

TECHNOLOGY SOLUTIONS FOR A LIVING SOCIETY

BRAVIDA ANNUAL REVIEW 2013





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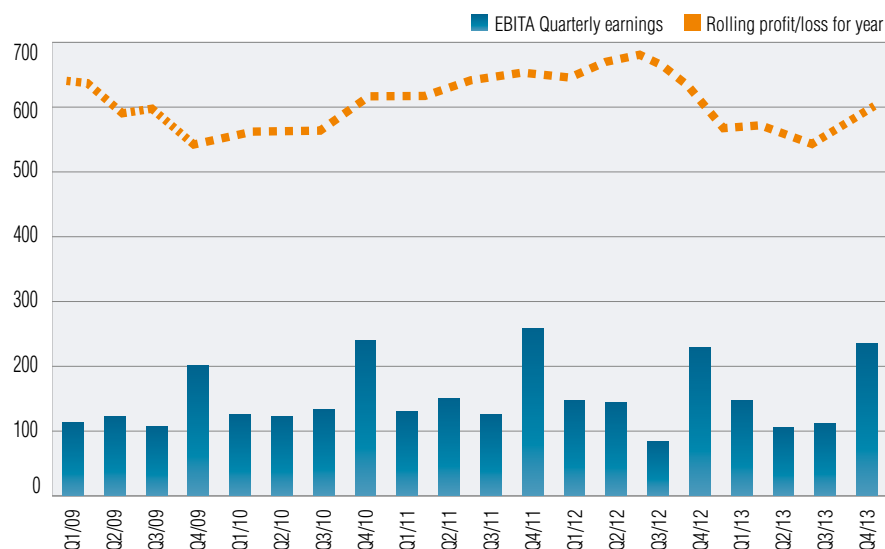
N.B. The English text is a translation of the Swedish text.
In case of discrepancy between the Swedish and the
English text the Swedish version shall prevail.

SUMMARY OF THE YEAR IN FIGURES

| KEY PERFORMANCE INDICATORS, SEKm | 2013 | 2012 | 2011 | 2010 | 2009 |
|--------------------------------------|--------|--------|--------|--------|--------|
| Net sales | 11,080 | 11,400 | 10,768 | 10,345 | 10,831 |
| Operating profit (EBIT) | 600 | 570 | 663 | 621 | 536 |
| Earnings after financial items (EBT) | 222 | 539 | 616 | 573 | 511 |
| Operating margin, % | 5.4 | 5.3 | 6.2 | 6.0 | 5.0 |
| Cash flow from operating activities | 457 | 424 | 559 | 398 | 516 |
| Order backlog | 6,075 | 4,809 | 4,590 | 3,840 | 3,648 |

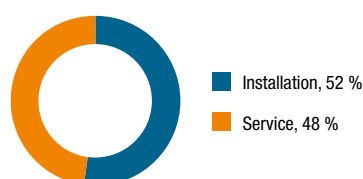
EARNINGS 2009 – 2013

EBITA per quarter and rolling profit/loss for year, SEKm



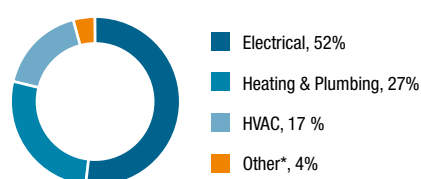
INSTALLATION / SERVICE

Share of Bravida's sales



FIELDS OF TECHNOLOGY

Share of Bravida's sales



* The "Other" category includes technology consultancy, security and technical service management.

8,000
EMPLOYEES

26,000
ACTIVE PROJECTS

438,000
WORK ORDERS

3.70
SATISFIED EMPLOYEE INDEX
(SCALE OF 1–5)

3.9/4.0
SATISFIED CUSTOMER INDEX
INSTALLATION/SERVICE
(SCALE OF 1–5)

WITH INSTALLATION AND SERVICE IN THREE FIELDS OF TECHNOLOGY >>>

SERVICES

INSTALLATION

Installation includes new construction and refurbishment of technical systems in buildings, plant and infrastructure. We coordinate technicians and installers from our different fields of technology, providing the customer with access to a partner who can effectively coordinate and assume responsibility for the whole project.

SERVICE

Service consists of operation and maintenance, as well as minor alterations to installations in buildings and plants. Regular servicing and a proactive approach ensures that the various components maintain their proper function, so that operation is optimised.

FIELDS OF TECHNOLOGY

ELECTRICAL

With expertise in both heavy-current and light-current installations, Bravida offers integrated, energy-saving solutions for everything from industries and sports stadiums to offices and dwellings.

HEATING & PLUMBING

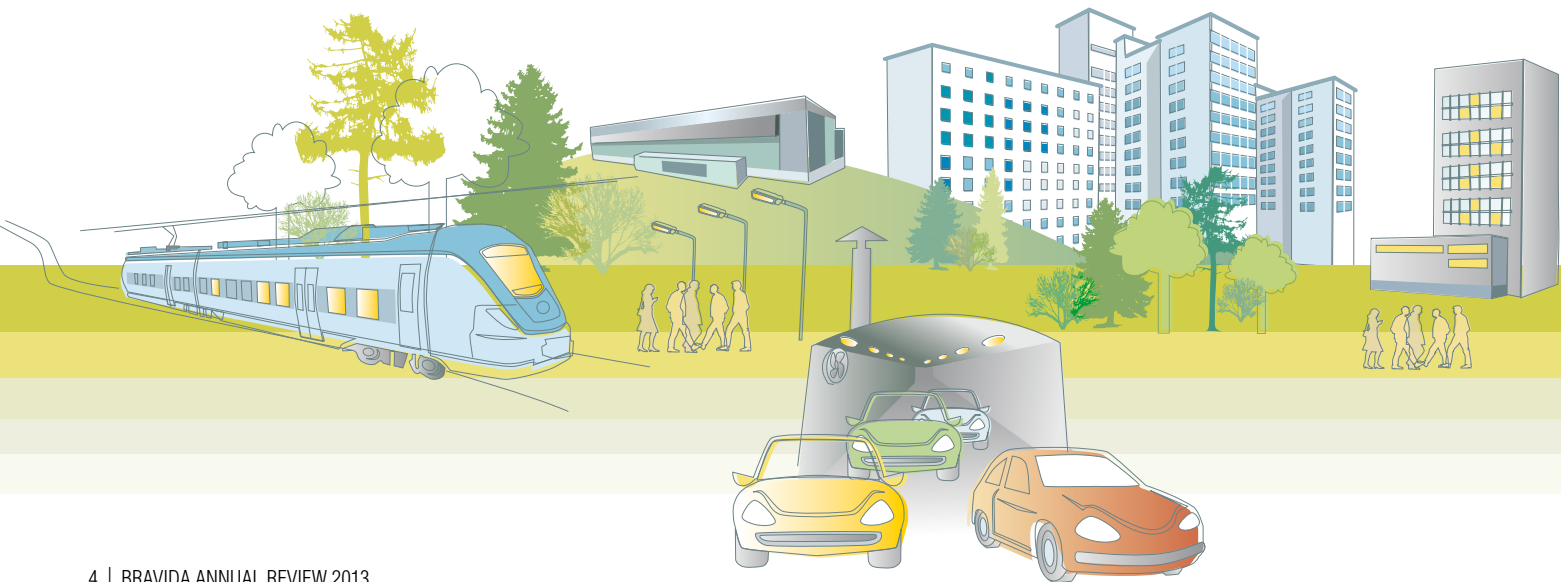
Bravida performs energy-efficient installations for the processing industry as well as providing regular repair and preventive maintenance in, for example, housing cooperatives.

HVAC

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

SPECIALIST AREAS

In order to provide our customers with a complete offer, Bravida's specialist areas such as consulting services, technical service management and safety systems for fire, alarms and physical access. Our specialist areas combine expertise and resources from different fields of technology so that we can provide our customers with precisely the skills and competence they require.



»»» WE ARE HELPING OUR COMMUNITIES TO FUNCTION MORE EFFECTIVELY

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

We are 8,000 dedicated employees at 150 locations in Sweden, Norway and Denmark working to make our communities function more effectively. So that we can all enjoy life more.



LONG-TERM PERSPECTIVE, PERSEVERANCE & PROACTIVITY

With perseverance, a long-term approach and proactive measures, Bravida has managed to deliver a strong result in 2013. In a difficult market, where a number of competitors have had a tough time, we have improved our margins. Growth has not been forthcoming during 2013, but a record order backlog is strengthening prospects for 2014.

CONFIDENCE IN OUR ACTIVITIES

2013 began in a difficult market with weak demand, but with a strong order backlog we were able to feel confident. The market has remained difficult in many quarters, but a number of bright spots during the year raised our self-confidence. Thanks to a significant improvement in earnings in Denmark and a continued positive trend in Division North, we have been able to increase our operating profit for the full year by 5 per cent to SEK 600 (570) million, which corresponds to an operating margin of 5.4 (5.0) per cent. We have continued to be cautious in our choice of projects which resulted in sales decreasing somewhat and amounting to SEK 11,080 (11,400) million. Cash flow from operating activities improved by 8 per cent to SEK 457 million (424). But, above all, a strong close of the year has meant that we have with us a record order backlog of SEK 6,075 (4,809) million going into 2014.

PERSEVERANCE AND PROACTIVITY

We started 2013 with focused measures in both Denmark and Sweden to tackle the weak market. And these measures produced results. The turnaround in Denmark was particularly significant. Through perseverance and vigorous efforts over several years, we have managed to maintain a profitable business and a presence in a weak market in order to be ready when the turnaround comes. In 2013, we have also succeeded in winning important contracts such as major infrastructure projects and projects in connection with major investments in hospitals and universities. It will be very exciting to follow developments in the Danish market.

In Norway, we have seen a different turn of events. Our view was positive at the beginning of the year, but during the second half of the year, we were forced to take strong action in order to handle a weak market. With a positive trend in the final quarter of 2013, we hope to see an improvement in Norway from 2014 onwards.

MAJOR SCANDINAVIAN REFERENCE PROJECT

The year's biggest order came from Alstom Transport to replace the current signalling system for railways in Zealand and Fyn for a total order value of more than DKK 300 million. The project will run for several years into the future, and with a number of other contracts in road and rail transport, we have a strong position in infrastructure in Denmark. In Sweden and Norway too, we have won big contracts, including the general contract for the construction of stage 2 of the Facebook data centre in Luleå, full responsibility for all installations in the building of a new public swimming centre in Umeå, and installation contracts associated with the expansion of Gardemoen airport in Oslo.

Extensive and complex projects such as the Facebook data centre are important references that highlight our capacity to handle big projects. With our organisation, local presence and expertise, we can carry out such projects anywhere in Scandinavia – even outside major metropolitan areas. These projects are also important from the competence perspective, since they present our employees with new challenges and tough demands from clients, thereby raising their competence and skills. I am convinced that our big contracts are crucial for attracting the best employees in a labour market where the demand for engineers, in particular, is rising each year.

THE ECONOMY IS STABILISING

After a couple of challenging years, our assessment is that the general economic situation has stabilised and that the market will improve during 2014, but that regional differences in demand will remain. The turnaround in Denmark, albeit from very low levels, was long-awaited and, to a large extent was the result of public investment. Northern Norrland continues to develop positively and Umeå being named European Capital of Culture for 2014 has led to substantial investments. In metropolitan areas, there remains strong pressure on prices and public investments are still constituting a big portion of the growth. The Norwegian market is marked by significant regional differences, with a weaker performance in the southern part of the country. Future major projects and infrastructure investments, however, are expected to lift the trend during the year.

"Extensive and complex projects like Facebook's data centre are important references that highlight our capacity to handle big projects."



"A strong close of the year means that we have a record order backlog going into 2014."

Our selective approach to high-risk projects with low profitability will continue and, together with our work for an even distribution between installation and service, is an important part of creating long-term profitability. However, we view the future with confidence and anticipate a positive trend for Bravida during the second half of 2014. That the big construction companies are closing 2013 with a growing order backlog is also a sign of a turnaround in the market.

WE ARE COMPETING FOR THE BEST ENGINEERS

In the years to come, I see being able to recruit, develop and retain our highly skilled employees as one of the most demanding issues for us. And in an economic upswing, competition for talented staff becomes even tougher, from both other installation companies and the big construction companies. Consequently, increasing the number of engineers within the Group has been a long-term and focused effort over several years. When this effort was launched, Bravida was relatively unknown among students at colleges and universities, but with an increased market presence and visibility, awareness and interest in Bravida as a future employer has risen markedly. Employer branding company Universum's nomination of Bravida as "Newcomer of the Year" in Sweden is also proof of this.

GROWTH AND ACQUISITIONS

With a record-high order backlog and an upturn in the economy, we have high hopes of increased growth in the coming years. While we must not lose our focus on profitability, it is important to dare to grow locally in our local offices, and to take advantage of the potential we see in the investments in infrastructure throughout Scandinavia and the renovation and refurbishment of the "million programme" dwellings in Sweden.

Acquisitions are also an important part of our growth strategy. As we entered 2013, our aim was to carry out a couple of medium-sized acquisitions in cities or towns, or in segments, where we were lacking coverage or wanted to boost our activities. Our attitude to acquisitions is the same as when we choose projects – to grow with profitability – and when the price or the form of cooperation does not meet our requirements we prefer to abstain. For that reason, no significant acquisitions were made during the year. Our hope for 2014 is to be more successful and to carry out a number of acquisitions, both big and small.

DEVELOPING OUR EMPLOYEES AND BRAVIDA

A company like Bravida is never "complete". The day that we relax and let things just roll on, we will quickly be overtaken by our competitors. It is for this reason that – along with our owners – we launched a major training project covering the entire group at the beginning of the year. The purpose of this venture is to take advantage of the knowledge that we have within the company and to learn from each other in order to make our work more effective and efficient. The training programme has a depth and a scope that is not comparable to anything we have done in the past. This programme has been positively received throughout the Group and I am very grateful for the dedication and energy that Bravida's employees have put into its implementation. At the end of it, the work we have put in will be a strong culture bearer and give us a solid foundation on which to build our future.

With a strong, interested owner, a hungry management team and 8,000 dedicated and talented employees, I see a bright future for Bravida.

Staffan Pahlsson
CEO and Group President

LEADER IN INSTALLATION AND SERVICE

Bravida strives to grow with profitability. In order to do this, we have four strategic focus areas – customers, profitability, growth and skills. In order to achieve our vision, we have set up clear objectives.

VISION

We aim to become the leading Nordic business partner for efficient technical solutions in building services. Our comprehensive knowledge is to increase our customers' competitiveness.

BUSINESS CONCEPT

We offer electrical, heating & plumbing and HVAC installation and service.

Using our expertise, we work efficiently to create value and benefit to our customers on a daily basis.

We combine local presence with the resources of a major company.



STRATEGIES

CUSTOMER STRATEGY

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

PROFITABILITY STRATEGY

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

GROWTH STRATEGY

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

SKILLS STRATEGY

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

OBJECTIVES

| FINANCIAL OBJECTIVES | DESCRIPTION | OUTCOME |
|---|---|---|
| <p>» EBITA MARGIN > 7 PER CENT</p> <p>» PROFITABLE GROWTH – LARGER THAN THE MARKET'S GROWTH</p> | <p>Bravida's objective is that each local office, region and division is to have an operating profit in excess of 7 per cent of sales after fully allocated costs.</p> <p>Margin goes before volume. The goal is to organically grow more than the market. In addition, a growth equivalent to organic growth is to be achieved via acquisitions.</p> | <p>Bravida's EBITA margin in 2013 was 5.4 per cent. 35 per cent of the local offices achieved the goal of an EBITA margin exceeding 7 per cent.</p> <p>Consolidated net sales decreased, currency-adjusted, by 1.6 per cent during 2013. Organic sales decreased by 2.2 per cent. Acquisitions/disposals contributed 0.6 per cent.</p> |
| POSITIONING OBJECTIVE | DESCRIPTION | OUTCOME |
| <p>» TARGETS OR SECOND LARGEST IN AT LEAST ONE FIELD OF TECHNOLOGY IN THE AREAS WHERE WE OPERATE</p> <p>» SERVICE > 50 PER CENT OF SALES</p> | <p>Bravida aims to be the biggest and best-known player in Installation and Service in our geographic markets.</p> <p>In order to reduce our sensitivity to fluctuations in the economic cycle, our objective is that Service should account for more than half of our sales.</p> | <p>During 2013, we have maintained a stable market position in the locations where we are active.</p> <p>In 2013, Installation activities were responsible for approximately 52 per cent of sales and Service for the remainder. A number of very large projects were behind the increase in the proportion of sales in Installation.</p> |
| CUSTOMER OBJECTIVES | DESCRIPTION | OUTCOME |
| <p>» STRONGEST BRAND IN THE INDUSTRY</p> <p>» A FIRST-CHOICE PROVIDER FOR OUR CUSTOMERS</p> | <p>Bravida aims to have the strongest brand in Installation and Service.</p> <p>The goal is to achieve a customer satisfaction index (CSI) exceeding 4 on a scale of 1–5.</p> | <p>According to the most recent brand survey (conducted in autumn 2012) among companies in the industry, 99 per cent are aware of the Bravida brand in Sweden, with the corresponding figures for Norway and Denmark being 100 and 85 per cent, respectively. In total, 56 per cent are "very familiar" with the Bravida brand.</p> <p>The CSI for Installation projects amounted to 3.9 and for Service, 4.0. Customers exhibit a high degree of loyalty, and a clear majority can very well imagine recommending Bravida to others.</p> |
| EMPLOYEE OBJECTIVES | DESCRIPTION | OUTCOME |
| <p>» A FIRST CHOICE EMPLOYER</p> <p>» ZERO TARGET FOR WORKPLACE ACCIDENTS</p> | <p>The goal is to achieve a Satisfied Employee Index (SEI) exceeding 4 on a scale of 1–5.</p> <p>The aim is that no employees in Bravida will be affected by a workplace accident, that is, that the rate of occupational injuries is to be zero.</p> | <p>In the last survey conducted in autumn 2012, the SEI amounted to 3.70. Among salaried employees, the SEI amounted to 3.96, and among employees under a collective agreement, the equivalent figure was 3.58.</p> <p>During 2013, the rate of occupational injuries (the number of occupational accidents that lead to at least one day of sickness absence per million working hours) for the Group was 10.7.</p> |

CUSTOMER VALUE AND PROFITABILITY ARE FUNDAMENTAL

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

DEPTH, BREADTH AND COORDINATION

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

"By combining Installation and Service, Bravida is able to operate in and on the property through-out its entire life-cycle."



COMBINING INSTALLATION AND SERVICE

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

By combining Installation and Service, Bravida is able to operate in and on the property throughout its entire life-cycle. This ensures a long-term solution in terms of both the initial installation and operation and maintenance through regular servicing. At the same time, this mix of Installation and Service creates more stable business for Bravida over time.

OTHER VALUE-ADDING FACTORS

Size and proximity

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

High and consistent quality

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

Proactivity

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

Cost-effectiveness

Bravida works continuously to improve cost-effectiveness, and with coordinated purchasing of materials to achieve lower costs. Our aim is to be strongly aware of costs throughout the entire delivery process.

Coordinated purchasing

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

PROFITABILITY IS FIRST AND LAST WHEN WE GROW

Bravida aims to continue to grow with profitability. Its organic growth is to be better than the market's. In addition, a growth equivalent to organic growth is to be achieved via acquisitions. In order to reduce our sensitivity to fluctuations in the economic cycle, Service is to account for more than half of our sales.

ESTABLISHMENT OF KEY GEOGRAPHIC MARKETS

Our growth is based on Bravida operating in a number of priority geographical areas and having activities in all our fields of technology – electrical, heating & plumbing, and HVAC. In addition, we operate in a number of other locations where our objective is to be established within one or two of our fields of technology. In locations that do not have their own activities in all our fields of technology, other local offices can provide the competencies they are lacking.

» KEY MARKETS

Important key markets are Copenhagen, Stockholm and Oslo, but even other medium-sized cities such as Aarhus, Luleå and Bergen are key. In smaller cities such as Gävle and Tromsø, Bravida is currently represented by only one field of technology.

ORGANIC GROWTH

Organic growth is pursued mainly locally by the different Bravida local offices through:

- Continuous improvement of productivity and efficiency to increase the customer value delivered.
- Increased proactivity in sales to both new and existing customers.
- Increased cooperation with other local offices in order to increase the proportion of projects that include several fields of technology.
- Increased focus on local service contracts.

At the central level, we pursue overall growth-promotion efforts such as:

- The development of packaged services that include more than one field of technology such as *Bravida Plus* and *Bravida Energy Contract*.
- Joint marketing efforts and sales support.
- Initiatives and training for increased productivity and efficiency-boosting measures.

ACQUISITIONS ARE IMPORTANT FOR FURTHER GROWTH

The Scandinavian Installation and Service markets are in the process of consolidating, and there are good opportunities to grow through acquisitions. Bravida works continuously with identifying and carrying out attractive acquisitions in and outside Scandinavia.

Work with acquisitions follows a defined process. In the first instance, acquisitions are carried out in priority growth localities. Acquisition candidates have a long and stable history and a strong management who, through incentives, are encouraged to remain in the companies after the acquisition. The key to success is a rapid and controlled integration with Bravida's organisation, business systems and our common brand. This normally occurs over a two-year period. In the past six years, Bravida has carried out 27 acquisitions.

C2M SPRINKLER WAS ACQUIRED IN 2011 – WHAT HAPPENED NEXT

IN 2011, BRAVIDA ACQUIRED KINNA-BASED C2M SPRINKLER AB, WHICH HAD ASSISTED WITH CONTRACTS IN SOUTHERN SWEDEN ON A REGULAR BASIS.

"We were already considering a change in ownership structure when Bravida approached us with the question. We already had a good relationship with Bravida, and saw it as an opportunity to expand," says Michael Eriksson, CEO of C2M Sprinkler AB.

Today, barely two and a half years later, the cooperation and the business has seen excellent development. Profitability has improved and sales have more than tripled, from SEK 60 million in 2010 to SEK 195 million by 2013.

"The acquisition has meant that we have expanded our network of contacts. Today we have far more external contracts, but can also do business internally with other local offices in Bravida."

The new C2M/Bravida Sprinkler is now adding to its resources to be able to better meet demand. As previously, its base consists of its offices in Kinna, Stockholm and Helsingborg.

All in all, both Bravida and C2M have been strengthened by the acquisition.

"The acquisition of C2M and its integration with Bravida's existing sprinkler system activities has meant that Bravida is now established as the leading supplier of sprinklers in Stockholm/Mälardalen, the Gothenburg region, and southern Sweden," says Filip Bjuström, Divisional Manager, Stockholm.

TECHNOLOGY SOLUTIONS FOR A LIVING SOCIETY

Bravida's solutions in electrical, heating & plumbing, and HVAC supply buildings, plants and the community as a whole with energy, heating, water, air and security – in short, the prospect of a safe and secure life, development and growth.

OFFICE SOLUTIONS <<<

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

>>> DATA CENTRES

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

>>> RAIL ELECTRIFICATION

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

HVAC SYSTEMS <<<

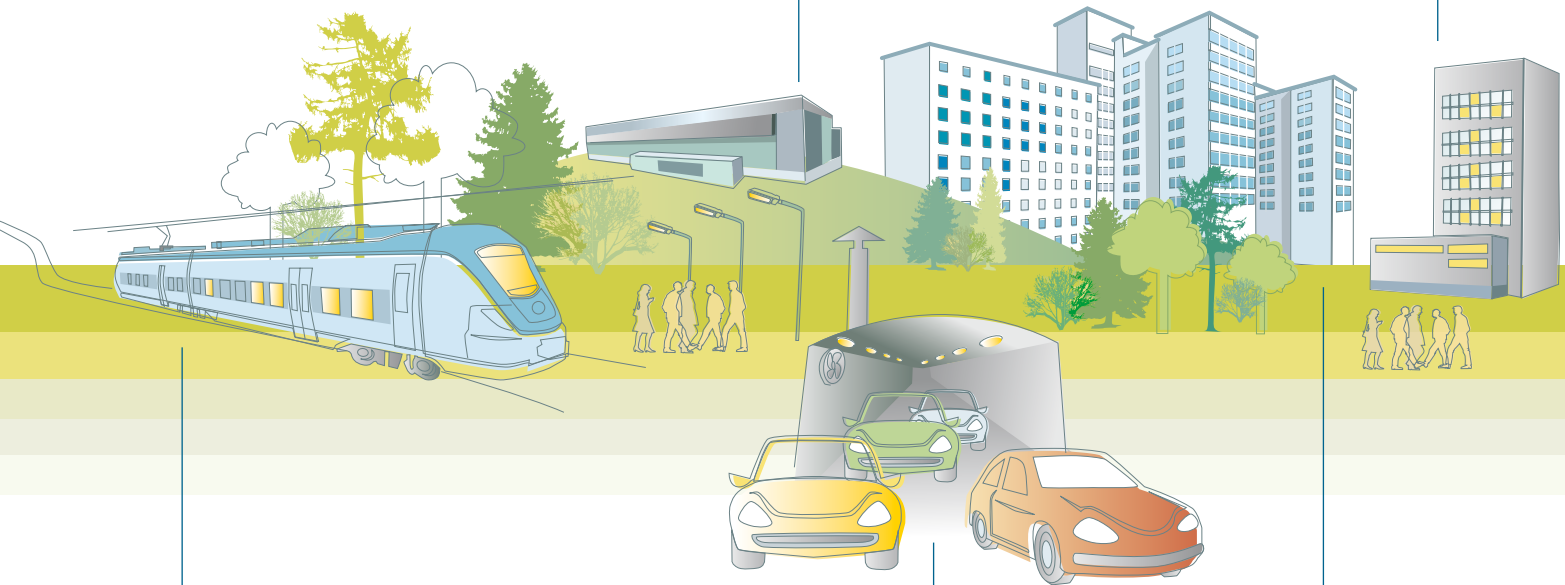
In road tunnels, it is important that the air quality is maintained at a good level under normal traffic conditions, and that in the event of a fire, toxic fumes can be rapidly vented out of the tunnel.

LIGHTING <<<

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

HOSPITALS <<<

Hospitals and other medical treatment facilities are some of the most installation-dense buildings that exist. At the same time they place huge demands on safety, security and functionality. We work with hospitals in all of the Scandinavian countries.



>>> AUTOMATION

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

>>> PROCESS COOLING

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

>>> HOUSING SOLUTIONS

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

STADIUMS <<<

We have installed and maintain several stadiums. The large buildings place heavy demands on installations, in particular on their capacity to be adapted as necessary and to handle large audiences.

ELECTRICAL SUB-STATIONS <<<

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

>>> SECURITY SYSTEMS

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

>>> BOREHOLE HEAT EXCHANGERS

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



INTEGRATED SUPPLIER OF INSTALLATION AND SERVICE

Bravida works with a building's life-supporting functions – energy, heating, cooling, water and air. With the installation of modern technical systems and regular servicing, we create comfortable and energy-efficient environments. In short – we bring buildings to life.

Bravida is Scandinavia's leading integrated supplier of Installation and Service offerings. Our expertise and experience assures long-term, efficient solutions for our customers, both in terms of the initial installation investment and the installation's future operation and maintenance through regular servicing.

INTEGRATED OFFERING ADDS VALUE

Function, well-being and the environment are becoming increasingly important when today's customers are investing in installation solutions. In Bravida, customers have a partner

who can take on an integrated approach and responsibility for the whole Installation and Service process. We simply make sure that it works from end to end. With both breadth and depth, we can deliver all types of Installation and Service solutions, as well as take responsibility for the various components working efficiently and effectively together. Complementary activities within security, cooling, lifts and automatic sprinklers give Bravida a full-scale offering for everything from complex, end-to-end solutions to minor renovations.

SUSTAINABLE SOLUTIONS

Our business is based on the three fields of technology; electrical, heating & plumbing, and HVAC, where we are involved in the entire installation process – from advice and planning to installation and service. We offer both expertise and end-to-end solutions from one or more of our three fields of technology together with our specialist areas. Our strength lies on proximity to our customers combined with the big company's purchasing advantages, resources and structured processes. Through analysis and regular inspections, preventive maintenance and early action, we create sustainable solutions. Solutions that create the conditions for growth and development.

| SERVICES | INSTALLATION | | SERVICE |
|----------------------|--|---|---|
| | Installation covers new construction and remodelling of technical systems in buildings, plant and infrastructure. We coordinate engineers and installers from our different fields of technology and provide the customer with access to a partner who can effectively coordinate and take responsibility for the whole installation. We prioritise installation solutions which ensure improved functionality and make more efficient use of energy, resulting in lower running costs and reduced environmental impact. | | Service consists of operation and maintenance, as well as minor alterations to installations in buildings and plants. With regular inspections and maintenance, the installation's lifespan increases and operating costs are reduced, while we ensure that the various components maintain their proper function and that their operation is optimised. We coordinate technicians and installers from different fields of technology to deliver an efficient, high-quality solution. |
| FIELDS OF TECHNOLOGY | ELECTRICAL | HEATING & PLUMBING | HVAC |
| | With expertise in both heavy-current and light-current installations, Bravida offers integrated solutions for everything from industries and stadiums to offices and dwellings. We plan, design and install integrated solutions, review energy consumption and suggest modernisations. | Bravida carries out advanced installations for the process industry as well as regular repairs and preventive maintenance in for example, housing cooperatives. Our heating and cooling systems create a good indoor climate and guarantee the right temperature in sensitive environments. | Bravida offers customised HVAC solutions as well as all the technology required for air handling, air conditioning and climate control. Effective HVAC provides a good indoor climate without consuming unnecessary energy. Our HVAC solutions ensure that everything works as it should. |
| | SPECIALIST AREAS | | |
| | Bravida's specialist areas such as consulting services, technical service management and safety systems for fire, alarms and passage mean that we are able to provide our customers with an integrated offering. Our specialist areas combine expertise and resources from different fields of technology so that we can provide our customers with precisely the skills and competence they require. | | |

SPECIALIST AREAS COMBINE INTO A COMPLETE OFFERING

In addition to our basic services in the electrical, heating & plumbing, and HVAC fields, Bravida offers supplementary services from our specialist areas, two of which are security solutions from Bravida Fire & Security, and technical service management from Bravida TSM.

INTEGRATED SUPPLIER IN FIRE AND SECURITY

Bravida Fire & Security offers customised security solutions to companies, government agencies and organisations throughout Scandinavia. With a full range of advice, project and service offerings in security, our ambition is to guarantee total security for our customers around the clock. As a contract customer with us, you can rest assured when it comes to our fire and security solutions.

With our own security platform Bravida Integra, it's possible to integrate all types of security solutions into the same system – from keycard access and intrusion prevention systems to CCTV surveillance systems and fire alarm systems. In Bravida Integra, we can also tailor functions to the customer's specific requirements. The system can be remotely controlled right down to each individual card reader. This minimises maintenance costs since both error tracing and the installation of new software can be done without needing to send out a technician on-site. In addition, Bravida Fire & Security's customer service centre handles all questions relating to our customers' security solutions.

"In Bravida, customers have a partner able to take an integrated approach and responsibility for the entire installation and service process."



END-TO-END SOLUTIONS FOR TECHNICAL SERVICE MANAGEMENT

Bravida Technical Service Management (TSM) is Bravida's local office for technical service management for buildings. TSM offers end-to-end solutions for the management of all types of buildings. With our knowledge of the interaction between the building's different installations, we are able to ensure that they get the service required to operate in the best possible way.

Modern, technical service management is crucial for a building to generate a return in the investment. We offer technical installation services in the form of both preventive and corrective maintenance. Systematic inspections include inspection and maintenance, which means that we make rounds and review our customers' plants and installations. We also offer an Emergency service that is available around the clock, as well as various energy technology services, including energy assessments and energy O&M contracts.

A selection of the services included in the TSM offering is: O&M contracts, Emergency service, laundry and linen service, national agreements and hospital O&M. In the case of smaller and medium-sized refurbishments and modernisations of buildings, Bravida TSM can assume responsibility for all parts of the project from needs analysis, planning and refurbishment to installation and deployment.



SERVICE CONTRACTS GENERATE VALUE IN THE SHORT AND LONG TERM

With a Bravida service contract, the customer can take an integrated approach to their building. Regular proactive servicing means reduced costs for unplanned downtime and disruptions, as well as higher operational reliability and longer life for the building's installations.

Efficient operation is becoming increasingly important, since environmental requirements and regulations are becoming more stringent while prices for electricity, oil, gas, and district heating are rising. Servicing and maintenance of a building's technical systems are therefore no longer just a cost, but essential for sustainable development and good economy.

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

"A service contract provides security and simplifies life for building owners and managers."



A QUALITY ASSURANCE SYSTEM MAKES LIFE EASIER

We have been in the business for a long time, and have learnt to appreciate simplicity. That's why we have developed a quality assurance system that makes life easier for us and for our customers. Our customers always have access to fault reporting, logs, reports and other relevant information. Because we keep inventories, document and produce a list of installed solutions, we know exactly what is located where, 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.

EXAMPLES OF SERVICES

EXAMPLES OF THE SERVICES THAT MIGHT BE INCLUDED IN A SERVICE CONTRACT

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



WITH A NEW SIGNALLING SYSTEM >>>

The Danish railways is replacing its signalling system and carrying out one of the world's biggest modernisation projects of its kind. Behind the installations is Bravida Denmark.

An old signalling system based on analogue technology from the 1960s is to be replaced and become digital. Why? The Danish railways are implementing the ERTMS, a European standard that will also apply in Sweden, Norway, Germany, and all the way down to Italy's southern tip.

"This means that in the future you will be able to travel by train from Kiruna to Rome without changing trains. With the new system, train traffic will also flow more smoothly and more trains will be able to follow each other, because it will enable better control of where the trains are in the system,"

says Søren Raun Frahm, Head of Infrastructure, Bravida Denmark.

Bravida Denmark has signed a record contract with Alstom, which is responsible for carrying out the modernisation of the signalling system on the Danish railways on behalf of Banedanmark. The project was launched in 2009 and Bravida's preparations for the start of installation in August 2014 are now in progress.

"It's a complex project because the railway's system needs to be upgraded while the existing one is still in operation. That's the biggest challenge we have," says Søren.

**PROJECT: DANISH RAILWAYS
BRAVIDA'S MISSION:
INSTALLATION OF SIGNALLING SYSTEM**

>>> WE'LL GET DANISH TRAIN TRAFFIC TO FLOW SMOOTHER

STRONG POSITION IN A GROWING MARKET

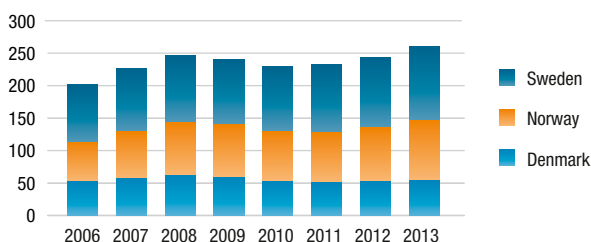
Demand for installation and related services will continue to grow despite a weak construction market. As Scandinavia's leading installation company, Bravida continues to strengthen its position in a fragmented market.

The building services market in Scandinavia has grown by 30 per cent since 2006 and in 2013 it is estimated to be worth approximately SEK 260 billion. The relatively stable trend in the building services market is largely due to an increase in the density of installations in new buildings, and an ever-increasing demand for energy-saving and green solutions. The number of renovations and refurbishments is also rising in general in anticipation of the construction of new housing and new commercial buildings gathering speed, which benefits the building services market. Public investments and major infrastructure projects continue to account for much of the growth in the market.

The local market continues to feature large regional variations with a significant downward pressure on prices in metropolitan areas, and weaker demand in industry-dominated locations in Sweden and Denmark. Northern Sweden is showing continued strong growth while public investments in infrastructure, hospitals and universities have turned around the previous negative trend in Denmark.

"Northern Sweden is showing continued strong growth."

GROWTH IN THE BUILDING SERVICES MARKET*
PER COUNTRY IN SCANDINAVIA 2006–2013, SEK BILLION



DEVELOPMENT GENERATES GROWTH

Since 2006, the proportion of installations in the total cost of a building has risen from about 31 to about 38 per cent. Some explanations for this increase are a greater focus on energy-efficient installations and energy-saving measures, an increased demand for sophisticated IT and technology solutions, and a growing market for infrastructure investments.

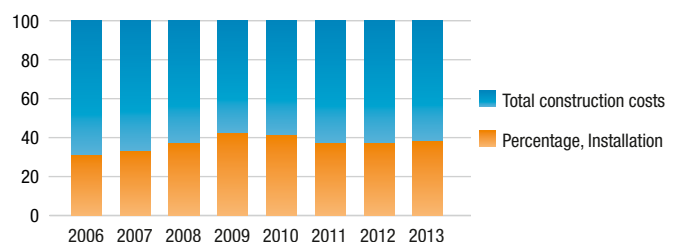
Energy issue in focus

Energy is the biggest ticket item in a building's operating economy, accounting for about two-thirds of its total operating cost. Property owners are increasingly choosing to invest in advanced installations and building technologies in order to strengthen their environmental profile and cut their costs. The trend is also being driven by government regulations and stricter directives on energy use combined with a growing interest in environmental labelling. Installation works in the construction of Sweden's largest 'passive house' (*passivhus*) buildings – two Green Building-classed towers on Kungsholmen in Stockholm, and Norrland's first public passive house building, which is being built in Umeå and environmentally certified under BREEAM – are two examples of this.

Technology makes new demands

Today's information society makes quite different demands on IT environments, security and capacity than previously, in both residential and public environments such as the workplace. Cooled server rooms, broadband cabling and the automatic control of the technical systems are examples of installation solutions that are becoming increasingly common. The opening of the Facebook data center in Luleå, their first outside the USA, has also generated greater interest in the establishment of data centres in the Scandinavian market. According to the Data Center Risk Index, which ranks countries in the world based on their prerequisites for data centres, Sweden was ranked in third place in 2013, a definite step up from its eighth place in 2012.

SHARE BUILDING SERVICES OF TOTAL CONSTRUCTION COST**
IN SCANDINAVIA 2006–2013, %



Infrastructure and public investment

An increased interest in infrastructure projects in Scandinavia has led to big investments in the road, rail, transport and energy sectors. Public investment in hospitals, universities, and swimming centres has also contributed to the growing building services market in the Scandinavian countries. The construction of New Karolinska hospital in Solna, the expansion of Gardemoen airport in Oslo, and the replacement of the railways signalling system on Zealand and Fyn in Denmark are just a few examples of these investments.

"Public investments and major infrastructure projects continue to account for much of the growth in the market."

THE SERVICE MARKET IS GROWING, AND GROWING MORE COMPLEX

The complexity of today's modern installation solutions is generating a greater need for service and maintenance. A growing number of property owners are also realising that a clear plan for maintenance and service reduces their costs over time while preventing service interruptions, accidents and costly production outages. From having been a market characterised by a lack of forward planning and reactive servicing measures, the service market for installations is thus becoming more proactive. The low production levels of new housing and commercial premises in recent years have also led to a rising need for renovations and refurbishments.

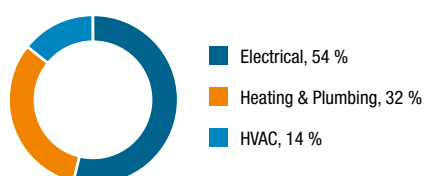
Energy audits and assessments, CE marking of installations in buildings, and mandatory ventilation inspections (OVK) are additional factors that are continuously increasing demand for these services.

LEADING POSITION IN ALL MARKETS

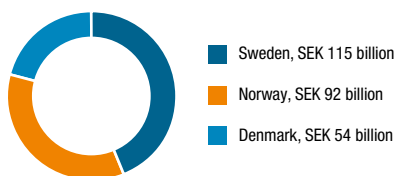
The Scandinavian building services market is served by 35,000 companies, of which about 30,000 have fewer than 10 employees and the majority focus on a single field of technology. The growing demand for larger and more complex integrated solutions and a broader range of services is driving a clear trend towards consolidation in the market. Smaller local businesses are being acquired by large groups of companies while global players are expanding their operations. The Installation and building services industry is thus undergoing a structural change similar to the one experienced by the construction industry in the 1990s, in which big companies get bigger, medium-sized operators will be slightly fewer and the number of smaller companies is rising.

Along with the Finnish company Caverion and Imtech, Bravida is the biggest company and the market leader in Scandinavia. All of these companies provide integrated solutions covering several fields of technology in several geographic markets. However, in individual markets Bravida faces strong competition from competitors in various fields of technology, such as Midroc Electro in Sweden, Oras in Norway, and Kemp & Lauritzen in Denmark. Bravida is one of the two biggest suppliers in each of the Scandinavian markets.

MARKET SIZE PER FIELD OF TECHNOLOGY*
IN SCANDINAVIA 2013



MARKET SIZE PER COUNTRY*
IN SCANDINAVIA 2013



*Data on market size and growth derived from each country's central statistical office with processing by Bravida for 2013.

**Data on construction costs from Euroconstructor, updated 2011 with actual data. 2012 is actual data and 2013 is estimate

3 OPINIONS ON INFRASTRUCTURE

Why are infrastructure projects important?
We asked three experts to answer this question based on their perspective.



PER SJÖSTRAND Major Projects Manager, Swedish Transport Administration

WHY IS INVESTMENT IN INFRASTRUCTURE IMPORTANT?

Infrastructure projects develop society. They enable the construction of housing, the development of trade and not least – they enable the transport of goods. Infrastructure also creates the conditions for commuting between work and home. Previously, most people preferred to live where they worked, but now the place of residence is paramount and then people commute to work.

WHY IS IT IMPORTANT FROM THE ENVIRONMENTAL VIEWPOINT?

90 percent of commuters travel by car and ten per cent by train. Through infrastructure projects, we can cut road traffic queues and also emissions. It plays an important role in cities in particular. We are working with *mobility management* which aims to influence human behaviour to use public transport more.

WHAT ARE THE BIGGEST CHALLENGES?

We have three key words that you can say guide our work:: we aim to keep to the budget, schedule and deliver with quality. These are also the biggest challenges.



VAHID FARAROS Infrastructure strategist, Stockholm County Administrative Board

WHY ARE INFRASTRUCTURE PROJECTS IMPORTANT?

"Infrastructure projects are good and important in particular in our county of Stockholm, because we are growing 35,000 people annually. The challenge that we are faced with is how that increase can occur so that everyone has a place to live, and here, infrastructure plays an important role. In addition to building more housing, we must invest in expanding public transport, in particular rail services and maintain the roads and railways that already exist.

We analyse our infrastructure projects based on climatic aspects, our environmental objectives and the gender equality perspective. So from a gender equality perspective, the infrastructure is to match the needs of both women and men, the young and old, to get to and from work, school, home, and leisure activities.

WHAT ARE THE BENEFITS OF LARGE-SCALE INFRASTRUCTURE PROJECTS?

"They are of great importance for Stockholm's growth possibilities. Big infrastructure projects will augment public transport and reduce traffic disruptions. Being able to get to and from work without major delays is important. If the public transport options offered are good, people and investments will be attracted to the area – that's when the city becomes more attractive."



CATHARINA ELMSÄTER-SVÄRD
Sweden's Minister for Infrastructure

"Infrastructure is the lifeblood for people's everyday lives and working lives to function, as well as for business and industry to operate and grow. Each mode of transport must be able to function well by itself, but even more importantly, integrate with other modes so that the whole trip or shipment is optimal.

THE SWEDISH GOVERNMENT IS INVESTING A TOTAL OF SEK 522 BILLION IN INFRASTRUCTURE DURING THE PLANNING PERIOD 2014–2025. WHAT DOES THIS MEAN?

"The Government is increasing investments in infrastructure. The last national plan decided by the Social Democrats was in 2004 and contained investments of approximately SEK 382 billion, of which SEK 65 billion was entirely unfunded. The Government finances Investments crown for crown so it's now investing SEK 522 billion in the national plan. It contains, among other things, a doubling of railways maintenance compared with the Social Democrats' national plan."

WHY ARE YOU MAKING THE INVESTMENTS?

"Having functional infrastructure is a prerequisite for people to be able to travel and work in other parts of the country than where they live. It's essential for Sweden to be able to continue to have a competitive economy that can export goods. By giving priority to and investing in infrastructure, we can create better conditions for production, growth and more jobs."

IN WHICH AREAS IS THE NEED FOR INVESTMENT GREATEST?

"It's important to look at all the modes of transport, each of which has to work well, but which also have to work well together for the whole trip. In the Infrastructure Bill in autumn 2012, the Government stressed the importance of thinking about the big picture. For this reason, the national plan for the transport system will focus on taking action on important goods traffic routes and for commuting for work.

WITH A MODERN HVAC SYSTEM >>>

On 24 January 2009, Stockholm's biggest infrastructure project was launched – the Stockholm City Line (*Citybanan*). In January four years later, Bravida's work to install the tunnel's extensive HVAC systems began.

More than 30-50 metres under central Stockholm, an underground tunnel is taking shape. The six kilometre long tunnel will remedy the limited track capacity through the capital and with the help of a new tunnel for commuter train traffic, Stockholm's public transport passengers will move through the city faster and smoother. Not only a large number of people but also huge quantities of air will be transported through the Citybanan. And the requirements on the air quality are high, significantly higher than in the underground rail system. Bravida has therefore been given the task of breaking new ground in this HVAC project.

"The complexity of the environment and the high demands on air quality makes this a special project. But our experience from working on the *Norra Länken* motorway (Stockholm's northern link road) has been and will be to our advantage," says project manager Christer Tronje.

Besides permanent HVAC of the entire Citybanan's tunnel system, the work also includes HVAC and fire gas ventilation during the construction period. Bravida's work is expected to be completed during 2017.

PROJECT: STOCKHOLM CITY LINE
BRAVIDA'S MISSION: HVAC

>>> **WE CREATE A
GOOD ENVIRONMENT
FOR STOCKHOLM
TRAIN PASSENGERS**



AN ACTIVE PARTNER FOR OUR CUSTOMERS

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

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

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

"Bravida is engaged for Installation and Service in all types of plants and buildings."

BROAD BASE AMONG BIG AND SMALL CUSTOMERS

Bravida has a broad and diversified customer portfolio in which the largest customer group is building contractors, who purchase installation services as part of a construction contract. Revenues from customers in the public sector continue to account for a large part of Bravida's sales even if investments from the private sector are anticipated to increase in the coming years. Private and public property owners and industry are other major customer groups.

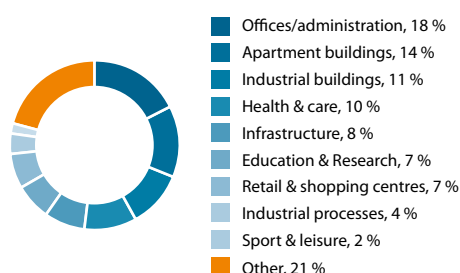
Bravida's sales consist for the most part of a large number of small and medium-sized projects, such as minor adjustments of office spaces as well as refurbishment and additions to buildings and related services. In addition, Bravida is active in a number of large-scale projects and new builds. In 2013 for example, we were hired to replace the current signalling system on Zealand and Fyn and won the general contract for the construction of Stage 2 of the Facebook data centre in Luleå.

A typical installation project has an execution time to final delivery of six months, but projects may also extend over several years. Service contracts comprise everything from 1-2 hour emergency call-outs to multi-annual maintenance contracts. In 2013, Bravida had approximately 26,000 active projects that generated approximately 438,000 work orders with an average value of SEK 25,000. Of Bravida's just over 50,000 customers, no individual customer accounts for more than 5 per cent of Bravida's sales.

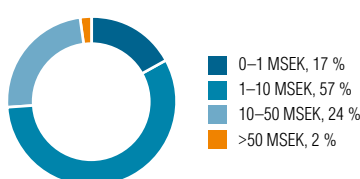
INCREASED DEMAND FOR END-TO-END SOLUTIONS

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

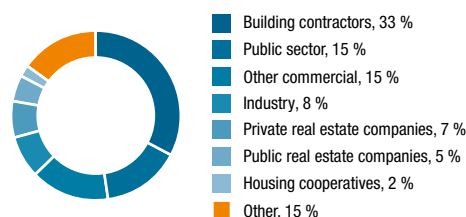
PLANT TYPE, SHARE
OF BRAVIDA'S TOTAL SALES 2013



CONTRACT SIZE, SHARE
OF BRAVIDA'S TOTAL SALES 2013



CUSTOMER GROUPS, SHARE
OF BRAVIDA'S TOTAL SALES 2013



However, as investments in installations become increasingly important, a growing number of property developers are choosing to procure building services directly from an Installation company, or as part of a partnering arrangement in which the developer, consultants and contractors take on the project jointly. By handing overall responsibility for the integration of all the installations to an experienced building services provider with expertise in all the relevant fields of technology, the developer can achieve significant synergies, in terms of the economics and performance of the solutions. Examples of projects where Bravida has provided integrated solutions spanning several fields of technology in 2013 are the construction of the new mail terminal in Rosersberg, a new swimming centre in Umeå, and a complete security solution for Kronobergshäktet in Stockholm (Sweden's largest remand prison).

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. An example of this is Facebook's returning to us to implement stage two of the construction of its data centre in Luleå.

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



Our promotional magazine "48 ideas that save energy" was produced to highlight simple investments that can be made to save both money and energy.



CONTINUOUS WORK FOR SATISFIED CUSTOMERS

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

Bravida's overall quality goals are to achieve an average CSI score of at least 4 (scale 0–5) and to exceed the previous year's value each year. The CSI amounted to 3.9 for Installation, and for Service 4.0 – a high level of customer satisfaction that is also above the average for all industries (*Svenskt Koalitetindex* 2012 - the Swedish Quality Index). The result is on a par with last year's measurements.

According to a brand recognition survey conducted by the research firm MarketWatch in the autumn 2012, "professionalism", "expertise" and "high standard of work performed" were the qualities that customers in our Installation and Service markets value most. Here too, Bravida's ratings were high.

| CUSTOMER SATISFACTION INDEX (CSI) | Installation | Service |
|-----------------------------------|--------------|------------|
| 2013 | 3.9 | 4.0 |
| 2012 | 3.9 | 4.0 |
| 2011 | 4.0 | 3.8 |
| 2010 | 4.0 | 3.8 |
| 2009 | 4.0 | 3.9 |

The CSI measurements for 2013 show that we remain at a high level, in both the Installation and Service markets. Customers exhibit a high degree of loyalty, and a clear majority can imagine recommending Bravida to others.

CLOSE TO OUR CUSTOMERS THROUGHOUT SCANDINAVIA

Bravida combines the resources of a big company, with the local company's flexibility and presence. Clear and decentralised leadership enables our employees to operate close to our customers with strong support from Bravida's central functions.

WE OPERATE CLOSE TO OUR CUSTOMERS

Bravida's organisation has four main levels: Group, division, region and local office. All operational activities take place in local offices that are specialized in a field of technology. A local office can also have a branch with a particular specialisation, for example, in Service. Central functions for accounting and finance, legal affairs, procurement, operations development, communications, HR and IT support the local offices.

Bravida has a decentralised organisation with strong local ties, as our customers largely operate in particular geographic areas with their own, local market conditions. Having a local presence and getting to know one's market are crucial for building trust among customers and cooperation partners. For bigger, more extensive projects, however, operational activities can be coordinated at the regional, divisional or Group level.



COMMON BUSINESS SYSTEMS

Group-wide business systems for project management, finance and accounting, and quality management for example, along with a strong purchasing organisation and well-developed administrative processes support the local offices in their operative tasks. Even if most of the work that Bravida does is managed locally, thanks to its size Bravida has the capacity required to take on larger and more complex projects without being limited by geography.

With well-established systems, clear procedures and experienced employees, Bravida has firm foundation on which to stand. Being able to recruit employees to leading positions creates both security and continuity while it is also proof of the organisation's strength. During the year, a new CEO, two division heads, and several local office managers were recruited internally.

| LOCAL OFFICES | REGIONS | DIVISIONS | GROUP |
|---|--|--|--|
| All operational activities are carried out by our local offices, where the local office manager is responsible for sales, staffing, production support (costing, planning, etc.) and daily operations. Each local office is specialised in one field of technology. | The regions are responsible for communicating and following up on group and divisional strategies and objectives, and for providing operational support to the activities carried on by the local offices. | The divisions are responsible for communicating and following up on group strategies and objectives and for providing operational support to the activities carried out at the regional and local office levels. | At Group level, Bravida draws up central strategies and objectives, which are then communicated and followed up. Central support functions and group-wide business systems are developed and maintained to support operational activities. |
| 224 | 25 | 5 | 1 |



WITH THE AID OF ADVANCED TECHNOLOGY >>>

From the Danish grid in Tjele in Jutland, under the Skagerrak, and over to Kristiansand on Norway's southern tip. This was the route for a new DC power cable to be laid to increase electricity capacity between neighbouring countries.

Skagerrak 4 is the fourth underwater DC power cable between Denmark and Norway. The cable, with a total length of 250 kilometres, is intended to increase the total transmission capacity between the countries from 1,000 MW to 1,700 MW, which corresponds to half of Oslo's annual energy consumption. Bravida in Norway and Denmark are working together on the project to increase the exchange of renewables-sourced electricity between the countries.

"High voltage cables are a growing market where Bravida now has a promising collaboration with ABB. The Skagerrak 4 cable uses the world's most advanced technology," says Rune Lohna, project manager at Bravida Kristiansand.

The background to the project is that Norway is largely supplied by hydropower, where the capacity varies depending on the weather and the season. With the aid of the new Skagerrak 4 cable, power can be exported via the cable during periods of power surpluses and imported during dry periods. Bravida's mission – to get all the installations and equipment in place.

PROJECT: SKAGERRAK 4

BRAVIDA'S MISSION: POWER AND ELECTRICAL

>>> A NEW POWER LINE IS CREATED BETWEEN DENMARK AND NORWAY

OUR EMPLOYEES GROW BRAVIDA

8,000 employees in Bravida – installers, service technicians, project managers, support staff and managers – develop and manage technical installations in buildings and plants across Scandinavia.

The most important thing that Bravida offers its customers is our employees' competence, expertise and delivery capacity. When our employees grow, Bravida grows. That's why we are committed to continuous development of our staff, our management, and our competence, and to recruiting the right people.

OUR INSTALLERS AND SERVICE TECHNICIANS ARE THE CORE OF OUR BUSINESS

Our installers and service technicians constitute the core of Bravida's activities. In 2013, our 6,000 installers and service technicians together carried out approximately 26,000 small to large projects within Installation and delivered approximately 6,000,000 hours within Service.

EXPERIENCED PROJECT MANAGERS AND MANAGERS

Bravida's project managers and managers lead our Installation and Service contracts, which means everything from advice and planning to the implementation of Installation and Service projects.

INDEPENDENCE, RESPONSIBILITY AND COMPETENCE

At Bravida, we work closely with our customers, often in their own buildings or construction sites. Our local managers and project managers make many decisions themselves, and have significant individual responsibility. Even our installers and service technicians work relatively independently and need to make their own decisions and organise their work.

The purpose of Bravida's education and training programme, the Bravida School, is to develop the competence of our employees so that we will always remain at the forefront – in terms of both our working methods and the technical solutions we offer. The Bravida School's various courses involve employees at all levels. Installers and service technicians also have access to courses for certification and specialist expertise.

LOCAL MANAGERS DRIVING CHANGE

"We're building a winner culture" is the motto for Bravida's group-wide change project which was initiated in 2013. This project is where local managers are working to change and develop Bravida.

By highlighting best practices from various local offices in Bravida, a training programme has been developed that each manager takes with him/her out to the local office and its employees. In this training programme, the local office's employees work together through what works well in the local office, but above all what can be done better with a changed method of working. When the training period is over, the local offices set clear objectives for what is to be improved and how. This is followed up with long-term action to implement the improvements.

Work on the project started in spring 2013 and is expected to continue throughout 2014. Read more about the project on page 30.

"A winning team continuously reflects on its rules of play and develops these to always be able to remain on top," says Niklas Wikegård, former ice-hockey coach and plumber who works with inspiring Bravida's local office managers in their continuous improvement work. Picture here with CEO, Staffan Pålsson.



STRENGTHENED LEADERSHIP

Bravida wants managers who are able to drive and develop our local offices. We therefore work with a Group-wide manager development programme. Among other things, the programme demonstrates the importance of creating a strong corporate culture, and how we successfully use and develop our common processes and methods. But it also promotes the exchange of experience and contacts among our managers. Since 2007, the majority of Bravida's managers have started or concluded the programme.

RECRUITMENT

The installations being demanded today are more complex than in the past and also require more coordination between the various fields of technology (electrical, heating & plumbing, and HVAC). That is why we are gradually increasing the number of engineers in Bravida.

With a greater presence and visibility at technical universities and via new channels, we are working to increase interest in the industry and in Bravida. A specific programme called BralIngenjörer (Good Engineers) has been developed to provide young engineers with a good springboard for a career at Bravida.

| NUMBER OF EMPLOYEES* | 2013 | 2012 |
|----------------------|-------|-------|
| Total in Group | 7,967 | 8,139 |
| Of whom are women | 378 | 398 |
| Sweden | 4,900 | 5,026 |
| Norway | 1,894 | 1,903 |
| Denmark | 1,166 | 1,203 |
| Slovakia | 7 | 7 |

* Average number of employees during the year.

| AGE STRUCTURE, % | 2013 | 2012 |
|------------------|------|------|
| Over 60 years | 7.5 | 7.4 |
| 51-60 years | 19.7 | 19.7 |
| 41-50 years | 24.9 | 25.3 |
| 31-40 years | 20.8 | 21.4 |
| 21-30 years | 23.1 | 22.7 |
| Under 20 years | 4.0 | 3.4 |

AN ATTRACTIVE EMPLOYER

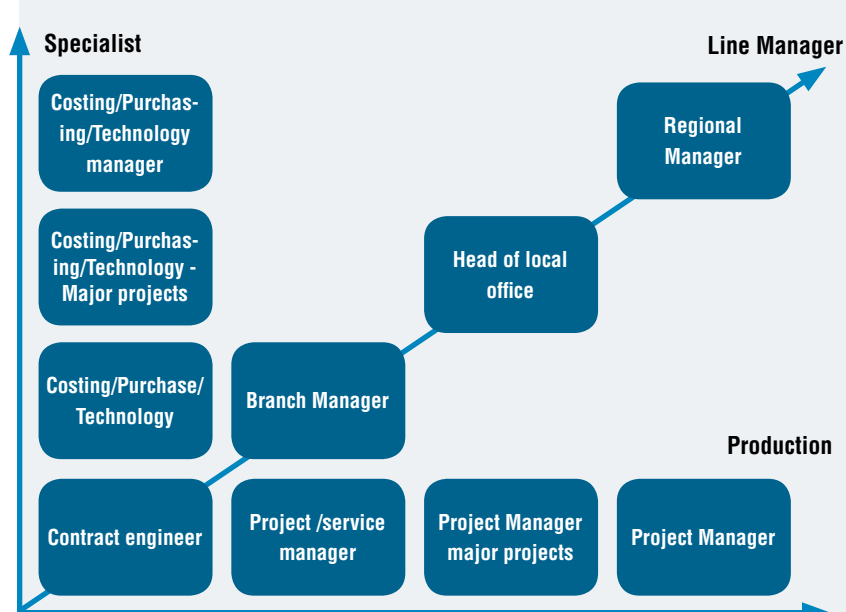
Universum, a world leader in employer branding studies, nominates each year four companies as "Newcomer of the Year" for its employer branding work. This year, Bravida was one of those nominated.



"Bravida has got off to a flying start with its work with employer branding issues and in a short time achieved a high level of commitment to these issues in the company. Great importance is attached to the people used in the profiling of the company. These individuals demonstrate the breadth and depth of the opportunities for a young person within Bravida. The company is also working actively with these issues across all age groups. In our opinion, they have taken a pole position on these issues in their industry."

Bravida has also been ranked among the 100 most attractive workplaces in the extensive student survey *FöretagsBarometern*. Among university graduate engineers, Bravida was ranked at 66.

CAREER PATHS AND DEVELOPMENT OPPORTUNITIES



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

SUSTAINABLE WORKING METHODS AND SOLUTIONS

Bravida is and wants to be seen as a reliable and responsible provider of Installation and Service. We have a sustainable approach to what we deliver, how we do our work, and how we treat our employees.

SUSTAINABLE SOLUTIONS

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

SIMPLIFY AND STREAMLINE

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

"ONE COMPANY – ONE CULTURE"

An important motto for Bravida is "one company – one culture". Our local offices work independently and our company culture serves as the common denominator that holds the organisation together and unites our employees in a team. Our work is based on four key values: *professionalism, simplicity, competence and conduct*.

BRAVIDA SUPPORTS

For us, water and sanitation are an obvious and fundamental right that everyone should have access to. Our work brings buildings to life and creates a living society in Scandinavia. WaterAid is working for clean water and sanitation in the world's most vulnerable communities. Obviously we want to support this.

— Staffan Pålsson, CEO Bravida

SUSTAINABLE GROWTH ACCORDING TO BRAVIDA

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

A SUSTAINABLE WORKING METHOD BENEFITS OUR CUSTOMERS, PARTNERS AND BRAVIDA

In 2013, work began on a group-wide change project which aims to improve working methods, the utilisation of resources, and planning in our Installation and Service local offices (see also page 28).

A clear example of how we are working now is the Bravida whiteboard, which has been introduced in several of our installation projects during the year. Each week, all our installers gather around it to go through the status, planning and materials orders out on their projects. We have already seen improved results in the form of fewer materials orders, improved utilisation of our resources and a better dialogue with our partners. Ultimately, this benefits the delivery and our customers.

On the Service side, the improvement projects means among other things that all service technicians are trained and are given better tools for being more committed and taking greater responsibility for preparations, monitoring and for taking payment for the services delivered.



A SAFE AND SECURE WORKPLACE

Bravida works to ensure that the working environment is safe and secure for all employees. Since 2011, Bravida has had been working for zero workplace accidents.

A GOOD WORKING ENVIRONMENT KEY TO BEING COMPETITIVE

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

We carry out extensive work to identify, monitor and analyse risks in our working environment to be able to take make improvements. Our incident reporting system is well-developed and an important part of achieving our vision. Occupational health and safety are also each employee's individual responsibility. We therefore invest in training our employees so that they are all able to safeguard themselves against the risks associated with their work.

Our occupational health and safety efforts include:

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



BRAVIDA PRAISED FOR NORRA LÄNKEN

Systematic work with occupational health and safety, and environmental performance, a safe workplace with good order and a high level of commitment. These are a few of the reasons why Bravida received the 2013 environment and working environment award from the Swedish Transport Administration for its work on the *Norra Länken* motorway.

Norra Länken is a project with high demands in relation to the environment and the working environment, primarily because the work is carried out in a special environment under the ground. The Swedish Transport Administration award its prize to the contract that complies with the legal requirements and contract requirements, and also works systematically with environmental and occupational health and safety issues.

Lars Lilja, the Swedish Transport Administration's project manager for the *Norra Länken* motorway project, describes the high ambitions they have had for the project.

"So it's particularly enjoyable to award this prize. We want to reward systematic work with the environment and working environment, and generate commitment to these issues, which we believe that Bravida has succeeded in doing.

The Swedish Transport Administration's justification:

"Both Bravida and PEAB received maximum points for their management of the working environment and the environment in 2013. Bravida and PEAB have good order in terms of both documentation and the conditions in the workplace. In both contracts, risk management is regularly followed up and documented. They also have a well-functioning organisation with a high level of commitment. Their management of vehicles and chemicals complies with all stringent requirements."

| OCCUPATIONAL INJURY RATE* | 2013 | 2012 |
|---------------------------|-------------|-------------|
| Sweden | 7.4 | 7.9 |
| Norway | 13.8 | 9.4 |
| Denmark | 23.6 | 27.7 |
| Group | 10.7 | 10.7 |

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

| SICK LEAVE, % | 2013 | 2012 |
|---------------|------------|------------|
| Sweden | 4.9 | 4.4 |
| Norway | 5.6 | 6.3 |
| Denmark | 3.5 | 3.6 |
| Group | 4.8 | 4.7 |

WELL PLACED WITH A STRONG POSITION IN THREE COUNTRIES

| | KEY RATIOS PER DIVISION | | MARKET TRENDS | SIGNIFICANT CONTRACTS |
|-----------|-------------------------|------------------|---------------|-----------------------|
| NORTH | SALES | OPERATING MARGIN | | |
| | 2,105 | 7.5 % | | |
| | ORDER INTAKE | ORDER BACKLOG | | |
| | 2,253 | 940 | | |
| STOCKHOLM | SALES | OPERATING MARGIN | | |
| | 2,144 | 4.8 % | | |
| | ORDER INTAKE | ORDER BACKLOG | | |
| | 2,014 | 1,173 | | |
| SOUTH | SALES | OPERATING MARGIN | | |
| | 3,198 | 5.8 % | | |
| | ORDER INTAKE | ORDER BACKLOG | | |
| | 3,387 | 1,451 | | |
| NORWAY | SALES | OPERATING MARGIN | | |
| | 2,375 | 2.9 % | | |
| | ORDER INTAKE | ORDER BACKLOG | | |
| | 2,640 | 1,204 | | |
| DENMARK | SALES | OPERATING MARGIN | | |
| | 1,353 | 5.2 % | | |
| | ORDER INTAKE | ORDER BACKLOG | | |
| | 2,146 | 1,307 | | |

The market in northern Norrland has remained strong in 2013, as did certain segments in the metropolitan regions and university towns.

Public-sector investments still account for a large share of growth in the Swedish market while activity in industry, residential construction and new commercial builds was stable, but remains generally low.

There is considerable regional variation during the year however, with some areas experiencing a weak market with great pressure on prices, while other locations saw clear signs of accelerating demand. Price levels continued to remain low, however.

The Norwegian building services market is marked by major regional differences, with a weaker trend in the southern parts of the country. The reduced margin is largely due to increased price pressures and a weaker than expected market. Impairment charges on a number of projects also had a negative impact on earnings in 2013.

The weak economy of the past few years has had a direct impact on the construction market and consequently also on the installation market. Over the past year, however, the market has stabilised, albeit at a low level, in installation as well as service. Public investments in health care, infrastructure and education have contributed to the turnaround.

During 2013, Division North was awarded the general contract for the next phase of the construction of Facebook's data centre in Luleå, was given overall responsibility for all installations in the construction of the new public baths in Umeå, and installation contracts in the second phase of the construction of Umeå's new cultural centre.

Among other things, Division Stockholm worked with installations at a number of hospitals, in road and rail tunnels, and in shopping centre plants. Installation contracts at the Tele2 Arena, Swedbank's new headquarters and the new Vartahamnen were also won during the year.

In 2013, Division South received major orders from customers including Västjör Energi, PEAB, NCC and the Swedish Transport Administration. Bravida has also been awarded building services contracts for Värnamo municipality's construction of a new waste water treatment plant, for the restoration of Gothenburg's city hall, and for all the building services at Semcon's new headquarters in Gothenburg.

Service accounted for 43.2 % of sales in Swedish operations.

During 2013, Division Norway was awarded the contract to carry out the electrical installations for Nordea's offices in Oslo, as well as installation works in the expansion of Oslo's Gardermoen airport.

Service accounted for 60.9 % of sales in Norwegian operations.

During the year, Division Denmark has been awarded several contracts in infrastructure, energy and hospitals, including work with the French company Alstom Transport involving the replacement of the railway signalling system on Zealand and Fyn.

Service accounted for 54.4 % of sales in Danish operations.

MULTI-YEAR REVIEW

| INCOME STATEMENT ITEMS, MSEK | 2013 | 2012* | 2011* | 2010* | 2009* |
|--|--------------|--------------|--------------|--------------|--------------|
| Net sales | 11,080 | 11,400 | 10,768 | 10,345 | 10,831 |
| Costs of production | -8,856 | -9,164 | -8,573 | -8,205 | -8,507 |
| Gross profit/loss | 2,224 | 2,236 | 2,195 | 2,140 | 2,324 |
| Administrative and selling expenses | -1,624 | -1,633 | -1,531 | -1,519 | -1,779 |
| Earnings before goodwill amortisation (EBITA) | 600 | 604 | 664 | 621 | 545 |
| Disposal of activities | | -33 | | | |
| Amortisation and write-down intangible assets | 0 | -1 | 0 | — | -9 |
| Operating profit/loss (EBIT) | 600 | 570 | 663 | 621 | 536 |
| Net financial income/expenses | -378 | -31 | -48 | -48 | -25 |
| Profit/loss after financial items (EBT) | 222 | 539 | 616 | 573 | 511 |
| Tax | -47 | -145 | -106 | -161 | 35 |
| Profit/loss for the year | 174 | 394 | 510 | 412 | 545 |

| BALANCE SHEET ITEMS, MSEK | | | | | |
|-------------------------------------|---------------|---------------|--------------|--------------|--------------|
| Goodwill | 6,733 | 6,745 | 2,203 | 2,134 | 2,149 |
| Other non-current assets | 354 | 291 | 409 | 444 | 477 |
| Current assets | 3,623 | 3,036 | 3,306 | 2,501 | 3,465 |
| Total assets | 10,710 | 10,072 | 5,919 | 5,079 | 6,091 |
| Equity | 3,701 | 3,378 | 2,121 | 1,355 | 1,720 |
| Non-current liabilities | 3,495 | 3,100 | 221 | 210 | 963 |
| Current liabilities | 3,514 | 3,594 | 3,576 | 3,515 | 3,408 |
| Total equity and liabilities | 10,710 | 10,072 | 5,919 | 5,079 | 6,091 |

| CASH FLOW, MSEK | | | | | |
|-------------------------------------|------------|------------|-----------|-------------|------------|
| Cash flow from operating activities | 457 | 424 | 559 | 398 | 516 |
| Cash flow from investing activities | -54 | -37 | -66 | 19 | -183 |
| Cash flow from financing activities | 344 | -408 | -453 | -1,244 | -87 |
| Cash flow for the year | 746 | -21 | 41 | -827 | 246 |

| KEY RATIOS, SEKM, MSEK | | | | | |
|------------------------------------|--------|--------|--------|--------|--------|
| EBITA margin | 5.4% | 5.3 % | 6.2 % | 6.0 % | 5.0 % |
| Order intake | 12,346 | 11,564 | 11,315 | 10,601 | 10,215 |
| Order backlog | 6,075 | 4,809 | 4,590 | 3,840 | 3,648 |
| Average no. of employees | 7,967 | 8,139 | 7,955 | 7,834 | 8,078 |
| Sales per employee | 1.391 | 1.401 | 1.354 | 1.321 | 1.341 |
| Administration costs as % of sales | 14.7 % | 14.3 % | 14.2 % | 14.7 % | 16.4 % |
| Working capital as % of sales | -5.5 % | -4.2 % | -4.3 % | -3.7 % | -3.4 % |

* Comparative figures reported in 2009–2012 were pro forma figures comprised of information for the Bravida AB Group running comparable activities.

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