market for technical installation and service has stabilised following several years of weak demand, and the conditions for growth and profitability are gradually improving.

Sales of technical installation and service in the Finnish market reached SEK 53 billion in 2015. In 2015–2017 growth is expected to amount to 3.2 percent, which is a significant improvement compared with the previous period.

Important factors driving the development:

- The Finnish government has launched several public investment programmes to support the recovery in the Finnish economy. Decisions made include improving road and tunnel networks.
- In terms of installation, work on a number of major projects that were in the planning phase for a long time has been launched. Notable projects in this category include the shopping centre Iso Omena (Citycon) in Espoo and future considerable installation projects in the Kalasatama district of Helsinki and Ratina in Tampere.
- As the technology content of properties increases, the need for maintenance grows accordingly. There is also an accumulated need to renovate office premises. The service market is consequently growing more rapidly than the installation market in Finland.

FINNISH GEOGRAPHY AND INDUSTRY

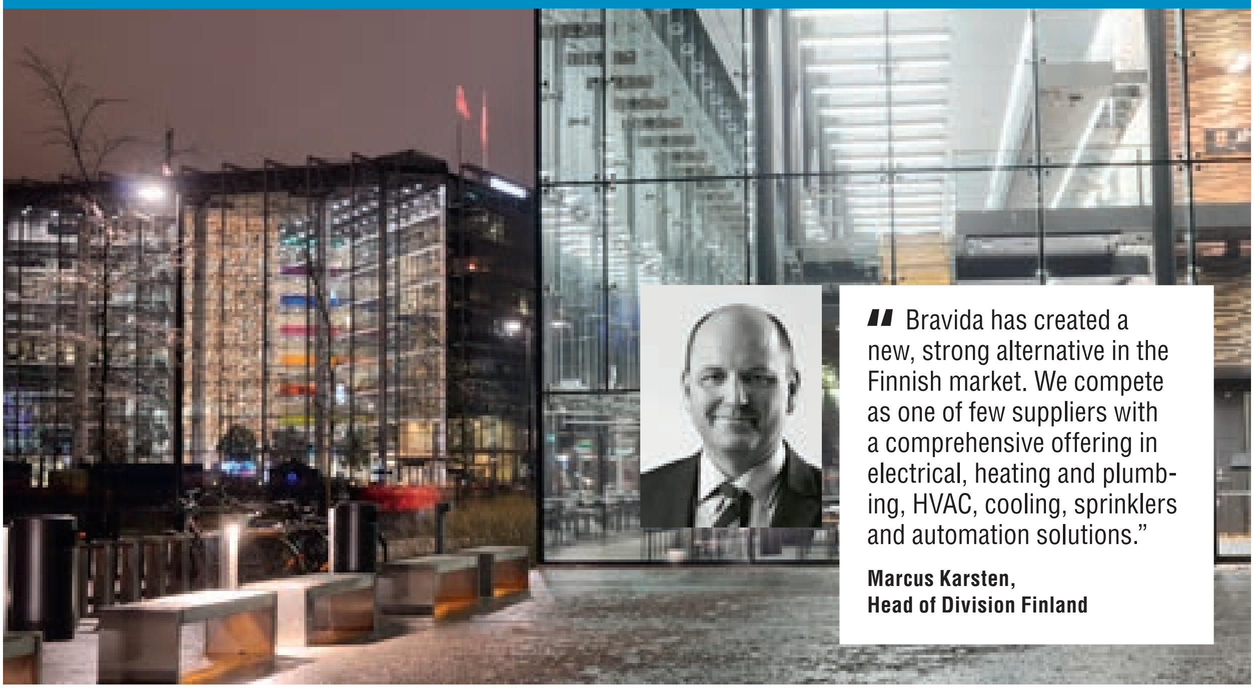
Key regions in the Finnish market comprise the Helsinki region where the largest projects are located. The region surrounding Tampere, Finland's second-largest urban area, is also important. Turku is the country's third-largest urban area and constitutes an expanding market thanks to the recovery in the shipbuilding industry. Jyväskylä in central Finland is another growth area, including a large hospital project.

CONSOLIDATION IN FINLAND

The market in Finland is fragmented, just like in the other Nordic countries. The three largest players, Caverion, ARE and Consti, have approximately 16 percent of the market. With its sales, Bravida is among the largest companies in the Finnish market.

In recent years a consolidation phase has been initiated with several large company deals. Alongside Bravida's two company acquisitions in Finland in 2015, ARE acquired Lemminkäinen Talotekniikka Oy in 2014.

BRAVIDA, NEW STRONG PLAYER IN FINLAND



"Bravida has created a new, strong alternative in the Finnish market. We compete as one of few suppliers with a comprehensive offering in electrical, heating and plumbing, HVAC, cooling, sprinklers and automation solutions."

Marcus Karsten,
Head of Division Finland

BROAD BASE OF LARGE AND SMALL CUSTOMERS

SATISFIED CUSTOMER INDEX 2015

Installation **73**
Service **74**

Our target is 75 for both installation and service.

SHARE OF BRAVIDA'S TOTAL SALES 2015

CUSTOMER GROUPS

- **32%** Building contractors
- **20%** Other commercial
- **19%** Public sector
- **10%** Property companies
- **9%** Industry
- **10%** Other

TYPE OF PLANT/FACILITY

- **15%** Apartment buildings
- **14%** Industry
- **14%** Offices
- **12%** Infrastructure
- **12%** Healthcare and social care
- **6%** Education
- **5%** Retail
- **22%** Other

ASSIGNMENT TYPES

- **46%** Service
- **36%** New-builds
- **18%** Renovation and extentions

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 peace of mind and new opportunities.

Bravida's customers can be divided into two main groups: end-users and building contractors. Building contractors account for the largest share of our installation assignments, 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 the Nordics. With our local presence and an attractive offering, Bravida has achieved a strong position in the Nordic installation and service market.

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

BROAD BASE AMONG LARGE AND SMALL CUSTOMERS

Bravida has a broad and diversified customer portfolio in which the largest customer group comprises building contractors, who purchase installation services as part of a construction contract. Income from customers in the public sector still accounts for a sizeable proportion of Bravida's sales. 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 remodelling of and additions to buildings and related service. In addition, Bravida is active in a number of large-scale projects and new-builds. In 2015 we were among other things commissioned to perform all installation of electrical, heating and plumbing, HVAC, sprinklers and control systems in Fastighetsbolaget Hälsostaden Ängelholm AB's construction of new healthcare facilities in Ängelholm. A typical installation project has an execution time to final delivery of six months, but projects may also span several years. Service assignments comprise everything from 1–2 hour emergency call-outs to multi-year maintenance contracts. Of Bravida's more than 50,000 customers, no individual customer accounts for four percent of Bravida's sales, which greatly spreads the risk.

INCREASED DEMAND FOR END-TO-END SOLUTIONS

The installation industry is exposed to price pressure, and customers' procurement processes are traditionally steered towards the lowest price. In most cases, customers put out separate tenders for electrical installations, heating & plumbing, and HVAC, and installation 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 installation 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 a skilled installation services provider with expertise in all the relevant fields of technology, significant synergies can be achieved in terms of the performance and financial aspects of the solution. One of the projects that Bravida won in 2015 and that will involve comprehensive solutions and span several fields of technology is the city hall in Kiruna, where we will install electrical, heating and plumbing, HVAC, sprinkler, cooling, control and surveillance solutions.

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. Bravida's cooperation with Serneke is one example of this. Following successful collaboration with them during the construction of Änglagården in Gothenburg, Bravida has now been entrusted to deliver a comprehensive installation comprising electrical, heating and plumbing, and HVAC systems in conjunction with work to replace the plumbing in 342 apartments in the Tuve district of Gothenburg.

To further strengthen our relationships, we work actively to develop closer ties with our customers. Through more frequent dialogue, we aim to increase our understanding of their needs while taking the opportunity to demonstrate our broad range of expertise. Our local branches endeavour to boost proactivity in their work with their customer relationships, in all roles from technician to branch manager.

MANY CUSTOMERS AND ASSIGNMENTS

Bravida has more than 50,000 customers. In 2015 the five largest customers accounted for less than 15 percent of net sales. No single customer accounted for more than four percent of Bravida's sales. The median value of the installation contracts in the order backlog was SEK 263,000. Of customers with annual sales of at least SEK 5 million, 90 percent were also customers in 2014.

50,000 customers

SEK 263,000

– median contract size

SALES BY PROJECT SIZE, 2015, %

- 9% >SEK 50 million
- 21% SEK 10–50 million
- 30% SEK 1–10 million
- 41% SEK 0–1 million

BRAVIDA'S CONTRIBUTION TO A LIVING SOCIETY

Bravida contributes to a living society. By supplying functional buildings, innovative installation solutions, smart infrastructure and efficient systems for operation and maintenance, we contribute to a society that provides effective services, job opportunities and sound living and working environments.

Bravida operates in 140 locations in the Nordics. With strong local presence and close collaboration with our customers, we help create the conditions for long-term development and growth in the locations in which we operate.


Hospitals


Shopping centres


Arenas


Housing

HOSPITAL IN SWEDEN

Image: Hälsostaden

HÄLSOSTADEN IN ÄNGELHOLM

CUSTOMER: Peab/Fastighetsbolaget Hälsostaden Ängelholm AB
BRAVIDA'S AREA: All installations of electrical, heating, plumbing, HVAC, sprinkler and control systems.

The Hälsostaden project was launched to group the region's healthcare and the municipality's social care in the same place. The objective was to offer high levels of medical and social care, increase accessibility and improve patients' everyday lives. The buildings on the site gain a total area of 17,800 square metres. Extension and renovation work will be followed by modern installations.

SHOPPING CENTRE IN FINLAND

RISTIKKO SHOPPING CENTRE IN HELSINKI

CUSTOMER: The Hartela construction company
BRAVIDA'S AREA: Installation of heating, plumbing and HVAC as well as service contract for electrical, heating, plumbing, HVAC and cooling systems throughout the property

Ristikko shopping centre was reopened in October 2015 following considerable renovation and extension work. Today it serves as a shopping centre, where all kinds of shopping can be managed quickly and easily. Ristikko is a shopping centre for the whole family, with a wide range of shops and many activities for families with children.

MULTI-ARENA IN DENMARK

ROYAL ARENA IN COPENHAGEN

CUSTOMER: Arena CPHX P/S
BRAVIDA'S AREA: Installation of high voltage supply and 3,500 sprinklers

The Royal Arena aims to give the residents of Copenhagen an arena of international standard for sporting, musical and cultural events. The ambition is to attract more tourists, international sporting and cultural events and new companies, which will help to promote growth and employment.

HOUSING IN NORWAY

27,000 HOMES IN HOVINBYEN, OSLO

CUSTOMER: AF Gruppen and Hoegh Eiendom AS
BRAVIDA'S AREA: Installation of heating and plumbing

Oslo's population is increasing, and consequently the city needs more housing. The new area will become one of Oslo's most attractive districts, with a wealth of shops, restaurants, a food hall, a hotel and a large adventure swimming pool.

INTEGRATED SUPPLIER OF INSTALLATION AND SERVICE

Bravida's electrical, heating, plumbing and HVAC installations provide buildings and plant with energy, heat, water, security and air – in short, they facilitate safety and security, development and growth.

A FULL-SCALE OFFERING

Bravida offers specialist competence and comprehensive solutions in electrical, heating and plumbing, and HVAC systems. We work in all parts of the installation process in these three fields of technology – from advice and planning to installation and service. Bravida's competence and experience ensure a long-term solution for the customer in terms of both the initial installation investment and its future operation and maintenance through regular service. With our complementary specialist areas, such as security, safety, sprinklers and cooling, we can offer independent and full-scale solutions.

INTEGRATED SOLUTIONS

Increasing numbers of customers are requesting suppliers with a comprehensive offering in installation and service. With Bravida's expertise in several fields of technology, we offer installation and service packages, that can combine both installation and service in one or more fields of technology. We also take responsibility for ensuring that the various parts work smoothly together.

FOUNDATION FOR ENERGY-EFFICIENT, SUSTAINABLE SOLUTIONS

Our installation and service solutions are used throughout society in everything from individual buildings to vast energy networks. We strive to contribute to a sustainable society together with our customers by reducing energy and resource consumption in the properties that we install and maintain. By means of selected solutions, analysis and regular inspection, preventive maintenance and early action, we create the conditions for sustainable properties that form the basis for further development and growth.

SERVICES

INSTALLATION

Building or redevelopment of technical systems in buildings, plant and infrastructure.

SERVICE

Operation and maintenance, as well minor alterations to installations in buildings and plant.

FIELDS OF TECHNOLOGY

ELECTRICAL

HEATING & PLUMBING

HVAC

SPECIALIST AREAS

Security – Sprinkler systems – TSM* – Power – Cooling

*Technical Service Management

TOTAL INSTALLATIONS

INSTALLATION AT BRAVIDA

Installation involves both new installation and renovation of technical systems in office premises, shopping centres, residential properties, factories, infrastructure, healthcare and social care facilities, educational and public premises and other commercial, industrial and institutional buildings. Bravida coordinates technicians and fitters from our fields of technology and provides the customer with access to a partner who can successfully coordinate and take responsibility for each part of the solution and the installation as a whole.

LARGE AND SMALL INSTALLATION ASSIGNMENTS

With strong local branches throughout the Nordic region, Bravida offers competitive solutions for 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, and we deliver a turnkey system to our customers' premises. 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.

COOPERATION WITHIN AND OUTSIDE BRAVIDA

In large and complex installation projects, where Bravida is involved at an early stage, we take full responsibility for all installations in our technology and specialist areas. Our own local branches collaborate and take complete responsibility for all installations in the project. Pooled responsibility creates better control, efficiency and cost-effectiveness.

Bravida also works in partnering projects – a form of collaboration in which the construction owner, consultants and contractors tackle assignments together through open dialogue focusing on the best interests of the project. This gives everyone involved an overall perspective of the project instead of just looking at their own section. All the participants complement each other with experience and skills, which increases the quality, efficiency and profitability of the project.

TOTAL INSTALLATIONS

Bravida is performing major hospital assignment in Tromsø, Norway

The University Hospital of North Norway in Tromsø is being expanded to strengthen its position as the region's foremost hospital and to become a national leader in diagnostics, treatment, teaching and research. Bravida is performing all the electrical, heating and plumbing, and HVAC installations.

Tore Bakke, division manager at Bravida Norway, explains that they previously performed the considerable electrical, heating, plumbing, HVAC and security installation work at the new Østfold hospital in Sarpsborg.

"A special technology and construction method is used in hospital projects, and we have expertise from both Østfold hospital and other projects that we have now brought with us to the major hospital assignment in Tromsø."

Image:: UNN

SERVICE EXTENDS LIFETIME

SERVICE AT BRAVIDA

Service at Bravida comprises maintenance, repairs, operation, consulting services and minor remodelling and extension of existing installations in buildings, plant and infrastructure. Regular monitoring and maintenance increase the lifespan of an installation. Ongoing operating costs are also reduced, and the customer can be sure that the various components maintain their proper function.

SERVICE CONTRACTS FOR INCREASED GROWTH AND PROFITABILITY

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

A Bravida service contract provides peace of mind and simplifies life for both property owners and managers – one contract, one supplier, one invoice. We offer regular service and maintenance to increase the property's net operating income, raise its environmental profile and increase its value. We analyse the property's needs and propose what can be done to save energy and money in the short and long term. We carry out continuous service, monitoring and maintenance that we follow up in service reports.

A QUALITY MANAGEMENT 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 management system that makes life easier for us and for our customers. Our customers always have access to fault/error reporting, logs, reports and other significant information. We make inventories and we document and produce a list of all 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 CONTRACTS

With operations in 140 locations in the Nordics we can support our customers with national service contracts. This means that customers with nationwide operations can turn to Bravida for all their servicing needs for all their installations . With our help, the customer thereby gains a one-stop solution for operation and maintenance of its facilities and plant. One contract, one contact, same solution – wherever the customer is located.

OPERATION AND MAINTENANCE

Bravida maintains Danish Dong's energy network

Dong Energy is one of northern Europe's leading energy companies with a focus on renewable energy. Alongside another district contractor, Bravida Denmark has been commissioned to take care of the operation and maintenance of part of the energy company's power grid during a five-year period. Bravida Denmark and MT Højgaard A/S are to cover Dong Energy's south-west region: from Lejre in the west, Frederikssund in the north and Egedal in the east to Dragør in the south.

"Bravida has extensive experience in this field, and we look forward to contributing our competence in our future collaboration with Dong Energy," says Bent Andersen, division manager of Bravida Denmark.

Image: Dong Energy

SPECIALIST AREAS COMPLETE THE WHOLE

SPECIALIST AREAS AT BRAVIDA

Bravida's specialist areas aim to provide our customers with a complete offering and they include consulting services, facilities management and security systems for alarms and entry systems. The specialist areas combine competence and resources from various fields of technology, thus creating more value for customers.

Our complementary operations such as safety and security, power, cooling and sprinkler systems, give customers access to both independent and full-scale function offerings. A functional solution is based on one or more of the three fields of technology: 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 facilities management.

BRAVIDA'S SPECIALIST AREAS

Security

● Bravida Fire & Security offers customers throughout the Nordics customised security solutions to keep assets, operations and employees safe and secure. With a full range of technical solutions, advisory and 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 being extensively damaged in a fire.

Cooling

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

Power

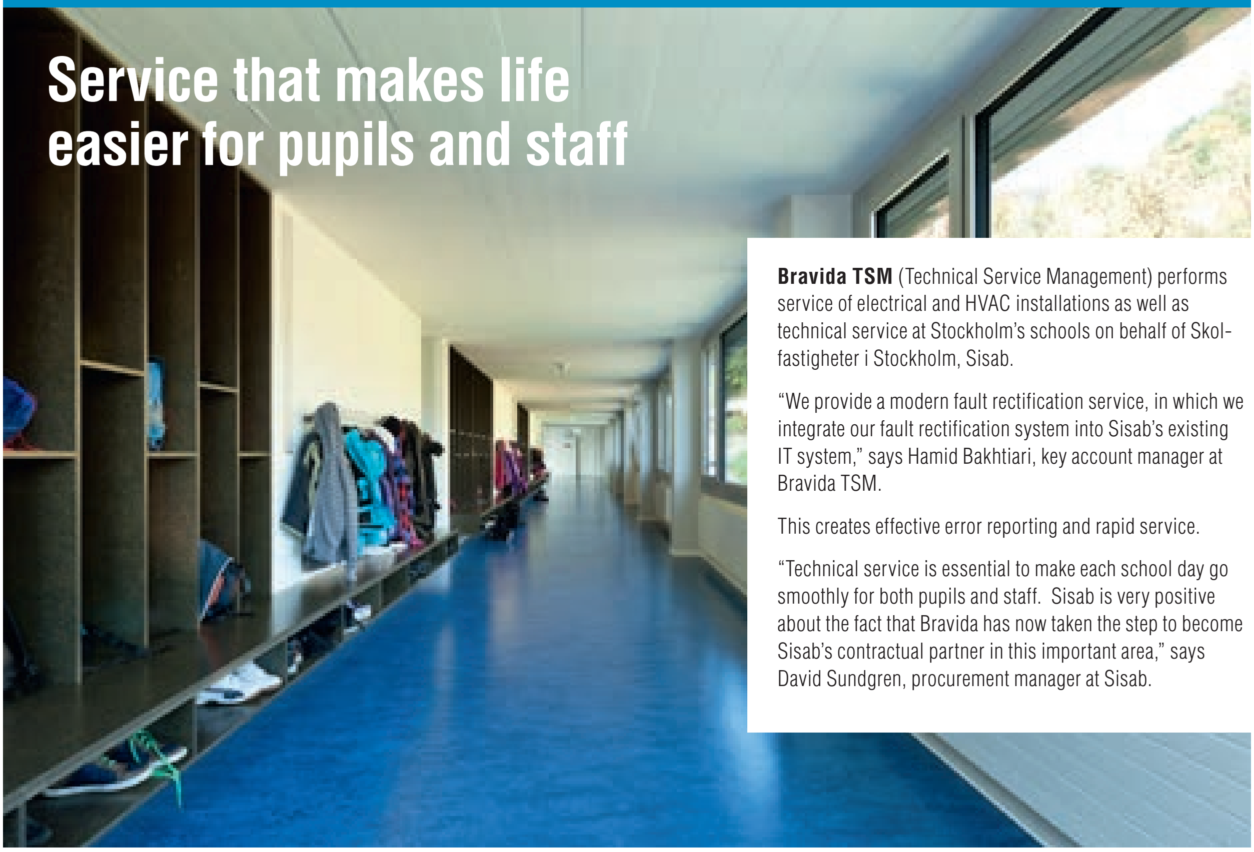
● Bravida is a one-stop supplier of high voltage services and its assignments include electrical installations, the design of power stations, the operation and maintenance of power stations and electricity grids, and the construction of electrical substations. Bravida offers services throughout the power grid, from the power source to the electrical socket in the wall.

TSM

● Bravida Technical Service Management (TSM) is Bravida's unit for facilities management. TSM offers end-to-end solutions for the management of all types of buildings. With an overall technical perspective, we have knowledge of the interaction between the building's different installations, and we are able to ensure that they obtain the service required to operate in the best possible way.

TSM – BRAVIDA TECHNICAL SERVICE MANAGEMENT

Service that makes life easier for pupils and staff



Bravida TSM (Technical Service Management) performs service of electrical and HVAC installations as well as technical service at Stockholm's schools on behalf of Skolfastigheter i Stockholm, Sisab.

"We provide a modern fault rectification service, in which we integrate our fault rectification system into Sisab's existing IT system," says Hamid Bakhtiari, key account manager at Bravida TSM.

This creates effective error reporting and rapid service.

"Technical service is essential to make each school day go smoothly for both pupils and staff. Sisab is very positive about the fact that Bravida has now taken the step to become Sisab's contractual partner in this important area," says David Sundgren, procurement manager at Sisab.

OUR EMPLOYEES BRING BUILDINGS TO LIFE

NUMBER OF EMPLOYEES, AVERAGE 2015

	2015	2014
Total in Group	9,359	8,188
Of whom women	600	524
Sweden	5,160	4,784
Norway	2,359	2,003
Denmark	1,446	1,394
Finland	387	–
Slovakia*	7	7

*Bravida Säkerhet (Security) is developing software and hardware for its own security platform, Bravida Integra, which is taking place in Slovakia.

AGE STRUCTURE, %

	2015	2014
Over 60 years	7.5	7.3
51–60 years	19.7	19.9
41–50 years	22.7	24.4
31–40 years	20.5	20.8
21–30 years	25.3	23.4
Under 20 years	4.3	4.2

MOTIVATED EMPLOYEE INDEX

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

SICKNESS ABSENCE,* %

	2015	2014
Sweden	5.1	4.8
Norway	6.4	5.4
Denmark	4.1	2.9
Finland	5.5	–
Group	5.3	4.7

*Total hours of sickness absence in relation to planned working hours

OCCUPATIONAL INJURIES, FREQUENCY*

	2015	2014
Sweden	7.6	6.8
Norway	9.6	9.5
Denmark	26.2	23.5
Finland	43.5	–
Group	11.0	9.4

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

A SAFE AND SECURE WORKPLACE

Each employee should come to work every day feeling well and healthy. Since 2011 we have been aiming for zero instances of work-related physical and mental illness.

A good work environment and safe workplace are high priorities at Bravida. Since we perform our work in our customers' buildings and facilities, this means that conditions vary from project to project, and over time. It places stringent demands on our work environment efforts. That's why we work systematically towards a safety-aware corporate culture through leadership and personal responsibility, with clear objectives, follow-up and feedback.

We strive to establish a good work environment at the sites where our employees carry out their tasks.

PREVENTIVE TRAINING

Our employees must have the necessary competence and resources for a health-promoting and injury-preventing workplace. We train our employees so that they all know how to identify and prevent the risks involved in their work. In 2015 several work environment training courses were held for employees at various levels in the organisation.

A GOOD WORK ENVIRONMENT IS A PRIORITY

A safe and secure workplace that is well organised and tidy produces results – results for the employees directly in the form of better health, but owners, customers and others affected by our operations also benefit from lower costs and retained productivity. Bravida introduced a vision of zero instances of occupational injuries in 2011. Since then, we have reduced both sickness absence and occupational injuries. But in 2015 the positive trend changed. We carry out extensive measures to identify, follow up and analyse risks in our work environment to be able to make improvements.

DIGITAL DEVIATION REPORTING

New system for a more efficient and safer workplace

As a key part of our vision aiming for zero instances of occupational injuries, Bravida is introducing a Group-wide digital deviation-reporting system for early identification of risks and reporting improvement proposals and unwelcome incidents. With a joint system we can easily follow up and learn from each other, which leads to structure and tidiness, efficiency and greater peace of mind.

At Bravida we do not compromise on quality, environment or work environment matters – we keep our promises, we follow up and we constantly endeavour to improve.

WE WILL ACHIEVE A SOUND WORK ENVIRONMENT THROUGH:

Involvement

● Bravida involves its employees at all levels in our work environment initiatives. We actively inform customers, employees and subcontractors about work environment issues.

Planning

● Bravida creates a safer and more predictable work environment by planning and keeping the sites organised and tidy. We take account of the entire person and his or her surroundings in risk assessments, planning and implementation.

Constant improvement

● Bravida's work environment efforts are run in an integrated and systematic manner with constant improvements, in line with the Swedish standard OHSAS18001, and according to the requirements stipulated in legislation and agreements and by authorities.

Everyone must take responsibility

● All employees have a responsibility to create, develop and maintain a sound work environment.

EMPLOYEES WHO DEVELOP BRAVIDA

Fitters, service technicians, project- and service managers, supporting staff and managers with commitment and joint values create Bravida's success. By offering a stimulating workplace with scope for development, we retain skilled employees and attract new ones.

Bravida is a knowledge-based company. Our most important resources are our employees, and their ability to meet customers' requirements. As the installation and service industry develops, demands increase on our knowledge and skills in running projects efficiently. We therefore work in targeted way to keep, develop and attract the best competence. Our recipe for success is to offer an attractive workplace with continuous training of our personnel, clear leadership and to have a focus on recruitment and training.

A LEARNING CULTURE

Bravida is imbued by a culture in which we learn from each other – we keep our promises, we follow up and we constantly improve. We call it the Bravida Way. We endeavour to create a culture in which all employees contribute to our continuous improvement and where our values permeate the entire organisation. In this way, our internal culture also contributes to clarity for our customers.

Values that unite Bravida:

PROFESSIONALISM – we take clear responsibility for financial matters and profitability.
SIMPLICITY – we have a uniform, uncomplicated approach.
COMPETENCE – we have knowledge, will and ability.
GOOD CONDUCT – we are reliable and act responsibly.

RESPONSIBLE LEADERSHIP BOOSTS THE BUSINESS

Bravida's leadership profile is based on the ability to create and run strong local operations and projects in line with our growth strategy. Local leaders and managers make many decisions themselves, and have significant individual responsibility. At Bravida we work with a developing leadership. This means that we must set a good example and live according to our values.

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 should successfully use and improve our common processes and methods. Our leaders learn the importance of follow-up and feedback as part of leadership. 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.

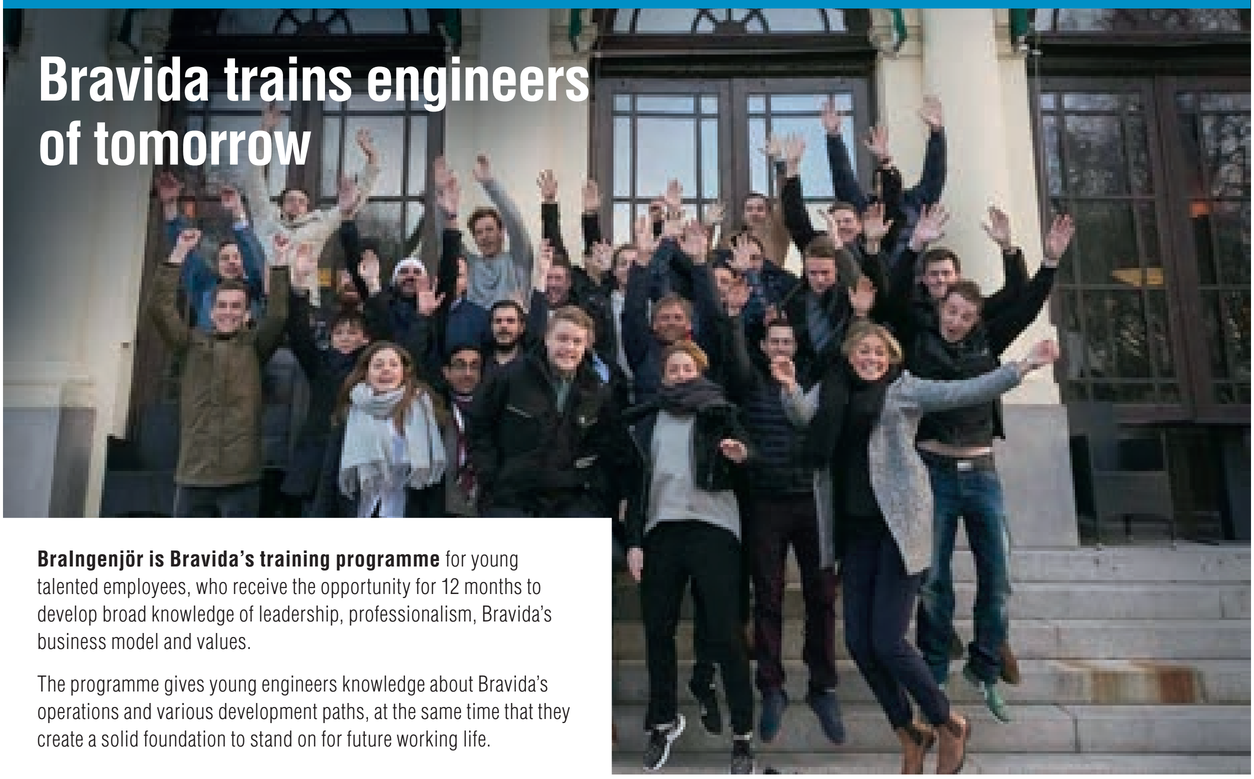
THE BRAVIDA SCHOOL DEVELOPS OUR EMPLOYEES

Our objective is that Bravida must always be at the forefront of the industry, in terms of our working methods and the technical solutions we offer. That's why training is provided in various areas and at many different levels each year.

Bravida's training programme, the Bravida School, further develops our employees. It encompasses a wide range of training, and employees in many occupational categories are given the opportunity to develop their competence. Fitters and

BRAINGENJÖR

Bravida trains engineers of tomorrow



BraIngenjör is Bravida's training programme for young talented employees, who receive the opportunity for 12 months to develop broad knowledge of leadership, professionalism, Bravida's business model and values.

The programme gives young engineers knowledge about Bravida's operations and various development paths, at the same time that they create a solid foundation to stand on for future working life.

servicing technicians have access to, among other things, training in professionalism and service as well as further training to become leading fitters.

EQUALITY AND DIVERSITY

The equal rights and opportunities of all human beings are fundamental to Bravida. We work actively to increase equality and diversity, which is important to enable us to offer the market's most attractive competence and to be competitive in the industry. Employees with different background and experiences contribute their competence for the development of employees and the business overall. Traditionally, Bravida operates in a male-dominated industry, where we must work to increase both equality and diversity. To increase the proportion of women in the industry, we are working with employer organisations and training boards.

Within the Group there is a plan for equal rights and opportunities for measures and objectives designed to increase equality and diversity.

RECRUITMENT FOR THE FUTURE

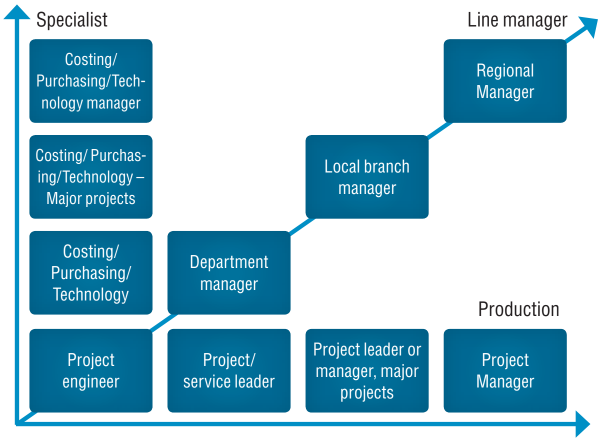
Bravida will further reinforce its organisation in priority growth areas, which means that a number of new competent resources and specialist expertise are required. We therefore focus on recruiting the best competence in the industry, among fitters, technicians and engineers.

Bravida's need for engineers is increasing as the installations in demand today become more complex and require clear coordination between different disciplines, such as electrical, heating & plumbing and HVAC. With a strong presence at universities of technology and vocational colleges and in other forums, we are working to increase both the visibility of and interest in the industry and Bravida.

INTERNAL CAREER

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, our new CEO, a division manager, and several regional and branch managers were recruited internally. At Bravida there is an opportunity to choose from many career paths, as a specialist, a project or service manager or other form of manager. Our presence in over 140 locations means there is also an opportunity to work on projects in various places in the Nordic countries.

CAREER PATHS AND DEVELOPMENT OPPORTUNITIES



There are several interesting career paths at Bravida, as a specialist, project or service leader/manager within production, or other manager.

ONE OF SWEDEN'S BEST EMPLOYERS

Bravida – among Sweden's best employers

Bravida is one of Sweden's best employers. At least in the opinion of our own employees. This was shown in an annual survey performed by Universum and Metrojobb. In 2015 Bravida advanced to position 15, thereby climbing 13 places in the ranking since the previous year.

"The survey is proof that Bravida is a company at which employees feel job satisfaction. Skilled, contented employees are an important part of our success as a company. With us, everyone should feel that they can grow and contribute to us developing as a company. I have worked at Bravida for 18 years and climbed an internal career ladder from costing clerk to CEO and Group President with work in Sweden and abroad," says Mattias Johansson, CEO and Group President of Bravida.

SUSTAINABLE TOOLS AND WORKING METHODS

Bravida's employees install and maintain new and energy-saving technology in buildings and facilities every day. Our combined expertise in electricity, heating, plumbing and HVAC gives us comprehensive perspectives and interacting solutions that boost customer benefit. Joint working methods and our will to develop, also help to reduce the amount of resources used and make projects more efficient.

Group-wide business systems for project management, finance, and quality management, along with a strong purchasing organisation and well-developed administrative processes, support the local branch offices in their operative tasks. Strong joint systems enable competence from various parts and branches of Bravida to be combined without geographical limitations.

BRAVIDABAS LAYS THE FOUNDATION FOR SUSTAINABLE WORKING METHODS

The integrated and ISO-certified management system, BravidaBas, forms the foundation for how we work. The system helps us ensure that quality, environmental and work environment aspects are integrated into our processes for customer projects and the company's internal operations. We use relevant legislative and stakeholder requirements as well as the policies established by company management as our basis. We also set objectives and targets for quality, environmental and work environment matters as part of our work on continuous improvements.

SIMPLE AND EFFICIENT SOLUTIONS

We endeavour to simplify our work and make it more efficient. This benefits us and our customers. With clear planning, structured work processes and by mutual learning from each other, we help each other find the best solutions. Same needs – same solution is therefore an important principle. This steers us towards achieving high and consistent quality in our deliveries and efficient use of our customers', society's and our own resources.

WE DEVELOP OUR WORKING METHODS

As our surrounding world develops, and requirements on our operations change, we adapt our operations accordingly. We study our best branches in order to improve our established working methods. Based on our own experiences and external expertise – for example in new methods – best practice is established, packaged and implemented in the organisation. Here, our own managers play a key part as teachers and leaders of change. One important change initiative is a productivity project that started in 2013 and remains ongoing in the Group. All our local branches have undergone a detailed training programme to improve project planning and project management. Similarly, work to improve purchasing and service was launched in 2015.

OUR SERVICES REDUCE CUSTOMERS' ENERGY CONSUMPTION AND ENVIRONMENTAL IMPACT

Employees in our local branches work daily on various types of assignments that have a positive impact on our customers' energy consumption or environmental impact. Many successful local initiatives have been taken. The Group's ambition is to increase knowledge transfer regarding these issues between our branches and spread the use of the best solutions. Together with the Bravida Way and our established working method for continuous improvement this is a significant area to focus on in the future.

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 CO_2 emissions throughout the supply chain.
- Guaranteeing a high and consistent quality in all deliveries.
- Offering our customers efficient production that harnesses 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.

PURCHASING AND SUPPLIERS

Bravida's purchasing is a very important area, both to us and to our customers, and we have a significant part to play when we place orders. We place the same requirements on our suppliers as we place on ourselves.

Bravida's purchases of materials, components and services constitute an important part of our operations and the value that we create for our customers. About 45 percent of our sales comprise purchases. An important part of strengthening our competitiveness therefore consists of internally supporting the purchasing activities of our local branches and developing our cooperation with suppliers, wholesalers and subcontractors.

PURCHASING A SUCCESS FACTOR

Our local branches plan, carry out and ensure the quality of purchases with the aid of Bravida's joint purchasing platform. The competence and skills of the branches are crucial to make sure that the customer receives a good end product and to affect the profitability of our projects and assignments. Purchases in the installation and service industry are highly complex and characterised by a wide range of materials and components from various suppliers that must be selected for each individual project. In addition, procurement processes often take place with subcontractors at local or national level.

PURCHASING PLATFORM STRENGTHENED

Bravis, the Group-wide purchasing system, along with the Bravida range of selected products and components, have formed the backbone of the Group's joint purchasing platform for several years. The platform was substantially reinforced in 2015. Bravida has launched a new, joint purchasing portal. This means that the Group's local branches can coordinate their purchases and thereby together place larger purchase orders – thus achieving price and efficiency benefits. New IT tools also add transparency and give an overview in invitations to tender and supplier evaluations to make it easier to select and ensure the quality of suppliers, services and products. In 2016–2017 all branches in the Group will receive training to enable them to fully utilise the new benefits.

OUR CODE OF CONDUCT APPLIES TO ALL SUPPLIERS

The installation and service that Bravida offers must meet the requirements set by our customers and society. We place the same requirements on our business partners that we place on ourselves in terms of safety, environmental impact, human rights, quality and business ethics. As a stage in our supplier assessments, we have drawn up a code of conduct aimed at our suppliers and subcontractors. Bravida shall work with carefully selected partners who share our values and live up to our requirements. The code of conduct constitutes an applicable contract document in all purchasing templates.

COOPERATION WITH SELECTED SUPPLIERS

In 2015 Bravida deepened its collaboration with selected suppliers in key areas. Partnerships with certain suppliers create the conditions for pursuing development and finding better solutions. In the longer term we will together manage our purchases with cost incentives and better joint planning, which will lead to better working processes, less overtime, fewer transport runs and lower CO_2 emissions.

THE BRAVIDA WAY – WE KEEP OUR PROMISES, WE FOLLOW UP AND WE CONSTANTLY IMPROVE

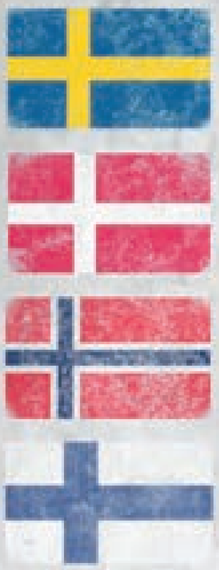
The Bravida Way – our own culture and way of working is based on three key components.

Local entrepreneurship: Our business originates, is run and is developed locally in our branches. The focus is on independence, competence and responsibility.

Control and support: Strong joint business systems and processes support and bolster our local operations. Regular follow-up, control and clear key performance indicators as well as economies of scale create the conditions for profitable development and growth.

Continuous improvement: With the support of the Group, our branches continuously develop and improve their activities and strengthen their customer offering. Bravida has established a Group-wide working method for prioritisation, training and implementation of ongoing operational improvements.

OPERATIONS IN FOUR NORDIC COUNTRIES



Having a local presence and getting to know one's market are crucial for building trust and long-term relationships with customers and cooperation partners.

We are close to our customers thanks to our strong local presence. Bravida is a decentralised business and we operate in 140 locations throughout the Nordics. Bravida's head office is in Stockholm.

ORGANISATION

Bravida's organisation has five main levels: Group, country, division, region and local branch. Operational activities take place in local branches that specialise in a field of technology. For larger, more extensive projects, however, operational activities can be coordinated at regional, divisional or Group level.

A local branch can also have a department with a particular specialisation, for example in service. Central functions for finance, legal affairs, purchasing, operational development, communications, HR and IT support the local branches.

COOPERATION AT BRAVIDA

Cooperation between Bravida branches

Capacity at Oslo Airport Gardermoen is being increased, and a new Pier is being constructed with space for more arrival and departure halls. Bravida Norway is carrying out all electrical installations in the extension and laying fibre-optic cable. In order to take a fully integrated approach in the project, several Bravida branches from Norway are working together with branches from Gothenburg and Halmstad in Sweden.

"Our work at Gardermoen started in 2013, but we previously also cooperated when we carried out the installations during extensive work on Østfold hospital in Sarpsborg. It was a successful project – good planning, a satisfied customer and financially sound. That's why it was natural for us to work in the same way when additional capacity was required at Gardermoen," says Erik Dobloug, branch manager, electrical installations, Oslo.

He also explains that the strength of the arrangement is that Bravida ensures that there are sufficient human resources who are accustomed to working in the same way. In addition, the branches have become closely knit during the projects, which is partly why we know which people are best suited to various assignments.

Image: Avinor

OUR BRANCHES RUN ALL OPERATIONAL ACTIVITIES

243 local branches

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

27 regions

The regions are responsible for conveying and following up on Group-wide and division-specific strategies and targets, and for providing operational support to the activities carried out at the local branches.

6 divisions

The divisions are responsible for communicating and following up on Group-wide strategies and targets, and for providing operational support to the activities carried out at regional and branch levels.

1 Group

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

KEY PERFORMANCE INDICATORS	2014	2015
Net sales	7,322	8,583
Operating profit/loss	408	480
Operating margin	5.6%	5.6%
Order intake	7,467	8,886
Order backlog	3,618	3,999

SWEDEN

Construction activity in Sweden is stable thanks to healthy demand from public-sector new-builds and renovation, and new-builds and renovation of housing. Construction activity is benefiting from urbanisation and low interest rates. In 2015, over 39 percent of net sales was related to building contractors, while public-sector customers accounted for 11 percent of net sales; 50 percent was related to other business/commerce.

IMPORTANT PROJECTS IN 2015

- Bravida was entrusted by LKAB to perform electrical, heating, plumbing, HVAC, sprinkler, cooling, control and surveillance installations in Kiruna's new city hall.
- We won several installation assignments for new construction and remodelling of hospitals and other healthcare facilities: Södersjukhuset in Stockholm, Allingsås lasarett and Helsingborg's hospital area, as well as Hälsostaden in Ängelholm and the hospital in Malmö.
- Bravida Fire & Security signed a framework agreement with the public authority, Kammarkollegiet, comprising security technology and security systems for Swedish public authorities.
- Bravida involved in the rebuilding work taking place in the Värtahamnen port in Stockholm and is supplying evacuation alarms to airport owner and operator Swedavia.
- We signed several nationwide service agreements with players such as property companies as Akademiska Hus and Familjebostäder.

MARKET DEVELOPMENT

The Swedish market for installation and service amounts to about SEK 79 billion and displayed stable growth in 2015.

Several major infrastructure projects and public new-builds and re-builds are in their start-up phase in the Stockholm and Gothenburg regions. The relocation of the city of Kiruna is a gigantic urban transformation project that is expected to continue for 15 years.

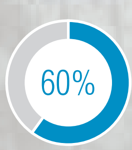
The extensive construction of housing will continue in the big city regions and university towns and cities.

Sweden is well ahead among the Nordic countries with regard to environmental certification in new construction projects, and also in existing properties. The low production of new homes and commercial premises in recent years means that the need for service such as renovation and smaller rebuilding projects is increasing in existing properties. Low new production, tax breaks on renovation and tougher energy-saving requirements mean that demand for energy-saving installations and service will increase in the Swedish market.

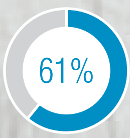
Only a few companies can offer total services in many technical areas in several geographical markets in Sweden in the way that Bravida can. On the other hand there are several competitors that are strong in individual markets and specific fields of technology. The leading companies in Sweden are Bravida, Caverion, Assemblin, Eitech and Midroc Electro.

PROPORTION OF GROUP

Sales



Operating profit/loss

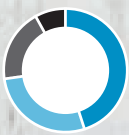


PROPORTION OF SALES

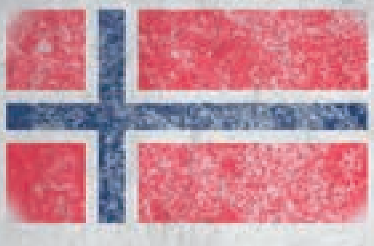
Service, installation

- **45%** Service
- **55%** Installation

Electrical, heating & plumbing, HVAC, specialist areas



- **45%** Electrical
- **28%** Heating & plumbing
- **19%** HVAC
- **8%** Specialist areas



KEY PERFORMANCE INDICATORS	2014	2015
Net sales	2,922	3,173
Operating profit/loss	192	256
Operating margin	6.6%	8.1%
Order intake	2,698	3,018
Order backlog	1,427	1,295

NORWAY

Over the past year, the Norwegian economy has weakened because of the fall in the price of oil. However, as a result of increased investments in public-sector construction and infrastructure as well as housing, the Norwegian construction economy was stable in 2015. Nevertheless, the construction of commercial premises decreased by around six percent in 2015, while the construction of housing rose by around ten percent. The fall in the price of oil has so far had only a marginal effect on Bravida's business as Bravida's direct exposure to the oil industry is very low. Bravida Norway's customer base was well diversified in 2015, as more than 25 percent of net sales comes from building contractors and 25 percent from public customers, while the rest stems from other business sector sources.

IMPORTANT PROJECTS IN 2015

- Bravida has been entrusted to install electrical, heating, plumbing and HVAC solutions in the new University Hospital of North Norway in Tromsø. The Group also won an order for electrical installations in the hospital in Sogndal. A new air squadron building is being constructed outside Trondheim. Bravida has been entrusted to perform the installation work.
- A service agreement has been signed with NRK. One of the large new contracts is for all Statoil facilities, where we perform maintenance together with the Facility Management company Coor.

MARKET DEVELOPMENT

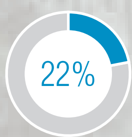
The Norwegian installation and service market had sales of about SEK 80 billion in 2015. The falling price of oil mainly has an impact on the oil industry itself. Growth forecasts for 2016, excluding the oil sector, have been revised down to 1.4 percent.

The Norwegian installation and service market grew by about 5 percent in 2015 and is expected to grow more than GNP in the next few years. The greatest volumes are still in electrical installations, and investments in transport and energy projects are expected to grow. Several major infrastructure projects such as motorways, tunnels and public new construction and remodelling will contribute to the growth in the industry.

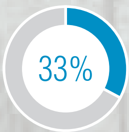
The main players in the Norwegian market are Bravida, Caverion, Assemblin, and Gunnar Karlsen.

PROPORTION OF GROUP

Sales

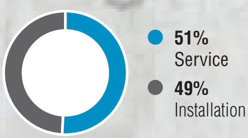


Operating profit/loss

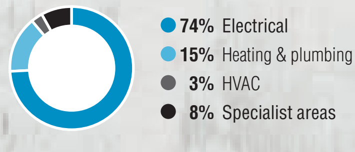


PROPORTION OF SALES

Service, installation



Electrical, heating & plumbing, HVAC, specialist areas



KEY PERFORMANCE INDICATORS	2014	2015
Net sales	1,792	2,116
Operating profit/loss	94	108
Operating margin	5.2%	5.1%
Order intake	2,020	2,014
Order backlog	1,534	1,432

DENMARK

The weak economic conditions of recent years have had an impact on the construction market and, consequently, the installation market. However, the construction market has stabilised over the past year through increased new construction and renovation of public buildings such as hospitals, universities, schools and investments in infrastructure, as well as increased new construction and renovation of housing. The market is stable, in both installation and service. Bravida Denmark largely has public-sector customers. In 2015, just over 40 percent of net sales was related to public-sector construction, 20 percent was related to medical and social care projects and 17 percent was related to infrastructure projects.

IMPORTANT PROJECTS IN 2015

- An order was received for new construction and rebuilding work on Viborg hospital, as well as an order for a new congress hotel in southern Denmark. Bravida Denmark won a major assignment from Dong Energy regarding conversion of a power station from coal to wooden pellets. Banedanmark (the Danish railway network company) is entrusting Bravida with the task of replacing overhead contact lines. The replacement aims to ensure stable operation in poor weather conditions.
- Dong has signed a service agreement with Bravida for operation and maintenance of distribution facilities in Copenhagen and in south-west Denmark.

MARKET DEVELOPMENT

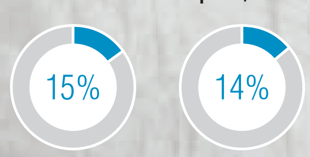
The Danish installation and service market had sales of about SEK 48 billion. In 2016 the market is expected to achieve SEK 50 billion in sales. Volumes in the Danish market have remained stable at around SEK 50 billion in recent years and have not experienced the same growth as in Sweden and Norway. The Danish economy has been weighed down for several years and has been marked by falling residential property prices and low activity for commercial premises. Economic growth is expected to increase by 1.7 percent in 2015.

Electrical installations accounted for more than half of the total volumes in 2015, and public sector installations in energy, railways, universities and hospitals continued to show the most growth during the year. Public sector investments will continue to drive growth, and one of the largest projects is the immersed tunnel between Denmark and Germany. Improved growth is expected in the next few years for the installation and service market.

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

PROPORTION OF GROUP

Sales **Operating profit/loss**



PROPORTION OF SALES

Service, installation **Electrical, heating & plumbing, HVAC, specialist areas**

KEY PERFORMANCE INDICATORS	2014	2015
Net sales	–	358
Operating profit/loss	-3	0
Operating margin	–	0.0%
Order intake	–	355
Order backlog	–	367

FINLAND

The state of the economy in the construction industry has improved, according to the latest confidence indicator for the industry, but it improved from a low level. The number of building permits granted rose at the end of 2015. Construction companies' sales increased by eight percent during the fourth quarter of 2015.

The second quarter of 2015 saw the establishment of Bravida Finland through acquisitions. As of 1 June 2015, Bravida Finland acquired the installation and service operation of Peko Group, which is based in Tampere, central Finland, and in Helsinki. On 31 July Bravida Finland acquired Halmesvaara Oy, which operates in the Helsinki region. The acquired operations have combined annual sales of SEK 830 million and 430 employees. The acquired businesses were integrated in the autumn of 2015 and form two regions: Installation and Service. Bravida Finland implemented Group-wide reporting and purchasing systems in the fourth quarter.

IMPORTANT PROJECTS IN 2015

- Bravida Finland has entered into a number of service agreements with various companies including Fortum, Sponda and Valio.

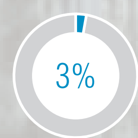
MARKET DEVELOPMENT

The Finnish installation and service market was stable in 2015 and had sales of about SEK 53 billion. In 2016 the market is expected to achieve around SEK 54 billion in sales. Volumes in the Finnish market have remained stable at just over SEK 50 billion in recent years and have not seen the same growth as in Sweden and Norway. The Finnish economy has been weak for several years. Economic growth is expected to rise by 0.2 percent in 2016.

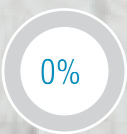
The leading players in the Finnish market are Caverion, Are, Consti and Bravida.

PROPORTION OF GROUP

Sales

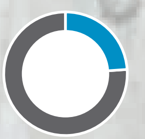


Operating profit/loss



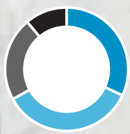
PROPORTION OF SALES

Service, installation



- **24%** Service
- **76%** Installation

Electrical, heating & plumbing, HVAC, specialist areas



- **32%** Electrical
- **35%** Heating & plumbing
- **22%** HVAC
- **11%** Specialist areas

THE SHARE AND SHAREHOLDERS

Bravida was listed on Nasdaq Stockholm on 16 October 2015. The offer price for the IPO was SEK 40 per share, which corresponded to a market capitalisation of SEK 8,063 million. All of Bravida's employees were offered the opportunity to subscribe for a maximum of 650 shares at SEK 40.00 per share to a value of SEK 26,000.

SHARE PERFORMANCE AND TURNOVER

The Bravida share price rose by 38.75 percent from the time of the IPO (16 October 2015) until year-end. During the same period the Nasdaq Stockholm Mid Cap index increased by 11.05 percent. The highest price paid for Bravida shares was SEK 55.50 and the lowest during the period was SEK 43.00. At year-end the Bravida share price was SEK 55.50, corresponding to a market capitalisation of SEK 10,784 million.

During the period 15 October 2015 – 15 March 2016, a total of 57,964,181 Bravida shares were sold, equivalent to a share turnover of 28.75 percent, calculated on the basis of the total number of shares traded. The number of share trades during the period reached 81,478, with an average daily volume of 562,759.

SHARE CAPITAL

Bravida's share capital is distributed over 201,566,598 shares which have a quotient value of SEK 0.02. All shares have equal voting rights and equal rights to the company's profits and capital.

OWNERSHIP STRUCTURE

The number of shareholders at year-end totalled 11,298. The share capital in Bravida is 96.52 percent owned by Swedish shareholders, and 3.48 percent by foreign shareholders. The Swedish ownership is dominated by Swedish private individuals and companies with 64 percent of the capital, while unit trust funds own 18 percent and institutions 4 percent. The largest foreign ownership is in the US and the UK.

DIVIDEND POLICY

Bravida's target is to pay out at least 50 percent of consolidated net profit, taking account of other factors such as financial position, cash flow and growth opportunities.

The Board of Directors has proposed a dividend of SEK 1.00 per share for the 2015 financial year. If calculated using the closing price on 30 December 2015 (SEK 55.50), the dividend proposal constitutes a dividend yield of 1.8 percent.

Bravida was listed on Nasdaq Stockholm on 16 October 2015. Here we see CEO and Group President Mattias Johansson with one of Bravida's fitters, Markus Axelsson, at the bell-ringing ceremony.

DISTRIBUTION OF BRAVIDA'S SHARES*

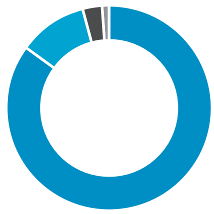
SIZE CATEGORIES	SHAREHOLDERS, NUMBER	SHAREHOLDERS, %	PROPORTION OF VOTES, %
1–500	8,414	0.85	0.85
501–1,000	1,616	0.64	0.64
1,001–5,000	889	1.01	1.01
5,001–10,000	145	0.56	0.56
10,001–15,000	48	0.30	0.30
15,001–20,000	28	0.24	0.24
20,001–	158	96.40	96.40
Total	**11,298**	**100.00**	**100.00**

*at 31 December 2015

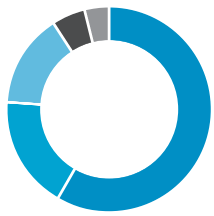
BRAVIDA'S 10 LARGEST SHAREHOLDERS*	PROPORTION OF CAPITAL AND VOTES, %
Bravissima Holding AB**	56.25
Lannebo fonder	6.08
Swedbank Robur fonder	5.56
Handelsbanken fonder	2.28
Länsförsäkringar fondförvaltning AB	2.12
The Fourth Swedish National Pension Fund (AP4)	1.49
JP Morgan Chase N.A	1.20
Enter fonder	1.10
JP Morgan Bank Luxembourg S.A	1.01
Fidelity Nordic Fund	0.99
Total	**78.08**

*at 31 December 2015
**Bravissima Holding AB is controlled indirectly by certain investment funds advised by Bain Capital Partners LLC, with related parties.

OWNERSHIP PER COUNTRY, %



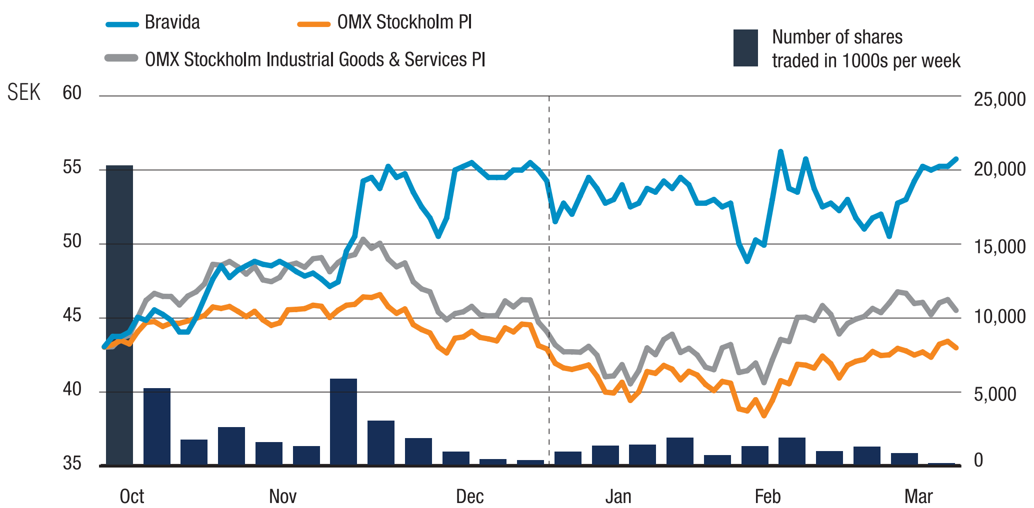
OWNERSHIP PER CATEGORY, %



ABOUT THE SHARES

Marketplace	XSTO
Industry classification	Industrial Goods & Services
Ticker symbol	BRAV
Abbreviation	BRAV
ISIN code	SE0007491303
ICB code	2700

SHARE PERFORMANCE AND DEVELOPMENT, OCT 16, 2015 - MAR 15, 2016



Source: SIX Finacial Information

RISKS AND RISK MANAGEMENT

OPERATING RISKS

RISKS	DESCRIPTION	MANAGEMENT
Projects	The majority of Bravida's projects are based on fixed-price contracts. Any errors in the costing have a negative or positive impact on the margin.	Bravida has a developed a model for tender management. Tenders must be approved by the relevant manager. There are various levels of decision-making depending on the size of the project. Tenders exceeding SEK 50 million must be authorised by the Group President. The Group President and CFO review all ongoing projects worth SEK 5 million or more, four times a year.
Customers	Limited dependency on individual customers.	Bravida does not depend on individual customers. The Group has more than 50,000 customers. The five largest customers accounted for less than 15 percent of net sales in 2015. A total of 90 percent of the customers that have annual sales of at least SEK 5 million were also Bravida customers in 2014.
Market	Changes in general market conditions in the markets where Bravida operates may affect pricing and demand for the company's services.	Bravida updates the local conditions in that all cost centres draw up one budget per year and three forecasts. The local market and competition are continuously analysed. Group management also analyses developments in national construction markets.
Employees	Strong demand for qualified employees puts added pressure on Bravida to be an attractive employer. Motivated employees with relevant skills and knowledge are crucial prerequisites for Bravida achieving its established objectives. There is always a risk of skilled employees leaving Bravida to work for competitors or customers, or to start their own business. This risk is heightened because these employees, who know the company well, may also take other qualified colleagues with them.	Sizeable resources are earmarked each year for recruitment and introduction activities. Bravida has achieved a high ranking in several surveys of attractive employers. The Group invests in continual training, skills enhancement and leadership development through initiatives such as the Bravida School with the aim of retaining and encouraging recruited employees. Bravida also has the ambition of conducting annual performance appraisals with each employee, during which individual development plans are drawn up and discussed. Bravida has an established remuneration system for the company's branch, regional and division managers, based on profitability and cash flow. Annual employee surveys are performed to measure employees' degree of job satisfaction.
IT	Bravida uses information systems and other technology to run and manage the business. Unplanned disruptions may lead to loss of income.	Bravida has secured its IT operations by having available resources both internally and externally with which to rectify any unplanned disruptions to IT operations.
Quality management	Bravida is responsible for the quality delivered in its own work, that of its subcontractors and its own selected products.	Trained, skilled staff and consistent use of our Group-wide business systems and methods ensure a high standard in the work that we deliver. Our Bravis purchasing system ensures that our local branches receive support in making purchases that meet customer quality requirements. We have standardised agreements with our suppliers that regulate any product defects. Bravida aims to constantly assess and improve the quality of its purchasing by using supplier evaluations and well-founded product advice.

RISKS	DESCRIPTION	MANAGEMENT
Liability, product liability and damage	Risks relating to liability, product liability and damage linked to Bravida's customer projects and assignments.	Bravida has general insurance that covers its core business operations. This insurance covers such things as harm to Bravida's contracting, damage to Bravida's property, business interruption, damage to third-party property, and product liability. Bravida also takes out extra insurance cover for certain specific large projects.
Acquisitions	Bravida has a clear strategy of growing 5–7 percent per year through acquisitions.	Bravida has an acquisitions group comprising some of the members of Group management. A method is in place for implementing and integrating acquisitions. The majority of the acquisitions consist of small and medium-sized operations that complement and strengthen Bravida's local platforms with clear synergies.

FINANCIAL RISKS

RISKS	DESCRIPTION	MANAGEMENT
Interest risk	Interest risk refers to the risk of changes in the market interest rate affecting the Group's net interest income and cash flow.	The financing is long term and the interest is linked to STIBOR.
Currency risk	Currency risk refers to the risk of exchange rate fluctuations adversely affecting the Group's income statement, balance sheet and cash flow. Currency risk can be divided into transaction exposure and translation exposure. Transaction exposure comprises the net of operating and financial inflows and outflows of currencies. Translation exposure comprises foreign subsidiaries' net assets and profits in foreign currencies.	Bravida's transaction exposure is relatively limited because the majority of sales and costs are in local currency, with a minor exposure to imported components. Bravida's translation exposure policy is that no currency hedging takes place for this. All financing takes place in SEK.
Liquidity and financing risk	The Group's financing risk comprises the risk of the company not being able to raise new, or refinance existing, loans with acceptable conditions. The Group is also exposed to a liquidity risk, which is defined as the risk of not being able to fulfil immediate payment obligations.	The responsibility for the Group's financial transactions and risks lies with the finance department of the parent company, which works according to a policy established by the Board of Directors. Bravida has a five-year credit agreement maturing in 2020, which secures the financing of current operations. Bravida's aim is for the company to have debt over time, and for net debt to adjusted EBITDA to amount to 2.5.
Credit risk	There is always a risk that a counterparty will not be able to fulfil its obligations.	The credit rating of all new customers is checked. Bravida works with payment plans in installation projects.

ANNUAL REPORT, AUDIT REPORT, CORPORATE GOVERNANCE REPORT, ETC.

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DIRECTORS' REPORT

The Board of Directors and Chief Executive Officer of Bravida Holding AB, company no. 556891-5390, hereby present their annual accounts and consolidated financial statements for the 2015 financial year.

THE BUSINESS

Bravida is one of the Nordic region's leading end-to-end providers of technical installations and service for buildings and industrial facilities, with over 9,000 employees. We offer specialist expertise and integrated solutions in electrical, heating & plumbing and HVAC. We provide end-to-end services within these three areas, from consulting and project planning, to installation and service. We are present in around 140 locations in Sweden, Norway, Denmark and Finland. Bravida Finland was formed in 2015 through the acquisition of the installation and service operation of Peko Group and Halmesvaara Oy.

The Group's electrical installation business offers integrated solutions for lighting, heating and energy supply. Alarm, surveillance and security systems are high-growth segments and constitute an important addition to traditional electrical installation business.

The company's heating & plumbing segment provides integrated solutions for water, waste water, energy, heating and cooling. This part of the business 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 treatment, air conditioning and climate control. In response to the growing demand for energy-efficient buildings, Bravida is prioritising installation solutions that 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. ABEKA provides installation of power facilities of up to 400 kW. Erfator Projektledning 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 technicians and installers from our fields of technology and provides customers with access to a partner that can successfully coordinate and take responsibility for the entire installation.

Service

Service at Bravida consists of operation and maintenance assignments, as well as minor alteration work. Regular inspections and maintenance help extend the useful life of an installation.

Bravida's aim is for service to account for more than half of its sales.

Organisation

Operations are organised according to four countries, Sweden, Norway, Denmark and Finland, and divided into six divisions across 27 regions and 243 local branches. The Group's head office is located in Stockholm and provides support functions including purchasing, business development, IT, communications, HR, legal affairs and finance.

ACTIVITIES IN 2015

The Group reported stable earnings for the year. Demand is healthy in all countries. Work continued during the year on the implementation of the Group-wide efficiency programme developed in 2013, which is designed to introduce more efficient, common working methods and tools in order to improve profitability. A further two Group-wide projects are being implemented from 2015; Best Purchasing and Increased Service Sales. The Best Purchasing project aims to make purchasing more efficient, while Increased Service Sales intends to boost sales of service to account for more than 50 percent of Bravida's total sales.

NET SALES

Consolidated net sales were SEK 14,206 million (12,000). The installation business accounted for 54 percent (53) of net sales and the service business for the remaining 46 percent (47). Net sales were SEK 8,583 million (7,322) in Sweden, SEK 3,173 million (2,922) in Norway, SEK 2,116 million (1,792) in Denmark and SEK 358 million (-) in Finland.

OPERATING PROFIT/LOSS

Operating profit was SEK 782 million (705), resulting in an operating margin of 5.5 percent (5.9). The operating margin for the Swedish business was 5.6 percent (5.6). The operating margin in Norway was 8.1 percent (6.6) and in Denmark it was 5.1 percent (5.2). In Finland, the operating margin was 0 percent.

PROFIT/LOSS BEFORE TAX

Net financial items were SEK -360 million (-265), while profit before tax was SEK 422 million (440).

PROFIT/LOSS AFTER TAX

The tax expense for the year was SEK -135 million (-120). The tax expense comprised SEK -9 million (-95) in deferred tax and the remainder in current tax. Profit after tax for the period was SEK 287 million (320).

COMPREHENSIVE INCOME FOR THE PERIOD

Translation differences for the period from the translation of foreign operations were SEK -89 million (28) 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 SEK 525 million (140).

ORDER INTAKE AND ORDER BACKLOG

Order intake amounted to SEK 14,249 million (12,149) and was slightly higher than net sales for the year, which contributed to a higher order backlog. The order backlog was SEK 7,092 million (6,580). The order backlog figures do not include Bravida's service business.

ACQUISITIONS

Bravida carried out 16 acquisitions in 2015. All acquisitions are in line with Bravida's strategy to expand in its priority markets. The combined annual sales of these acquisitions amounted to SEK 1,478 million at the time the acquisitions were made. 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. Sales amounted to SEK 8,583 million (7,322). Operating profit was SEK 480 million (408), which represents an operating margin of 5.6 percent (5.6). The order intake for the year was SEK 8,886 million (7,467). At year-end, the order backlog was SEK 3,999 million (3,618).

The average number of employees in 2015 was 5,160 (4,784).

Operations in Norway

Net sales in Norway were SEK 3,173 million (2,922). Operating profit was SEK 256 million (192), resulting in an operating margin of 8.1 percent (6.6). Operating profit was boosted by effective project selection and the completion of a number of large projects. The order intake was SEK 3,018 million (2,698) and the order backlog at the end of the period was SEK 1,295 million (1,427).

The average number of employees in 2015 was 2,359 (2,003).

Operations in Denmark

Operations in Denmark experienced strong growth during the year as the large orders received in 2013 went into full production. Sales amounted to SEK 2,116 million (1,792) and the order intake was SEK 2,014 million (2,020). Operating profit was SEK 108 million (94), resulting in an operating margin of 5.1 percent (5.2). The order backlog was SEK 1,432 million (1,534).

The average number of employees in 2015 was 1,446 (1,394).

Operations in Finland

Bravida Finland was formed in 2015 through two acquisitions in June and July of the installation and service operation of Peko Group and Halmesvaara Oy. The acquired businesses were integrated in the autumn of 2015 and comprise two operating areas, Installation and Service. Sales amounted to SEK 358 million (–). Order intake amounted to SEK 355 million (–). Operating profit was SEK 0 million (–), resulting in an operating margin of 0.0 percent (–). Order backlog amounted to SEK 367 million (–).

The average number of employees during the year was 387 (–).

CASH FLOW AND INVESTMENTS

Cash flow from operating activities was SEK 841 million (659). Cash flow includes SEK -10 million (-5) in taxes paid. Cash flow from investment activities was SEK -262 million (-136), which was largely attributable to acquisitions of businesses and companies. Cash flow before financing activities was SEK 579 million (523). Cash flow from financing activities was SEK -767 million (-545). In conjunction with the IPO, the business was refinanced, resulting in cash of SEK -485 million being used to settle previous financing, and the dividend amounted to SEK -277 million (-500). Cash flow for the year was SEK -189 million (-22).

FINANCIAL POSITION

Bravida refinanced its debt in conjunction with the IPO. Outstanding bond loans were repaid and associated currency and interest rate hedges were terminated. From 21 October 2015, Bravida's financing consists of a loan facility and a multi-currency revolving credit totalling SEK 4,000 million with a maturity of five years. The initial rate of interest on the borrowing is approximately 1.65 percent based on the current STIBOR level. In addition, Bravida has bridge financing of SEK 200 million which ends in the first quarter of 2016.

Consolidated cash and cash equivalents at 31 December were SEK 573 million (828). Interest-bearing liabilities amounted to SEK 3,005 million (3,441) at 31 December, resulting in net debt of SEK 2,433 million (2,595).

At year-end, equity amounted to SEK 3,555 million (3,306), resulting in an equity/assets ratio of 31.2 percent (29.9).

EMPLOYEES

The average number of employees in 2015 was 9,359 (8,188). Bravida has strong capacity for adapting resources to the local market. There is a lack of resources in certain areas, which is partly addressed through the use of subcontractors.

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 customers. Continuous training is the key to improving the efficiency and quality of all processes and deliveries.

Bravida's Group culture is shaped by clear leadership and motivated employees. The Bravida School offers a wide range of training programmes for the Group's employees. We endeavour to continually improve our existing range of courses and have 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 growing, 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 encourages 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 with everything 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 expanded its aim to eradicate accidents to comprise both physical and psychological harm as a result of work. The work to achieve this takes the form of systematic health and safety activities that are an integral part of our business operations.

Bravida made significant progress during the year, in accordance with our Group-wide health and safety policy and strategy for the business plan period. Particular progress has been made at Bravida Denmark, which has achieved OHSAS 18001 certification. In 2015, the Group started work on introducing a new Group-wide system for documenting preventive measures and deviations from action plans. As a result of our significant improvement initiatives, new tools are now being used for targets, planning, monitoring and feedback and our courses for operational managers have been expanded to encompass sustainable management, and health and safety.

Equality and diversity

Equal rights and opportunities are of fundamental importance at Bravida. Bravida works actively to increase equality and diversity and to counter all forms of discrimination and harassment. The Group has a 'plan for equal rights and opportunities at Bravida' with measures and targets to increase diversity and gender equality. Bravida operates in a traditionally male-dominated industry. Bravida is cooperating with employer organisations and training boards to increase the proportion of women working 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 (MEI). The overall aim is to achieve an MEI 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 survey response rate over the last two years.

QUALITY MANAGEMENT AND ENVIRONMENT

Bravida's integrated and ISO-certified management system, BravidaBas, provides for the basis for sustainable working practices. This system enables us to ensure that quality management, environmental sustainability and health and safety are integrated into customer projects and management of the company at all levels. Overarching and detailed quality management and environmental objectives are set based on relevant legal and stakeholder requirements, and the company's policies and environmental analysis. These objectives are broken down and documented into target, strategy and action plans as part of each unit's annual business planning. Results are measured and monitored on an ongoing basis, as well as annually. 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 conducted in accordance with laws and regulations based on working practices that reduce the risk of significant pollution or other significant detriment to human health or the environment. Bravida's current operations are not subject to license requirements regarding environmentally hazardous activities. Where notification or license obligations apply, e.g. a Swedish license for the transportation of hazardous waste, the respective country organisation manages procedures at central or local level depending on the type of activity.

Quality management targets and follow-up in 2015

Bravida's overall quality management objective is to offer high-quality projects, services and assignments with the aim of having the market's most satisfied and loyal customers.

This aim is monitored annually by measuring customer satisfaction according to the specific Group-level target of achieving a customer satisfaction index (CSI) score of over 75 and a loyalty index (LI) score of over 85 out of 100.

Measurement and assessment of the quality of our installation work and service, as well as customer satisfaction and loyalty, are conducted on a regular basis. The latest Group-wide* customer satisfaction survey for the full-year 2015 was carried out in January/February 2016. The results of this survey at Group level for Bravida were CSI of 73 and LI of 80 for the installation business and CSI of 74 and LI of 81 for the service business. In both cases, this indicates a high level of customer satisfaction and a very high level of customer loyalty, as well as an improvement compared with the survey results of the previous year. The outcome shows that Bravida's long-term efforts to have the market's most satisfied and most loyal customers are generating results and are moving us towards our targets.

*Finland did not take part.

Environmental targets and follow-up in 2015

Bravida's overarching environmental objective is to offer our customers energy-efficient and environmentally sustainable solutions, to actively reduce our own environmental impact and contribute to sustainable social development. In terms of Bravida's own environmental footprint, the company aims to reduce fuel-related CO_2 emissions per kilometre by 3 percent a year. Measures were undertaken in 2015 to ensure the quality of the relevant data. The Group has a total of around 5,000 vehicles, so reducing CO_2 emissions and mileage are important indicators for Bravida.
In 2015, the Group also established the basis for detailed targets regarding the introduction of 'Good Environmental Choice' products in Bravida's range of items purchased by the Group – the Bravida Range – as well as for the measurement and monitoring of the number/percentage of assignments with an energy efficiency or environmental sustainability element. Clearer requirements have been introduced for the reporting of Good Environmental Choice products' performance on the environment, energy efficiency and health and safety in connection with purchasing approval for manufacturers and wholesalers. A thorough approval process to provide Bravida will the necessary basis will mark an important step in the Group's continued work to define Good Environmental Choice Products in 2016. Over the past year, Bravida also adapted its business systems to gather specific information regarding energy efficiency and environmental sustainability when registering new installation projects and service agreements. Measurement and monitoring is being introduced in 2016 as part of the monitoring of Group-wide KPIs.

RISKS

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 conditions, 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 cost calculation, deficient execution and bad debts. Effective management of operational risks in each project is consequently extremely important. The management of operational risks is a continuous process covering a large number of ongoing projects and service assignments.

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 elements of the management system. The Group's financial risks are managed centrally in order to minimise and control the risk exposure, while credit risks in the business operations are managed locally.

OPERATIONAL RISKS

Economic conditions

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 financial 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 operations. In large projects the company also performs continuous project assurance activities to ensure a high quality in the implementation of its projects.

Insurance

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.

Risks in the parent company are essentially the same as for the Group.

SIGNIFICANT DISPUTES

There were no significant disputes at the closing date.

OUTLOOK

Bravida is established in about 140 locations across the Nordic region, each with its own particular local market conditions. The Nordic installations market as a whole has improved in recent years. The economy as a whole was weaker than expected in 2015 in Norway and Finland. However, in 2016, we expect the economic situation to be stable in Sweden and Denmark, slightly weaker in Norway and slightly better in Finland. Weaker prices for oil and iron ore are affecting 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 should generally experience a stable market during 2016. Operations in Finland should see a slight improvement in the market.

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 improved energy efficiency and reduced running costs is expected to lead to an increase in the share of installation investments in existing buildings. Housing construction in Sweden's metropolitan regions should remain at a high level.

In recent years, Bravida has restructured and streamlined its activities in sales, purchasing, production and administration. Bravida is implementing far-reaching programmes across all local branches, which are designed to improve profitability through more efficient operations, better pricing and more efficient procurement and increased service sales.

As a result of the above mentioned measures, Bravida is in a stable position for 2016.

SHAREHOLDER INFORMATION

Bravida Holding was listed on Nasdaq Stockholm on 16 October 2015 at a price of SEK 40 per share. By 31 December 2015, the price had risen by 39 percent to SEK 55.50 per share. The number of shareholders was just over 11,000 at 31 December 2015. The shares are traded on Nasdaq Stockholm and are included in the Mid Cap list under the ticker symbol BRAV. Total market capitalisation at year-end was SEK 11,187 million. The total number of ordinary shares was 201,566,598 at 31 December 2015. The general meeting of the company on 25 September 2015 authorised the Board to carry out a new issue of 1,200,000 class C shares and to buy back C shares. It also authorised the Board to allow these shares to be transferred to participants in the incentive programme following their repurchase and reclassification as ordinary shares. The total number of C shares at 31 December 2015 was 0. Ordinary shares entitled holders to one vote and a dividend payment, while C share entitled holders to one-tenth of a vote and no dividend. The single largest shareholder is Bravissima Holding AB, which owned 56.25 percent of the shares at year-end. No other shareholder has a direct or indirect shareholding exceeding 10 percent of the votes for all shares in the company. There are no restrictions of the transferability of the shares due to restrictions in law or the articles of association.

Information regarding public takeover offers

The company has no knowledge of any agreements of material significance that are due to come into force or be amended or invalidated if the majority ownership in the company changes as a result of a takeover offer. Neither are there any agreements between the company and the Board members that result in compensation if such persons leave, are dismissed without reasonable grounds or are dismissed as a result of an offer to acquire their shares in the company.

The investment agreement regarding the IPO contains a lock-up undertaking covering principal shareholders, Board members owning shares in the company and senior executives.

LONG-TERM INCENTIVE PROGRAMME

In conjunction with the IPO, 248 employees, principally line managers, accepted an offer from the company to participate in a long-term incentive programme ('LTIP'). The programme aims to promote and encourage staff loyalty to the business by linking participants' interests with shareholders' interests. The programme runs until year-end 2017.

Participation in LTIP 2015 requires participants to own a certain number of shares in Bravida for the entire term of the programme and that participants are employed by Bravida for the entire period. The Chief Executive Officer may participate with a maximum of 7,500 shares, the CFO with a maximum of 6,000 shares, other members of Group management with 5,000 shares, regional managers with 1,250 shares and local branch managers with 750 shares.

For every Bravida share that participants hold under the LTIP, the company will allocate participants up to three new Bravida shares at no cost. The Chief Executive Officer, however, may receive up to five shares and the Chief Financial Officer may receive up to four shares.

The number of shares allocated depends on the extent to which the set performance target is met. The set performance target is Group EBITA for 2017. All participants consequently have the same performance target. The highest possible value for each share that a participant can received is limited to SEK 120. Any allocation takes place after the first-quarter report for 2018 has been published.

In the event of 75 percent achievement of the performance target, expected annual staff turnover of 10 percent, an annual share price increase of 10 percent and average social security costs of 27 percent, the company's total LTIP cost for the duration of the programme is expected to amount to around SEK 26 million.

GUIDELINES FOR REMUNERATION OF GROUP MANAGEMENT

The Board's proposed guidelines for salaries and other remuneration for the Chief Executive Officer and other members of Group management from the forthcoming AGM:

Bravida endeavours to offer competitive overall remuneration that allows the Group to recruit and retain the right senior executives. In order to determine what is competitive overall remuneration and to evaluate prevailing levels, each year comparative studies are conducted with relevant sectors and markets. Total remuneration shall be based on factors such as position, performance and individual profile.

Total remuneration for the Group management consists of:

- a fixed cash salary;
- a variable cash salary component;
- a long-term incentive programme;
- a pension; and
- other remuneration and benefits.

The Board also proposes that the AGM vote on an adjustment to the long-term incentive programme.

Fixed cash salary

Fixed cash salaries are reviewed annually and provide the basis for calculating variable salary components.

Variable cash salary component

Variable cash salary components are dependent on individuals fulfilling annually set targets. The actual short-term variable cash salary paid is followed up annually. For members of Group management, the maximum possible variable cash salary component may vary depending on the position held by the individual concerned. The CEO may receive up to 10 months' salary, excluding social security costs, in variable salary based on the performance of the business, and up to SEK 2.3 million, including social security costs, in variable salary based on the Group's acquisition activity. Heads of Group staff units in Group management may receive variable salary corresponding to 3–9 months' salary, while CFO and heads of division may receive variable salary corresponding to 20 months' salary. In addition to this, up to SEK 1.8 million, including social security costs, may be paid per person entitled to such remuneration, based on Group acquisition activity.

Pension

Senior executives who are resident in Sweden are entitled to pension benefits corresponding to between 28 and 35 percent of their respective fixed salaries, or otherwise in accordance with their occupational pension plans. Comparable terms and conditions shall be offered to senior executives resident outside Sweden, in so far as is possible with regard to local conditions.

Other remuneration and benefits

Other remuneration and benefits should be competitive and contribute to making it easier for senior executives to perform their work duties, for example a company car and occupational health care.

Notice and severance pay

Senior executives are entitled to 6-12 months' notice if employment is terminated by the employer and 4-6 months if the employee resigns. If notice is given by the employer, additional severance pay corresponding to 6-12 months' fixed salary may be paid.

If there are specific grounds in an individual case, the Board is entitled to deviate from the above guidelines.

CORPORATE GOVERNANCE

Bravida prepares a corporate governance report as a separate document from the legal annual accounts. The corporate governance report can be found on pages 98-103.

PARENT COMPANY

Bravida Holding AB's net sales for the year were SEK 71 million (52). All sales were internal.

Operating income was SEK -32 million (0), while profit before tax was SEK 269 million (244). Cash and cash equivalents were SEK 456 million (746). Equity was SEK 4,599 million (4,686) and the equity/assets ratio was 47.2 percent (46.6). The average number of employees at the parent company was 11 (8). The number of shares amounts to 201,566,598 (403,133,196) following a 1:2 reverse split.

OTHER SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

- Mattias Johansson took up his post as new President and CEO on 1 January 2015.
- Bravida Holding AB's shares were publicly listed on Nasdaq Stockholm on 16 October 2015.
- Bravida also refinanced its debt in conjunction with the IPO.
- In conjunction with the IPO, the company implemented a long-term incentive programme, LTIP 2015.
- In conjunction with the IPO, Monica Caneman was appointed Chairwoman of the Board.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

VVS Engineering AS in Norway and the EnergiMidt electrical installation business in Denmark were acquired.

PROPOSED ALLOCATION OF PROFIT

The Board proposes that the parent company's non-restricted equity of SEK 4,594,742,067 be allocated as follows:

Shareholders receive a dividend of	
SEK 1.00 per share	201,566,598 SEK
Share premium reserve	3,517,757,028 SEK
Carried forward	875,418,441 SEK
Total	**4,594,742,067 SEK**

For further 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 MILLION	NOTE	1 Jan 2015 –31 Dec 2015	1 Jan 2014 –31 Dec 2014
Net sales	2	14,206	12,000
Production costs		-12,081	-10,173
Gross profit/loss		**2,124**	**1,827**
Administrative and selling expenses		-1,342	-1,123
Operating profit/loss	3, 5, 6, 7, 29	**782**	**705**
Finance income		415	195
Finance costs		-775	-459
Net financial items	8	**-360**	**-265**
Profit/loss before tax		**422**	**440**
Tax on profit/loss for the year	9	-135	-120
Profit/loss for the year		**287**	**320**
OTHER COMPREHENSIVE INCOME			
Items that have been transferred or can be transferred to profit/loss for the year			
Translation differences for the year from the translation of foreign operations	19	-89	28
Changes in the fair value of financial derivatives for the year		171	-100
Tax attributable to the fair value of financial derivatives		-38	22
Items that cannot be transferred to profit/loss for the year			
Revaluation of defined-benefit pensions		248	-166
Tax attributable to the revaluation of pensions		-54	37
Other comprehensive income for the year		**238**	**-180**
Comprehensive income for the year		**525**	**140**
COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the parent company		519	133
Non-controlling interests		5	6
Comprehensive income for the year		**525**	**140**
Earnings per share	19		
Earnings per share after merger		1.42	1.59

CONSOLIDATED BALANCE SHEET

SEK MILLION	NOTE	31 Dec 2015	31 Dec 2014
ASSETS			
Non-current intangible assets	10	7,223	6,943
Property, plant and equipment	11	63	49
Investments in associates	12	2	5
Pension assets	13	93	9
Other securities held as non-current assets	14	10	8
Non-current receivables	15	13	217
Deferred tax asset	9	26	93
Total non-current assets		**7,429**	**7,326**
Inventories		86	71
Tax assets		19	17
Trade receivables	16	2,165	1,969
Income accrued but not invoiced	17	813	655
Prepayments and accrued income	18	256	168
Other receivables	15	53	31
Short-term investments and blocked funds		2	–
Cash and cash equivalents		573	828
Total current assets		**3,967**	**3,739**
TOTAL ASSETS	25	**11,396**	**11,064**
EQUITY	19		
Share capital		4	4
Other contributed capital		3,518	3,518
Reserves		-61	-142
Retained earnings including profit/loss for the year		82	-86
Equity attributable to owners of the parent		**3,543**	**3,293**
NON-CONTROLLING INTERESTS		11	13
Total equity		**3,555**	**3,306**
LIABILITIES			
Non-current interest-bearing liabilities	20	2,700	–
Bond loan	20	–	3,441
Other non-current liabilities		–	179
Pension provisions	13	15	130
Other provisions	21	76	61
Deferred tax liabilities	9	87	50
Total non-current liabilities		**2,877**	**3,862**
Current interest-bearing liabilities	20	302	–
Overdraft facilities	20	3	6
Trade payables		1,399	1,030
Tax liabilities		69	2
Income invoiced but not accrued	22	1,287	1,200
Other liabilities	23	517	402
Accrued expenses and deferred income	24	1,247	1,128
Provisions	21	141	129
Total current liabilities		**4,964**	**3,897**
Total liabilities		**7,842**	**7,758**
TOTAL EQUITY AND LIABILITIES	25	**11,396**	**11,064**

PLEDGED ASSETS AND CONTINGENT LIABILITIES FOR THE GROUP

SEK MILLION	NOTE	31 Dec 2015	31 Dec 2014
Pledged assets	28	225	13,464
Contingent liabilities	28	21	21

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK MILLION	Share capital	Other contributed capital	Translation reserve	Hedging reserve	Retained earnings, incl. profit/loss for the year	Total Equity
Opening balance of equity at 1 Jan 2014	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
Total comprehensive income for the year			**28**	**-78**	**190**	**140**
Dividend					-500	-500
Group contributions					-45	-45
Tax effect on Group contribution					-10	-10
Closing balance of equity at 31 Dec 2014	**4**	**3,518**	**28**	**-133**	**-111**	**3,306**
Profit/loss for the year					287	287
Other comprehensive income for the year			-89	133	193	238
Total comprehensive income for the year			**-89**	**133**	**480**	**525**
Dividend					-277	-277
Shareholder programme					1	1
Closing balance of equity at 31 Dec 2015	**4**	**3,518**	**-61**	**–**	**94**	**3,555**

Further information on equity is provided in Note 19.

CONSOLIDATED CASH FLOW STATEMENT

SEK MILLION	NOTE	1 Jan 2015 –31 Dec 2015	1 Jan 2014 –31 Dec 2014
OPERATING ACTIVITIES			
Profit/loss before tax		422	440
Adjustments for non-cash items	31	278	46
Income taxes paid		-10	-5
Cash flow from operating activities before changes in working capital		**690**	**480**
CASH FLOW FROM CHANGES IN WORKING CAPITAL			
Increase (-)/Decrease (+) in inventories		0	4
Increase (-)/Decrease (+) in operating receivables		-42	116
Increase (+)/Decrease (-) in operating liabilities		191	59
Cash flow from operating activities		**841**	**659**
INVESTING ACTIVITIES			
Acquisition of subsidiaries	4, 30	-233	-107
Acquisition of assets and liabilities	4	-2	-15
Disposal of assets and liabilities		2	–
Acquisition of non-current intangible assets	10	-10	–
Acquisition of property, plant and equipment	11	-24	-15
Disposal/reduction of financial assets	12	5	–
Cash flow from investing activities		**-262**	**-136**
FINANCING ACTIVITIES			
Loans raised	20	3,002	–
Repayment of loans	20	-3,441	–
Payments in connection with refinancing		-46	–
Change in utilisation of overdraft facility	20	-6	–
Dividend paid		-277	-500
Group contributions paid		–	-45
Cash flow from financing activities		**-767**	**-545**
Cash flow for the year		-189	-22
Cash and cash equivalents at start of year		828	838
Exchange gains/losses on cash and cash equivalents		-66	12
Cash and cash equivalents at year-end		**573**	**828**

PARENT COMPANY INCOME STATEMENT

SEK MILLION	NOTE	1 Jan 2015 –31 Dec 2015	1 Jan 2014 –31 Dec 2014
Net sales		71	52
Administrative and selling expenses	5, 6, 7	-103	-52
Operating profit/loss		**-32**	**0**
Interest and similar income		463	255
Interest and similar expenses		-574	-540
Net financial items	8	**-111**	**-284**
Profit/loss after financial items		**-143**	**-284**
Provision for tax allocation reserve		-78	–
Group contributions		490	528
Profit/loss before tax		**269**	**244**
Tax	9	-81	-54
Profit/loss for the year [1)]		**188**	**190**

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

PARENT COMPANY BALANCE SHEET

SEK MILLION	NOTE	31 Dec 2015	31 Dec 2014
ASSETS			
Non-current assets			
Non-current financial assets			
Investments in Group companies	30	7,341	7,341
Deferred tax asset	9	–	8
Total non-current assets		**7,341**	**7,349**
Current assets			
Current receivables			
Receivables from Group companies	29	1,897	1,962
Other receivables	15	0	1
Prepayments and accrued income	18	45	2
		1,942	**1,965**
Cash and bank balances		456	746
Total current assets		**2,397**	**2,711**
TOTAL ASSETS	25	**9,739**	**10,060**
EQUITY AND LIABILITIES			
Equity	19		
Restricted equity			
Share capital		4	4
		4	**4**
Non-restricted equity			
Share premium reserve		3,518	3,518
Retained earnings		889	974
Profit/loss for the year		188	190
		4,595	**4,682**
		4,599	**4,686**
Untaxed reserves			
Tax allocation reserves		78	–
Provisions			
Other provisions	21	–	6
		–	**6**
Non-current liabilities			
Non-current interest-bearing liabilities	20	2,700	–
Bond loan	20	–	3,441
		2,700	**3,441**
Current liabilities			
Liabilities to credit institutions	20	300	–
Trade payables		34	21
Liabilities to Group companies	29	1,920	1,874
Tax liabilities		50	–
Other liabilities	23	6	2
Accrued expenses and deferred income	24	52	30
		2,362	**1,927**
TOTAL EQUITY AND LIABILITIES	25	**9,739**	**10,060**

PLEDGED ASSETS AND CONTINGENT LIABILITIES FOR THE PARENT COMPANY

SEK MILLION	NOTE	31 Dec 2015	31 Dec 2014
Pledged assets	28	–	7,341
Contingent liabilities	28	1,056	1,052

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

		Non-restricted equity			
SEK MILLION	**Share capital**	**Share premium reserve**	**Retained earnings**	**Profit/loss for the year**	**Total**
Opening balance of equity at 1 Jan 2014	4	3,518	-35	-184	3,303
Profit/loss for the year				190	190
Appropriation of retained earnings			-184	184	–
Dividend paid			-500		-500
Earnings from merger			1,693		1,693
Closing balance of equity at 31 Dec 2014	**4**	**3,518**	**974**	**190**	**4,686**
Profit/loss for the year				188	188
Appropriation of retained earnings			190	-190	–
Dividend			-277		-277
Shareholder programme			1		1
Closing balance of equity at 31 Dec 2015	**4**	**3,518**	**889**	**188**	**4,599**

Further 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 MILLION	NOTE	1 Jan 2015 –31 Dec 2015	1 Jan 2014 –31 Dec 2014
OPERATING ACTIVITIES			
Profit/loss after financial items		-143	-284
Adjustments for non-cash items	32	-5	174
Income taxes paid		–	–
Cash flow from operating activities before changes in working capital		**-148**	**-110**
CASH FLOW FROM CHANGES IN WORKING CAPITAL			
Increase (-)/Decrease (+) in operating receivables		31	353
Increase (+)/Decrease (-) in operating liabilities		16	365
Cash flow from operating activities		**-101**	**608**
FINANCING ACTIVITIES			
Loans raised	21	3,000	–
Repayment of loans	21	-3,441	–
Dividend paid		-277	-500
Group contributions paid		–	-45
Group contributions received		528	1
Cash flow from financing activities		**-190**	**-544**
Cash flow for the year		-291	64
Cash and cash equivalents at merged subsidiaries		–	569
Cash and cash equivalents at start of year		746	114
Cash and cash equivalents at year-end		**456**	**746**

Cash and cash equivalents	**31 Dec 2015**	**31 Dec 2014**
THE FOLLOWING COMPONENTS ARE INCLUDED IN CASH AND CASH EQUIVALENTS:		
Cash and bank balances	456	746
Total cash and cash equivalents	**456**	**746**

NOTES

AND ACCOUNTING POLICIES

Amounts in thousands of Swedish kronor (SEK) unless stated otherwise.

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NOTE 01. 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. In cases where the parent company applies other accounting policies than the Group this is stated at the end of this Note.

REGISTERED OFFICE, ETC.

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

VALUATIONS PRINCIPLES APPLIED IN PREPARING THE FINANCIAL STATEMENTS

Assets and liabilities are stated at historical cost, with the exception of certain financial assets and liabilities, which are measured at fair value. Financial assets and liabilities measured at fair value comprise financial assets measured at fair value through profit/loss or financial assets available for sale.

ESTIMATES AND JUDGEMENTS IN THE FINANCIAL STATEMENTS

Preparing financial statements in accordance with IFRS requires that management make estimates and judgements 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.

Judgements and assumptions are reviewed on a regular basis. Changes to estimates are recognised 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 have a significant effect on 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. The 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 2018. 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.

Bravida will be affected if the proposed amendments to IFRS 16 Leasing are adopted. For example, the cost of leasing will be divided up into operating cost, amortisation and finance costs. The residual value of vehicles will be recognised in the balance sheet as an asset and a liability to the leasing company will be recognised. The amendment is proposed to apply from 2019.

Bravida may be affected by the proposed changes to IAS 7 Statement of Cash Flows, IAS 12 Income Taxes and IAS 19 Employee Benefits. It is preliminarily assessed that these changes will not have any material impact on accounting.

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 earnings are reviewed by the company's chief operating decision-maker for the purpose of evaluating earnings and allocating resources to the operating segment. With effect from 2015, Bravida's segments are countries, i.e. Sweden, Norway, Denmark and Finland.

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

CONSOLIDATED ACCOUNTS

Subsidiaries

Subsidiaries are companies in which the parent company has a controlling influence. A controlling influence exists where the parent company 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 expensed directly. Identifiable acquired assets and assumed liabilities and contingent liabilities in a business combination are initially stated at fair value at the acquisition date regardless of the size of any non-controlling interests. In a business combination 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 recognised 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 percent of the votes. Investments in associates are recognised in accordance with 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). The Swedish krona (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 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 such 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 estimate the revenue and it is probable that the financial benefits will accrue to the Group. The company's revenue primarily consists of revenues from installation contracting. Revenue is recognised in accordance with the percentage-of-completion method. This method is described below in the 'Installation contracting' section. 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 contracting

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 recognition 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 profit/loss for the year.

The Bravida Group recognises as assets receivables (balance sheet item 'Income accrued but not invoiced') 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 'Income invoiced but not accrued') 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 a business combination 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 not 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 business combination giving rise to the goodwill item.

Additional expenditure

Additional expenditure on an intangible asset is added to the asset's cost only if it increases the future financial benefits and the expenditure can be reliably estimated. All other expenditure is recognised as it is incurred.

Depreciation and amortisation

Depreciation/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 depreciated/amortised from the date at which they became available for use. Other intangible assets are amortised according to plan 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 recognised 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 financial 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 for 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.

Property, plant and equipment are depreciated on a straight-line basis as follows:

	Useful life
Buildings	20 years
Expenditure on property not owned by the company	During the remaining lease term
Machinery and other technical facilities	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, and 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 performed 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 financial 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 recognised 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 finance costs 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 finance cost 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 each leasing 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 measured at fair value through profit/loss, 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 measured at fair value through profit/loss. Financial assets measured at fair value through profit/loss 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 essentially all risks and benefits associated with ownership to another party. After the acquisition date, financial assets available for sale and financial assets measured at fair value through profit/loss are stated at fair value. Loans and trade receivables are stated at 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 the likelihood that the borrower will become bankrupt or enter into another form of financial reorganisation.

Financial assets/liabilities measured at fair value through profit/loss

Financial assets measured at fair value through profit/loss 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 a financial 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.

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 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 measured at fair value through profit/loss, borrowing and other financial liabilities.

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 an invoice is received. The liability is removed when payment is 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 measured at fair value through profit/loss

Derivatives with negative fair value that do not meet the criteria for hedge accounting are measured at fair value through profit/loss. For information about which derivatives are reported by the Bravida Group, see the section 'Financial assets measured at fair value through profit/loss'.

Financial liabilities measured 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 measured 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.

Finance income and costs

Finance income and costs 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

Recognised 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 profit/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 taxable values of assets and liabilities. Temporary differences are not taken into account for differences arising from the recognition of consolidated goodwill. Deferred tax assets relating to unused 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 as 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 at the reporting date is also calculated. Net interest expense/income on the defined-benefit obligation/asset is recognised under net financial items in profit/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 financial 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.

Pension 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 profit/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. Benefits that are expected to be settled after twelve months are recognised at their present value. Benefits that are not expected to be fully settled within twelve months are recognised as long-term remuneration.

PROVISIONS

A provision is recognised on the balance sheet when the company has a legal or informal undertaking 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 provision

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 that 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 recognised 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 recognised in profit/loss.

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 that arise for other reasons are recognised 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 can be depreciated/amortised. 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 recognised under a separate main heading on the balance sheet.

INFORMATION ABOUT THE GROUP

Bravida Holding AB's shares have been publicly listed on NASDAQ Stockholm since 16 October 2015. At 31 December 2015, the largest shareholder, with 56.25 percent of the capital and votes, was Bravissima Holding AB (company no. 556930-5625), which has its registered office in Stockholm.

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

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

NOTE 02. DISTRIBUTION OF REVENUES

Group	1 JAN 2015 –31 DEC 2015	1 JAN 2014 –31 DEC 2014
Invoicing	14,163,935	12,186,005
Change in work in progress on behalf of third parties	41,611	-185,816
Net sales	**14,205,546**	**12,000,189**

Revenue by significant revenue type

Group	1 JAN 2015 –31 DEC 2015	1 JAN 2014 –31 DEC 2014
Installation contracting	7,677,571	6,339,084
Service	6,527,975	5,661,105
Net sales	**14,205,546**	**12,000,189**

NOTE 03. SEGMENT REPORTING

The Group's operations are monitored and reviewed on a geographic market basis by the chief operating decision-maker. With effect from 2015, Bravida's segments are countries, i.e. Sweden, Norway, Denmark and Finland. Internal prices charged between the various segments of the Group are set on an arm's length basis, 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 percent of total consolidated income.

GEOGRAPHIC MARKETS

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

2015	Sweden	Norway	Denmark	Finland	Group-wide	Eliminations and other	Total
REVENUE							
External net sales	8,553,801	3,173,303	2,115,889	357,780	4,773	–	14,205,546
Internal net sales	29,032	-108	249	-3	275,167	-304,337	–
Net sales[1)]	**8,582,833**	**3,173,195**	**2,116,138**	**357,777**	**279,940**	**-304,337**	**14,205,546**
Operating expenses	-8,102,533	-2,917,432	-2,006,864	-357,621	-341,663	304,337	-13,421,776
Amortisation of non-current intangible assets	-51	–	-1,233	–	–	–	-1,284
Operating profit/loss	**480,249**	**255,763**	**108,041**	**156**	**-61,723**	**–**	**782,486**
Other information							
Goodwill	4,764,161	1,480,364	810,526	155,501	–	–	7,210,552
Other non-current assets	30,894	15,447	35,873	32,707	183,334	-79,610	218,645
Total non-current assets	**4,795,055**	**1,495,811**	**846,399**	**188,208**	**183,334**	**-79,610**	**7,429,197**

1) External net sales in Sweden were SEK 8,558,577,000.

2014	Sweden	Norway	Denmark	Finland	Group-wide	Eliminations and other	Total
REVENUE							
External net sales	7,287,870	2,921,903	1,792,185	–	-1,769	–	12,000,189
Internal net sales	33,943	24	244	–	246,826	-281,037	–
Net sales[1)]	**7,321,813**	**2,921,927**	**1,792,429**	**–**	**245,057**	**-281,037**	**12,000,189**
Operating expenses	-6,913,672	-2,730,247	-1,697,677	-3,357	-230,496	281,037	-11,294,412
Amortisation of non-current intangible assets	–	–	-1,199	–	–	–	-1,199
Operating profit/loss	**408,141**	**191,680**	**93,553**	**-3,357**	**14,561**	**–**	**704,578**
Other information							
Goodwill	4,618,371	1,497,075	824,564	–	–	–	6,940,010
Other non-current assets	56,723	76,534	39,869	–	212,539	–	385,665
Total non-current assets	**4,675,094**	**1,573,609**	**864,433**	**–**	**212,539**	**–**	**7,325,675**

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

FIELDS OF TECHNOLOGY

The Group comprises the following areas of technology; electrical installations, heating & plumbing, HVAC and other.

2015	Electrical	Heating & plumbing	HVAC	Other	Total
External sales	7,544,921	3,478,458	2,297,737	884,430	14,205,546

2014	Electrical	Heating & plumbing	HVAC	Other	Total
External sales	6,486,186	3,122,685	1,892,029	499,289	12,000,189

NOTE 04. ACQUISITION OF OPERATIONS

2015

Bravida made the following acquisitions in 2015:

Acquired unit	Country	Type	Acquisition date	Share of equity	No. of employees	Estimated annual sales
Heating and plumbing business, Västerås	Sweden	Company	January	100%	6	7
Electrical business, Nyköping	Sweden	Company	January	75%	39	211
Electrical business, Skellefteå	Sweden	Company	February	100%	11	15
Electrical business, Östersund	Sweden	Company	March	100%	22	27
Heating and plumbing business, remaining minority holding	Sweden	Company	March	30%		
Heating and plumbing business, Gothenburg	Sweden	Company	April	100%	45	87
Operations in Finland	Finland	Company	June	100%	320	620
Electrical business, Malmö	Sweden	Company	June	100%	20	40
Operations in Finland	Finland	Company	July	100%	110	210
Heating and plumbing business, Sundsvall	Sweden	Assets and liabilities	July	100%	9	12
Electrical business, Klippan	Sweden	Company	July	100%	16	20
HVAC business, Tromsö	Norway	Company	October	100%	32	70
Cooling business, Luleå	Sweden	Company	November	100%	50	73
Security business, Linköping	Sweden	Company	November	100%	5	10
Electrical business, Falun	Sweden	Company	December	100%	9	20
Electrical and security business, Långshyttan	Sweden	Company	December	100%	40	40
Electrical business, Randers	Denmark	Assets and liabilities	December	100%	13	16

If the acquisition had taken place at 1 January, consolidated net sales would have increased by around 5 percent.

Effects of acquisitions in 2015

Acquisitions have the following effects on consolidated assets and liabilities

	Fair value recognised in Group
Intangible assets	2,359
Other non-current assets	14,216
Other current assets	491,629
Cash and cash equivalents	70,369
Provisions	-18,933
Non-current liabilities	-9,937
Current liabilities	-496,813
Net identifiable assets and liabilities	**52,890**
Consolidated goodwill	**318,946**
Cost	371,836
Cash and cash equivalents (acquired)	70,369
Net effect on cash and cash equivalents	**-301,467**

	Fair value recognised in Group
Calculation of cost	
Cash consideration paid	279,536
Consideration recognised as a liability	92,300
Cost	**371,836**

2014

Bravida made the following acquisitions in 2014:

Acquired unit	Country	Type	Acquisition date	Share of equity	No. of employees	Estimated annual sales
Product company	Sweden	Assets and liabilities	February	100%	–	5
Heating & plumbing business, Tromsö	Norway	Assets and liabilities	March	100%	21	28
Electrical business	Sweden	Assets and liabilities	April	100%	1	1
Electrical business, remaining minority 9%	Norway	Company	April	9%	–	–
Electrical business, Hörby	Sweden	Assets and liabilities	May	100%	11	4
Electrical business, Norway	Norway	Company	June	100%	300	340
Domestic appliance service, Stockholm	Sweden	Company	June	100%	10	5
HVAC business, Denmark	Denmark	Assets and liabilities	June	100%	8	13
HVAC business, Eskilstuna	Sweden	Assets and liabilities	October	100%	12	35
Alarm company, Borås	Sweden	Assets and liabilities	October	100%	6	6
HVAC business, Dalarna	Sweden	Company	October	100%	11	35
HVAC business, Dalarna	Sweden	Company	October	100%	31	65
Electrical business, Landskrona	Sweden	Company	December	100%	36	45
Automation, Landskrona	Sweden	Company	December	100%	9	12
Heating & plumbing business, Stavanger	Norway	Company	December	75%	32	54
Electrical business, Stavanger	Norway	Company	December	75%	65	125
Heating and plumbing business, Stockholm	Sweden	Company	December	100%	25	43
HVAC business, Östersund	Sweden	Company	December	100%	85	115
Heating and plumbing business, Östersund	Sweden	Company	December	100%	39	50
Energy technical operation business	Sweden	Company	December	100%	40	65

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

Effects of acquisitions in 2014

Acquisitions have 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
Cash and cash equivalents (acquired)	32,324
Net effect on cash and cash equivalents	**-177,418**
Calculation of cost	
Cash consideration paid	152,457
Consideration recognised as a liability	57,285
Cost	**209,742**

NOTE 05. EMPLOYEES, PERSONNEL COSTS AND REMUNERATION TO SENIOR EXECUTIVES

Average number of employees	1 Jan 2015 –31 Dec 2015	of which women	1 Jan 2014 –31 Dec 2014	of which women
PARENT COMPANY				
Sweden	11	27.3%	8	25.0%
Total at parent company	**11**	**27.3%**	**8**	**25.0%**
SUBSIDIARIES				
Sweden	5,149	6.8%	4,776	6.0%
Norway	2,359	5.2%	2,003	5.6%
Denmark	1,446	7.3%	1,394	9.0%
Finland	387	5.7%	–	0.0%
Slovakia	7	0.0%	7	0.0%
Total at subsidiaries	**9,348**	**6.4%**	**8,180**	**6.4%**
Total, Group	**9,359**	**6.4%**	**8,188**	**6.4%**

Breakdown of men and women in management	31 Dec 2015	31 Dec 2014
	Female representation	
PARENT COMPANY		
Board of Directors[1)]	11.1 %	0.0%
Other senior executives	0.0%	0.0%
TOTAL, GROUP		
Board of Directors[1)]	11.1 %	0.0%
Other senior executives	0.0%	0.0%

1) Calculated in accordance with the EU calculation model in which the CEO is excluded and trade union representatives are included.

Salaries, other remuneration and social security contributions	1 Jan 2015–31 Dec 2015 Salaries and remuneration	Social security contributions	1 Jan 2014–31 Dec 2014 Salaries and remuneration	Social security contributions
PARENT COMPANY	31,744	7,788	22,369	5,437
(of which pension costs)	(7,693)	(1,501)	(6,023)	(1,442)
SUBSIDIARIES	5,121,846	925,239	4,429,377	806,858
(of which pension costs)	(357,801)	(45,390)	(233,215)	(35,451)
Total, Group	**5,153,590**	**933,027**	**4,451,746**	**812,295**
(of which pension costs)	(365,494)	(46,891)	(239,238)	(36,893)

Salaries and other remuneration by country and among Board members, others and other employees	1 Jan 2015–31 Dec 2015 Board, CEO and other senior executives[1]	Other employees	1 Jan 2014–31 Dec 2014 Board, CEO and other senior executives[1]	Other employees
PARENT COMPANY				
Sweden	16,317	15,427	1,952	20,417
(of which bonuses, etc.)	(9,742)	(488)	(861)	(583)
SUBSIDIARIES				
Sweden	29,840	2,715,563	30,853	2,361,994
(of which bonuses, etc.)	(16,506)	(66,718)	(17,026)	(56,697)
Norway	6,832	1,377,336	5,510	1,269,393
(of which bonuses, etc.)	(4,812)	(29,433)	(1,438)	(26,656)
Denmark	5,472	860,692	7,478	747,971
(of which bonuses, etc.)	(2,293)	(9,831)	(4,465)	(6,709)
Finland	1,909	121,003	962	2,267
(of which bonuses, etc.)	(–)	(–)	(–)	(–)
Slovakia	–	3,199	–	2,949
(of which bonuses, etc.)	(–)	(–)	(–)	(–)
Subsidiaries, total	**44,053**	**5,077,793**	**44,803**	**4,384,574**
(of which bonuses, etc.)	(23,611)	(105,982)	(22,929)	(90,062)
Total, Group	**60,370**	**5,093,220**	**46,755**	**4,404,991**
(of which bonuses, etc.)	(33,353)	(106,470)	(23,790)	(90,645)

1) During these years, the Group's other senior executives consisted of 11 persons (11).

Remuneration and other benefits in 2015	Basic salary/ Board fees	Variable remuneration	Other benefits	Pension expenses	Total
Board member Monica Caneman	750	–	–	–	750
Board member Jan Johansson	617	–	–	–	617
Board member Jeffery Scherer	–	–	–	–	–
Board member Ivano Sessa	–	–	–	–	–
Board member Michael Siefke	–	–	–	–	–
CEO and Group President Mattias Johansson	2,908	5,834	99	1,085	9,926
Senior Vice President, Staffan Påhlsson	3,349	4,369	80	1,048	8,846
Other senior executives [1)]	19,400	23,150	1,179	5,958	49,687
	27,024	**33,353**	**1,358**	**8,091**	**69,826**

1) 'Other senior executives' refers to Group management excluding the President and Senior Vice President, and comprised 11 people during the year.

Remuneration and other benefits in 2014	Basic salary/Board fees	Variable remuneration	Other benefits	Pension expenses	Total
Board member Jay Corrigan	–	–	–	–	–
Board member Jan Johansson	250	–	–	–	250
Board member Michel Plantevin	–	–	–	–	–
Board member Jeffery Scherer	–	–	–	–	–
Board member Ivano Sessa	–	–	–	–	–
Board member Michael Siefke	–	–	–	–	–
Board member Marc Valentiny	–	–	–	–	–
CEO and Group President Staffan Påhlsson	3,379	6,815	–	1,267	11,461
Former CEO, Mats O Paulsson	850	899	–	–	1,749
Other senior executives [1]	17,581	16,077	1,154	3,215	38,027
	22,060	**16,419**	**1,154**	**4,482**	**51,487**

[1] 'Other senior executives' refers to Group management excluding the President and comprised 11 people during the year.

Board, CEO and other senior executives' benefits

See page 54-55 of the directors' report for further information.

One of the senior executives, Staffan Påhlsson, was employed as Senior Vice President of the Group in 2015. Staffan Påhlsson has been proposed by the Nomination Committee to be elected as a new Board member from the AGM in May 2016.

Long-term incentive programme

In conjunction with the IPO, the company implemented a long-term incentive programme, LTIP 2015, in which a total of 248 employees chose to participate. The programme aims to promote and encourage staff loyalty to the business by linking participants' interests with shareholders' interests. For further information about the incentive programme, please refer to the corporate governance report.

The extraordinary general meeting in September 2015 voted to adopt the Board's proposal regarding the incentive programme. The incentive programme encompasses 248 people, comprising senior executives and staff in senior management positions. Inclusion in the programme requires participants to make their own investment in Bravida shares. The size of such investment depends on the position held by the participant. Following the vesting period, participants will be allocated shares in Bravida at no cost, provided that certain terms are met. In order for the 'matching share rights' to entitle participants to receive shares in Bravida, participants must remain in employment throughout the vesting period and their investment in Bravida shares must have been in place for the same period. A maximum of 803,805 shares may be allocated under the programme.

For every one savings share the CEO is entitled to a maximum of five performance shares. The CFO is entitled to a maximum of four performance shares and other programme participants are entitled to a maximum of three performance shares.

This year's personnel costs for the programme amounted to approximately SEK 1.2 million.

Programme	2015–2017
Vesting period	Oct 2015–Dec 2017
Performance target	2017 EBITA

Number of share rights	2015
At 16 October	803,805
Allocated	0
Utilised	0
Forfeited	0
At 31 December	**803,805**

NOTE 06. AUDITORS' FEES AND EXPENSES

	Group		Parent company	
	1 Jan 2015 –31 Dec 2015	1 Jan 2014 –31 Dec 2014	1 Jan 2015 –31 Dec 2015	1 Jan 2014 –31 Dec 2014
KPMG				
Audit assignment	4,011	4,098	815	852
Audit assignments in addition to audit engagement	229	108	–	–
Tax advice	751	48	481	–
Other assignments	4,234	584	3,913	27
Other				
Audit assignment	484	–	–	–
Other assignments	30	667	–	–
	9,739	**5,505**	**5,209**	**879**

NOTE 07. OPERATING EXPENSES BY COST TYPE

	Group		Parent company	
	1 Jan 2015 –31 Dec 2015	1 Jan 2014 –31 Dec 2014	1 Jan 2015 –31 Dec 2015	1 Jan 2014 –31 Dec 2014
Costs of materials	4,070,633	3,383,103	–	–
Subcontractors and purchased services in production	1,762,843	1,361,544	–	–
Personnel costs	6,086,606	5,277,988	39,532	27,806
Depreciation and amortisation	21,143	14,993	–	–
Vehicle expenses	361,633	343,463	588	134
Premises expenses	215,938	189,933	154	240
Consulting fees	107,847	79,850	35,189	8,927
IT expenses and telecoms	93,817	85,751	86	128
Travel expenses	27,803	49,067	193	3,572
Other operating expenses	674,797	509,920	26,784	10,715
	13,423,060	**11,295,612**	**102,526**	**51,522**

NOTE 08. NET FINANCIAL ITEMS

	Group		Parent company	
	1 Jan 2015 –31 Dec 2015	1 Jan 2014 –31 Dec 2014	1 Jan 2015 –31 Dec 2015	1 Jan 2014 –31 Dec 2014
FINANCE INCOME				
Interest income, Group companies	1,632	–	61,275	82,952
Interest income, other	83,106	112,709	82,506	112,462
Foreign exchange gains	322,976	60,085	318,862	59,716
Interest on overdue payments	3,633	3,210	–	–
Revaluation of derivatives	–	14,534	–	–
Other	3,672	4,151	–	–
	415,019	**194,689**	**462,643**	**255,130**
FINANCE COSTS				
Interest expense, Group companies	–	–	-3,633	-8,319
Interest expense, other	-465,994	-368,491	-464,359	-365,549
Foreign exchange losses	-93,593	-84,979	-88,056	-162,180
Interest on overdue payments	-822	-690	-3	-3
Revaluation of derivatives	-57,153	–	–	–
Reversal of hedging reserve	-133,033	–	–	–
Other	-24,629	-5,035	-17,839	-3,478
	-775,224	**-459,195**	**-573,890**	**-539,529**
Net financial items	**-360,205**	**-264,506**	**-111,247**	**-284,399**

NOTE 09. TAX

	Group		Parent company	
	1 Jan 2015 –31 Dec 2015	1 Jan 2014 –31 Dec 2014	1 Jan 2015 –31 Dec 2015	1 Jan 2014 –31 Dec 2014
CURRENT TAX EXPENSE (-)/TAX INCOME (+)				
Tax expense for the period	-104,813	-24,284	-51,264	–
Adjustment of tax in respect of prior years	-21,782	-913	-21,780	–
	-126,595	**-25,197**	**-73,044**	**–**
DEFERRED TAX EXPENSE (-)/TAX INCOME (+)				
Deferred tax arising from temporary differences	32,307	-72,607	–	–
Deferred tax relating to changes in tax rates	5,869	2,017	–	–
Deferred tax income in loss carry-forwards recognised during the year	-1,523	17,232	–	8,079
Deferred tax liability resulting from utilisation of previously recognised taxable value in loss carry-forwards	-20,157	-78,150	-8,079	-61,823
Deferred tax relating to untaxed reserves	-25,185	36,245	–	–
	-8,689	**-95,263**	**-8,079**	**-53,744**
Total recognised tax expense/tax income	**-135,284**	**-120,460**	**-81,123**	**-53,744**

	Group		Parent company	
	1 Jan 2015 –31 Dec 2015	1 Jan 2014 –31 Dec 2014	1 Jan 2015 –31 Dec 2015	1 Jan 2014 –31 Dec 2014
RECONCILIATION OF EFFECTIVE TAX				
Profit/loss before tax	422,281	440,071	269,476	244,194
Tax at tax rate applying to parent company	-92,902	-96,816	-59,285	-53,723
Effect of different tax rates for foreign subsidiaries	-14,732	-11,384	–	–
Group adjustment of foreign exchange differences for internal loans	–	-5,641	–	–
Other non-deductible expenses	-12,145	-9,315	-114	-22
Deductible items not affecting earnings	2,044	1,055	–	–
Non-taxable income	1,984	949	56	1
Increase in loss carry-forwards without corresponding recognition of deferred tax	-1,743	-673	–	–
Recognition of loss carry-forwards in respect of prior years	618	814	–	–
Use of loss carry-forwards not previously recognised	47	–	–	–
Tax in respect of prior years	-21,782	-913	-21,780	–
Standard interest on tax allocation reserve	-50	-552	–	–
Non-taxable income, dividend	–	1	–	–
Effect of changed tax rates	5,869	2,015	–	–
Deferred tax asset attributable to previous years	-2,492	–	–	–
Recognised effective tax	**-135,284**	**-120,460**	**-81,123**	**-53,744**

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable as follows:

	31 Dec 2015		31 Dec 2014	
Group	**Deferred tax asset**	**Deferred tax liability**	**Deferred tax asset**	**Deferred tax liability**
Intangible assets	47,060	–	–	-142
Property, plant and equipment	3,321	–	3,812	–
Inventories	664	–	873	–
Trade receivables	4,463	–	7,285	–
Pension provisions	–	-20,523	20,435	–
Provisions for projects	–	-178,564	–	-132,794
Warranty provisions	27,602	–	21,841	–
Other provisions	2,018	–	2,103	–
Untaxed reserves	–	-34,434	–	-4,374
Other	20,245	–	23,634	–
Loss carry-forwards	66,972	–	101,232	–
	172,345	**-233,521**	**181,215**	**-137,310**
Net asset	**-61,176**		**43,905**	

Sweden has a corporate tax rate of 22.0 percent (22.0). Norway has a corporate tax rate of 27.0 percent (27.0). Denmark has a corporate tax rate of 23.5 percent (24.5). Finland has a corporate tax rate of 20.0 percent (20.0).

	Group		Parent company	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
SPECIFICATION BY COUNTRY				
Sweden	-12,097	38,503	–	8,079
Norway	-17,291	54,995	–	–
Denmark	-57,648	-49,593	–	–
Finland	25,860	–	–	–
	-61,176	**43,905**	**–**	**8,079**

Unrecognised deferred tax assets

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

	Group		Parent company	
	31 DEC 2015	31 DEC 2014	31 DEC 2015	31 DEC 2014
SPECIFICATION BY COUNTRY				
Finland	–	706	–	–
	–	**706**	**–**	**–**

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

Group 2015	Amount at 1 Jan 2015	Reported in profit/loss for the year	Reported in other comprehensive income	Translation differences and other	Acquisitions/ disposals of companies	Amount at 31 Dec 2015
Loss carry-forwards	101,232	-21,680	–	-12,580		66,972
Untaxed reserves	-4,374	-25,185	–		-4,875	-34,434
Property, plant and equipment	3,812	-72	–	-518	99	3,321
Trade receivables	7,285	-1,852	–	-1,124	154	4,463
Provisions for projects	-132,794	-61,446	–	18,632	-2,956	-178,564
Warranty provisions	21,841	6,987	–	-1,226		27,602
Pensions	20,435	13,308	-54,440	188	-14	-20,523
Derivatives	-4,742	42,264	-37,522	–	–	0
Other	31,210	38,987	–	-386	176	69,987
Total	**43,905**	**-8,689**	**-91,962**	**2,986**	**-7,416**	**-61,176**

Group 2014	Amount at 1 Jan 2014	Reported in profit/loss for the year	Reported in other comprehensive income	Translation differences and other	Acquisitions/ disposals of companies	Amount at 31 dec 2014
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**

NOTE 10. NON-CURRENT INTANGIBLE ASSETS

Group 31 Dec 2015	Goodwill	Other intangible assets	Total
ACCUMULATED COST			
At start of year	6,947,655	8,071	6,955,726
Acquisition of subsidiaries	1,914	12,341	14,255
Purchases	324,049	–	324,049
Foreign exchange differences for the year	-55,421	-256	-55,677
At year-end	**7,218,197**	**20,156**	**7,238,353**
ACCUMULATED SCHEDULED AMORTISATION			
At start of year	–	-5,201	-5,201
Acquisition of subsidiaries	–	-1,203	-1,203
Scheduled amortisation for the year	–	-1,282	-1,282
Foreign exchange differences for the year	–	165	165
At year-end	**–**	**-7,521**	**-7,521**
ACCUMULATED IMPAIRMENT			
At start of year	-7,645	–	-7,645
At year-end	**-7,645**	**–**	**-7,645**
Carrying amount at start of period	**6,940,010**	**2,870**	**6,942,880**
Carrying amount at end of period	**7,210,552**	**12,635**	**7,223,187**

Group 31 Dec 2014	Goodwill	Other intangible assets	Total
ACCUMULATED COST			
At start 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 year-end	**6,947,655**	**8,071**	**6,955,726**
ACCUMULATED SCHEDULED AMORTISATION			
At start of year	–	-3,825	-3,825
Scheduled amortisation for the year	–	-1,199	-1,199
Foreign exchange differences for the year	–	-177	-177
At year-end	**–**	**-5,201**	**-5,201**
ACCUMULATED IMPAIRMENT			
At start of year	-7,644	–	-7,644
Foreign exchange differences for the year	-1	–	-1
At year-end	**-7,645**	**–**	**-7,645**
Carrying amount at start of period	**6,732,803**	**3,869**	**6,736,672**
Carrying amount at end of period	**6,940,010**	**2,870**	**6,942,880**

Impairment tests for cash-generating units containing goodwill
The following cash-generating units have significant recognised goodwill values in relation to total recognised consolidated goodwill:

Group	31 Dec 2015	31 Dec 2014
Sweden	4,764,161	4,618,371
Norway	1,480,364	1,497,075
Denmark	810,526	824,564
Finland	155,501	–
	7,210,552	**6,940,010**
Units without significant goodwill values	0	0
	7,210,552	**6,940,010**

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 percent 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 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, 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 6.5 percent.

NOTE 11. PROPERTY, PLANT AND EQUIPMENT

Group 31 Dec 2015	Buildings and land	Machinery and equipment	Total
ACCUMULATED COST			
At start of year	2,997	188,170	191,167
Purchases	–	23,815	23,815
Acquisition of subsidiaries	11,062	25,932	36,994
Sales and disposals	-11,062	-9,286	-20,348
Foreign exchange differences for the year	–	-8,891	-8,891
	2,997	**219,740**	**222,737**
ACCUMULATED SCHEDULED DEPRECIATION			
At start of year	-1,008	-141,272	-142,280
Acquisition of subsidiaries	-1,895	-11,031	-12,926
Sales and disposals	2,037	5,986	8,023
Scheduled depreciation of cost for the year	-237	-19,624	-19,861
Foreign exchange differences for the year	–	7,045	7,045
	-1,103	**-158,896**	**-159,999**
Carrying amount at end of period	**1,894**	**60,844**	**62,738**

Group 31 Dec 2014	Buildings and land	Machinery and equip-ment	Total
ACCUMULATED COST			
At start 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 start 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**

NOTE 12. INVESTMENTS IN ASSOCIATES

Group	31 DEC 2015	31 DEC 2014
ACCUMULATED COST		
At start of year	5,233	6,358
Acquisitions of associates	31	–
Added during the year	–	350
Share in profit of associates	2,191	1,479
Withdrawals for the year	-5,136	-2,976
Adjustments for previous years	65	23
Foreign exchange differences for the year	-14	-1
Carrying amount at end of period	**2,370**	**5,233**

Specification of investments in associates

31 Dec 2015

Associate, company no., regd office	Profit/loss for the year	Owned share, %	Consolidated value of capital share	Carrying amount
Kraftkompaniet Sweden HB, 969740-4755, Stockholm	2,191	50%	2,191	2,191
Forenede & Mosness Installasjon AS, 991 008 195, Oslo, Norway	–	50%	160	148
MT Højgaard ApS, CVR 36905026, DK-2605 Brøndby, Denmark	–	50%	31	31
			2,382	**2,370**

31 Dec 2014

Associate, company no., regd office	Profit/loss for the year	Owned share, %	Consolidated value of capital share	Carrying amount
Kraftkompaniet Sweden 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**

NOTE 13. PENSION ASSETS AND PROVISIONS AND SIMILAR OBLIGATIONS

Defined-benefit pension plans

Number of people covered by the IAS 19 calculation

31 Dec 2015	Parent company	Other Sweden	Norway	Denmark	Total
Active	–	784	47	–	831
Former employees, not retired	–	2,379	–	–	2,379
Retired	–	3,074	64	–	3,138
Total	**–**	**6,237**	**111**	**–**	**6,348**

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**

Defined-benefit obligations and the value of plan assets

Group	31 Dec 2015	31 Dec 2014
Present value of fully or partly funded obligations	-1,257,229	-1,422,435
Fair value of plan assets	1,332,240	1,338,838
Total fully or partly funded obligations	**75,011**	**-83,597**
Present value of unfunded defined-benefit obligations	-14,659	-16,524
Net obligations before adjustments	**60,352**	**-100,121**
Adjustments:		
Payroll tax/employer's contribution	17,501	-21,341
Total	**77,853**	**-121,462**
The net amount is recognised in the following items on the balance sheet:		
Pension assets	92,618	8,783
Provisions for pensions and similar obligations	-14,765	-130,244
Total	**77,853**	**-121,461**
The net amount is distributed among plans in the following countries:		
Sweden	72,093	-129,328
Norway	5,760	7,867
Total	**77,853**	**-121,461**

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

Group	31 Dec 2015	31 Dec 2014
Obligation for defined-benefit plans at 1 Jan	1,438,957	1,201,621
Cost of vested benefits during period	36,834	24,760
Interest expense	36,087	44,331
Pension payments	-50,709	-52,818
Effect of business combinations	–	12,527
Actuarial (gain)/loss resulting from financial assumptions	-184,302	208,855
Actuarial (gain)/loss resulting from demographic assumptions	–	–
Foreign exchange differences	-4,980	-319
Obligation for defined-benefit plans at 31 Dec	**1,271,887**	**1,438,957**

Changes in fair value of plan assets

Group	31 Dec 2015	31 Dec 2014
Fair value of plan assets at 1 Jan	1,338,839	1,255,507
Interest income recognised in the income statement	33,864	46,737
Withdrawn	-49,707	-51,757
Insurance premium (-) paid from plan assets	-809	-40
Paid in	256	990
Return on plan assets excluding interest income	15,401	74,780
Foreign exchange differences	-5,604	12,622
Fair value of plan assets at 31 Dec	**1,332,240**	**1,338,839**

Cost recognised in the income statement

Group	31 Dec 2015	31 Dec 2014
Costs relating to service during current period	-36,834	-24,760
Insurance premium (-) paid from plan assets	-809	-40
Interest expense on obligation	-2,223	2,407
Payroll tax	-9,663	-5,450
Net expense in profit/loss for the year	**-49,529**	**-27,843**

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

Group	31 Dec 2015 Pension assets	31 Dec 2015 Pension obligations	31 Dec 2014 Pension assets	31 Dec 2014 Pension obligations
Defined-benefit pension plans	92,618	–	8,783	-114,358
PRI	–	-14,765	–	-15,886
Other	–	–	532	–
	92,618	**-14,765**	**9,315**	**-130,244**

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	1,210,833	1,124,758	1,308,071
	Current assets	**+ 1%**	**- 1%**
Change in return	1,280,041	1,292,841	1,267,240

Actuarial assumptions

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

	Sweden		Norway	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
Discount rate	3.30%	2.50%	2.50%	3.30%
Expected return on plan assets for coming year	3.30%	3.00%	3.30%	4.40%
Assumed long-term salary increases	3.00%	3.00%	2.50%	3.75%
Long-term increase in income base amount	3.00%	3.00%	–	–
Assumed long-term inflation	2.00%	2.00%	–	–
Expected increase in base amount	–	–	2.25%	3.50%
Future increase in pensions	–	–	0.10%	0.60%

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 2015	31 Dec 2014	31 Dec 2013
Present value of defined-benefit obligation	-1,271,887	-1,438,957	-1,201,621
Fair value of plan assets	1,332,240	1,338,839	1,255,507
Surplus/deficit in plan	**60,353**	**-100,118**	**53,886**

Group	31 Dec 2015	31 Dec 2014
Of which credit-insured via FPG/PRI	21,124	21,034

In Sweden there are pension plans covering all employees. Most of these are defined-contribution plans. During 2014, 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 salaried employees 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 salaried employees 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 by the Swedish Financial Reporting Board (UFR 10 Classification of ITP plans financed by insurance with Alecta), this is a multi-employer defined-benefit pension 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 taken out with Alecta amount to SEK 15 million (10). 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 percent. If Alecta's collective funding level falls below 125 percent or exceeds 155 percent, 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 2015, Alecta's surplus in the form of the collective funding level was 153 percent (143).

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.

Salaried 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 percent 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 further information see http://arbetsgivare.folksam.se/pensionsstiftelsen Bravida has chosen a medium risk portfolio, in which the assets are approximately 30 percent shares, 60 percent interest-bearing securities and 10 percent property. The pension plan requires 107 percent funding and is reinsured with PRI.

NOTE 14. OTHER SECURITIES HELD AS NON-CURRENT ASSETS

	Group		Parent company	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 DEC 2014
ACCUMULATED COST				
At start of year	8,383	8,138	–	–
Purchases	13	–	–	–
Acquisition of subsidiaries	418	189	–	–
Sales and disposals	-189	-27	–	–
Changes in value	1,272	-12	–	–
Foreign exchange differences for the year	-64	95	–	–
Carrying amount at end of period	**9,833**	**8,383**	**–**	**–**
BREAKDOWN OF SECURITIES				
Tenant-owner property	6,600	6,600	–	–
Other	3,233	1,783	–	–
	9,833	**8,383**	**–**	**–**

The above securities are not stated at market value with changes in earnings recognised through profit/loss.

NOTE 15. NON-CURRENT RECEIVABLES AND OTHER RECEIVABLES

	Group		Parent company	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
LONG-TERM RECEIVABLES THAT ARE NON-CURRENT ASSETS				
Market valuation of derivatives	–	203,721	–	–
Deposit for rental of premises	11,027	11,827	–	–
Other	1,565	1,782	–	–
	12,592	**217,330**	**–**	**–**
LONG-TERM RECEIVABLES THAT ARE CURRENT ASSETS				
Receivable, pension funds	9,458	10,741	–	–
Value-added tax receivable	10,060	–	–	–
Other	33,909	20,640	13	673
	53,427	**31,381**	**13**	**673**

NOTE 16. TRADE RECEIVABLES

Trade receivables are recognised after taking account of bad debts, which were SEK -5,448,000 (-9,014,000) SEK 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. INCOME ACCRUED BUT NOT INVOICED

Group	31 Dec 2015	31 Dec 2014
Accrued income from work not yet completed	6,770,832	5,049,478
Invoicing of work not yet completed	-5,957,733	-4,394,697
	813,099	**654,781**

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 'Income accrued but not invoiced' in current assets or as 'Income invoiced but not accrued' 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 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
Prepaid rents	24,869	22,126	–	–
Prepaid insurance premiums	13,507	762	12,391	613
Prepaid leasing fees	5,853	4,987	–	–
Prepaid credit facility charge	31,395	–	31,395	–
Accrued income	157,422	125,219	–	1,441
Other items	23,314	15,082	1,278	–
	256,360	**168,176**	**45,064**	**2,054**

NOTE 19. EQUITY

Parent company	31 Dec 2015	31 Dec 2014
NUMBER OF SHARES		
Opening number of shares	403,133,196	403,133,196
Merger	-201,566,598	–
Closing number of shares	**201,566,598**	**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 2015	31 Dec 2014
TRANSLATION RESERVE		
Opening translation difference	28,088	-70
Translation differences for the year, foreign subsidiaries	-88,934	28,158
Closing translation difference	**-60,846**	**28,088**

Specification of equity item reserves:

Group	31 Dec 2015	31 Dec 2014
HEDGING RESERVE		
Opening translation difference	-133,033	-54,713
Hedging reserve for the year	133,033	-78,320
Closing translation difference	**–**	**-133,033**

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 reborrowing 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 3 May 2016.

A cash dividend of SEK 1.00 per share (0.687118), totalling SEK 201,566,598 (277,000,000), 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. Bravida's capital structure should enable a high degree of financial flexibility and provides scope for acquisitions. The company's target is to have a debt ratio of around 2.5x net debt/adjusted EBITDA. At 31 December 2015, this ratio was 2.7x.

Bravida's target is to pay out a minimum of 50 percent of the Group's consolidated net earnings while also taking account of other factors such as financial position, cash flow and growth opportunities.

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 met 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 profit/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 profit/loss less dividends paid during the year.

Earnings per share

Group	1 Jan 2015 –31 Dec 2015	1 Jan 2014 –31 Dec 2014
Profit/loss for the year	286,997	319,611
Average number of shares before merger, thousands	403,133	403,133
Average number of shares after merger, thousands	201,567	201,567
Earnings per share before merger, SEK	0.71	0.79
Earnings per share after merger, SEK	1.42	1.59
Proposed dividend, SEK	201,566,598	277,000,000
Proposed dividend per share, SEK	1.000000	0.687118

NOTE 20. INTEREST-BEARING LIABILITIES

The following is a presentation of the contractual terms applying to the company's interest-bearing liabilities. For further 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 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
NON-CURRENT LIABILITIES				
Bond loan	–	3,440,988	–	3,440,988
Bank borrowings	2,700,000	–	2,700,000	–
	2,700,000	**3,440,988**	**2,700,000**	**3,440,988**
CURRENT LIABILITIES				
Overdraft facilities	2,987	5,901	–	–
Current bank borrowings	302,262	–	300,000	–
	305,249	**5,901**	**300,000**	**–**
Amount out of liability item that is expected to be paid within 12 months of balance sheet date	305,249	5,901	300,000	–
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.

	2015				2014	
	Maturity	**Nom. interest**	**Nom. value**	**Carry. amount**	**Nom. value**	**Carry. amount**
Bank loans, SEK	2020	1.65%	2,700,000	2,700,000	–	–
Bank loans, SEK	2016	1.65%	302,262	302,262	–	–
Overdraft facilities	2016	1.65%	2,987	2,987	–	–
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
Total interest-bearing liabilities				**3,005,249**		**3,440,988**

The liabilities are subject to certain covenants relating to the company's earnings and financial position.

Credit limits

	Group		Parent company	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
Credit limit granted	4,220,397	3,900,988	4,200,000	3,890,988
Undrawn portion	1,215,148	364,803	1,200,000	360,704
Credit drawn	**3,005,249**	**3,536,185**	**3,000,000**	**3,530,284**
CREDIT LIMIT GRANTED, BY COUNTRY				
Sweden, SEK thousand	4,211,262	3,900,988	4,200,000	3,890,988
Finland, SEK thousand	9,135	–	–	–
Total credit limit granted, SEK thousand	**4,220,397**	**3,900,988**	**4,200,000**	**3,890,988**

Assets pledged as collateral for liabilities to credit institutions

	Group		Parent company	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
Property mortgages	–	1,800	–	–
Floating charges	142,385	1,039,470	–	–
Shares in subsidiaries	49,841	11,982,184	–	7,341,332
Trade receivables	–	404,425	–	–
	192,226	**13,427,879**	**–**	**7,341,332**

For pledged assets, see also Note 28.

NOTE 21. PROVISIONS

	Group		Parent company	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
PROVISIONS THAT ARE NON-CURRENT LIABILITIES				
Warranties	67,619	52,548	–	–
Other	7,899	8,851	–	–
	75,518	**61,399**	**–**	**–**
PROVISIONS THAT ARE CURRENT LIABILITIES				
Warranties	67,619	52,548	–	–
Disputes	14,620	12,021	–	–
Provision for vacant premises	2,792	2,553	–	–
Costs of restructuring	2,649	7,876	–	6,469
Provision for project losses	11,920	7,835	–	–
Other	40,907	45,887	–	–
	140,507	**128,720**	**–**	**6,469**

Change in provisions 2015	Warranties	Disputes	Empty premises	Restructuring measures	Provision for project losses and other	Total
Carrying amount at start of year	105,096	12,021	2,553	7,876	62,573	190,119
Provisions made during the period	97,478	10,496	938	3,461	66,570	178,943
Amount used during the period	-64,822	-6,862	-636	-8,683	-72,666	-153,669
Provisions in acquired companies	481	–	–	–	5,004	5,485
Foreign exchange differences	-2,995	-1,035	-63	-5	-755	-4,853
Carrying amount at year-end	**135,238**	**14,620**	**2,792**	**2,649**	**60,726**	**216,025**

Change in provisions 2014	Warranties	Disputes	Empty premises	Restructuring measures	Provision for project losses and other	Total
Carrying amount at start of 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 year-end	**105,096**	**12,021**	**2,553**	**7,876**	**62,573**	**190,119**

	Group		Parent company	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
Amount out of provision that is expected to be paid within 12 months.	140,507	128,720	–	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 subletting 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. INCOME INVOICED BUT NOT ACCRUED

Group	31 Dec 2015	31 Dec 2014
Invoicing of work not yet completed	9,609,770	8,472,963
Accrued income from work not yet completed	-8,322,930	-7,272,766
	1,286,840	**1,200,197**

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 'Income accrued but not invoiced' in current assets or as 'Income invoiced but not accrued' 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 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
OTHER CURRENT LIABILITIES				
Value-added tax liability	170,578	149,298	4,565	1,147
Employee withholding taxes	119,774	114,078	710	485
Other	226,632	138,327	550	285
	516,984	**401,703**	**5,825**	**1,917**

NOTE 24. ACCRUED EXPENSES AND DEFERRED INCOME

	Group		Parent company	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
Accrued holiday pay and salaries	855,299	763,097	14,723	6,586
Accrued social security contributions	312,407	284,558	2,861	2,553
Accrued interest expenses	9,929	12,925	9,646	10,103
Other items	69,353	67,544	25,246	10,640
	1,246,988	**1,128,124**	**52,476**	**29,882**

NOTE 25. VALUATION OF FINANCIAL ASSETS AND 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 2015	**Held for trading**	**Hedging instruments**	**Loans and trade receivables**	**Other financial liabilities**	**Total carrying amount**	**Fair value**
Trade receivables	–	–	2,164,806	–	2,164,806	–[1]
Other receivables	–	–	9,154	–	9,154	–[1]
Total assets	**–**	**–**	**2,173,960**	**–**	**2,173,960**	–
Non-current liabilities to credit institutions	–	–	–	2,700,000	2,700,000	2,700,000
Current liabilities to credit institutions	–	–	–	302,262	302,262	302,262
Overdraft facilities	–	–	–	2,987	2,987	–[1]
Trade payables	–	–	–	1,398,822	1,398,822	–[1]
Total liabilities	**–**	**–**	**–**	**4,404,071**	**4,404,071**	**3,002,262**

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**

Parent company 31 Dec 2015	Financial assets	Hedging instruments	Loans and trade receivables	Other financial liabilities	Total carrying amount	Fair value
Current receivables from Group companies	–	–	1,896,590	–	1,896,590	– [1]
Total assets	**–**	**–**	**1,896,590**	**–**	**1,896,590**	**–**
Non-current liabilities to credit institutions	–	–	–	2,700,000	2,700,000	2,700,000
Current liabilities to Group companies	–	–	–	1,920,312	1,920,312	– [1]
Trade payables	–	–	–	34,003	34,003	– [1]
Total liabilities	**–**	**–**	**–**	**4,654,315**	**4,654,315**	**2,700,000**

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**

[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 value of interest rate hedges are calculated using 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 is 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 Finance support function is responsible for coordinating the Group's financial activities. The general goal for the 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 rate risk and currency risk.

Interest rate risk
Interest rate 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 rate 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 0.5 percent (0.6). Of the Group's total interest-bearing financial assets, 0 percent (0) have fixed interest rates and 100 percent (100) have variable interest rates.

The average fixed-rate period for all interest-bearing liabilities, excluding pension liabilities, was 0 years (4). The interest rate for interest-bearing liabilities at year-end was 1.7 percent (5.3). Of total interest-bearing financial liabilities, 0 percent (73) have fixed interest rates and 100 percent (27) have variable interest rates.

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 could be divided into translation 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 subsidiaries in Norway, Denmark and Finland. Assets and liabilities in in foreign currency are translated at the rate at the balance sheet date.

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 Finance department.

FINANCIAL LIABILITIES
Financial liabilities comprise bank loans, utilised overdraft facilities, trade payables and accrued interest. In 2015, the Group raised a bank loan of SEK 2,700 million which is due for repayment by 16 October 2020. The bank loan is subject to interest rates tied to the 3-month STIBOR. At 31 December 2015, financial liabilities totalled SEK 4,404 million (4,487).

Credit facilities
In addition to the bank loan, the Group has overdraft facilities of SEK 218 million (310), of which SEK 200 million (300) is linked to the Group's cash pool, as well as a revolving facility of SEK 1,300 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 met these covenants by a good margin.

The total credit granted, including overdraft facilities, was SEK 1,518 million (460) at 31 December 2015. Of the total credit granted, SEK 303 million (95) was utilised. The remaining term for the overdraft facility was 3 months (54), and for the revolving credit facility it was 58 months (54).

Maturity structure of financial liabilities

Group 31 Dec 2015	2016	2017	2018	2019	2020
Loans	302,262	–	–	–	2,700,000
Overdraft facilities	2,987	–	–	–	–
Trade payables	1,398,822	–	–	–	–
Accrued expenses	9,646	–	–	–	–
Total	**1,713,717**	**–**	**–**	**–**	**2,700,000**

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**

Parent company 31 Dec 2015	2016	2017	2018	2019	2020
Loans	300,000	–	–	–	2,700,000
Trade payables	34,003	–	–	–	–
Accrued expenses	9,646	–	–	–	–
Total	**343,649**	**–**	**–**	**–**	**2,700,000**

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**

Credit facilities

Group 31 Dec 2015	Nominal	Drawn	Available
Bank borrowings	2,702,262	2,702,262	–
Revolving facilities	1,300,000	300,000	1,000,000
Overdraft facilities	218,135	2,987	215,148
Cash and cash equivalents	572,552	–	572,552
Liquidity reserve	**4,792,949**	**3,005,249**	**1,787,700**

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**

Fixed-rate period for utilised credit, 31 Dec 2015

	Amount	Average effective interest rate, %	Share, %
2015	3,005,249	1.65	100
Total	**3,005,249**	**1.65**	**100**

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**

Exposure of net assets in foreign currency

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

Foreign net assets

	Group	
Local currency	31 Dec 2015	31 Dec 2014
NOK	639,923	560,008
DKK	210,998	186,507
EUR	6,499	–

A 10 percent strengthening of the Norwegian krone at 31 December 2015 would have a positive translation effect on equity of SEK 61 million. The same increase in the value of the Danish krone would have a positive translation effect on equity of SEK 26 million. The same increase in the value of the euro would have a positive translation effect on equity of SEK 6 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 -89 million (28).

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 counter-party 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 573 million (828).

Credit risks in trade receivables

The risk that the company's customers will not fulfil their commitments, i.e that it 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 for the year were SEK -5 million (-9). 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.

Maturity analysis, trade receivables past due but not impaired

Carrying amount, unimpaired receivables	Group 31 Dec 2015	Group 31 Dec 2014
Trade receivables not yet due	1,900,131	1,712,590
Trade receivables past due 1-15 days	152,571	184,480
Trade receivables past due 16-30 days	42,886	28,773
Trade receivables past due 31-60 days	19,529	31,891
Receivables past due > 60 days	112,926	11,253
Total	**2,228,043**	**1,968,987**

Impaired trade receivables	Group 31 Dec 2015	Group 31 Dec 2014
Opening balance	-65,079	-69,506
Change for the year	1,842	4,427
Closing balance	**-63,237**	**-65,079**

There are no past-due receivables in other financial receivables.

Sensitivity analysis	Group Change +- %	Group Effect on profit before tax +- SEK mn
Sales	1%	8
Operating margin	1 percentage point	142
Payroll costs	1%	52
Materials and subcontractors	1%	58
Share of productive installer time	1 percentage point	72
Interest rate on loans	1 percentage point	30
Exchange rate DKK	10%	17
Exchange rate NOK	10%	26
Exchange rate EUR	10%	6

NOTE 27. LEASE PAYMENTS UNDER OPERATING LEASES

	Group		Parent company	
	1 Jan 2015 –31 Dec 2015	1 Jan 2014 –31 Dec 2014	1 Jan 2015 –31 Dec 2015	1 Jan 2014 –31 Dec 2014
ASSETS HELD UNDER OPERATING LEASES				None
Minimum lease payments	152,649	142,851	574	–
Variable payments	–	–	–	–
Total lease costs	**152,649**	**142,851**	**574**	**–**
BREAKDOWN OF LEASE PAYMENTS BY AGREEMENT				
Lease payments, vehicles	150,906	141,203	574	–
Lease payments, IT	25	24	–	–
Lease payments, other	1,718	1,624	–	–
Total lease costs	**152,649**	**142,851**	**574**	**–**
FUTURE LEASE COMMITMENTS				
Nominal value of future minimum lease payments relating to non-cancellable contracts fall due for payment:				
– Within 1 year	113,600	124,095	267	–
– Between 1 and 5 years	142,544	165,458	214	–
– After 5 years	790	–	–	–
	256,934	**289,553**	**481**	**–**
FUTURE COMMITMENTS, RENT FOR PREMISES				
Nominal value of future commitments in respect of rent for premises fall due for payment:				
– Within 1 year	100,243	117,222	–	–
– Between 1 and 5 years	141,717	200,875	–	–
– After 5 years	5,575	11,199	–	–
	247,535	**329,296**	**–**	**–**

Cars, office equipment and IT equipment are classified as operating leases. In Sweden, Norway, Denmark and Finland 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 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
PLEDGED ASSETS				
For own liabilities and provisions				
Property mortgages	–	1,800	–	–
Floating charges	142,385	1,039,470	–	–
Shares in subsidiaries	49,841	11,982,184	–	7,341,332
Trade receivables and other	–	404,425	–	–
Funds, endowment policies	32,560	35,791	–	–
	224,786	**13,463,670**	**–**	**7,341,332**
CONTINGENT LIABILITIES				
For own liabilities and provisions				
Guarantee commitments, FPG/PRI	21,124	21,034	–	–
Guarantee commitments, for Group companies	–	–	1,056,175	1,051,709
	21,124	**21,034**	**1,056,175**	**1,051,709**

Bravida Holding AB has acted as guarantor for Bravida Sverige AB's pension liabilities, which in turn are guaranteed by PRI. Bravida Sverige AB also has a pension fund containing assets of SEK 1,277,867,000 (1,277,597,000), which more than covers the liability.

NOTE 29. RELATED PARTIES

The Group was publicly listed on 16 October 2015. The principal owner, with 56.25 percent of capital and votes, is Bravissima Holding AB. The Group is under a controlling influence from Bravissima (BC) LuxCo S.C.A. (Luxembourg), the ultimate parent company of Bravissima Holding AB.

In 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 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
TRANSACTIONS WITH PG ADVISORS SWEDEN AB				
Purchases from PG Advisors Sweden AB	15,859	20,186	15,859	20,186
	15,859	**20,186**	**15,859**	**20,186**
TRANSACTIONS WITH BRAVISSIMA HOLDING AB				
Dividend paid to Bravissima Holding AB	-277,000	-500,000	-277,000	-500,000
Group contribution made to Bravissima Holding AB	–	-45,000	–	-45,000
Interest received from Bravissima Holding AB	1,632	–	1,632	–
	-275,368	**-545,000**	**-275,368**	**-545,000**
TRANSACTIONS WITH BRAVIDA AB				
Sales to Bravida AB	–	–	71,000	51,600
Interest received from Bravida AB	–	–	56,321	64,655
Interest paid to Bravida AB	–	–	-50	-609
Group contribution made to Bravida AB	–	–	-75,653	–
Group contribution received from Bravida AB	–	–	–	43,248
Receivable from Bravida AB	–	–	1,895,067	1,908,169
	–	**–**	**1,946,685**	**2,067,063**
TRANSACTIONS WITH BRAVIDA SVERIGE AB				
Interest received from Bravida Sverige AB	–	–	2,809	2,992
Interest paid to Bravida Sverige AB	–	–	–	-2,008
Group contribution received from Bravida Sverige AB	–	–	565,702	529,982
Liability to Bravida Sweden AB	–	–	-762,263	-843,971
	–	**–**	**-193,752**	**-313,005**
TRANSACTIONS WITH BRAVIDA NORGE HOLDING AS				
Interest received from Bravida Norge Holding AS	–	–	501	15,243
Interest paid to Bravida Norge Holding AS	–	–	-49	-14
Receivable from Bravida Norge Holding AS	–	–	1,232	53,731
	–	**–**	**1,684**	**68,960**
TRANSACTIONS WITH OTHER SUBSIDIARIES				
Interest received from other subsidiaries	–	–	12	62
Interest paid to other subsidiaries	–	–	-3,534	-5,688
Liability to other subsidiaries	–	–	-1,157,758	-1,030,091
	–	**–**	**-1,161,280**	**-1,035,717**

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, which gives rise to significant dealings and interest-bearing 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. INVESTMENTS IN GROUP COMPANIES

	Parent company	
	31 Dec 2015	31 Dec 2014
ACCUMULATED COST		
At start of year	7,341,332	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**	**7,341,332**

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

Specification of investments in Group companies

			31 Dec 2015
Subsidiary / Company no. / Regd office	**No. of shares**	**Share, %[1]**	**Carrying amount**
Bravida AB, 556713-6519, Stockholm, Sweden	1,012,429,900	100.0	7,341,332
Bravida Sverige AB, 556197-4188, Stockholm, Sweden	20,000	100.0	2,543,983
Bravida Prenad AB, 556454-1315, Malmö, Sweden	50,000	100.0	103,044
Jihå Automation AB, 556651-4054, Landskrona, Sweden	140,000	100.0	1,614
Jihå El & Automation AB, 556607-4190, Landskrona, Sweden	60,000	100.0	3,109
MO-Service El & Hushåll AB, 556796-6246, Klippan, Sweden	1,000	100.0	4,428
Bravida Säkerhet AB, 556193-1832, Stockholm, Sweden	5,100	100.0	24,961
Erfator Projektledning AB, 556401-7795, Kista, Sweden	1,000	100.0	14,022
C2M Sprinkler AB, 556684-9021, Mark, Sweden	2,100	100.0	55,275
Rörspecialisten i Stockholm AB, 556353-5227, Stockholm, Sweden	1,000	100.0	49,624
Bravida Service Mellersta AB, 556181-4020, Norrköping, Sweden	1,000	100.0	160
E/S Intressenter AB, 556564-6741, Skellefteå, Sweden	1,000	100.0	14,828
E/S Elconsult AB, 556311-0633, Skellefteå, Sweden	1,000	100.0	432
E/S Installation AB, 556306-0838, Skellefteå, Sweden	1,000	100.0	415
E/S Styromatic AB, 556111-9248, Skellefteå, Sweden	1,000	100.0	1,028
Juhl Air Control AB, 556308-0356, Kävlinge, Sweden	2,000	100.0	229
Appelgrens Elektriska Mölndal AB, 556296-9435, Mölndal, Sweden	30,000	100.0	361
Byggnadsaktiebolaget Konstruktör, 556012-3670, Stockholm, Sweden	1,485,417,130	100.0	502
AV-line Vitvaruservice AB, 556762-1643, Stockholm, Sweden	1,000	100.0	1,300
Belab Ventilation AB, 556305-5507, Borlänge, Sweden	1,000	100.0	1,897
Masens Kyl- och Frys AB, 556226-7558, Falun, Sweden	1,000	100.0	673
Bravida Östersund AB, 556026-9937, Östersund, Sweden	1,000	100.0	681
Niwentec AB, 556621-7278, Östersund, Sweden	1,000	100.0	919
Nicopia VVS AB, 556288-2307, Nyköping, Sweden	1,000	100.0	1,634
Vega Energi AB, 556484-7506, Stockholm, Sweden	2,040	100.0	29,300
Friginor Kylmontage och Service AB, 556309-1940, Haparanda, Sweden	4,000	100.0	28,409
Perra Bloms VVS AB, 556812-2823, Sala, Sweden	1,000	100.0	2,179
Skellefteå Elektriska AB, 556553-3592, Skellefteå, Sweden	1,000	100.0	4,800
Elservice Din Elinstallatör AB, 556327-1153, Östersund, Sweden	1,000	100.0	6,820
ABEKA El & Kraftanläggnungar AB, 556515-7012, Nyköping, Sweden	6,000	75.0	61,677
VVS Teknik Rör i Väst AB, 556442-4694, Mölndal, Sweden	2,500	100.0	24,875
Electi El AB, 556817-5045, Malmö, Sweden	1,000	100.0	5,109
Electi El Service AB, 556913-9685, Malmö, Sweden	500	100.0	788
RTS Lås & Larm AB, 556452-9385, Linköping, Sweden	2,000	100.0	2,200
Dala Elmän i Falun AB, 556715-0403, Falun, Sweden	1,000	100.0	12,500
Elinstallatörer i Dalarna AB, 556283-7095, Hedemora, Sweden	1,000	100.0	10,196

Subsidiary / Company no. / Regd office		No. of shares	Share, %[1]	Carrying amount
				31 Dec 2015
Bravida Danmark A/S, 14769005, Brøndby, Denmark		4	100.0	260,859
Selskabet av 7 oktober 2003 ApS, 10035422, Brøndby, Denmark	DKK thousand	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 thousand	10,796,137	100.0	788,678
El Team Drift AS, 981 402 561, Bodø, Norway	NOK thousand	46,410	91.0	10,682
HS: Vagle Elektro AS, 89104740822, Stavanger, Norway	NOK thousand	740,284	75.0	31,000
HS: Vagle Rör AS, 994 706 152, Stavanger, Norway	NOK thousand	10,000	75.0	13,740
Nord-Klima AS, 892 515 212,Tromsö, Norway	NOK thousand	1,000	100.0	12,000
Bravida Finland Oy, 2528874-1, Helsinki, Finland		2,500	100.0	70,562
Bravida Tampere Oy, 2691029-9, Tampere, Finland	EUR thousand	100	51.0	2,874
Kiinteistötekniikka KS Kitek Oy,1583875-4, Jämsä, Finland	EUR thousand	595	100.0	4,588
Kuopion Talotekniikka Oy,0988651-4, Kuopio, Finland	EUR thousand	26	100.0	0
Sähköpeko Etelä-Suomi Oy,1907980-4, Helsinki, Finland	EUR thousand	100	100.0	164
Trison Oy,1946770-0, Järvenpää, Finland	EUR thousand	2,300	100.0	679
Sähkö-Toleva Oy,0434034-4, Akaa, Finland	EUR thousand	920	100.0	880
RAU Tekniikka Oy,1945770-5, Pirkkala, Finland	EUR thousand	100	100.0	21
Halmesvaara Oy,2218790-2, Espoo, Finland	EUR thousand	1,350,000	100.0	6,726
Kiinteistöpalvelut Halmesvaara Oy, 2656259-7, Espoo, Finland	EUR thousand	1,000	100.0	8
Vesijohtoliike Halmesvaara Oy,0870294-7, Espoo, Finland	EUR thousand	1,000	100.0	2,440
Ilmastointiliike Halmesvaara Oy,0870299-8, Espoo, Finland	EUR thousand	1,000	100.0	1,418
Sähköliike Halmesvaara Oy,2014078-0, Espoo, Finland	EUR thousand	1,000	100.0	656
Rakennusliike Halmesvaara Oy, 1004839-0, Espoo, Finland	EUR thousand	1,000	100.0	934

[1] Refers to the proportion of ownership of equity, which is also consistent with the share of voting rights for the total number of shares.

Subsidiary / Company no. / Regd office	No. of shares	Share, %[1]	Carrying amount
			31 Dec 2014
Bravida AB, 556713-6519, Stockholm, Sweden	1,012,429,900	100.0	7,341,332
Bravida Sverige AB, 556197-4188, Stockholm, Sweden	20,000	100.0	2,543,983
Bravida Prenad AB, 556454-1315, Malmö, Sweden	50,000	100.0	103,044
Jihå Automation AB, 556651-4054, Landskrona, Sweden	140,000	100.0	11,938
Jihå El & Automation AB, 556607-4190, Landskrona, Sweden	60,000	100.0	8,966
Bravida Säkerhet AB, 556193-1832, Stockholm, Sweden	5,100	100.0	24,961
Erfator Projektledning AB, 556401-7795, Kista, Sweden	1,000	100.0	14,022
C2M Sprinkler AB, 556684-9021, Mark, Sweden	2,100	70.0	16,827
Rörspecialisten i Stockholm AB, 556353-5227, Stockholm, Sweden	1,000	100.0	49,624
Bravida Service Mellersta AB, 556181-4020, Norrköping, Sweden	1,000	100.0	160
E/S Intressenter AB, 556564-6741, Skellefteå, Sweden	1,000	100.0	14,828
E/S Elconsult AB, 556311-0633, Skellefteå, Sweden	1,000	100.0	432
E/S Installation AB, 556306-0838, Skellefteå, Sweden	1,000	100.0	415
E/S Styromatic AB, 556111-9248, Skellefteå, Sweden	1,000	100.0	1,028
Juhl Air Control AB, 556308-0356, Kävlinge, Sweden	2,000	100.0	229
Appelgrens Elektriska Mölndal AB, 556296-9435, Mölndal, Sweden	30,000	100.0	361
Byggnadsaktiebolaget Konstruktör, 556012-3670, Stockholm, Sweden	1,485,417,130	100.0	502
AV-line Vitvaruservice AB, 556762-1643, Stockholm, Sweden	1,000	100.0	1,300
Belab Ventilation AB, 556305-5507, Borlänge, Sweden	1,000	100.0	11,557
Masens Kyl- och Frys AB, 556226-7558, Falun, Sweden	1,000	100.0	3,184
Attacus Rör & Energi AB, 556026-9937, Östersund, Sweden	1,000	100.0	11,094
Niwentec AB, 556621-7278, Östersund, Sweden	1,000	100.0	27,600
Nicopia VVS AB, 556288-2307, Nyköping, Sweden	1,000	100.0	13,654
Vega Energi AB, 556484-7506, Stockholm, Sweden	2,040	100.0	29,448

31 Dec 2014

Subsidiary / Company no. / Regd office		No. of shares	Share, %[1]	Carrying amount
Bravida Danmark A/S, 14769005, Brøndby, Denmark		4	100.0	260,859
Selskabet av 7 oktober 2003 ApS, 10035422, Brøndby, Denmark	DKK thousand	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 thousand	10,796,137	100.0	788,678
El Team Drift AS, 981 402 561, Bodø, Norway	NOK thousand	46,410	91.0	10,682
Bravida Norway 3 AS,982 850 355, Kristiansand, Norway	NOK thousand	10,500	100.0	18,747
HS: Vagle Elektro AS, 89104740822, Stavanger, Norway	NOK thousand	740,284	75.0	31,000
HS: Vagle Rör AS, 994 706 152, Stavanger, Norway	NOK thousand	10,000	75.0	14,000
BPA Talotekniikka Oy, 2528874-1, Helsinki, Finland		2,500	100.0	23

[1]Refers to the proportion of ownership of equity, which is also consistent with the share of voting rights for the total number of shares.

NOTE 31. STATEMENT OF CASH FLOWS

		Group		Parent company	
SEK million	Note	1 Jan 2015 –31 Dec 2015	1 Jan 2014 –31 Dec 2014	1 Jan 2015 –31 Dec 2015	1 Jan 2014 –31 Dec 2014
INTEREST PAID AND DIVIDEND RECEIVED					
Interest received		85	113	144	195
Interest paid		-466	-366	-468	-372
ADJUSTMENTS FOR NON-CASH ITEMS, ETC.					
Depreciation/amortisation and impairment of assets	7, 10, 11	21	15	–	–
Unrealised foreign exchange differences		138	26	–	129
Hedge accounting in net financial items		60	-12	–	–
Capital gain/loss on disposals of businesses/subsidiaries		-2	–	–	–
Pension provisions		47	34	–	–
Change in provisions		14	-18	-6	0
Shareholder programme costs		1	–	1	–
Profit/loss at merged subsidiaries		–	–	–	46
		278	**46**	**-5**	**174**
UNUSED CREDITS					
Unused credit facilities were:	20	-1,215	-365	-1,200	-361

NOTE 32. EVENTS AFTER THE BALANCE SHEET DATE

In January 2016, the Bravida Group acquired VVS Engineering AS in Norway. The acquired company has annual sales of SEK 69 million and 35 employees. In March 2016, the electrical installation business of EnergiMidt was purchased. The business has annual sales of SEK 38 million and 25 employees.

NOTE 33. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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 estimated, 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 obligations and pension costs.

NOTE 34. INFORMATION ABOUT THE PARENT COMPANY

Bravida Holding AB is a Swedish-registered limited liability company with its registered office in Stockholm. Bravida Holding AB's shares have been publicly listed on NASDAQ Stockholm since 16 October 2015. The address of the head office is Mikrofonvägen 28, SE-126 81 Stockholm.

The consolidated financial statements for 2015 comprise the parent company and its subsidiaries, which together comprise the Group. The Group also includes the owned portion of investments in associates.

The Board of Directors and Chief Executive Officer certify 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, 5 April 2016

Monica Caneman
Chairwoman of the Board

Jan Johansson
Board member

Jeffery Scherer
Board member

Ivano Sessa
Board member

Michael Siefke
Board member

Mattias Johansson
Chief Executive Officer

Jan Ericson
Employee representative

Kai-Otto Helmersen
Employee representative

Anders Mårtensson
Employee representative

Peter Sjöquist
Employee representative

Our audit report was submitted on 6 April 2016.
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 5 April 2016. 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 3 May 2016.

AUDIT REPORT

To the Annual General Meeting of Bravida Holding AB (publ), company no. 556891-5390

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

We have audited the annual accounts and consolidated financial statements for Bravida Holding AB for 2015, with the exception of the corporate governance report on pages 98-103. The annual accounts and the consolidated accounts are included in the printed version of this document on pages 51-96.

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.

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 policies 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 present, in all material respects, a true and fair view of the parent company's financial position at 31 December 2015 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 essentially true and fair view of the Group's financial position at 31 December 2015 and of its financial results and cash flows for the year in accordance with the International Financial Reporting Standards, as adopted by the EU, and with the Annual Accounts Act. Our opinions do not cover the corporate governance report pages 98-103. 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/loss and the Board of Directors' and Chief Executive Officer's administration of Bravida Holding AB (publ) for 2015. We have also conducted a statutory review of the corporate governance report.

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, as well as ensuring that the corporate governance report on pages 98-103 has been prepared in accordance with the Annual Reports Act, rests with the Board of Directors and Chief Executive Officer.

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 discharge 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 as per the above is sufficient and adequate as a basis for our opinion.

In addition, we have read the corporate governance report and, based on this reading and our knowledge about the company and the Group, we believe that we have a sufficient basis for our opinion. This means that our statutory review of the corporate governance report is different in focus and considerably smaller in scope than the focus and scope of an audit conducted in accordance with the International Standards on Auditing and generally accepted auditing practices in Sweden.

OPINION

We recommend that the Annual General Meeting appropriate the profit as proposed in the Directors' Report and that the members of the Board of Directors and Chief Executive Officer be discharged from liability for the financial year. A corporate governance report has been prepared, and that its statutory information complies with the other sections of the annual accounts and consolidated accounts.

Stockholm 6 April 2016
KPMG AB

Anders Malmeby
Authorised Public Accountant

CORPORATE GOVERNANCE REPORT

Corporate governance relates to the decision-making systems through which the shareholders, directly or indirectly, manage the company. For Bravida, which has a decentralised organisational structure, good corporate governance is essential and a very important part of its core business operations. This section sets out Bravida's corporate governance in more detail.

Bravida is a Swedish public limited company listed on Nasdaq Stockholm, and since the company was publicly listed on 16 October 2015 it has applied the Swedish Corporate Governance Code (the Code).

The Code is available at www.bolagsstyrning.se, where a description of the Swedish corporate governance model can also be found.

This corporate governance report is submitted in accordance with the Swedish Annual Reports Act and the Code and sets out Bravida's corporate governance for the 2015 financial year.

The corporate governance report endeavours to avoid the repetition of information about what is required by the applicable regulation and focuses on setting out what is specific to Bravida.

Two deviations from the Code occurred in 2015. Jeffery Scherer is both Chairman of the Nomination Committee and a member of the company's Board of Directors. This is a deviation from article 2.4 of the Code, according to which a member of the Board of Directors should not be Chairman of the Nomination Committee. The reasons for this deviation are that Bain Capital owns more than 50 percent of the shares and is consequently by far the largest single shareholder and that the company has only recently been publicly listed. This deviation has been accepted by the entire Nomination Committee.

The Extraordinary General Meeting of Bravida of 25 September 2015 resolved that a long-term, share-based incentive programme would be offered to a large number of senior executives. The programme is described in more detail on page 54 and 73. The vesting period for this programme runs from entry to the programme, which took place in conjunction with Bravida's IPO on 16 October, until establishment of the year-end report for 2017. The vesting period will consequently be around 2.5 years, which is a deviation from article 9.7 of the Code, which stipulates that the vesting period should not be less than three years. The reason for the deviation is that the IPO took place late in autumn 2015 and that the company wanted to be able to offer its employees an incentive programme in conjunction with the IPO. It was deemed at the time that a programme that lasted 3.5 years would not have been as attractive.

No infringement of Nasdaq Stockholm's Regulations for Issuers or good stock market practice has occurred.

CORPORATE BODIES

General meetings of the company

The shareholders' right to make decisions on matters relating to the company is exercised at general meetings of the company. This is the highest decision-making body, which all shareholders are entitled to attend. The term 'annual general meeting' (AGM) refers to the general meeting of the company that is held within six months of the end of the financial year, at which the consolidated financial statements and the group auditors' report are submitted and decisions are taken regarding the adoption of the income statements and balance sheets of the company and the Group, and the discharge from liability of the Board and the Chief Executive Officer.

Bravida's 2016 AGM will take place on 3 May at 7A kongress in Stockholm. Shareholders who wish to submit a proposal to the Nomination Committee or have a matter addressed by the AGM may submit such proposal to the Nomination Committee by 15 March and such matter to be addressed to the company by 22 March 2016. Contact information can be found on the company website.

Bravida endeavours to ensure that the Board of Directors, the management team, the Nomination Committee and the auditor attend the AGM.

Each ordinary share (class A share) entitles the holder to one vote at general meetings and each class C share entitles the holder to one tenth of a vote. Shareholders are entitled to vote in proportion to the shares that they own in the company.

Notice convening general meetings shall be given no earlier than six weeks and no later than four weeks before the meeting. In accordance with Bravida's articles of association, shareholders wishing to attend a general meeting must give notification of their attendance within the time period stated in the notice convening the meeting. Such date must be a working day and not occur any earlier than five working days before the stated date of the meeting.

All documentation relating to the AGM can be found at the company website, www.bravidagroup.com.

This will be the first AGM held since the company was publicly listed.

Nomination Committee

Nomination of Board members prior to the election at the general meeting takes place by means of a Nomination Committee. In addition, the Nomination Committee proposes fees for Board members, as well as proposing the election of and fees for the auditor. The current Nomination Committee instruction stipulates that Bravida should have a Nomination Committee consisting of Bravida's Chairpman and a representative for each of the three largest shareholders or shareholder groups, by number of votes, that wish to appoint a representative. For the forthcoming year the Nomination Committee shall be based on the list provided by Euroclear Sweden of registered shareholders and shareholder groups and other reliable information as of the last business day of September. See the company website for further information about the Nomination Committee.

The Nomination Committee met for the first time on 17 December 2015. All documentation relating to the AGM can be found at the company website, www.bravidagroup.com.

Board of Directors

According to the articles of association, Bravida's Board of Directors shall consist of no less than three and no more than ten Board members and a maximum of five deputy members. From the 2015 AGM until the extraordinary general meeting of 30 June 2015, the Board of Directors consisted of six members elected by the annual general meeting and no deputy members. On the 30 june 2015 Monica Caneman was elected to the Board. At the extraordinary general meeting of 25 September 2015, Monica Caneman was elected as Chairwoman of the Board and two of the Board members appointed by Bain stepped down from the Board. Since then, the Board has consisted of five members elected by the general meeting. The number of employee representative members was four throughout the year. Further details of Board members are provided in the table on pages 99 and 104, and the company website.

The composition of Bravida's board meets the requirements regarding independent Board members.

The Board's work in 2015

11 Board meetings were held during the year, comprising four ordinary

BOARD OF DIRECTORS

Member	Elected	Position	Year of birth	Nationality	Independent of the company and company management	Independent of the company's major shareholders
Monica Caneman	2015	Chairwoman of the Board	1954	Swedish	Yes	Yes
Michael Siefke	2012	Member	1967	German	Yes	No
Jan Johansson	2014	Member	1959	Swedish	Yes	Yes
Jeffery Scherer	2014	Member	1975	American	Yes	No
Ivano Sessa	2012	Member	1977	Italian	Yes	No
Jan Ericson	2015	Employee representative	1965	Swedish		
Kai-Otto Helmersen	2012	Employee representative	1973	Norwegian		
Anders Mårtensson	2007	Employee representative	1965	Swedish		
Peter Sjöquist	2007	Employee representative	1957	Swedish		
Göran Jonsson	2014	Deputy employee representative	1956	Swedish		
Roger Krig	2014	Deputy employee representative	1965	Swedish		
Kai Levisen	2013	Deputy employee representative	1958	Danish		

meetings, three constitutive meetings and four extraordinary Board meetings. Board member attendance is set out in the table on page 100. The company's general counsel Magnus Liljefors acted as secretary at the Board meetings. Board members received written material about the issues being addressed before each Board meeting.

Much of the Board's time during the year was taken up with work on the IPO, establishing the business in Finland, strengthening various improvement initiatives and the activities of the divisions, as well as acquisitions. The Board also dealt with the issue of refinancing the business in connection with the IPO.
Internal and external presentations were made to the Board about the markets in which Bravida operates. The Board discussed Bravida's performance and opportunities at these meetings. The Board worked actively with company management on various strategic issues.

A key aspect of the Board's work is its review of the financial statements that are presented at each ordinary Board meeting and this also encompasses in-depth analysis of ongoing work by the company's divisions. The Board also received monthly reporting on the Group's financial position.

During the year, the Board followed up business plans submitted by management and the development potential across Bravida's business areas. In particular, the various improvement initiatives relating to Pricing and Operations, Purchasing and Service have been developed and followed up. The Board was also involved in preparing the new code of conduct that was established during the year.

Board committees

Following the IPO, the Board established two Board committees as part of streamlining and strengthening the Board's work with regard to certain issues: the Audit Committee and the Remuneration Committee. The committees' members are appointed at the constitutive Board meeting immediately after the AGM. They are appointed for one year at a time and the work and authority of the committees is regulated by the committee instructions, which are established annually.

The committees have a preparatory and administrative role. The issues addressed at the committees' meetings are minuted and a report is submitted at the subsequent Board meeting.

The Audit Committee held its constitutive meeting on 28 August 2015 and consists of Ivano Sessa (Chairman), Jan Johansson and Monica Caneman. This committee is also attended by the company's CFO and general counsel. The Audit Committee's main tasks are to:

– monitor the company's financial reporting;
– monitor the effectiveness of the company's internal control and risk management with regard to financial reporting;
– stay informed about the audit of the annual accounts and the consolidated financial statements;
– review and monitor the auditor's impartiality and independence and, in so doing, pay particular attention to whether the auditor is providing the company with services other than auditing services;
– assist in the preparation of proposals for the AGM's election of auditor;
– assist in monitoring the compliance with legal and regulatory requirements that have a material impact on financial statements;
– assist in monitoring transactions with related parties; and
– assist in monitoring and evaluating selected projects.

The Remuneration Committee held its constitutive meeting on 28 August 2015 and consists of Michel Siefke (Chairman), Jeffery Scherer and Monica Caneman. This committee is also attended by the company's general counsel. The company's CEO and CFO attend as required. The Remuneration Committee's main tasks are to:

– prepare Board decisions on issues regarding remuneration policies, remuneration and other terms of employment for senior executives;
– monitor and evaluate ongoing variable remuneration programmes for senior executives or such programmes that conclude during the year; and
– monitor and evaluate application of the guidelines for the remuneration of senior executives that are determined by the AGM and the applicable remuneration structure and remuneration levels in the Group.

Evaluation of the Board of Directors and the Chief Executive Officer

In accordance with the Board's procedural rules, the Chairman of the Board shall initiate an evaluation of the Board's work once a year.

In view of the short period of time that the current Board has been active, such evaluation has been limited to a discussion between the Chairman and each Board member.

The purpose of the evaluation is to gain an understanding of Board members' views of the work conducted by the Board and what measures could be taken to streamline the Board's activities. It is also intended to gain an understanding of what type of issues the Board should give more attention to and what areas may require additional expertise among Board members.

ATTENDANCE OF AND REMUNERATION TO BOARD MEMBERS

Member Chairperson	Audit Committee	Remuneration Committee	Attendance Board meetings	Attendance Board meetings	Board Renumeration*, SEK thousand	Number of Shares in Bravida
Monica Caneman	X	X	6/11**	2/2	750	24,143
Michael Siefke		X	11/11	1/1	–	0
Jan Johansson	X		10/11	1/1	617	37,895
Jeffery Scherer		X	11/11	1/1	–	0
Ivano Sessa	X		10/11	1/1	–	0
Jan Ericson			7/11			500
Kai-Otto Helmersen			11/11			0
Anders Mårtensson			11/11			250
Peter Sjöquist			11/11			650
Göran Jonsson			–			
Roger Krig			–			
Kai Levisen			–			

*Remuneration for committee work in 2015 has not been paid special
**Elected to the Board of Directors on June 30, 2015

The Board also assesses the work of the Chief Executive Officer on an ongoing basis by monitoring the performance of the business against the targets that are set. A formal assessment is carried out once a year.

Chief Executive Officer, management and organisation

The President and Chief Executive Officer is Mattias Johansson. He assumed his post on 1 January 2015. The Chief Executive Officer's responsibilities include personnel, financial and business management issues, as well as ongoing contact with the company's stakeholders such as authorities and the financial markets. The Chief Executive Officer ensures that the Board receives the information it needs to take well-informed decisions.

Bravida's business operations are divided in four segments; Sweden, Norway, Denmark and Finland. These segments are divided into divisions; three for Sweden and one for each of the other countries. Each division has a Head of Division, who reports directly to the CEO. The Heads of Division are responsible for each division's operations and earnings and are also responsible for ensuring that the division's operations are conducted in accordance with decisions that have been taken. The Heads of Division are supported by their own staffs as well as Group-wide staff functions. Bravida's Group managements consists of the CEO, the heads of each division and the Group staff heads. In 2015, Marcus Karsten joined the Group as head of the new Finnish division. Staffan Påhlsson left the Group management team at the time of the IPO. For further information about the Chief Executive Officer and Group management, see page 106-107.

The Group management hold meetings once a month, with at least one meeting a year dedicated to addressing forward-looking strategies. Group management meetings discuss and address ongoing Group-wide initiatives, changes in the market, current issues in divisions and staffs, acquisitions and the follow-up of operating target achievement.

The Group management works actively to encourage the involvement of employees in developing Bravida's corporate culture and following its values. In 2015, a lot of effort was put into implementing various initiatives regarding Pricing, Operations, Purchasing and Service, as well as developing Bravida further as an employer and in terms of sustainability issues.

GOVERNANCE AT BRAVIDA

Bravida's business operations are divided in four segments; Sweden, Norway, Denmark and Finland. These segments are divided into divisions; three for Sweden (North, Stockholm and South) and one for each of the other countries. These divisions are in turn divided into a total of 27 regions, which are themselves divided into 243 local branches.

The business is decentralised, which means that the main business operations and customer contact take place at local branch level. Each local branch manager is responsible for the earnings of the local branch and is consequently responsible for the organisational structure, staffing, and the signing and performance of contracts. The local branches are supported by Group-wide business and purchasing systems and other tools for risk assessment, cost estimates and effective performance of signed contracts. Local branches' independence is restricted by instructions and an authorisation procedure. Bravida has clear rules on project approval, with threshold levels governed principally by contract value. This means that a local branch manager cannot enter into an agreement above a certain value without approval from the regional manager and neither can a regional manager enter into an agreement above a certain value with the approval of the Head of Division. Contracts over SEK 50 million must always be approved by the CEO.

As a significant part of the CEO's management and control of the business, the CEO and CFO meet each Head of Division once a quarter to review the division's financial position, billing, cash flow, etc. according to the specific points of a scorecard. These meetings are also attended by the division's head of finance and the respective regional manager and financial controller. These quarterly reviews are held in a corresponding manner down throughout the organisation according to a schedule.

Level at meeting	Chaired by	Frequency
Group (CEO, HoD, RM)	President	every 3 months
Division (HoD, RM, LBM)	Division Head	every 3 months
Region (RM, LBM, proj./serv. manager)	Reg. Manager	every 3 months
Local Branch (LBM, proj./serv. manager, managing fitter)	Loc. Branch Manager	every 3 months

CEO – President and CEO, HoD – Head of Division, RM – Regional Manager, LBM – Local Branch Manager

These regular meetings enable the person responsible to meet his/her manager's manager and provide them with the opportunity to report

BRAVIDA'S ANNUAL CYCLE

The Annual Cycle describes how Bravida works with goals, strategies and action plans during the year.

OCTOBER - DECEMBER
9. Target process

OCTOBER
8. Divisional management compiles these into a common strategy

SEPTEMBER
7. Regions' and local branches' Targets, Strategy and Action Plans are established for the coming years and sent to Divisional Management by the end of September

AUGUST - SEPTEMBER
6. Strategy work in the regions

FEBRUARY - MARCH
1. Regional management meetings
– Assessment/adjustment of Targets, Strategy and Action (Management review)

APRIL
2. Divisional management meeting
– Assessment/adjustment of Targets, Strategy and Action Plan (management review)

3. Group management meeting
– Assessment/adjustment of Targets, Strategy and Action Plan

MAY
4. Divisional management conference
– Adjustment of Targets, Strategy and Action Plan

JUNE
5. Group management (Strategy Days)
– Establishment of Targets, Strategy and Action Plan for coming years.

on their business. This ensures high visibility and clarity of leadership within the company. It is also a highly effective way of managing the business and ensuring and monitoring that decisions that are taken are implemented. In addition, the 'grandfather principle' is also applied to a range of decisions taken within Bravida. This principle means that certain decisions must be taken/approved by a manager's manager. This includes decisions regarding investments, new hirings and certain costs.

Over the longer term, Bravida is managed based on a business plan for the coming three years. This is then applied down from Group to local branch level. Each year target figures are set for all businesses and at aggregate level for the Group, along with an action plan for how these targets are to be achieved. Evaluation and any adjustments take place on an ongoing basis according to the 'annual cycle' (see image). This work is ongoing throughout the year and at different levels. In addition, twice a year a regional manager conference is held at which Group management meets the regional managers to address important strategic issues.

All divisions continually compile summaries about potential and ongoing acquisitions for review at Group management meetings. This enables ongoing control of current activities and prioritisations to be made. No acquisitions can be made without first having been dealt with and approved by the 'Acquisition Group' following a formalised process and decision-making procedure. Large acquisitions must be approved by the Board.

Code of Conduct

Correct behaviour is important to Bravida, not only in respect of our customers and suppliers but also between everyone who works at Bravida. In 2015, therefore, Bravida adopted a revised code of conduct which includes guidelines and rules on how we should behave. In connection with the adoption of the new Code of Conduct, a training programme aimed at all managers and some administrative staff within Bravida was also started. Bravida also has a whistle-blower function which allows suspected irregularities to be reported anonymously.

REMUNERATION

Board remuneration

Current board fees were set at the extraordinary general meeting of 25 September 2015. The fees were allocated as per the table above.

The Chief Executive Officer's total remuneration is determined by the Board. Guidelines on remuneration for other members of Group management are proposed by the Remuneration Committee and determined by the Board.

The Board's proposed guidelines for salaries and other remuneration for the Chief Executive Officer and other members of Group management

Bravida endeavours to offer competitive overall remuneration that allows the Group to recruit and retain the right senior executives. In order to determine what is competitive overall remuneration and to evaluate prevailing levels, each year comparative studies are conducted with relevant sectors and markets. Total remuneration shall be based on factors such as position, performance and individual profile.
Total remuneration for the Group management consists of:

- a fixed cash salary;
- a variable cash salary component;
- a long-term incentive programme;
- a pension; and
- other remuneration and benefits.

All members of Group management own shares in Bravida.

The Board's proposed guidelines for salaries and other remuneration for the Chief Executive Officer and other members of Group management for the 2016 AGM are consistent with the guidelines that applied for 2015. The Board also proposes that the AGM vote on an adjustment to the long-term incentive programme.

Group management's shareholdings in Bravida are set out in the table on page 100. The background and education of the members of Group management are detailed on page 106-107.

No members of Group management have significant shareholdings or co-ownership in businesses with which the company has a significant business relationship.

Note 5, Employees and Personnel Costs, page 71-73. The company website has the assessments and reports that are required to be reported under the the Code.

Fixed cash salary

Fixed cash salaries are reviewed annually and provide the basis for calculating variable salary components.

Variable cash salary component

Variable cash salary components are dependent on individuals fulfilling annually set targets. The actual short-term variable cash salary paid is followed up annually. For members of Group management, the maximum possible variable cash salary component may vary depending on the position held by the individual concerned. As a rule, heads of Group staff units in Group management may receive variable salary corresponding to 9 months of their fixed cash salary while the CFO and heads of division may receive variable salary corresponding to 20 monthly salaries.

For the Chief Executive Officer, short-term variable salary constituted a maximum of 10 montly salaries. Actual variable cash salary paid is linked both to the individual and overall target achievement at Group level. This ensures that remuneration is clearly linked to both the performance of individuals and the performance of Bravida as a whole.

Long-term incentive programme

The long-term incentive programme is determined by the AGM. The Board has decided to propose a new programme to the 2016 AGM that will primarily include employees with line responsibility. The programme is largely consistent with the programme determined in 2015 but is aimed at a slightly smaller number of employees. Further details of the long-term incentive programme can be found at the company website, www.bravidagroup.com.

Pension

Senior executives who are resident in Sweden are entitled to pension benefits corresponding to between 28 and 35 percent of their respective fixed salaries, or otherwise in accordance with their occupational pension plans. Comparable terms and conditions shall be offered to senior executives resident outside Sweden, in so far as is possible with regard to local conditions.

Other remuneration and benefits

Other remuneration and benefits should be competitive and contribute to making it easier for senior executives to perform their work duties.

Notice and severance pay

Senior executives are entitled to 6-12 months' notice if employment is terminated by the employer and 4-6 months if the employee resigns. If notice is given by the employer, additional severance pay corresponding to 6-12 months' fixed salary may be paid.

If there are specific grounds in an individual case, the Board is entitled to deviate from the above guidelines.

AUDIT

The auditor is tasked with auditing the annual report and the accounts, as well as the administration by the Board of Directors and the Chief Executive Officer. After each financial year, the auditor submits an auditor's report and a Group auditor's report to the AGM.

Auditors

Pursuant to the articles of association, Bravida shall have one or two auditors with up to two deputy auditors. Registered auditing firms may also be appointed as auditor. The auditor is appointed by the AGM for a term of one year, unless otherwise stated in Bravida's articles of association.

The 2015 AGM re-elected registered auditing firm KPMG AB as auditor for the period until the end of the 2016 AGM. Authorised Public Accountant Anders Malmeby is the principal auditor for the company and the Group.

Bravida's auditors: KPMG AB
Principal auditor: Anders Malmeby, Authorised Public Accountant
Born in: 1955
Principal auditor of Bravida since 2014.
Shareholdings in Bravida AB: 0 shares
Other audit assignments: Listed companies Concentric Group and East Capital Explorer, as well as other companies including Bankgirocentralen, Fujitsu Sweden, Gamla Livförsäkringsaktiebolaget SEB Trygg Liv and RISE.

In addition to the audit, the auditing firm had a number of other assignments for Bravida, mainly relating to the IPO. These generally involved audit-related services such as extensive reviews in connection with auditing. The auditor's independence in relation to the company is ensured by the elected auditor being only allowed to a limited extent to carry out services other than the audit. See Note 6 Auditors' Fees and Expenses for a breakdown of remuneration to auditors.

Shares, ownership and dividend policy

At year-end 2015 Bravida had11,298 share owners according to the shareholder register maintained by Euroclear Sweden. Besides the principal owner, Bain Capital, ownership is dominated by institutional owners. See page 47 for details of Bravida's largest shareholders and note 19, page 82 for Bravida's share capital.

Bravida's dividend policy is to pay out a minimum of 50 percent of the Group's consolidated net profit while also taking account of other factors such as financial position, cash flow and growth opportunities.

Only ordinary shares entitle holders to dividends. Class C shares do not entitle holders to dividends.

Buy-back of the company's own shares

It is proposed to the 2016 AGM that the Board be authorised to repurchase its own shares to ensure the financial basis of the long-term incentive programmes and to use for the acquisition of other businesses. The repurchase of shares may only take place on Nasdaq Stockholm and never at a greater proportion than the company at any given time owning a maximum of 10 percent of all shares in the company.

THE BOARD'S REPORT ON INTERNAL CONTROL OF FINANCIAL REPORTING

Control environment

The Board of Directors has responsibility for internal control in relation to financial reporting. The aim of this is both to provide reasonable certainty in terms of the reliability of external financial reporting, and to ensure that external financial reporting has been prepared in accordance with the law, applicable reporting standards and other requirements.

The control environment includes how targets are set, how earnings are monitored and how risks are managed. A good control environment is based on an organisation with clear decision-making paths and a corporate culture with shared values and awareness among individuals about their role in maintaining good internal control.

The control environment for financial reporting is based on the allocation of roles and responsibilities within the organisation, established and communicated decision-making pathways, instructions relating to powers and responsibilities, and accounting and reporting instructions. The Board of Directors has adopted rules of procedure, a CEO instruction and an instruction for financial reporting. In addition to the Board's rules of procedure, the CEO instruction and the reporting instruction, there is an overarching authorisation instruction for the entire Group and policies and guidelines in a number of areas for operational activities.

Bravida has established policies, instructions and detailed process descriptions covering all significant aspects of its operations. These policy documents are available on the intranet for staff. The documents are updated annually or as required to reflect applicable laws and rules and changes to processes that are implemented. There is internal auditing and monitoring of compliance with key processes.

Risk assessment

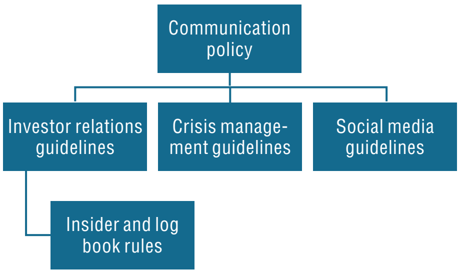
An integral part of the management work of the Board of Directors and the Group management is a broad-based risk assessment. Risks are reported to the Board of Directors on a continual basis. During the year, the Board held ongoing discussions about various kinds of risk, as well as the company's risk management process. Risks within Bravida can be divided into operational risks and financial risks. The single most significant operational risks are the management, costing and valuation of current projects. Bravida has developed a model for managing these risks and works continually to make improvements.

Identification and assessment of risks of not achieving business objectives and reliable financial reporting take place continually as part of day-to-day processes within Bravida. The Board is responsible for ensuring that material financial risk and risks of errors occurring in financial reporting are identified and addressed. The Board continually monitors risk exposure.

The Chief Executive Officer is responsible for ensuring that the business applies and monitors established procedures and for ongoing monitoring and management of risks within the organisation.

Information security and communication

Bravida's Board has established a communication policy aimed at ensuring that external information is managed correctly. Instructions exist within the company regarding information security and how financial information should be communicated between management and other employees.



Bravida's internal control and risk management regarding financial reporting are designed to manage risks and ensure good reliability in processes relating to the preparation of financial statements and to ensure that applicable reporting requirements and other requirements of Bravida as a publicly listed company are complied with. Within Bravida, which mainly conducts installation projects and provides service by selling working hours and materials, internal control of financial reporting is mainly focused on ensuring effective and reliable management and reporting of ongoing projects and valuation of work in progress and order backlog.

The instruction regarding information security was updated during the year and training has been held for staff, mainly with regard to the new public environment following the IPO.

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

Control activities

To ensure that the business is conducted effectively and efficiently and that financial reporting at each time of reporting provides an accurate picture, control activities are in place, involving all levels of the organisation, from the Board and Group management to other employees. Within Bravida, these control activities include approval of projects and agreements, checking with external counterparties, daily monitoring of earnings performance in projects, daily account reconciliations and monitoring of earnings, as well as analytical follow-up of decisions.

Bravida's financial statements are analysed and ultimately validated by the control function within Group finance. Such validation includes both automatic controls, such as deviation reporting, and manual controls such as analyses and plausibility assessment of values. The effectiveness of the automatic controls in IT systems are followed up based on information from system managers in the business process. Proposals for improvements are identified and implemented on an ongoing basis.

The Group's control activities, such as authorisation, project approval and implementation, originate at Group level, but are then handled primarily at regional level. Starting in 2013, on behalf of the Board of Directors, Group management began implementing partially modified working practices for the control and monitoring of Bravida's project activities, with the primary aim of further improving production, cost estimates and system compliance. All local branches will receive training, with certification on successful completion.

Monitoring

Bravida's Board and management continually monitor compliance with and the effectiveness of internal controls for quality assurance of processes. The Group's financial position and strategy regarding financial position is addressed at each Board meeting, with the Board receiving detailed monthly reports on the financial position and the performance of the business. The Audit Committee fulfils an important function in ensuring and monitoring control activities for key risk areas in financial reporting processes. The Audit Committee, management and the financial controller functions at divisional and regional level follow up reported deficiencies on a regular basis.

Bravida does not have a separate internal audit function. Within Bravida, 'quarterly reviews' fulfil an important function by ensuring that the entire organisation is analysed four times a year. These quarterly reviews use standardised scorecards to measure and monitor important key performance indicators (KPIs). The local branches' operations are reviewed by the financial controllers of the relevant region. The regions are reviewed in turn by the divisions' finance departments, and finally there is a financial controller function at Group level. The accounts payable and accounts receivable ledger is centralised. Payments may only be made by using special work order numbers and each payment must be authorised and approved by a superior.

Business Development undertakes an audit of a number of randomly selected projects each year. This audit verifies that the organisation is conducting projects in accordance with the established processes and procedures. If deficiencies are identified, feedback is provided and an action plan is activated.

BOARD OF DIRECTORS BRAVIDA HOLDING AB

From left to right: Kai-Otto Helmersen, Jan Johansson, Jan Ericson, Jeffrey Scherer, Monica Caneman, Ivano Sessa, Michael Siefke, Anders Mårtensson and Peter Sjöquist.

MONICA CANEMAN

Chairwoman of the board since 2015

Year of Birth: 1954
Other current assignments: Chairwoman of BIG BAG Group AB, Arion Bank hf and VIVA Media Group AB. Member of the board of SAS AB, Com Hem Holding AB, mySafety Group AB and Intermail AS.
Previous assignments (last five years): Chairwoman of Frösunda Omsorg AB, Allenex AB, Electronic Transaction Group Nordic Holding AB and Electronic Transaction Group Nordic AB, and The Fourth Swedish National Pension Fund (AP4). Member of the board of Investment AB Öresund (publ), Poolia AB (publ), Orexo AB (publ), mySafety Försäkringar AB, SPP Pension & Försäkring AB (publ), SPP Livförsäkring AB (publ) SPP Pension & Försäkring AB (publ), Storebrand ASA, Schibsted Sverige AB and Schibsted ASA.
Education: MSc in Business Administration from Stockholm School of Economics.
Number of shares: 24,143

MICHAEL SIEFKE

Board member since 2015 (chairman of the board 2012-2015)

Year of Birth: 1967
Other current assignments: Managing Director of Bain Capital Beteiligungsberatung GmbH. Member of the Board of FTE Automotive, IMCD, and Wittur.
Previous assignments (last five years): Member of the Board of FCI.
Education: PhD in Accounting & Finance from University of Muenster. MBA from University of Muenster.
Number of shares: 0

JAN JOHANSSON

Board member since 2014.

Year of Birth: 1959
Other current assignments: CEO of Malmö Cityfastigheter AB. Member of the Board of Götenehus Group AB, Starka AB, and Centuria AB.
Previous assignments (last five years): CEO of Peab AB (publ). Member of the board of Catena AB (publ), Fastighets AB ML 4, and Centur AB.
Education: Master of Science in Engineering, Civil Engineering, from Lund University.
Number of shares: 37,895

IVANO SESSA

Board member since 2012.

Year of Birth: 1977
Other current assignments: Managing Director of Bain Capital Europe, LLP. Member of the Board of Autodistribution S.A., IMCD, and Team-System.
Previous assignments (last five years): Member of the Board of Teamsystem Azzurra Sarl.
Education: BSc in Business Administration from Bucconi University.
Number of shares: 0

JEFFERY SCHERER

Board member since 2014.

Year of Birth: 1975
Other current assignments: Managing Director of Portfolio Company Advisors Europe, LLP Managing Director of Portfolio Company Advisors Europe, LLP an affiliate of Bain Capital Europe, LLP. Member of the board of directors of Brake Bros and Wittur.
Previous assignments (last five years): None
Education: BSc in Economics from Davidson College. MBA from Harvard Business School.
Number of shares: 0

EMPLOYEE REPRESENTATIVES

JAN ERICSON

Year of Birth: 1965
Jan Ericson is a member of the board of directors in the capacity of employee representative for Bravida and has been employed as an electrician with Bravida since 1985. Jan Ericson is a representative of the Swedish Electricians Union (Sw. Svenska Elektrikerförbundet).
Number of shares: 500

KAI-OTTO HELMERSEN

Year of Birth: 1973
Kai-Otto Helmersen is a member of the board of directors in the capacity of employee representative for Bravida and has been employed as an electrical installer with Bravida since 1992. Kai-Otto Helmersen is a representative of the Electrician and IT workers union in Norway (No. EL og IT Forbundet i Norge).
Number of shares: 0

ANDERS MÅRTENSSON

Year of Birth: 1965
Anders Mårtensson is a member of the board of directors in the capacity of employee representative for Bravida and has been employed as a plumber with Bravida since 1988. Anders Mårtensson is a representative of The Swedish Building Workers' Union (Sw. Byggnads).
Number of shares: 250

PETER SJÖQUIST

Year of Birth: 1957
Peter Sjöquist is a member of the board of directors in the capacity of employee representative for Bravida and has been employed as a project manager/technician with Bravida since 1984. Peter Sjöquist is a representative of Ledarna in Sweden (Sw. Ledarna).
Number of shares: 650

BRAVIDA'S GROUP MANAGEMENT

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

MATTIAS JOHANSSON

CEO and Group President since 2015.

Year of Birth: 1973
Employed by Bravida since: 1998
Previous assignments: Many years of experience within Bravida as, among others, Branch Manager, Regional Manager, and Head of Division South (Sweden) and Division Norway.
Education: Master of Science in Engineering
Number of Shares: 833,698

NILS-JOHAN ANDERSSON

CFO since 2014.

Year of Birth: 1962
Employed by Bravida since: 2014
Previous assignments: Businessarea Manager, HVAC and CFO, among others, of the Lindab Group.
Education: Master of Science in Business and Economics
Number of Shares: 480,624

MIKAEL LIDSTRÖM

Head of Division North (Sweden) since 2013.

Year of Birth: 1966
Employed by Bravida since: 1989-2006, 2013
Previous assignments: Site Manager, Branch Manager, and Regional Manager at Veidekke, and Regional Manager at Bravida.
Board Assignments: Member of the Board of PQR International AB.
Education: 2-year upper secondary education
Number of Shares: 281,131

FILIP BJURSTRÖM

Head of Division Stockholm since 2009.

Year of Birth: 1969
Employed by Bravida since: 2009
Previous assignments: Regional Manager at NCC Boende.
Board Assignments: Member of the Board of AB Svensk Byggtjänst and VVS Företagen.
Education: Master of Science in Engineering
Number of Shares: 288,704

ANDERS AHLQUIST

Head of Division South (Sweden) since 2013.

Year of Birth: 1966
Employed by Bravida since: 2008
Previous assignments: Branch Manager at Wikströms VVS-kontroll, Marketing Director Bravida Division South.
Education: Upper secondary engineering qualification
Number of Shares: 274,510

MAGNUS LILJEFORS

General counsel since 2010.

Year of Birth: 1963
Employed by Bravida since: 2005
Previous assignments: Lawyer at Advokatfirman Glimstedt, General Counsel at Nordisk Renting AB.
Education: Law Degree and Master of Laws.
Number of Shares: 150,000

BENT ANDERSEN

Head of Division Denmark since 2007.

Year of Birth: 1961
Employed by Bravida since: 2003
Previous assignments: Regional Manager Fyn and Jylland, Bravida Denmark.
Board Assignments: Member of the Board of Danløft A/S.
Education: Master of Science in Engineering and Executive MBA
Number of Shares: 261,977

PETTER HÅKANSON

CIO, CTO and CBDO since 2005.

Year of Birth: 1967
Employed by Bravida since: 2005
Previous assignments: Manager of IT, information och economy at Scandiaconsult/Ramböll.
Board Assignments: Member of the Board of InhouseTech Göteborg AB.
Education: Master of Science in Business and Economics
Number of Shares: 134,733

LARS KORDUNER

Chief Purchasing Officer since 2005.

Year of Birth: 1966
Employed by Bravida since: 2005
Previous assignments: Purchasing Group Manager at Cramo AB. Sales and Business Development Manager at Cramo Sverige AB .
Board Assignments: Chairman of the Board of Resultatfabriken AB.
Education: Business Administration and Accounting and Finance.
Number of Shares: 135,383

TORE BAKKE

Head of Division Norway since 2015.

Year of Birth: 1970
Employed by Bravida since: 2009
Previous assignments: Branch Manager at Siemens AS. Regional Manager Region Øst, Bravida Norge.
Board Assignments: Member of the Board of Bransjeforeningen NELFO. Charmain of the Board of HeLa Bakke AS.
Education: Bachelor of Science in Electrical Engineering
Number of Shares: 140,922

MAGNUS HAMERSLAG

Head of Operations Development 2011.

Year of Birth: 1973
Employed by Bravida since: 2008
Previous assignments: Group Manager at ÅF & SWECO. CEO of Erfator Projektledning. Head of Production Systems and Interim Head of HR for the Group at Bravida.
Education: Upper secondary engineering qualification
Number of Shares: 9,242

MARCUS KARSTEN

Head of Division Finland sedan 2014.

Year of Birth: 1966
Employed by Bravida since: 2014
Previous assignments: CEO of Tekmanni Service Oy and Lemminkäi-nen Talotekniikka Oy.
Board Assignments: Member of the Board of Corbel Oy and Finska Handbollsförbundet.
Education: Master of Science in Economics
Number of Shares: 40,347

DEFINITIONS

FINANCIAL DEFINITIONS

OPERATING MARGIN
Operating profit/loss as a percentage of net sales.

PROFIT MARGIN
Profit/loss after financial items, as a percentage of net sales.

RETURN ON EQUITY
Profit/loss after financial items less calculated tax on taxable income as a percentage of average equity.

NET DEBT
Interest-bearing liabilities less cash and cash equivalents.

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/loss after financial items plus interest expense, divided by interest expense.

NET SALES
Net sales are recognised in accordance with the principle of percentage-of-completion method. These revenues are recognised in proportion to the degree of completion of projects.

ORDER INTAKE
The value of projects received and changes to existing projects during the period in question.

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

OPERATING CASH FLOW
Operating profit/loss adjusted for non-cash items, investments in machinery and equipment and changes in working capital.

12 MONTH CASH CONVERSION
12-month EBITDA +/- change in working capital and investment in machinery and equipment in relation to 12-month EBIT.

OPERATIONAL DEFINITIONS

INSTALLATION/CONTRACTING
The installation and refurbishment of technical systems in properties, facilities and infrastructure.

SERVICE
The operation, maintenance and minor refurbishment of installations in properties, facilities and infrastructure.

NUMBER OF EMPLOYEES
Calculated as the average number of employees during the year, taking account of the percentage of full-time employment.

ELECTRICAL
Power supply, lighting, heating, automatic control and surveillance systems. Telecom and other low-voltage installations. Fire and intruder alarm products and systems, access control systems, CCTV and integrated security systems.

HEATING AND PLUMBING
Water, waste water, heating, sanitation, cooling and sprinkler systems. District heating and cooling. Industrial piping with expertise in all types of pipe welding. Energy saving through integrated energy systems.

HVAC
Comfort ventilation and comfort cooling in the form of air treatment, air conditioning and climate control. Commercial cooling in freezer and cold rooms. Process ventilation control systems. Energy audits and energy efficiency through heat recovery ventilation, heat pumps, etc.

BRAVIDA'S HISTORY

Bravida origins from former Swedish BPA, a Swedish building and installation company with a history starting back in the 1920's.

The company was formed in 2000 trough a merger of BPA and the installation section of Telenor. By acquisition in 2003, the Danish company Semco A/S formed what is today Bravida's division in Denmark. During 2005 Bravida's head office was moved to Stockholm. In 2012, the private equity-firm Bain Capital became the owner of Bravida. In 2015, Bravida acquired Finnish Peko Group and Halmesvaara Oy and established operations on the Finnish market. The company was also listed at Nasdaq Stockholm.

1922 Twelve building guilds form the foundation of Swedish BPA

1967 Aktiebolaget BPA Byggproduktion AB is formed

1986 BPA's shares are listed on the Stockholm Stock Exchange

1993 Building services becomes the company's main business area

1994 Ventilationsunion is acquired from Trelleborg AB

1995 Ludvigsen & Herman A/S, a Danish plumbing & HVAC firm, is acquired

1999 BPA's shares are delisted

2000 BPA's and Telenor's building services operations are merged

2003 Bravida acquires Semco A/S and Prenad of Denmark

2004 The company's operations are concentrated to the core business areas electrical, heating & plumbing and HVAC

2006 The private equity firm Triton becomes the new main owner

2009 Bravida acquires Siemens Installation AS in Norway

2012 Bain Capital becomes the new owner of Bravida.

2015 Bravida enters the Finnish market by the acquisition of Peko Group and Halmesvaara Oy

2015 Listing at Nasdaq Stockholm

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Graphic design and production: Oxenstierna & Partners AB

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