Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	996 019 381
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	POLYGON NORWAY HOLDING AS
Forretningsadresse:	Enebakkveien 307 1188 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	-

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Grete Sagegg
Dato for fastsettelse av årsregnskapet:	29.06.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert

År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 24.07.2024

Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Kostnader			
Annen driftskostnad	2	51 000	2 887 000
Sum kostnader		**51 000**	**2 887 000**
Driftsresultat		**-51 000**	**-2 887 000**
Finansinntekter og finanskostnader			
Annen finansinntekt	4	2 107 000	
Sum finansinntekter		**2 107 000**	
Nedskrivning av finansielle eiendeler		60 000 000	
Rentekostnad til foretak i samme konsern		9 765 000	7 036 000
Annen rentekostnad			2 000
Sum finanskostnader		**69 765 000**	**7 038 000**
Netto finans		**-67 658 000**	**-7 038 000**
Ordinært resultat før skattekostnad		**-67 709 000**	**-9 925 000**
Ordinært resultat etter skattekostnad		**-67 709 000**	**-9 925 000**
Årsresultat		**-67 709 000**	**-9 925 000**
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		-67 709 000	-9 925 000
Sum overføringer og disponeringer		**-67 709 000**	**-9 925 000**

Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	4	314 191 000	314 191 000
Sum finansielle anleggsmidler		**314 191 000**	**314 191 000**
Sum anleggsmidler		**314 191 000**	**314 191 000**
Omløpsmidler			
Varer			
Fordringer			
Konsernfordringer	5	2 107 000	
Sum fordringer		**2 107 000**	
Sum omløpsmidler		**2 107 000**	**0**
SUM EIENDELER		**316 298 000**	**314 191 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	6,7	34 557 000	34 221 000
Overkurs	6	24 624 000	52 669 000
Sum innskutt egenkapital		**59 181 000**	**86 890 000**
Sum egenkapital		**59 181 000**	**86 890 000**
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Langsiktig konserngjeld	5	119 665 000	119 665 000

Balanse

Beløp i: NOK	Note	2022	2021
Øvrig langsiktig gjeld		74 915 000	74 915 000
Sum annen langsiktig gjeld		**194 580 000**	**194 580 000**
Sum langsiktig gjeld		**194 580 000**	**194 580 000**
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner		62 114 000	32 349 000
Kortsiktig konserngjeld	5	375 000	342 000
Annen kortsiktig gjeld		48 000	30 000
Sum kortsiktig gjeld		**62 537 000**	**32 721 000**
Sum gjeld		**257 117 000**	**227 301 000**
SUM EGENKAPITAL OG GJELD		**316 298 000**	**314 191 000**

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Polygon Group AB

Annual Report and consolidated financial statements

2022

This is a translation from the Swedish original

POLYGON GROUP AB, CORP. REG. NO. 559324-6548

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Contents

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Administration report

The Board of Directors and the CEO of Polygon Group AB, corporate identity number 559324–6548, hereby present the Annual Report and consolidated financial statements for the 2022 financial year.

Operations

Polygon Group AB and its subsidiaries perform services primarily in the area of water and fire damage restoration and also offer other services such as temporary climate solutions, leak detection and moisture investigations.

The Polygon Group's customers are insurance companies as well as commercial and private property owners. The Polygon Group conducts business in Europe, North America and Asia and has a strong local presence through many local service depots. Through professional and secure claims processing on behalf of the insured using efficient technology, costs are minimised and the extent of the damage is limited.

The Polygon Group consists of the Parent Company Polygon Group AB, which was formed on 17 June 2021, and 63 (51) subsidiaries. The Group was established in the beginning of October 2021 when AEA Investors Fund and Co-Investors, via Polygon Group AB, acquired 100% of the shares in Polygon Holding AB.

Ownership structure

Polygon Group AB is under the controlling influence of PolyStorm Jersey Limited, of which AEA Investors Fund VII LP is the majority shareholder.

2022 financial year

Consolidated sales for the financial year amounted to EUR 1,121.1 million (282.5) and operating income to EUR 27.0 million (-12.8). Operating income was charged with items affecting comparability of EUR 9.1 million (19.3).

	2022	2021
EBIT (operational profit/(loss))	27.0	-12.8
Amortization and depreciation of assets in connection with acquisition	17.8	9.1
IAC (items affecting comparison)	9.1	19.3
Adjusted EBITA	**53.9**	**15.6**
Adjusted EBITA Margin	**4.8%**	**5.5%**
Depreciation of operational assets	57.2	13.2
Adjusted EBITDA	**111.1**	**28.8**
Adjusted EBITDA Margin	**9.9%**	**10.2%**

Operating profit adjusted for items affecting comparability (adjusted EBITA) amounted to EUR 53.9 million negatively affected by high cost inflation, high sick ratios, higher employee turnover and underperformance in some countries.

In the first quarter, SAT in France and Luxembourg and Sartek in Finland were acquired. These acquisitions add about EUR 14 million of annual net sales and 115 employees.

In the second quarter, BMS and Uni Promotion in France, ISS Damage control in the UK and Probaco Sanering in Sweden were acquired. These acquisitions contributed annual net sales of EUR 40 million and 290 employees.

In the third quarter Aquaser in France, J.W. Ortungstechnik in Austria, Odermatt Group in Switzerland, Caption Data in the UK and Celler Trocknungs Service in Germany were acquired. These acquisitions contributed annual net sales of EUR 25 million and 110 employees.

In the fourth quarter Polygon Bau Service in Austria and All Consulting Service in Italy were acquired. Polygon Bau Service has annual net sales of EUR 1 million and 5 employees. All Consulting Service has annual net sales of EUR 2 million and 4 employees.

The total cash expenditure for acquisitions amounted to EUR 44,618 thousand 2022.

Items affecting comparability comprise the following expenses (revenue):

	2022	2021
Acquisition related costs	-4,019	-16,351
Monitoring fee	-3,000	-717
Restructuring cost	-1,425	-1,562
Others	-641	-645
Total	**-9,085**	**-19,275**

Acquisition costs include primarily directly attributable costs such as lawyer and other consulting fees. Monitoring fee pertains fee to AEA for review of Polygon's management and financial information. Restructuring costs include costs for significant changes to operations and major personnel changes.

Financing and liquidity

The Group's long-term loan financing mainly consists of First Lien Facility EUR 485 million (430) which matures in October 2028, Second Lien Facility EUR 120 million (120) which matures in October 2029 and Revolving Facility EUR 10 million (0) which matures in April 2028.

During the year new borrowing were made under First Lien for a total amount of EUR 55 million and under Revolving Facility with a total amount of EUR 10 million. The weighted average interest rate on external loans and borrowings, including margins, was 4.96 % (4.65%) per annum.

Cash and cash equivalents at 31 December 2022 amounted to EUR 7.6 million (26.1). Cash flow from operating activities in 2022 was EUR 55.0 million (16.1). Operating cash flow amounted to EUR 10.4 million (20.9).

Capital expenditures

The Group's capital expenditure on property, plant and equipment for the period amounted to EUR 24.7 million (5.9). In addition, the Group upgraded its IT systems for EUR 4.1 million (0.2). Total depreciation and amortisation excluding right-of-use assets amounted to EUR 39.8 million (14.3) during the period, of which EUR 22.3 million (5.2) pertained to depreciation of property, plant and equipment and EUR 17.4 million (9.1) to amortisation of intangible assets. Capital expenditure on right-of-use assets amounted to EUR 39.3 million (11.9) for the year. Depreciation of right-of-use assets amounted to EUR 34.7 million (8.1).

Amortisation of intangible assets mainly refers to orderbacklog and customer relations in connection with business combinations, amortisation of capitalised costs for development of the Group's IT systems and amortisation of right-of-use assets.

Research and development

The Group's development work primarily focuses on services, including investments in the digitalisation and development of the service delivery process.

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The development work is mainly conducted as an integrated part of daily operations and development costs are recognised directly in the income statement under operating expenses.

Employees

The average number of employees in the Group during 2022 was 6,691 (5,773). For more information, see Note 8 Salaries, social security expenses and employee benefits.

Tax

The recognised effective tax rate is 137.1% (8.7%). During the year, a deferred tax expense of EUR 14.0 million related to unrealized FX effects (between SEK and EUR) on intra-group loan receivables held by the Swedish companies have impacted the Group's tax expense. This temporary difference is not expected to reverse unless the concerned intra-group loans are repaid, which is not planned or expected in the next coming years.

The average tax rate in the countries where the Group operates is approximately 27.3%.

Significant risks and uncertainties and risk management

Polygon is a leader in quality and technology, with a strong brand and a comprehensive service offering. The Group's strength lies in its broad local presence in geographically dispersed markets and flexible cost structure. The risks faced by the Group consist of variations in revenue resulting from changes in the weather and temperature, and the related damage frequency. The Group's operations also have extensive exposure to the insurance industry, which leads to a mutual dependency.

Competition comes from a few larger operators, but mainly from a large number of local players.

Risks

Polygon is exposed to a number of risks: market risk (primarily currency risk and interest rate risk), liquidity risk, credit risk and operational risk.

Currency risk

The Group's currency exposure is divided into transaction exposure (exposure in foreign currency related to contractual cash flows) and translation exposure (equity in foreign subsidiaries). The Group's currency exposure arises from inter-company financing and from translation of the income statements and balance sheets of foreign subsidiaries to EUR. At year-end, the Group had no hedging products to minimise its currency exposure.

Currency risk refers to the risk of changes in foreign exchange rates that could negatively affect the Group's earnings. The Group's transaction exposure is considered low since the extent of the flows between currency zones is limited. The Group's translation exposure relates primarily to translation from Swedish kronor (SEK), Danish kroner (DKK), Norwegian kroner (NOK), Canadian dollars (CAD), US dollars (USD), British pounds (GBP) and Swiss francs (CHF).

Interest rate risk

Interest rate risk refers to the risk of changes in market interest rates that could affect cash flow, earnings and/or the fair value of financial assets and liabilities. At year-end, the Group had significant exposure to floating interest rates. The Group seeks to minimize the effect of this risk by using derivatives to hedge the exposures. At year end, an interest rate cap at EURIBOR 400 bps with a notional of EUR 302.5 million is in place based on current hedging policy. The interest rate cap is effective from January 2023 and matures in December 2025.

Liquidity risk

Liquidity risk refers to risk that the Group will be unable to meet its short-term payment obligations. The Group carries out continuous liquidity monitoring and forecasts to manage the liquidity fluctuations that are expected to arise. At 31 December 2022, the Group had EUR 60.8 million (130.6) in unutilised loan commitments.

Credit risk

Credit risk refers to the risk that the counterparty in a transaction will not fulfil its obligations under the agreement and that any collateral will not cover the Group's receivable. For commercial counterparties where the Group has a large exposure, an individual credit assessment is carried out. The Group also works regularly to shorten the effective credit period.

Credit risk is limited, since no individual customer accounts for more than 5% of the Group's total revenue, meaning that credit risk is dispersed both geographically and among a large number of customers. For further information, see Note 16 Accounts receivable.

Operational risk

Polygon is a service company and, as such, is dependent on the skills, experience and commitment of its employees and its ability to recruit and retain new competent employees. Polygon's operations are characterised by a low dependency on individual customers combined with strong relationships with large insurance companies. These key partners account for approximately two thirds of the company's business operations. Polygon is dependent on maintaining and developing strong relationships with these partners as well as ensuring the operation, security and development of the Group's business-critical IT systems. Acquisitions remain an important part of Polygon's development agenda and efficient, satisfactory integration is key to the Group's success in this regard.

Sustainability report in accordance with the Swedish Annual Accounts Act

According to Chapter 6, Sections 10–14 of the Swedish Annual Accounts Act, large companies are required to prepare a sustainability report. This sustainability report is to contain the sustainability disclosures required to provide an accurate understanding of the company's development, position and earnings and the impact of the operations, including disclosures concerning environmental issues, social conditions, employees, respect for human rights and anti-corruption measures. The sustainability report was submitted to the company's auditors on the same date as the Annual Report.

Parent Company

Polygon Group AB's operations include ownership and management of shares in Group companies. Polygon Group AB had no employees during the year. Income before tax amounted to EUR -33.0 million (-22.1). Cash and cash equivalents at the end of the year amounted to EUR 34.3 million (1.5), which was included in the Group's cash pool. The Parent Company's assets amounted to EUR 1,310.5 million (1,270.4) and equity to EUR 495.9 million (528.7).

Proposed appropriation of earnings

Proposed appropriation of the Parent Company's earnings:

The Board of Directors propose that the loss for the year of EUR 32,760,664, together with retained earnings of EUR 528,680,268, amounting to a total of EUR 495,919,605, to be carried forward.

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Consolidated financial statements

Consolidated income statement

	Note	2022	2021
Sale of services	4	1,121,095	282,494
Cost of sales	5,7,8	-888,529	-224,604
Gross profit		**232,566**	**57,891**
Selling and administrative expenses	5,6,7,8	-191,463	-44,952
Other operating income and expenses	5	-14,059	-25,690
Operating income		**27,044**	**-12,751**
Financial income	9	480	699
Financial expenses	9	-40,140	-8,337
Income after financial items		**-12,616**	**-20,389**
Income taxes	10	-17,298	-1,779
Net income for the year		**-29,914**	**-22,168**

Consolidated statement of comprehensive income

	Note	2022	2021
Net income for the year		**-29,914**	**-22,168**
Consolidated statement of comprehensive income	20		
Items that can not be reclassified to profit or loss			
Actuarial gains and losses on defined benefit plans		1,692	10
Income tax effects on other comprehensive income		-34	-7
Items that later can be reclassified to profit or loss			
Translation difference		6,215	275
Various comprehensive income		**7,873**	**278**
Total comprehensive income for the year, net of tax		**-22,041**	**-21,890**

POLYGON GROUP AB, CORP. REG. NO. 559324-6548

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Consolidated balance sheet

	Note	2022	2021
ASSETS			
Non-current assets			
Goodwill	11,13	834,687	789,000
Other intangible assets	12,13	205,624	186,579
Right-of-use assets	14	98,799	89,863
Property, plant and equipment	15	85,025	78,933
Deferred tax assets	10	18,756	14,735
Other financial fixed assets		16	614
Total non-current assets		**1,242,907**	**1,159,724**
Current assets			
Account receivables	16,29	172,656	132,667
Contract assets	17	119,523	99,858
Current tax receivables	10	2,824	2,205
Other current financial assets	29	5,937	5,332
Prepaid expenses	18	10,965	8,676
Cash and cash equivalents	19,29	7,602	26,117
Total current assets		**319,507**	**274,855**
TOTAL ASSETS		**1,562,414**	**1,434,579**

	Note	2022	2021
EQUITY AND LIABILITIES			
Equity	20		
Issued capital		2	2
Translation reserve		6,490	275
Retained earnings including net result for the year		500,463	528,719
Total equity		**506,955**	**528,996**
Non-current liabilities			
Non-current interest-bearing liabilities	29,30,31	604,084	534,216
Non-current lease liability	21,29,30,31	70,786	64,222
Post-employment benefit provisions	22	4,182	7,004
Other provisions	3,23,29,31	48,440	26,689
Deferred tax liabilities	10	80,664	58,767
Total non-current liabilities		**808,156**	**690,898**
Current liabilities			
Account payables	29	66,888	66,124
Current lease liability	21,29,30,31	33,948	31,851
Other provisions	3,22,24,29	9,454	9,787
Current income tax liabilities	10	10,330	2,935
Other current liabilities	17,25,29	53,195	34,869
Accrued expenses	26,29,31	73,488	69,119
Total current liabilities		**247,303**	**214,685**
TOTAL EQUITY AND LIABILITIES		**1,562,414**	**1,434,579**

Pledged assets and contingent liabilities are stated in 27 and 28.

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Consolidated statement of cash flow

	Note	2022	2021
Operating activities			
Operating income		27,044	-12,751
Adjustments for non cash items included in operating income	33	70,876	23,971
Income tax paid		-3,130	-1,816
Cash flow from operating activities before changes in working capital		**94,790**	**9,404**
Cash flow from changes in working capital:			
Changes in operating receivables		-27,820	2,812
Changes in work in progress		-15,048	-14,208
Changes in operating liabilities		3,039	18,095
Cash flow from operating activities		**54,961**	**16,103**
Investing activities			
Acquisition of a subsidiary, net of cash acquired	3	-44,618	-766,187
Purchase of property, plant and equipment	15	-24,651	-5,870
Purchase of intangible fixed assets	12	-4,098	-246
Sale of fixed assets		141	166
Net cash flows used in investing activities		**-73,226**	**-772,137**
Cash flow before financing activities		**-18,265**	**-756,034**
Cash flows from financing activities			
New share issue and capital contribution		-	550,884
New borrowings		72,305	550,000
Repayment of borrowings		-	-277,964
Lease payments		-34,805	-8,068
Financial income received		121	41
Financial costs paid*		-37,854	-32,236
Net cash flows from financing activities		**-233**	**782,657**
Cash flow for the year		**-18,498**	**26,623**
Cash and cash equivalents, opening balance		26,117	-
Translation difference in cash and cash equivalents		-17	-506
Cash and cash equivalents, closing balance		**7,602**	**26,117**

*of which paid interest expenses EUR 35.0 million (12.9)

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Consolidated statement of changes in equity

	Share capital	Translation reserve	Retained earnings	Total equity
Net income for the year	-	-	-22,168	-22,168
Actuarial gains/losses	-	-	10	10
Other comprehensive income	-	181	-	181
Tax related to items in other comprehensive income	-	94	-7	87
Total comprehensive income for the year	**-**	**275**	**-22,165**	**-21,890**
Transactions with shareholders				
Shareholder's contribution	-	-	550,884	550,884
New issues of shares	2	-	-	2
Closing balance, 31 December 2021	**2**	**275**	**528,719**	**528,996**
Net income for the year	-	-	-29,914	-29,914
Actuarial gains/losses	-	-	1,692	1,692
Other comprehensive income	-	6,148	-	6,148
Tax related to items in other comprehensive income	-	67	-34	33
Total comprehensive income for the year	**-**	**6,215**	**-28,256**	**-22,041**
Transactions with shareholders				
Closing balance, 31 December 2022	**2**	**6,490**	**500,463**	**506,955**

Notes to the consolidated financial statements

Note 1 Corporate information

These consolidated financial statements include the Parent Company Polygon Group AB, corporate identity number 559324–6548, and its subsidiaries. The postal address of the head office is Sveavägen 9, SE-111 57 Stockholm, Sweden.

Polygon Group AB is a wholly owned subsidiary of PolyStorm Pledgeco AB, corporate identity number 559324–6530, domiciled in Stockholm, Sweden. PolyStorm Pledgeco AB is 100 % owned by PolyStorm Midco AB, which in turn is 100 % owned by PolyStorm Topco AB, which in turn is 96.3 % owned by PolyStorm Jersey Limited. PolyStorm Jersey Limited corporate identity number 136636 and domiciled in Jersey is the highest level at which consolidated financial statements are prepared. PolyStorm Jersey Limited is under the controlling influence of AEA Investor Fund.

Note 2 Accounting policies for the consolidated financial statements

Note 2.1 Significant accounting policies

Rules and regulations applied

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB), and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the EU for financial years beginning on or after 1 January 2022. In addition, the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups has been applied.

The Parent Company applies the same accounting policies as the Group, with the exception of those cases specified in Note 1 to the Parent Company financial statements.

Presentation currency

The presentation currency of the Group is the euro (EUR), which is the functional currency of the Parent Company. The preceding financial year the presentation currency of the Group was Swedish kronor (SEK). As from 1 January 2022, the parent Company has changed the functional currency from Swedish kronor (SEK) to euro (EUR). Unless otherwise specified, all amounts are stated in thousands of euros.

The financial statements are presented euro (EUR), rounded off to the nearest thousand, unless otherwise specified. All individual figures (including totals and sub-totals) are rounded off to the nearest thousand. From a presentation standpoint, certain individual figures may therefore differ from the computed totals.

Reporting period

The reporting period is the financial year from 1 January 2022 to 31 December 2022, and all balance sheet items refer to 31 December 2022. The preceding financial year was 29 June 2021 to 31 December 2021 and the balance sheet items for this period refer to 31 December 2021.

Basis of presentation

The consolidated financial statements have been prepared based on the assumption of a going concern. Assets and liabilities are measured at historical cost with the exception of contingent considerations, which are measured at fair value.

Basis of consolidation

The consolidated financial statements include the Parent Company and its subsidiaries. The financial statements of the Parent Company and the subsidiaries that are a part of the consolidated financial statements refer to the same period and are prepared in accordance with the same accounting policies.

All inter-company items are eliminated in full and are consequently not included in the consolidated financial statements.

Definition of subsidiary

The term "subsidiary" includes all companies over which Polygon Group AB holds a controlling influence. Controlling influence means that Polygon has the ability to govern the subsidiary, is entitled to the return that it generates and can use its influence to control the activities that impact this return. The consolidated financial statements are prepared according to the acquisition method.

Translation of financial statements of foreign subsidiaries

Subsidiaries with a functional currency other than EUR are translated to EUR, since this is the presentation currency of the Group and the functional currency of Polygon Group AB. Income statement items are translated at the average exchange rate and balance sheet items are translated at the closing day rate. All surplus values recognised in connection with the acquisition of a foreign subsidiary, such as goodwill and other previously unrecognised intangible assets, are regarded as belonging to the respective unit and are therefore translated at the closing day rate. Translation differences are recognised in other comprehensive income. On the divestment of a subsidiary, the accumulated translation differences are reversed to profit or loss.

The exchange rates applied for foreign currency translation are as follows:

EUR	Closing balance rate	Average rate	Closing balance rate	Average rate
	Dec 31 2022	2022	Dec 31 2021	2021-Q4
CAD	0.6925	0.7309	0.6907	0.6440
CHF	1.0147	0.9965	0.9636	1.0170
DKK	0.1345	0.1344	0.1345	0.1345
GBP	1.1306	1.1726	1.1909	1.1500
NOK	0.0950	0.0990	0.1003	0.0962
SEK	0.0899	0.0941	0.0978	0.0915
SGD	0.6987	0.6901	0.6533	0.7066
USD	0.9379	0.9523	0.8843	0.9809

Gross accounting

Gross accounting is applied consistently in the recognition of assets and liabilities, with the exception of cases when there is both a receivable and a liability against the same counterparty and Polygon has a legally enforceable right to offset these and intends to do so.

Unless otherwise stated, gross recognition is also applied for revenue and expenses.

Classification of assets and liabilities

Non-current assets, non-current liabilities and provisions are expected to be recovered or settled more than 12 months after the balance sheet date. Current assets and current liabilities are expected to be recovered or settled within 12 months after the balance sheet date.

Note 2.2 Changes in accounting policies

IFRS adopted by the EU that came into effect in 2022

None of the IFRS adopted by the EU during the year impacted the company.

Note 2.3 Summary of key accounting policies

Recognition of foreign exchange effects

Transactions denominated in a currency other than the Group's functional currency are restated at the rate prevailing on the transaction date. Assets and liabilities denominated in a currency other than the Group's functional currency are restated at the closing day rate. Exchange differences are recognised in profit or loss as they arise.

Receivables and liabilities in foreign currency

Receivables and liabilities denominated in foreign currency have been restated at the closing day rate. Exchange gains and losses pertaining to operating receivables and liabilities are recognised in operating income. Exchange differences related to financial assets and liabilities are recognised among financial items. Exchange differences related to inter-company financial assets and liabilities are recognised in other comprehensive income, together with the related deferred tax effect.

Intangible assets

An intangible asset is an identifiable non-monetary asset that lacks physical substance. Intangible assets that are identified and measured separately from goodwill from business combinations may include trademark-related, customer-related, contract-related and/or technology-related assets. Typical marketing and customer-related assets are trademarks and customer relationships. Customer contracts and customer relationships are attributable to expected customer loyalty and the cash flow that is expected to arise over the remaining useful lives of these assets. The cost for this type of intangible asset consists of the fair value on the acquisition date, calculated according to established valuation methods.

Development costs are recognised as an intangible asset only if it is sufficiently probable that the development project will generate economic benefits in the future and the cost of the asset can be measured reliably. The cost of capitalised development costs includes only expenses directly attributable to the development project. Other internally generated intangible assets are not recognised as assets. Instead, the costs are recognised as an expense in the period in which they arise.

Separately acquired intangible assets are recognised at cost less accumulated amortisation and impairment.

All intangible assets are amortised on a straight-line basis over their estimated useful lives and are reviewed on every balance sheet date. Amortisation begins when the asset is available for use. Certain trademarks have an unlimited lifetime and are not amortised at all.

Depreciation is calculated as follows:

	Years
Patent, licenses and software	3-8
Customer relations	10-12

Where appropriate, order value is amortised over a period of one to three months.

Business combinations and goodwill

Business combinations are recognised according to the acquisition method. When a business combination occurs, the company's assets (including previously unrecognised intangible assets) and liabilities (including contingent liabilities and excluding future restructuring costs) are identified and measured at fair value.

If the consideration paid by the Group is greater than the fair value of the identified net assets, the difference is recognised as consolidated goodwill. Goodwill is continuously measured at cost less accumulated impairment. Since it is not possible to individually test goodwill for impairment, goodwill is allocated to one or more cash-generating units, depending on how the goodwill is monitored for internal control purposes. Polygon has allocated goodwill to three cash-generating units: Nordics & UK, Continental Europe, and North America & Asia.

Goodwill is not amortised, but is instead tested for impairment annually.

See Note 11 Goodwill and Note 13 Impairment testing of goodwill and trademarks.

Right-of-use assets

Lease payments per lease are calculated at present value and a right-of-use asset arises. The depreciation period amounts to the term of the lease, including any extension options that will be exercised by Polygon. The asset is checked continuously, and impairment requirements are identified as soon as such a change arises. For further information, see below under Impairment of intangible assets and property, plant and equipment. If payment or other terms and conditions are amended, the asset is remeasured, and this also applies if the term is extended. Polygon has chosen to apply the exemption rules for short-term leases and low-value leases (EUR 5 thousand or the corresponding amount in the currency concerned). These leases are not included in the right-of-use asset or the liability but are recognised in profit or loss.

Depreciation is calculated as follows:

	Years
Rents	3-13
Vehicles	1-5
Other equipment	1-4

For further information, see Note 21 Leases.

Property, plant and equipment

Property, plant and equipment are physical assets that are used in the Group's operations and have an expected useful life exceeding one year. Property, plant and equipment are initially measured at cost and are depreciated on a straight-line basis over their estimated useful lives. When property, plant and equipment are recognised, any residual value is taken into account when the depreciable amount of the asset is determined. Depreciation begins when the asset is ready to be taken into use. Land is not depreciated.

Property, plant and equipment are derecognised from the balance sheet on divestment or when no future economic benefits are expected from either their use or their sale. Any gains or losses are calculated as the difference between the sale proceeds and the asset's carrying amount. The gain or loss is recognised in profit or loss as other expenses or other income in the accounting period when the asset was divested.

The residual value, useful life and depreciation rate of an asset are reviewed at the end of each financial year and adjusted, if necessary, for subsequent periods.

Customary costs for maintenance and repairs are expensed as incurred. However, costs related to significant renewals and improvements are recognised in the balance sheet and depreciated over the remaining useful life of the underlying asset.

Depreciation is calculated as follows:

	Years
Improvements in rented premises	6-9
Dehumidifiers and similar equipment	5-10
Buildings	20-25
Equipment	3-6

Impairment of intangible assets and property, plant and equipment

If the Polygon Group sees internal or external indications that the value of an asset has declined, the asset is to be tested for impairment. For goodwill and trademarks, with indefinite useful lives, such impairment testing is to be carried out at least annually regardless of whether there is evidence of impairment or not. If an asset cannot be tested separately, it is assigned to a cash-generating unit to which identifiable cash flows can be allocated.

An impairment loss is to be recognised for an asset or a group of assets (cash-generating units) if the carrying amount is higher than the recoverable amount. The recoverable amount is the higher of value in use and net realisable value. Impairment losses are recognised in profit or loss.

For all assets except goodwill and intangible assets with indefinite useful lives, an assessment is made on each balance sheet date as to whether there is an indication that an earlier impairment loss, in whole or in part, is no longer justified. If the assumptions underlying the calculation of an asset's recoverable amount have changed, the carrying amount of the asset or assets is increased to its recoverable amount. Such a reversal is not to exceed the amount the company would have recognised after depreciation and amortisation if the impairment had not been recognised. The reversal is recognised in profit or loss unless the asset is recognised in a restated amount in accordance with another standard.

Goodwill is allocated to different cash-generating units. If the allocation of goodwill cannot be completed before the end of the year during which the acquisition was carried out, the initial allocation should then be carried out before the end of the financial year following the year when the acquisition was carried out. In such cases, amounts relating to non-allocated goodwill and the reason why they have not been allocated should be stated. Impairment of goodwill and intangible assets with indefinite useful lives is not reversed.

Financial instruments

A financial instrument is any type of contract that gives rise to a financial asset in one company and a financial liability or equity instrument in another company. Financial instruments recognised in the balance sheet include account receivables, other current assets, cash and cash equivalents, loans payable, lease liability, account payables, other current liabilities and other provisions (contingent considerations).

A financial asset or financial liability is recognised in the balance sheet when the company becomes a party in accordance with the contractual terms of the instrument. Financial assets and loans are recognised on the settlement date. Account receivables and account payables are recognised in the balance sheet once the invoice has been sent or received respectively. A liability is recognised when the counterparty has performed and a contractual obligation to pay exists, even if an invoice has not yet been received.

A financial asset is derecognised from the balance sheet when the contractual rights have been realised, mature or the company loses control over them. The same applies for a portion of a financial asset. A financial liability is derecognised from the balance sheet when the contractual obligation has been fulfilled or otherwise extinguished. The same applies for a portion of a financial liability. Gains and losses on derecognition from the balance sheet and modifications are recognised in profit or loss.

Classification and measurement

The classification of financial assets that are debt instruments is based on the Group's business model for managing the asset and the nature of the contractual cash flows.

Amortised cost

Financial assets classified at amortised cost are held for the purpose of collecting the contractual cash flows, which exclusively comprise payments of the principal and interest on the outstanding principal. In accordance with the business model all of Polygons financial assets are classified at amortised cost, except for derivatives. Account receivables and lease receivables are initially recognised at their invoiced amount. Other financial assets classified at amortised cost are initially measured at fair value plus transaction costs. After initial recognition, the financial assets are measured according to the effective interest method.

The main rule is that financial liabilities are measured at amortised cost. All of Polygon financial liabilities, with the exception of contingent considerations, are measured at amortised cost.

Financial liabilities recognised at amortised cost are initially measured at fair value less transaction costs. After initial recognition, they are measured at amortised cost according to the effective interest method.

Fair value through profit or loss

Some of the Group's acquisitions include contingent considerations. These are recognised as a financial liability measured at fair value through profit or loss. Contingent considerations are based on an assessment made by executive management concerning the probable outcome and have been classified at level 3 since there is no observable market data to apply. Fair value is determined according to the description in Note 29 Financial instruments and financial risk management

Derivative financial instruments are measured initially and subsequently at fair value. Changes in fair value are recognised through profit or loss unless they comprise part of an effective hedging relationship and hedge accounting is applied.

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Impairment of financial assets

The Group's financial assets measured at amortised cost are continuously reviewed according to the expected credit loss model to assess need for credit loss provisions. Impairment is recognised in profit or loss. Accounts receivable are the most important financial asset subject to this model. Account receivables mainly pertain to large and well-established customers (insurance companies) with good ability to pay, which is taken into consideration in the loss allowance for expected credit losses. Credit terms are normally short-term, in the range of ten to 60 days with a standard of 30 days. The credit losses incurred by the Group over the past three years have been minor. The loss allowance for expected credit losses as of 31 December 2022 is presented in Note 16 Accounts receivable.

Since all of Polygon's financial assets that are subject to a loss risk are more current in nature, the simplified method is used for impairment testing. In accordance with IFRS 9, impairment losses are recognised prospectively and a loss allowance is recognised when there is exposure to credit risk, usually on initial recognition.

Cash and bank balances

Cash and current bank balances in the balance sheet consist of bank deposits, available cash and demand deposits with a maturity of three months or less from the date of acquisition. Cash and bank balances are subject to the requirements for a loss allowance for expected credit losses.

Provisions

A provision is recognised when the Group has a present obligation, either legal or informal, as a result of a past event, it is probable that a payment will be required to settle the obligation and the amount of the obligation can be reliably measured. When the company expects some or all of the expenditure required to settle an obligation to be reimbursed by another party, for example within the framework of an insurance agreement, the expected reimbursement is recognised as a separate asset, but only when it is virtually certain that reimbursement will be received.

If the time value is material, the present value of the future payment is calculated using a discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The increase in the obligation due to the time value is recognised as an interest expense.

Employee benefits including salary, bonuses and other benefits

The Group's employees receive a fixed salary based on their employment contract and performance and, in certain cases, bonuses are also paid mainly based on earnings targets, which are followed up annually. Other benefits include company car benefits, car allowances and health insurance.

Remuneration of employees in respect of pensions and other non-current remuneration

The Group has both defined-benefit and defined-contribution pension plans as well as other long-term employee benefits.

Provisions for defined-benefit plans are calculated using the projected unit credit method. In addition to taking the pensions and statutory rights that are known on the balance sheet date into consideration, assumptions are made regarding expected pension and salary increases and other significant factors. The calculation is based on actuarial computation methods.

Items attributable to the vesting of defined-benefit pensions during the current period and net interest on the defined-benefit net liability (asset) are recognised in profit or loss. Costs for service in earlier periods that are attributable to a change in the pension plan or a reduction are also recognised in profit or loss, as are any gains or losses that arise on settlement of the pension liability. Remeasurements, which are recognised in other comprehensive income under the heading "Items that will not be reclassified to profit or loss", comprise actuarial gains and losses, the difference between actual return and interest income on plan assets and the effect of changes in asset caps excluding net interest. Actuarial gains and losses arise due to changes in actuarial assumptions and differences between previous actuarial assumptions and the actual outcome.

A net liability or net asset comprising the net of the present value of the defined-benefit pension obligations and the fair value of the plan assets is recognised in the balance sheet for each pension plan. The carrying amount of the net asset is limited to the asset ceiling, which comprises the present value of repayments from the plan or reduced future payments to the plan.

The total net obligation for all plans is recognised in the consolidated balance sheet. The net obligation is divided into a current and a non-current portion.

The Group's costs for defined-contribution pension plans are charged to profit or loss in the year to which they are attributable.

Termination benefits

A provision is recognised in conjunction with the termination of employment only if the company is obligated to either terminate the employment of an employee or group of employees before the normal point in time or to pay remuneration upon termination through an offer of voluntary resignation. In the latter case, a liability and expense are recognised if it is probable that the offer will be accepted and the number of employees who will accept the offer can be reliably estimated.

Revenue

Polygon provides services in the area of preventing, controlling and mitigating the effects of water, fire and climate.

The customer base includes insurance companies, companies in the private and public sectors, and households.

The scope and complexity of the projects vary from simple leak detection to large restoration projects, with most of the projects being small (under EUR 2 thousand) and short-term (with a duration of under three months). Typical examples of services that Polygon provides are repair and restoration of equipment, restoration services for everything from documents to buildings, leak detection and moisture control as well as keeping certain climate conditions at a constant level.

Polygon's operations are characterised by a local presence and strong ties to local customers. International cooperation has become increasingly significant in the major & complex claims service lines.

Payment terms are determined according to industry practices and vary from country to country and project to project (from advance and partial payments to payments due after performance obligations are satisfied). Polygon's payment terms do not include financial components; nor are they subject to any type of variable or restricting conditions.

Warranties are provided according to business practices and legal requirements in the country where the project is performed.

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The allocation of performance obligations is straightforward due to the nature of Polygon's business – one job is considered one performance obligation, which makes it easy to allocate the price to the performance obligation, regardless of whether it is a fixed price or current account.

Polygon's revenue is generated from the sale of services in the area of preventing, controlling and mitigating the effects of water, fire and climate.

Most of Polygon's revenue is generated from performance obligations that are satisfied over time since Polygon performs restoration and humidity control services on assets controlled by the customer. Revenue from such projects is recognised over the period during which the performance obligation is carried out. For consulting services, equipment rental and other services billable by the hour or other fixed time periods, the practical expedient is used and revenue is recognised at the amount at which Polygon has a right to invoice during the current accounting period.

The exception from the above is leak detection projects where the performance obligation is satisfied upon receipt of a leak detection report. Revenue for these jobs is recognised at a specific point in time.

See the below breakdown by geographical market:

	2022	2021
Nordics & UK	**298,284**	**74,735**
Revenue recognised at one point in time	10,012	3,210
Revenue recognised over time	273,839	67,660
Revenue recognised according to practical exemption at invoicing	14,433	3,865
Continental Europé	**768,402**	**195,098**
Revenue recognised at one point in time	65,932	11,031
Revenue recognised over time	688,147	180,866
Revenue recognised according to practical exemption at invoicing	14,323	3,201
North America & Asia	**54,863**	**13,106**
Revenue recognised at one point in time	18	3
Revenue recognised over time	12,310	3,516
Revenue recognised according to practical exemption at invoicing	42,535	9,587
Intercompany sales	**-454**	**-445**
Total	**1,121,095**	**282,494**

Polygon uses the portfolio approach for revenue recognition, which allows bundling of similar agreements and performance obligations for more effective handling. The portfolio approach is applied to the large amount of small (under EUR 2 thousand) and short-term (under three months) obligations that make up the bulk of the Group's business. The remaining obligations with a longer duration are recognised using the percentage of completion method.

Polygon uses costs incurred to determine the percentage of completion of the performance obligation (based on costs incurred to date). In certain projects where the degree of invoicing reflects the progress of the performance obligation, actual outgoing invoicing is used for revenue recognition. Combined, these two methods provide a fair presentation of the transfer of goods and services and show the Group's completion of the promised deliveries to the customer.

In loss-making projects where it is not likely that the customer will compensate Polygon for services rendered, the loss is recognised immediately.

In addition to exchange gains on accounts receivable and trade payables, other operating income includes capital gains on property, plant and equipment sold. Financial income is allocated using the effective interest method.

Commission fees from the franchise part of the business are recognised at the amount to which Polygon has the right to invoice the franchisee during the current accounting period.

In Norway, the Group has agreements with franchisees under which Polygon receives commission on sales to end customers. Polygon issues an invoice for the entire amount to the end customer and receives an invoice from the franchisee for services rendered. The difference corresponds to the commission. These transactions are recognised net as sales revenue, meaning that the commission is recognised in sales revenue. Because revenue from the franchise business is not material, the Group has decided not to report this separately in Note 4 Sales of service.

Income tax

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount that is expected to be recovered from or paid to the respective tax authorities. The Group's current tax is calculated using the tax rates and tax laws enacted or substantively enacted on the balance sheet date.

Current tax attributable to items recognised in equity and in other comprehensive income is recognised in equity and in other comprehensive income and not in profit or loss.

Deferred tax

Deferred tax is recognised on the balance sheet date in accordance with the balance sheet method for temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences:

– except when the deferred tax liability arises as a result of impairment of goodwill or when an asset or liability is recognised as part of a transaction that is not a business combination and which, at the time of the transaction, affects neither the recognised gain nor the taxable gain or loss, and

– for deductible temporary differences attributable to investments in subsidiaries, apart from cases where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

A deferred tax asset is recognised for deductible temporary differences, including loss carryforwards to the extent that it is probable that taxable income will be available against which the deductible temporary differences can be utilised.

The carrying amounts of deferred tax assets are reviewed on each balance sheet date and adjusted to the extent that it is no longer probable that sufficient taxable income will be available to allow part of or the entire deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that apply for the period when the asset is realised or the liability is settled, based on the tax rates (and laws) that have been enacted or substantively enacted on the balance sheet date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and the deferred tax amounts are related to the same entity in the Group and the same tax authority.

Recognition of cash flow

Cash received and paid is recognised in the statement of cash flows. Cash flow from operating activities is recognised in accordance with the indirect method.

Events after the balance sheet date

Events after the balance sheet date that confirm the existing terms as of the balance sheet date are taken into consideration in the measurement of assets and liabilities.

Note 2.4 Key accounting assessments, estimates and assumptions

In preparing the financial statements in accordance with the applicable accounting policies, the Board and CEO are required to make certain estimates and assumptions that impact the carrying amounts of assets, liabilities, income and expenses. The areas where estimates and assumptions are of material importance to the Group and which may affect the financial statements are described below:

Lease liabilities and right-of-use assets

When calculating the present value of lease liabilities and right-of-use assets where the final date is lacking, a clear breakdown of lease payments and other payments or an implicit interest-rate component are not apparent, assumptions about these have to be made.

Lease payments are discounted at the implicit interest rate of the lease. If this interest rate cannot be easily determined, as is normally the case for the Group's leases, incremental borrowing rate for each country is used. The rate is set in line with the Group's internal borrowing rate.

Should the leases lack final dates, a period of three years is used for premises, four years for vehicles and three years for other assets. These Group-wide assumptions are based on a combination of experience and the average for the respective right-of-use asset.

When calculating the lease liability and the right-of-use asset, the lease payment is used as the basis and, should this be difficult to separate from the total payment, a standard formula established by the Group is used. The standard formula is based on an average of costs that do not transfer a good or service to the lessee in relation to the total payment. The remaining proportion of the payment is recognised continuously in profit or loss

An assessment is made of the probability of utilising extension options, should these be included in the leases.

Impairment of intangible assets

Intangible assets other than goodwill and trademarks, with an indefinite useful life, are amortised over the period in which they will generate revenue, meaning their useful lives. If there is any indication that an asset may be impaired, the recoverable amount of the asset is calculated. The recoverable amount is determined according to management's estimates of future cash flows

Deferred tax assets

Deferred tax is recognised for temporary differences arising between the tax bases and carrying amounts of assets and liabilities as well as for unutilised loss carryforwards. A deferred tax asset is recognised only to the extent that it is probable it can be utilised against future profit. In the event that the actual outcome differs from the applied assumptions, or management adjusts these assumptions in the future, the value of the deferred tax assets could change.

Revenue recognition based on individual assessment

The Group applies the percentage of completion method on an individual basis for significant customer contracts, meaning contracts with a value of more than EUR 100 thousand and a term longer than three months. The estimate of total contract costs and revenue is critical for revenue recognition and provisions for onerous contracts and the outcome of additional invoicing may affect profit.

Provisions for expected credit losses on accounts receivable

Accounts receivable are initially recognised at transaction price in accordance with IFRS 15 and thereafter at amortised cost. A loss allowance for expected credit losses is made on every balance sheet date in an amount that corresponds to the expected credit losses for the remaining term. The assessment is based on criteria that show whether the risk has changed since the initial measurement date. Loss allowances for expected credit losses are recognised in profit or loss under other operating expenses (See Note 16 Accounts receivable).

Pension and other post-retirement benefits

Defined-benefit pension provisions are calculated based on actuarial calculations with assumptions about the discount rate, inflation, future salary increases and demographic factors. These assumptions are updated annually, which affects the recognised provisions. The most significant assumptions relate to the discount rate and future salary increases. In the Swedish pension plans, mortgage bonds are used as the basis for the discount rate. For other pension liabilities, the discount interest rate has been based on first-class corporate bonds.

Note 3 Business combinations and divestments

The fair value of assets and liabilities identified on the acquisition date is presented below.

For acquisitions of service companies, Polygon pays not only a consideration for the net asset value of the company but also a surplus value, for example, for the acquisition of new customer relationships and knowledgeable, well-educated and experienced employees. A service company's employees are its single most important value creator, but they are not recognised as an asset in the acquired businesses. Therefore, they represent the goodwill arising in the Polygon Group together with the expected synergies between existing and acquired units.

In the first quarter, SAT in France and Luxembourg and Sartek in Finland were acquired. These acquisitions add about EUR 14 million of annual net sales and 115 employees.

In the second quarter, BMS and Uni Promotion in France, ISS Damage control in the UK and Probaco Sanering in Sweden were acquired. These acquisitions contributed annual net sales of EUR 40 million and 290 employees.

In the third quarter Aquaser in France, J.W. Ortungstechnik in Austria, Odermatt Group in Switzerland, Caption Data in the UK and Celler Trocknungs Service in Germany were acquired. These acquisitions contributed annual net sales of EUR 25 million and 110 employees.

In the fourth quarter Polygon Bau Service in Austria and All Consulting Service in Italy were acquired. Polygon Bau Service has annual net sales of EUR 1 million and 5 employees. All Consulting Service has annual net sales of EUR 2 million and 4 employees.

The total cash expenditure for acquisitions amounted to EUR 44,618 thousand for the year.

During the year, the above acquisitions contributed net sales of EUR 43.1 million, if had they been owned for the entire year, they would have contributed sales of EUR 75.7 million.

The amounts and assessments for 2022 are preliminary.

Business combinations in 2022

Fair value recognised on acquisition	2022	2021
Customer relationships	29,460	111,023
Tangible and intangible assets	3,789	176,711
Other non-current receivables	206	1,458
Current receivables	18,291	245,063
Inventory	1,587	1,238
Total identifiable assets at fair value	**56,416**	**607,493**
Long-term loans and other liabilities	4,193	142,680
Current liabilities	13,287	428,822
Deferred tax liabilities	7,376	56,544
Less: Cash and cash equivalents	-10,706	-149
Total identifiable liabilites less cash at fair value	**14,150**	**627,897**
Total identifiable net assets at fair value	**42,265**	**-20,404**
Goodwill	36,610	786,971
Purchase consideration transferred	**78,875**	**766,567**

	2022	2021
Purchase consideration		
Cash paid	48,533	765,108
Fair value of previously owned share	779	-
Liability to seller	29,563	1,459
Total consideration	**78,875**	**766,567**
Analysis of cash flows on acquisition:		
Net cash acquired with the subsidiary	-10,706	-149
Contingent considerations	6,674	1,247
Cash paid	48,533	765,108
Translation difference	117	-19
Closing balance	**44,618**	**766,187**

Contingent considerations are included in the row "Other provisions" in the balance sheet and are divided into current and non-current liabilities. Contingent considerations totalled EUR 51.9 million (30.4) and were distributed as follows: EUR 47.7 million (26.0) in non-current liabilities and EUR 4.2 million (4.4) in current liabilities.

No operations were divested during 2022.

Company	Country	Corp.ID. No.	Ownership	Closing date	Annual net sales (estimated) MEUR	No of employees*
SAT France SAS	France	448701938	100%	2/25/2022	10	80
Polygon Lux S.À R.L	Luxembourg	B170429	100%	2/25/2022	2	15
Saneeraustekniikka Sartek Oy	Finland	0745823-3	100%	3/1/2022	2	20
Uni Promotion	France	Asset deal	100%	4/14/2022	11	95
Polygon Damage Control Ltd	UK	4143834	100%	4/29/2022	15	87
Polygon Sanering i Värmland AB	Sweden	556970-8026	100%	5/12/2022	2	23
BMS Global Sinistres	France	88762703200014..	100%	5/9/2022	12	85
Aquaser SAS	France	44192693800057	100%	7/1/2022	2	17
J.W. Ortungstechnik	Austria	Asset deal	100%	7/1/2022	0	4
Odermatt Gruppe AG	Switzerland	CHE-109.493.000	100%	9/1/2022	20	65
Caption Data Ltd	UK	06557609	100%	9/1/2022	2	14
Celler Trocknungs Service	Germany	Asset deal	100%	9/1/2022	1	10
Polygon Bau Service GmbH	Austria	FN 459894s	100%	10/28/2022	1	5
All Consulting Service s.r.l.	Italy	TO - 1237519	100%	11/14/2022	2	4

* at the time of acquistion

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Note 4 Sales of service

The Group has three service lines which are divided by geographical market.

2022	Nordic & UK	Continental Europe	North America & Asia	Eliminations	Group Total
Net sales per service line					
Water damage restoration	160,363	364,826	10,522	-454	535,257
Fire damage restoration	130,314	389,253	1,806	-	521,373
Climate control	7,607	14,323	42,535	-	64,465
Total net sales	**298,284**	**768,402**	**54,863**	**-454**	**1,121,095**

2021	Nordic & UK	Continental Europe	North America & Asia	Eliminations	Group Total
Net sales per service line					
Water damage restoration	42,214	100,613	2,965	-445	145,347
Fire damage restoration	30,506	91,284	554	-	122,344
Climate control	2,015	3,201	9,587	-	14,803
Total net sales	**74,735**	**195,098**	**13,106**	**-445**	**282,494**

Sales per service in the tables above do not include franchise revenue. Sales in respect of franchise fees account for 0.1% (0.2%) of total sales.

The timing of revenue recognition is shown in the table in Note 2.3 – Summary of key accounting policies.

Note 5 Breakdown of expenses by category

	2022	2021
Payroll expenses	391,819	91,743
Subcontractor expenses	412,140	110,059
Other operating expenses	163,582	43,176
Depreciations/ scrapping	74,751	22,293
Other expenses	47,576	10,537
Gains (-)/losses/write-offs of assets	-270	134
Transaction expenses	4,453	17,303
Total	**1,094,051**	**295,245**

The expenses above are included in the cost of sales, selling and administrative expenses, and other operating income and expenses.

Note 6 Audit fees

	2022	2021
Ernst & Young		
Audit assignment	769	208
Auditing besides audit assignment	4	38
Tax consultation	-	2
Other services	3	-
Others		
Audit assignment	201	38
Auditing besides audit assignment	26	7
Tax consultation	66	26
Other services	113	10
Total auditors' fees	**1,182**	**329**

Audit assignment refers to auditing of the annual report and financial accounts and the administration by the Board as well as other audit tasks that are incumbent upon the company's auditors.

Note 7 Lease costs

	2022	2021
Amortization expense on right-of-use asset	34,659	8,136
Interest expense on lease liabilities	4,603	1,075
Expenses short-term leases*	10,362	1,628
Expenses low value items*	2,355	374
Total recognized in income statement	**51,979**	**11,213**

*Recognised in the cost of sales and administrative expenses.

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Note 8 Salaries, social security expenses and employee benefits

Average number of employees per country

	2022		2021	
	No of employees	Whereof men	No of employees	Whereof men
Sweden	342	84%	314	80%
Norway	589	89%	689	65%
Finland	434	84%	390	82%
Denmark	264	76%	269	77%
Belgium	75	87%	64	82%
Austria	179	88%	167	89%
Germany	3,056	77%	2,473	75%
France	381	80%	163	79%
Italy	38	84%	48	89%
Luxembourg	28	92%	20	87%
Switzerland	111	78%	75	71%
United Kingdom	793	82%	707	83%
Netherlands	232	79%	211	69%
Singapore	5	80%	5	80%
USA	136	75%	149	74%
Canada	28	62%	29	67%
Total Group	**6,691**	**80%**	**5,773**	**76%**

Gender distribution of the Board and other senior executives

	2022	2021
Distribution of men and women within the Board of Directors		
Women	-	-
Men	3	3
Distribution of men and women regarding CEO and other executives of the Group*		
Women	-	-
Men	10	6

*) In 2022 executives of the Group comprised the CEO, CSO, COO, CFO and six country presidents. In 2021 executives of the Group comprised the CEO COO, CFO and three country presidents.

Polygon Group AB is under the controlling influence of PolyStorm Jersey Limited. The Board in PolyStorm Jersey Limited consists of 7 men and 1 woman.

Salaries, social security expenses and employee benefits

	2022			2021		
	Salaries and other compensations	Payroll overhead	*(out of which pension)*	Salaries and other compensations	Payroll overhead	*(out of which pension)*
Cheif Executive Officier	861	118	*118*	352	23	*23*
Other Senior Executives	3,008	485	*165*	762	145	*25*
Other Employees	279,023	62,277	*11,686*	62,006	13,459	*2,166*
Total Group	**282,892**	**62,880**	***11,969***	**63,120**	**13,627**	***2,214***

Salaries to the CEO and other senior executives are established by the Board. Salary level is to be based on market conditions in relation to qualifications and performance. In addition to fixed salary, remuneration may include a maximum bonus of 100% of fixed salary. The outcome of the bonus is mainly based on the attainment of financial targets.

The company uses only defined-contribution pension solutions for senior executives. These pension solutions are maximum 35% of annual fixed salary. Other benefits include company car benefits, car allowances and health insurance.

The notice period for senior executives is between six and twelve months, plus six months of termination benefits that cover only fixed salary. The CEO has a notice period of six months and termination benefits are paid during this period. In the event of termination of employment on the part of the company, the notice period is six months.

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Note 9 Financial income and expenses

Finance income	2022	2021
Interest income	103	14
Financial exchange differences	359	658
Other financial income	18	27
Total financial income	**480**	**699**

	2022	2021
Interest expense	-31,300	-6,542
Financial exchange differences	-441	-
Interest expense on leased assets	-4,603	-1,075
Other financial expenses	-3,796	-720
Total finance costs	**-40,140**	**-8,337**
Net financial expenses	**-39,660**	**-7,638**

Note 10 Tax

The main components of the tax expense are as follows:

	2022	2021
Consolidated income statement		
Taxes for the year	-6,572	-3,751
Adjustments for taxes related to previous year	-20	-250
	-6,592	-4,001
Change of deferred tax related to temporary differences	-10,531	1,452
Other	-175	770
Total recognised tax expense in the income statement	**-17,298**	**-1,779**

	2022	2021
Reconciliation of effective tax		
Income before taxes	**-12,616**	**-20,389**
Tax according to current tax rate for Parent Company 20,6%	2,599	4,200
Difference related to foreign tax rates	-875	-838
Non-deductible expenses	-5,237	-5,115
Change in non-capitalized loss carry-forward	-8	-417
Tax-exempt income	732	535
Change in deferred tax due to unrealized currency exchange effects and change in	-14,517	-
Taxable income not recognized in Profit and Loss account	-	280
Tax related to previous years	-21	-250
Other	27	-175
Total	**-17,298**	**-1,779**

The recognised effective tax rate is 137.1% (8.7%). During the year, a deferred tax expense of EUR 14.0 million related to unrealized FX effects (between SEK and EUR) on intra-group loan receivables held by the Swedish companies have impacted the Group's tax expense. This temporary difference is not expected to reverse unless the concerned intra-group loans are repaid, which is not planned or expected in the next coming years.

The average tax rate in the countries where the Group operates is approximately 27.3%.

Deferred tax asset/tax liability

The deferred tax asset and provision recognised in the balance sheet are attributable to the following assets and liabilities:

	2022			2021		
	Deferred tax asset	Deferred tax liability	Net	Deferred tax asset	Deferred tax liability	Net
Intangible assets	1,000	50,925	-49,924	840	46,134	-45,294
Plant and machinery	838	5,798	-4,960	610	4,635	-4,025
Non-current receivables	-	14,920	-14,920	-	960	-960
Contract assets and liability	1,721	983	739	1,868	718	1,150
Accounts receivable	290	7,068	-6,778	363	5,918	-5,555
Other Provisions	590	120	470	709	39	670
Other liabilities	945	147	798	662	-	662
Loss carry-forward	10,832	-	10,832	7,953	-	7,953
Provisions for pensions	1,620	381	1,239	1,529	38	1,491
Other	920	324	596	201	325	-124
Closing balance	**18,756**	**80,664**	**-61,908**	**14,735**	**58,767**	**-44,032**

Change in deferred tax on temporary differences and loss carryforwards

2022	Opening balance	Business combinations	Disclosed in income statement	Disclosed in other comprehensive income	Closing balance
Intangible assets	-45,294	-6,748	2,118	-	-49,924
Plant and machinery	-4,025	-247	-688	-	-4,960
Non-current receivables	-960	-	-14,028	68	-14,920
Contract assets and liabilities	1,150	-100	-311	-	739
Accounts receivables	-5,555	-140	-1,083	-	-6,778
Other Provisions	670	-62	-138	-	470
Non-current liablities	662	-115	251	-	798
Loss carry-forward	7,953	111	2,768	-	10,832
Provisions for pensions	1,491	-75	-143	-34	1,239
Other	-124	-	720	-	596
Total	**-44,032**	**-7,376**	**-10,534**	**34**	**-61,908**

2021	Opening balance	Business combinations	Disclosed in income statement	Disclosed in other comprehensive income	Closing balance
Intangible assets		-47,375	2,081	-	-45,294
Plant and machinery		-4,265	240	-	-4,025
Non-current receivables		-460	173	-673	-960
Contract assets and liabilities		673	478	-	1,150
Accounts receivables		-4,506	-1,049	-	-5,555
Other Provisions		555	115	-	670
Non-current liablities		573	89	-	662
Loss carry-forward		8,299	-346	-	7,953
Provisions for pensions		1,493	5	-7	1,491
Other		-87	-37	-	-124
Total		**-45,100**	**1,749**	**-680**	**-44,032**

Deferred tax assets related to loss carryforwards are recognised to the extent it is deemed probable that there will be sufficient future taxable income against which they can be utilised.

Loss carryforward

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	2022	2021
Loss carryforward		
Due date		
1-2 year	512	-
4-5 year	1,462	25
>5 year	18,575	17,606
No due date	43,342	43,526
Total	**63,891**	**61,157**

Loss carryforwards at year-end totalled EUR 63.9 million (61.2). Loss carryforwards for which a deferred tax asset has not been recognised amounted to EUR 19.1 million (27.4). Accordingly, loss carryforwards of EUR 44.8 million (33.8) are subject to recognition of deferred tax assets.

Note 11 Goodwill

	2022	2021
Opening balance acquisition values	789,000	-
Additions through business combinations	36,610	786,971
Reclassifications	4,552	-
Exchange rates differnces	4,525	2,029
Closing balance acquisition values	**834,687**	**789,000**
Net book value closing balance	**834,687**	**789,000**

Note 12 Other intangible assets

2022	Trademark	Order-backlog	Customer relations	Other	Total
Opening balance acquisition values	72,224	6,099	111,585	6,446	196,354
Additions through business combinations	-	3,084	29,460	2	32,546
Acquisitions	-	-	-	4,098	4,098
Translation differences	448	32	-747	-68	-335
Closing balance acquisition values	**72,672**	**9,215**	**140,298**	**10,478**	**232,663**
Opening balance amortisation	-39	-6,084	-2,750	-387	-9,260
Amortisation according to plan	-	-2,915	-12,427	-2,064	-17,406
Reclassification	-	-	-	-	-
Translation differences	-	-32	119	55	142
Closing balance accumulated amortisation	**-39**	**-9,031**	**-15,058**	**-2,396**	**-26,524**
Opening balance write-downs	-	-	-	-515	-515
Closing balance accumulated write-downs	**-**	**-**	**-**	**-515**	**-515**
Net book value	**72,633**	**184**	**125,240**	**7,567**	**205,624**

2021	Trademark	Order-backlog	Customer relations	Other	Total
Additions through business combinations	72,000	6,079	111,023	6,152	195,254
Acquisitions	-	-	-	246	246
Translation differences	224	20	562	48	854
Closing balance acquisition values	**72,224**	**6,099**	**111,585**	**6,446**	**196,354**
Amortisation according to plan	-33	-6,062	-2,614	-345	-9,054
Translation differences	-6	-22	-136	-42	-206
Closing balance accumulated amortisation	**-39**	**-6,084**	**-2,750**	**-387**	**-9,260**
Write-downs	-	-	-	-515	-515
Closing balance accumulated write-downs	**-**	**-**	**-**	**-515**	**-515**
Net book value	**72,185**	**15**	**108,835**	**5,544**	**186,579**

In the income statement, amortisation of EUR 0.4 million (0.0) is included in the cost of services sold, EUR 2.1 million (3.0) in selling and administrative expenses and EUR 15.3 million (6.1) in other operating expenses. The impairment loss primarily pertained to development costs for internal computer systems that have been put into operation and amounted to EUR 0.0 million (0.5). Other consist of licenses, software and projects in progress.

Note 13 Impairment testing of goodwill and trademarks

Polygon Group AB has three geographical markets that comprise cash-generating units. Goodwill and other intangible assets with indefinite useful lives acquired through business combinations are specified in the table below.

	2022		2021	
	Goodwill	Trademarks	Goodwill	Trademarks
Nordic & UK	209,896	18,000	197,297	18,000
Continental Europe	535,497	46,800	511,058	46,800
North America & Asia	89,294	7,833	80,645	7,386
Total	**834,687**	**72,633**	**789,000**	**72,186**

Polygon's impairment test for goodwill and trademarks was performed through an estimation of value in use. This calculation includes several assumptions about future conditions and estimates of parameters, such as discount rates, the growth rate for revenue and salary and overhead levels. Changes in these assumptions and estimates could affect the carrying amount of goodwill.

Value in use is determined through cash flow calculations, where the first five years are based on the five-year business forecast established by management. This assessment is based on country-specific market assessments, competition analyses and product mix development. The cash flows estimated after the first five years are based on an annual growth rate of 5%, which is assessed to correspond to the long-term growth in the unit's markets.

The discount rate was determined based on the Group's weighted average cost of capital (WACC), which is based on assumptions concerning the interest rate on long term government bonds as well as the company-specific risk factor and beta value. The estimated cash flows have been discounted to present value using a discount rate (WACC) of 10%. The conclusion of the impairment test is that there is no indication of impairment, since value in use exceeds the carrying amount including goodwill and other intangible assets.

A sensitivity analysis was carried out regarding the significant assumptions applied in the impairment test. A change of 0.5 % in WACC or terminal growth rate would lead to impairment and material changes in cost trends or if the companies should be unable to achieve the business plan on which the cash flow calculations are based, could lead to impairment. The sensitivity analyses are based on a change in one assumption while all other assumptions are kept constant.

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Note 14 Right-of-use assets

2022	Rent of premises	Vehicles	Other	Total
Opening balance acquisition values	65,890	27,433	1,531	94,854
Additions through business combinations	4,786	1,677	46	6,509
Additions	21,813	17,458	69	39,340
Cancellations	-5,862	-12,994	-431	-19,287
Translation differences	-849	-959	-1	-1,809
Closing balance acquisition values	**85,778**	**32,615**	**1,214**	**119,607**
Opening balance depreciation	-3,616	-1,294	-81	-4,991
Deprecation according to plan	-18,465	-15,559	-634	-34,658
Cancellations	5,183	12,433	426	18,042
Translation differences	396	403	-	799
Closing balance accumulated depreciation	**-16,502**	**-4,017**	**-289**	**-20,808**
Net book value	**69,276**	**28,598**	**925**	**98,799**

2021	Rent of premises	Vehicles	Other	Total
Additions through business combinations	58,953	25,536	1,635	86,124
Additions	7,770	4,147	-	11,917
Cancellations	-1,422	-2,625	-95	-4,142
Translation differences	589	375	-9	955
Closing balance acquisition values	**65,890**	**27,433**	**1,531**	**94,854**
Deprecation according to plan	-4,244	-3,716	-176	-8,136
Cancellations	862	2,573	95	3,530
Translation differences	-234	-151	-	-385
Closing balance accumulated depreciation	**-3,616**	**-1,294**	**-81**	**-4,991**
Net book value	**62,274**	**26,139**	**1,450**	**89,863**

In the income statement, depreciation of EUR 14.3 million (3.4) is included in the cost of services sold and EUR 20.4 million (4.7) in selling and administrative expenses.

Note 15 Property, plant and equipment

Property and plant	2022	2021
Opening balance acquisition value	1,777	-
Additions through business combinations	-	1,773
Translation differences	-8	4
Closing balance acquisition value	**1,769**	**1,777**
Opening balance depreciation	-18	-
Depreciation for the year	-55	-16
Translation differences	4	-2
Closing balance accumulated depreciation	**-69**	**-18**
Carrying amount closing balance	**1,700**	**1,759**

Equipment	2022	2021
Opening balance acquisition value	82,564	-
Additions throug business combinations	3,797	76,444
Investments	24,656	5,870
Disposals	-1,536	-280
Reclassification	-569	-1,053
Adjustments	1,671	-223
Translation differences	179	1,806
Closing balance acquisition balance	**110,762**	**82,564**
Opening balance depreciation	-5,390	-
Depreciation for the year	-22,294	-5,199
Disposals	1,287	52
Reclassification	-	880
Adjustments	-1,630	-
Translation differences	590	-1,123
Closing balance accumulated depreciation	**-27,437**	**-5,390**
Carrying amount closing balance	**83,325**	**77,174**
Total property, plant and equipment	**85,025**	**78,933**

In the income statement, depreciation of EUR 16.5 million (3.8) is included in the cost of services sold, EUR 3.7 million (0.9) in selling and administrative expenses and EUR 2.2 million (0.5) in other operating expenses.

Note 16 Accounts receivable

	2022	2021
Accounts receivables	184,306	143,793
Provision for expected credit loss	-11,650	-11,126
Total	**172,656**	**132,667**

No pledged assets (collateral) have been received for accounts receivable.

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Age analysis of accounts receivable

2022	Account receivables gross	Provisions for expected credit loss	Accounts receivables net
Less than 30 days overdue	41,284	-	41,284
31 to 60 days overdue	15,846	-	15,846
61 to 90 days overdue	7,517	-	7,517
91 to 180 days overdue	11,284	-	11,284
Over 181 days overdue	14,394	-11,650	2,745
Total overdue accounts	**90,325**	**-11,650**	**78,675**
Accounts receivables within their credit terms	93,981	-	93,981
Total	**184,306**	**-11,650**	**172,656**

2021	Account receivables gross	Provisions for expected credit loss	Accounts receivables net
Less than 30 days overdue	30,628	-	30,628
31 to 60 days overdue	15,943	-	15,943
61 to 90 days overdue	6,853	-	6,853
91 to 180 days overdue	10,272	-	10,272
Over 181 days overdue	13,675	-11,126	2,549
Total overdue accounts	**77,371**	**-11,126**	**66,245**
Accounts receivables within their credit terms	66,422	-	66,422
Total	**143,794**	**-11,126**	**132,667**

Provision for expected credit losses

	2022	2021
Opening balance	11,127	-
Additions through business combinations	107	10,857
Current year provision	688	483
Utilized receivables	-227	-188
Recovered bad debt	-34	-35
Exchange rate differences	-12	10
Closing balance	**11,650**	**11,127**

Note 17 Contract assets and liabilities

	2022	2021
Contract assets		
Opening balance	99,858	-
Additions through business combinations	5,272	85,648
Transfers from contract assets recognised in opening balance to receivables	-76,106	-51,390
Increases as a result of changes in the measure of progress in projects	900,808	242,894
Transfers from contract assets recognised during the year to receivables	-809,423	-177,534
Revaluation	-	118
Translation difference	-886	122
Closing balance	**119,523**	**99,858**
Contract liabilities		
Opening balance	288	-
Additions through business combinations	-	373
Revenue recognised that was included in the liability balance at the beginning of the period	-148	-146
Increases due to cash received, excluding amounts recognised as revenue during the period	2,664	911
Transfers from contract liabilies recognised during the year to revenue	-2,534	-870
Revaluation	-	20
Closing balance	**270**	**288**

Most of the assignments received by Polygon are carried out over a short period of between one and three months and the average contract amount is EUR 2 thousand. Polygon receives a large number of orders and manages them using the portfolio approach with an average contract margin. A small number of Polygon's projects continue for a longer period and have a higher contract amount. These projects are recognised individually on an ongoing basis using the percentage of completion method.

Note 18 Prepaid expenses and accrued income

	2022	2021
Prepaid insurance	2,054	2,073
Prepaid rent	1,301	1,109
Prepaid service and goods	5,369	2,783
Leasing	1,080	1,047
Personnel related expenses	430	121
Other prepaid expenses	731	1,543
Total	**10,965**	**8,676**

Note 19 Cash and cash equivalents

	2022	2021
Cash at banks and on hand	7,602	26,117
Total	**7,602**	**26,117**

At year-end, the Group had EUR 60.8 million (130.6) available in unutilised loan commitments.

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Note 20 Equity

Share capital

Each share has a quotient value of EUR 0.1 per share. All shares are of the same class and carry the same voting rights. All shares are paid in full. All shares carry the same entitlement to the company's assets and profit. There are no restrictions on the transferability of the shares according to the law or the Articles of Association.

Foreign currency translation reserve

The foreign currency translation reserve covers all exchange differences arising on translation of the financial statements of foreign operations that are presented in a currency other than that used for presentation of the consolidated financial statements. The Parent Company and the Group present their financial statements in EUR.

Actuarial gains/losses

Refer to Note 22 Pension provision

Note 21 Leases

Lease liability

	2022	2021
Opening balance	96,073	-
Additions through business	6,013	88,535
New lease contracts	39,244	15,618
Ended lease contracts	-1,727	-828
Interest expenses	4,574	1,066
Repayment lease liability	-38,288	-9,092
Exchange rate difference	-1,155	774
Closing balance	**104,734**	**96,073**

Maturity dates for lease liabilities are as shown in the following table:

	2022	2021
Less than 6 months	14,755	13,744
6-12 months	19,193	18,107
1 - 2 years	25,156	22,616
2 - 5 years	33,616	29,370
Over 5 years	12,014	12,236
Total	**104,734**	**96,073**

Undiscounted future lease payments

	2022	2021
Less than 1 year	36,613	34,373
1-2 years	27,967	25,401
3-5 years	39,985	35,848
More than 5 years	14,477	14,912
Future lease payments	**119,042**	**110,534**

Lease obligations

Polygon has entered into leases that had not yet taken effect at year-end, according to the table below:

	2022	2021
Rent	9,172	2,327
Vehicles	7,504	7,116
Total	**16,676**	**9,443**

Note 22 Pension provisions

The Polygon Group has established pension plans for its employees in the countries where the Group operates. The plans generally conform to local practice in the respective countries and may take the form of defined-contribution or defined-benefit plans. Polygon has defined-benefit plans in Sweden, Germany, France and the UK.

The defined-contribution plans mainly include retirement pensions, disability pensions and survivor pensions. The contributions are paid during the year by the respective Group company to separate legal entities, for example, insurance companies. The Group has no further obligations once the contributions have been paid.

The defined-benefit pension plans mainly encompass employees in Sweden, but also employees in France. In the other countries, the defined-benefit plans are closed and no new vesting is made. All pension plans are based on final salary, and provide benefits in the form of a guaranteed level of pension payments, usually as a percentage of final salary, to the plan participants during their entire lifetimes or parts thereof.

The total pension cost for 2022 amounted to EUR 9,946 thousand (2,231), of which EUR -651 thousand (162) pertained to defined-benefit pensions. The pension cost for defined-contribution pensions amounted to EUR 12,289 thousand (2,079). Expected pension costs for defined-benefit pensions for 2022 amounted to EUR 350 thousand.

The lower pension cost in respect of defined-benefit pensions for 2022 is mainly due to changes in the pension plan in Sweden, which resulted in a reduced cost for the year of EUR 1,107 thousand.

The pension plan in the UK is funded and also includes a defined-contribution component. The pension plan is closed, which means that no new vesting is made. The plan assets are exposed to market risks, among other risks. The Trustees of the pension scheme entered into a buy-in policy with Aviva on 2 September 2022, where risk related to benefits payable became insured. They will complete a full buy-out in 2023. A full buy-out will transfer the responsibility to meet scheme members benefits and remove the risk and the related liability from the balance sheet.

The pension plan in Sweden consists of the collectively agreed ITP plan. This plan includes both defined-contribution and defined-benefit components. The defined-benefit pension obligation is secured through provisions in the balance sheet, combined with credit insurance in PRI Pensionsgaranti. The pension plan exposes the Group to risks such as a change in the discount rate, increased life expectancy, higher inflation and salary increases. As of January 2023, Polygon Sweden will insure future accruals with Alecta and no new vesting will be made. Alecta lacks the possibility of establishing an exact distribution of assets and provisions therefore the cost of these benefits will be recognised as defined contribution plans. During 2022, impact of this decision is a reduction of EUR 1,107 thousand due to the removal of the already allowed future salary increases for all active members. The reduction is recognised as Past service cost.

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In France and Germany, there are unfunded pension obligations in minor amounts. The present value of these pension plans is mainly impacted by changes in the discount rate.

The tables below summarise the components of the net pension expense that are recognised in profit or loss and in other comprehensive income as well changes in the value of the defined-benefit pension obligation recognised in the balance sheet.

	2022	2021
Summary of pension provisions in the Group		
Long-term defined benefit liability	4,259	7,072
Closing balance, net liability	**4,259**	**7,072**

Pension expenses	**2022**	**2021**
Amounts recognized in the income statement		
Current service cost	394	85
Past service cost	-1,162	54
Interest expenses	182	37
Interest income on assets	-65	-14
Expenses, defined benefit plans	**-651**	**162**
Expenses, defined contribution plans	**12,289**	**2,079**
Amounts recognized in Other Comprehensive Income		
Remeasure of pension obligation	-2,826	12
Remeasure of plan assets	1,063	-22
Revaluation to other operating income	71	-
Expenses/ (income), defined benefit plans	**-1,692**	**-10**
Total pension expenses	**9,946**	**2,231**

Amount recognized in the Balance sheet	**2022**	**2021**
Fair value of defined benefit obligation, funded plans	2,929	4,452
Fari value of plan assets	-2,998	-4,072
Effect of asset ceiling	69	-
Closing balance, net liability	**0**	**380**
Present value of defined benefit obligation, unfunded plans	4,259	6,692
Closing balance, net liability	**4,259**	**7,072**

Change in amount recognized in the Balance sheet	**2022**	**2021**
Opening balance, net liability	7,072	-
Current service cost	394	85
Past service cost	-1,053	54
Net interest	116	23
Remeasurements	-1,080	-10
Pension payments directy from employer	-242	-50
Employer´s contribution to the pension plan assets	-683	-58
Additions through business combinations	174	7,038
Effect of changes in foreign exchange rates	-439	-10
Closing balance, net liability	**4,259**	**7,072**

Change in present value of defined benefit	**2022**	**2021**
Opening balance, defined benefit obligation	11,144	-
Current service cost	394	85
Interest expenses	182	37
Remeasurements of pension obligation		
- plan amendment	-54	54
- demographic assumptions	13	-
- financial assumptions	-2,836	-195
- experience adjustments	132	207
Pension payments	-1,350	-50
Additions through business combinations	174	10,901
Effect of changes in foreign exchange rates	-610	105
Closing balance, defined benefit obligation	**7,189**	**11,144**

Change in fair value of plan assets	**2022**	**2021**
Opening balance, plan assets	4,072	-
Interest income	65	14
Return excluding interest income	-1,133	22
Settlements	-586	-
Employer´s contribution	925	108
Pension payments from plan assets	-242	-50
Additions through business combinations	-	3,863
Effect in changes in foreign exchange rates	-171	115
Closing balance, plan assets	**2,930**	**4,072**

Fair value of plan assets	**2022**	**2021**
Equities	0%	34%
Bonds	0%	63%
Insurance Contracts	92%	0%
Other, including cash and cash equivalents	8%	3%
Total	**100%**	**100%**

All plan assets are assets with a quoted market price in an active market. None of the plan assets are invested in the Group's own equity instruments, debt instruments, real estate or other assets that are used by the company.

2022	**Defined benefit obligation**	**Plan assets**	**Assets ceiling**	**Net liability**
Break-down per country				
Funded plan				
United Kingdom	2,929	2,998	-67	0
Unfunded plan				
Sweden	3,713	-	-	3,713
Other countries*	546	-	-	546
Total	**7,188**	**2,998**	**-68**	**4,259**

* France and Germany

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The most important financial actuarial assumptions that have been used to determine the pension obligations for the Group's significant pension plans are as follows:

Significant actuarial assumptions	2022
United Kingdom	
Discount rate	4.40%
Inflation	3.00%
Future wage increase	N/A
Future pension increase	N/A
Sweden	
Discount rate	3.50%
Inflation	2.20%
Future wage increase	3.20%
Future pension increase	2.20%

Assumptions about life expectancy are based on official statistics and experience from life expectancy surveys in the respective countries and are determined after consultation with experts in the actuarial field. The discount rate is determined based on high-quality corporate bonds that are traded in a deep market with consideration given to the duration of the pension obligation. In Sweden, the discount rate is based on the discount rate on covered mortgage-backed bonds.

An increase in the discount rate of 0.5 percentage points would reduce the pension obligation by EUR 558 thousand, corresponding to a debt reduction of 7.3%. A decrease in the discount rate of 0.5 percentage points would increase the pension obligation by EUR 618 thousand corresponding to a debt increase of 8.0%.

An increase in inflation of 0.5 percentage points would increase the pension obligation by EUR 500 thousand, corresponding to a debt increase of 6.7%. A decrease in inflation of 0.5 percentage points would reduce the pension obligation by EUR 446 thousand, corresponding to a debt reduction of 6.0%.

The sensitivity analysis is carried out by changing one actuarial assumption while the other assumptions remain constant. This method shows the obligation's sensitivity to an individual assumption. This is a simplified method, since the actuarial assumptions are normally correlated.

The weighted average duration of the pension obligation is approximately 16 years.

The Group's expected contributions to defined-benefit pension plans as well as pension payments directly from the employer for the next annual reporting period amount to EUR 101 thousand (350) .

Note 23 Other provisions, non-current

	2022	2021
Contingent considerations	47,706	25,961
Other taxes	54	57
Other provisions	680	671
Total	**48,440**	**26,689**

Note 24 Other Provisions, current

	2022	2021
Contingent considerations	4,244	4,392
Warranties and claims	3,502	2,877
Restructuring provision	1,323	2,142
Defined benefit plans	77	68
Other provisions	308	308
Total	**9,454**	**9,787**

Note 25 Other liabilities

	2022	2021
VAT	23,727	20,748
Employee withholding taxes	7,686	6,517
Advance payments from customers	9,049	422
Shareholder loan	8,000	-
Contract liabilities	270	288
Other liabilities	4,463	6,894
Total	**53,195**	**34,869**

Note 26 Accrued expenses and deferred income

	2022	2021
Accrued salary-related expenses	19,741	20,731
Accrued vacation pay	17,917	16,442
Accrued expenses contracts with customers	15,565	14,738
Accrued non-received invoices	12,855	10,905
Accrued audit expenses	886	736
Accrued interest expenses	160	146
Other accrued expenses and prepaid income	6,364	5,421
Total	**73,488**	**69,119**

Note 27 Pledged assets

The shares in 13 subsidiaries are pledged as collateral for the Group's financing. The amounts presented under pledged assets correspond to the total net assets in the pledged subsidiaries.

	2022	2021
Shares in subsidiaries	2,774,892	-
Pledged assets for own liabilities and provisions	**2,774,892**	**-**

Note 28 Contingent liabilities

The Group has no contingent liabilities.

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Note 29 Financial instruments and financial risk management

Polygon is exposed to a number of financial market risks that the Group is responsible for managing under the finance policy approved by the Board of Directors. The overall objective is to have cost-effective funding in the Group. Impact of the financial risks on the Group's earnings is managed through exchange of non-EUR cash into EUR. The main risk exposures for the Group are liquidity risk, interest rate risk, currency risk, credit risk and counterparty risk.

The table below shows the Group's significant assets and liabilities.

	2022		2021	
	Carrying amounts	Fair value	Carrying amounts	Fair value
Financial assets measured at amortised cost				
Accounts receivables	172,656	172,656	132,667	132,667
Other current assets	5,937	5,937	5,332	5,332
Cash and cash equivalents	7,602	7,602	26,117	26,117
Total financial assets	**186,195**	**186,195**	**164,116**	**164,116**
Financial liabilities measured at amortised cost				
Non-current interest-bearing liabilities	604,084	618,540	534,216	550,266
Lease liability	104,734	104,734	96,073	96,073
Account payables	66,888	66,888	66,124	66,124
Other current liabilities	12,464	12,464	6,894	6,894
Accrued expenses	160	160	146	146
Financial liabilities at fair value through profit or loss				
Other provisions	51,950	51,950	30,353	30,353
Derivatives	48	48	-	-
Total financial liabilities	**840,328**	**854,784**	**733,806**	**749,856**

Breakdown of financial liabilities measured at fair value:

2022		
Valuation category	**Nivå 2**	**Nivå 3**
LIABILITIES		
Long-term liabilities		
Other provisions	48	47,706
Current liabilities		
Other provisions	-	4,244
Total financial liabilities	**48**	**51,950**

2021		
Valuation category	**Nivå 2**	**Nivå 3**
LIABILITIES		
Long-term liabilities		
Other provisions	-	25,961
Current liabilities		
Other provisions	-	4,392
Total financial liabilities	**-**	**30,353**

The Group categorises financial assets and financial liabilities that are measured at fair value in a fair value hierarchy based on the inputs that are used to measure each asset and liability.

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Quoted prices in markets that are not active, quoted prices for similar assets or liabilities, inputs other than quoted prices that are observable, directly or indirectly, for essentially the instrument's entire duration as well as the inputs used in valuation techniques that have been derived from observable market data.

Level 3 – Inputs that are essential for the fair value of the asset or liability are not observable, and the Group's own assessments are instead applied.

Interest- rate derivatives are measured according to level 2.

Financial liabilities at level 3 consist of contingent considerations for acquired operations. The measurement of this is based on the acquired operations' expected future financial performance, which has been assessed by management.

Breakdown of liabilities measured at fair value:

	2022	2021
Financial liabilities		
Opening balance	30,353	-
Additions during year	28,521	31,320
Paid during year	-5,221	-967
Cancelled during year	-1,655	-
Closing balance	**51,998**	**30,353**

Maturity dates for financial liabilities are as follows:

	Book value		Undiscounted cash flow	
	2022	2021	2022	2021
Within 1 year	117,700	109,407	149,870	137,204
Between 2 and 5 years	105,891	78,216	268,345	186,458
After 5 years	616,689	546,183	657,916	618,392
Total	**840,280**	**733,806**	**1,076,131**	**942,054**

The carrying amounts above include financial liabilities. The non-discounted cash flows above include financial liabilities and interest payments. All amounts in currencies other than EUR are translated at the closing day rate and interest payments on loans with variable interest have been calculated at the closing day rate.

The weighted average interest rate on external loans and borrowings, including margins, was 4.96% per annum.

Currency risk

Currency risk primarily impacts the Group's financial statements through the translation of capital employed and interest-bearing net liability as well as through the translation of earnings in foreign subsidiaries. The Group's interest-bearing net liability is mainly denominated in EUR (see the table below for a breakdown of interest-bearing net liability by currency).

Interest-bearing net liability by currency

	2022	2021
EUR	667,682	567,329
SEK	3,925	10,368
USD	5,570	-3,141
NOK	8,070	16,003
GBP	5,542	9,303
Other currencies	10,426	4,310
Total	**701,215**	**604,172**

Transaction exposure

The Polygon Group's operations are local in nature and most transactions take place in local markets in the local currency. Since the flow of services between countries is highly limited, the earnings effect is not material for the Group.

Translation exposure

Polygon's assets in foreign subsidiaries are financed through loans or equity. If a foreign subsidiary that has a reporting currency other than EUR is financed through equity, a translation risk arises in connection with the translation of the subsidiary's balance sheet. Translation risk is the risk that changes in foreign exchange rates will negatively impact Polygon's net assets in foreign operations in connection with the translation of the foreign units' income statements and balance sheets. Currency effects arising on translation are recognised in the consolidated statement of other comprehensive income.

Since many significant subsidiaries have EUR as their functional currency, the Group's translation risk is limited. The table below shows the impact of changes in foreign exchange rates on the net assets of subsidiaries in each currency:

	2022	2021
Change in USD rate		
+10/-10%	3,311	4,277
Change in NOK rate		
+10/-10%	3,011	2,837
Change in GBP rate		
+10/-10%	6,639	5,146
Change in DKK rate		
+10/-10%	4,305	4,526
Change in CHF rate		
+10/-10%	4,584	849

The table below shows the impact of a 10-percent of changes in foreign exchange rates against the Group's main currencies on consolidated income before tax.

	2022	2021
Change in USD rate		
+10/-10%	417	837
Change in NOK rate		
+10/-10%	126	274
Change in GBP rate		
+10/-10%	249	75
Change in DKK rate		
+10/-10%	186	145
Change in CHF rate		
+10/-10%	308	19

Interest rate risk

Fluctuations in interest rates impact the Group's interest expenses. Polygon's policy for interest rate risk is designed to reduce the impact of interest rate changes on earnings. In the case of interest-bearing assets, the fixed interest period is to be short and matched against repayment of loans. On the balance sheet date, Polygon had an interest rate cap in place.

At 31 December 2022, a simultaneous change in interest rates of +/-1 percentage point, would have impacted annual net interest expenses by EUR 7.2 million (3.2), assuming that the Group's duration and funding structure remain constant throughout the year.

The variable rate interest-bearing net liability position for the Group as a whole, including cash and bank balances, was EUR 701.2 million (604.2).

Customer credit risk

Management's assessment is that there is no significant concentration of credit risk with any individual customer, counterparty or geographical region for Polygon. An age analysis of accounts receivable is presented in Note 16 Accounts receivable

Liquidity and refinancing risk

Financing risks refer to the risk of difficulty in obtaining financing for operations at a given point in time. Polygon's finance policy states that the Group's external loan portfolio is to have a maturity structure that guarantees that Polygon will not be exposed to refinancing risks.

Polygon is also subject to covenants that are specified in the terms and conditions of the loan and in the terms and conditions of the bank overdraft facility, such as key ratios and performance measures linked to the consolidated income statement and balance sheet. These covenants were fulfilled for 2022.

Capital risk management

The Group's capital structure should be maintained at a level that ensures the ability to advance the business in order to generate returns for the shareholders and benefits for other stakeholders, while at the same time maintaining an optimal capital structure to reduce capital costs.

To maintain or adjust the capital structure, the Group may, upon approval by the shareholders and external lenders when appropriate, vary the dividend that is paid to the shareholders, reduce the share capital to enable payments to the shareholders, issue new shares or sell assets to reduce its debt. The Group continuously analyses the relationship between debt and equity.

	2022	2021
Interest-bearing net liabilities (A)	701,215	604,172
Total equity (B)	506,955	528,996
Relation between liabilities and equity (A/B)	1.4	1.1

Note 30 Interest-bearing loans and borrowings

The table below shows the Group's various loans and borrowings.

	2022	2021
Non-current:		
First Lien Facility (floating interest rate)	485,000	430,000
Second Lien Facility (floating interest rate)	120,000	120,000
Revolving Facility (floating interest rate)	10,000	-
Other loans (floating interest rate)	3,540	266
Capitalized finance costs*	-14,456	-16,050
Leasing liability (long-term part)	70,786	64,222
Total non-current liabilities	**674,870**	**598,438**
Current:		
Leasing liability (short-term part)	33,948	31,851
Total current liabilities	**33,948**	**31,851**
Amount of borrowings	**708,818**	**630,289**

* Financing costs are allocated over the duration of the loans.

Note 31 Changes in financial liabilities

Reconciliation of opening and closing balances of financial liabilities and their movement in cash flow are presented in the table below:

	31 December 2021	Business combinations	Cashflows	Changes in fair values	Other	31 December 2022
Non-current interest-bearing	534,216	3,274	65,000	-	1,594	604,084
Current liabilities	-	-	8,000	-	-	8,000
Leasing liabilities*	96,073	6,013	-38,288	-	40,936	104,734
Contingent considerations	30,353	29,563	-6,674	-1,266	-	51,950
Accrued interest expenses	146	-	-29,777	-	29,791	160
Derivatives	-	-	-	48	-	48
Total liabilities	**660,788**	**38,850**	**-1,739**	**-1,218**	**72,321**	**768,976**

		Business combinations	Cashflows	Changes in fair values	Other	31 December 2021
Non-current interest-bearing	-	10,112	523,353	-	751	534,216
Current interest-bearing liabilities	-	268,118	-268,118	-	-	-
Leasing liabilities*	-	88,535	-9,092	-	16,630	96,073
Contingent considerations	-	31,153	-1,247	447	-	30,353
Accrued interest expenses	-	7,815	-14,411	-	6,742	146
Total liabilities		**405,733**	**230,485**	**447**	**24,123**	**660,787**

* See Note 21 Leases for details.

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Note 32 Related party transactions and list of Group companies

Polygon Group AB paid fees of EUR 3 million (0.7) for advisory and consulting services acquired from AEA Investors LP. Further, Polygon Group AB incurred other related party expenses of EUR 0.3 million (0). Polygon AB raised a loan with PolyStorm Topco AB of EUR 8 million. Group contribution was given by Polygon International AB to PolyStorm Topco AB of EUR 0,4 million and remains unpaid as of December 2022.

For information concerning remuneration to senior executives and the Board of Directors, see Note 8 Salaries, social security expenses and employee benefits

POLYGON HoldCo GmbH, POLYGON Deutschland GmbH, RecoSan GmbH, POLYGONVATRO Abbruch-Service GmbH, SMD Sanierungs-Management GmbH & Co. KG and TKL GmbH are included as German subsidiaries in the consolidated financial statements of Polygon Group AB and, as a result, makes use of the exemption provision of section 264 (3) and 264 b HGB (German Commercial Code).

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Group subsidiaries

Subsidiaries	Country	Corporate Identity	Number of shares	Share of capital
Company name				
Polygon Holding AB	Sweden	556809-3511	50,100	100.0%
Polygon AB	Sweden	556816-5855	5,600	100.0%
Polygon Finland Holding Oy	Finland	2354769-0	2,500	100.0%
Polygon Finland Oy	Finland	0892371-5	50,000	100.0%
Tehokuivaus OY	Finland	1767199-4	45	100.0%
Danotec OY	Finland	2493478-0	100	100.0%
Recotech s.r.l	Italy	FI-605131	119,000	100.0%
All Consulting Service s.r.l.	Italy	TO - 1237519	10,000	100.0%
Polygon International AB	Sweden	556807-6417	50,100	100.0%
Polygon Switzerland Holding AG	Switzerland	CHE-358.912.902	100	100.0%
Polygon Switzerland AG	Switzerland	CHE-371.376.207	1	100.0%
Odermatt Gruppe AG	Switzerland	CHE-109.493.000	100	100.0%
Odermatt Fenster + Türen AG	Switzerland	CHE-399.369.935	100	100.0%
Hegner Fenster AG	Switzerland	CHE-116.309.863	100	100.0%
Fenster Doktor AG	Switzerland	CHE-256.864.700	100	100.0%
Hiotlabs AB	Sweden	559021-1271	75,000	100.0%
Polygon DB Holding A/S	Denmark	41247576	400,000	100.0%
Polygon A/S	Denmark	42938319	470,000	100.0%
Polygon Norway Holding AS	Norway	996019381	335,500	100.0%
Polygon AS	Norway	915229115	34,500	100.0%
Kaph Entrenprenor AS	Norway	914949149	10,050	100.0%
Polygon Nederland Holding BV	Netherlands	51345706	40	100.0%
Polygon Nederland BV	Netherlands	28030503	40	100.0%
Polygon Belgium NV	Belgium	BE 0440.188.077	500	100.0%
Asbest Cleaning Services BVBA	Belgium	BE 0671.968.983	100	100.0%
Polygon Sverige AB	Sweden	556034-6164	2,100	100.0%
BM Fuktteknik AB	Sweden	556592-0146	1,000	100.0%
Polygon Restoration Inc	Canada	103804811	81	100.0%
Lora Construction Inc	Canada	863300307	20,000	100.0%
9237-2556 Quebec Inc	Canada	815014006	200	100.0%
Polygon France SAS	France	341019180	100	100.0%
SAT France SAS	France	448701938	40,000	100.0%
BMS Azur SAS	France	88762703200014	1,000	100.0%
BMS Provence SAS	France	81138695200014	1,400	100.0%
BMS Sud Ouest SAS	France	82501569600016	20,000	100.0%
E.P.I.C.A.M. SAS	France	82501617300015	100	100.0%
BMS Mediterranée SAS	France	52951164400021	1,000	100.0%
BMS Rhone Alpes SAS	France	89085391400020	1,000	100.0%
Aquaser SAS	France	44192693800057	100	100.0%
Polygon Service Pte Ltd	Singapore	201012990Z	1,317	100.0%
R3 Polygon UK Ltd	United Kingdom	402652	250,000	100.0%
Caption Data Ltd	United Kingdom	06557609	17,725	100.0%
Harwell Technical Services Ltd	United Kingdom	3064821	10,000	100.0%
Neways Property Care Ltd	United Kingdom	4373558	90	100.0%
Polygon Damage Control Ltd	United Kingdom	4143834	999	100.0%
Polygon Damage Control (Scotland) Ltd	United Kingdom	SC229538	100,000	100.0%
Ark and General Ltd	United Kingdom	02395269	1,000	100.0%
The Plastic Surgeon Holdings Ltd	United Kingdom	10552793	3,499,943	100.0%
TPSFF Holdings Ltd	United Kingdom	06509389	26,134,457	100.0%
The Plastic Surgeon Ltd	United Kingdom	03718897	11,145	100.0%
Polygon US Corporation	USA	27-2892115	1,000	100.0%
AM Restore, Inc	USA	26-0581070	1,000	100.0%
POLYGON HoldCo GmbH	Germany	HRB 12867	25,000	100.0%
POLYGON Deutschland GmbH	Germany	HRB 10713	1	100.0%
RecoSan GmbH	Germany	HRB 11215	1	100.0%
POLYGONVATRO Abbruch-Service GmbH	Germany	HRB 11977	1	100.0%
SMD Sanierungs-Management GmbH & Co. KG	Germany	HRA 8465	1	100.0%
TKL GmbH	Germany	HRB 12832	1	100.0%
Polygon Lux S.À R.L	Luxembourg	B170429	100,000	100.0%
Polygon Austria Holding GmbH	Austria	FN 542950g	0	100.0%
Polygon Austria Service GmbH	Austria	FN 115034v	0	100.0%
Polygon Platin Service Gmbh	Austria	FN 230343s	0	100.0%
Polygon Bau Service GmbH	Austria	FN 459894s	0	100.0%

Note 33 Adjustment for non-cash items in the statement of cash flows

Non-cash changes in financial liabilities are recognised in Note 31 Changes in financial liabilities.

	2022	2021
Non-affecting cash-flow:		
Depreciation and impairment of intangible assets	52,403	17,079
Depreciation of tangible assets	22,348	5,215
Disposal of fixed assets	-270	135
Changes in provisions and other	-3,605	1,542
Total	**70,876**	**23,971**

Note 34 Significant events after the end of the financial year

After the end of the financial year, Neways Property Care Ltd decided to acquire F.S.H (Holdings) Limited.

Note 35 Alternative performance measures

	2022	2021
Adjusted EBITDA and EBITA breakdown		
Operating income (EBIT)	27,044	-12,751
Add back depreciations	22,346	5,219
Add back amortisations	52,653	17,059
Operating income before depreciation and amortisation (EBITDA)	**102,043**	**9,527**
Add back items affecting comparability (IAC)	9,085	19,275
Operating income before depreciation and IAC (Adjusted EBITDA)	**111,128**	**28,802**
Operational depreciations	-20,144	-4,686
Operational amortisations	-37,066	-8,564
Operating income before amortisation and IAC (Adjusted EBITA)	**53,918**	**15,552**

-	2022	2021
Operating cash flow breakdown		
Adjusted EBITA	53,918	15,551
Operational depreciations and amortisations	57,210	13,250
Net capital expenditure	-28,608	-5,950
Lease payments	-34,805	-8,068
Operating cash flow before change in trade working capital	**47,715**	**14,783**
Change in trade working capital, excl IAC	-39,829	6,699
Other adjustments	2,480	-606
Operating cash flow	**10,366**	**20,876**

	2022	2021
Items affecting comparability		
Acquisition-related items	-4,019	-16,351
Monitoring fee	-3,000	-717
Restructuring	-1,425	-1,562
Other, net	-641	-645
Total	**-9,085**	**-19,275**

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Parent Company financial statements

Parent Company income statement

	Note	2022	2021
Sales of services	2	3,113	-
Total revenue		**3,113**	-
General administration and sale expenses	3,4	-105	-73
Other operating expenses	5	-3,580	-14,926
Operating income		**-572**	**-14,999**
Financial expenses	6	-37,700	-7,065
Income after financial items		**-38,272**	**-22,064**
Appropriations	8	5,306	-
Income (loss) before income taxes		**-32,966**	**-22,064**
Income taxes	7	110	-
Net income		**-32,856**	**-22,064**

Parent Company statement of comprehensive income

	Note	2022	2021
Net income		-32,856	-22,064
Comprehensive income		**-32,856**	**-22,064**

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Parent Company balance sheet

	Note	2022	2021
ASSETS			
Non-current assets			
Non-current financial assets			
Participations in Group companies	9,12	1,268,150	1,268,153
Deferred tax assets		110	-
Total non-current assets		**1,268,260**	**1,268,153**
Current assets			
Current receivables			
Receivables, Parent company		5,329	23
Other receivables		139	50
Receivables, Group companies		34,291	2,174
Total current receivables		**39,759**	**2,247**
Total current assets		**39,759**	**2,247**
TOTAL ASSETS		**1,308,019**	**1,270,400**
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital (25,000 shares at ratio value 1 SEK)		2	2
Non restricted equity			
Retained earnings		495,920	528,680
Total non-restricted capital		495,920	528,680
Total Equity		**495,922**	**528,682**
Non-current liabilities			
Long-term provisions		48	-
Non-current liabilities, Group companies		207,000	207,000
Non-current financial liabilities, interest-bearing	10	600,544	533,950
Total non-current liabilities		**807,592**	**740,950**
Current liabilities			
Account payables		65	10
Current liabilities, Group companies		4,179	-
Accrued expenses	11	261	758
Total current liabilities		**4,505**	**768**
TOTAL EQUITY AND LIABILITIES		**1,308,019**	**1,270,400**

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Parent Company statement of cash flows

	Note	2022	2021
Operating activities			
Operating income		-572	-14,999
Adjustments for non cash items in operating income	13	131	-217
Cash flow from operating activities prior changes in working capital		**-441**	**-15,216**
Change in working capital			
Change in receivables and liabilities to Group companies		4,896	-740
Change in other receivables		-89	-50
Changes in other liabilities		-599	768
Cash flow used in operating activities		**3,767**	**-15,238**
Cash flow from investing activities			
Acquisition of shares in subsidiaries		-	-763,468
Shareholder contribution to subsidiaries		-	-504,685
Cash flow uesed in investing activiites		**-**	**-1,268,153**
Cash flow from financing activities			
Increase in loans		65,000	757,000
New shares issued and shareholder contribution received		-	550,884
Financial cost paid		-35,935	-23,036
Cash flow from financial activities		**29,065**	**1,284,848**
Cash flow from the year		**32,832**	**1,459**
Cash and cash equivalents at the beginning of the year*		1,459	-
Translation difference in cash and cash equivalents		-	-
Cash and cash equivalents at the end of the year*		**34,291**	**1,459**

* Cash and cash equivalents is included in the cashpool of the Group and is therefore presented in Receivables from subsidiaries.

Parent Company statement of changes in equity

	Share capital	Retained earnings	Total equity
Net income	-	-22,064	-22,064
Exchange differences	-	-140	-140
Total comprehensive income for the year	**-**	**-22,204**	**-22,204**
Transactions with shareholders			
Shareholder's contribution	-	550,884	550,884
New issues of shares	2	-	2
Closing balance per 31 December 2021	**2**	**528,680**	**528,682**
Net income	-	-32,856	-32,856
Exchange differences	-	95	95
Total comprehensive income for the year	**-**	**-32,761**	**-32,761**
Closing balance per 31 December 2022	**2**	**495,920**	**495,922**

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Notes to the Parent Company financial statements

Note 1 Basis of presentation

Rules and regulations applied

In addition to the Group's accounting policies, the financial statements of the Parent Company have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. This means that IFRS is applied with the exception of the additions presented below.

The Parent Company's bank balances are not recognised as cash since they are part of the Group's cash pool. However, the bank balances are presented as cash in the statement of cash flows.

Financial instruments

Due to the relationship between accounting and taxation, the rules concerning financial instruments under IFRS 9 are not applied in the Parent Company as a legal entity. Instead, the Parent Company applies the acquisition method in accordance with the Swedish Annual Accounts Act. Accordingly, the Parent Company measures non-current financial assets at cost and current financial assets at the lower of cost or net realisable value, applying the rules for impairment of expected credit losses in accordance with IFRS 9 with respect to assets that are debt instruments. For other financial assets, impairment is based on market value.

The Parent Company applies the exemption option not to measure financial guarantee contracts that benefit subsidiaries, associated companies and joint ventures in accordance with the rules of IFRS 9, but rather applies the measurement principles in IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Shareholder contributions

Shareholder contributions are recognised directly in equity by the recipient and are capitalised in shares and participations by the renderer insofar as impairment is not required.

Note 2 Breakdown of sales

Polygon Group AB had internal sales of EUR 3.1 million during the period, relating to management services. No purchases were made from Group companies during the period.

Note 3 Salaries, remuneration to employees and other fees

The Parent Company had no employees.

Note 4 Audit fees

	2022	2021
Audit assignment (EY)	47	65
Total	**47**	**65**

Audit assignment refers to auditing of the annual report and financial accounts and the administration by the Board as well as other audit tasks that are incumbent upon the company's auditors.

Note 5 Other operating expenses

	2022	2021
Monitoring fee	3,000	-
Acquisition-related items	545	14,950
Currency exchange gains/ losses	35	-24
Total	**3,580**	**14,926**

Note 6 Interest income and interest expenses

	2022	2021
Interest expenses and other similar		
Interest cost, external	-29,970	-6,196
Interest cost, internal	-4,179	-
Exchange rate differences	33	-79
Other financial expenses	-3,584	-790
Total	**-37,700**	**-7,065**
Net financial expenses	**-37,700**	**-7,065**

Note 7 Tax

	2022	2021
Income before taxes	**-32,966**	**-22,064**
Tax according to current tax rate for Parent company 20,6%	6,791	4,545
Change of deferred tax related to tax loss carry-forward	26	-
Non-deductible expenses	-7,446	-3,698
Non recognized tax loss carry forward	739	-847
Total	**110**	**0**

As of 31 December 2022, Polygon Group AB had a gross accumulated loss carryforward of EUR 0.5 million (3,5) with no maturity date, of which EUR 0.1 million (0) is recognised as a deferred tax asset.

Note 8 Appropriations

	2022	2021
Received group contribution	5,306	-
Total	**5,306**	**-**

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Note 9 Participations in Group companies

Participation in Group Companies	Country	Corporate Identity Number	Number of shares	Share of capital	2022	2021
Polygon Holding AB	Sweden	556809-3511	15,315,199	100.0%	1,068,125	1,068,125
Polygon HoldCo GmBH	Germany	HRB12867	25,000	100.0%	200,025	200,028
balance					**1,268,150**	**1,268,153**

	2022	2021
Opening balance	1,268,153	-
Acquisition	-	763,468
Shareholder contribution	-	504,685
Adjustment	-3	-
Closing balance	**1,268,150**	**1,268,153**

Indirect holdings and the Group structure are described in Note 32 Related party transactions (notes to the consolidated financial statements).

Note 10 Non-current financial liabilities

	2022	2021
First Lien Facility	485,000	430,000
Second Lien Facility	120,000	120,000
Revolving facility	10,000	-
Capitalized finance costs*	-14,456	-16,050
Total	**600,544**	**533,950**

*Financing costs are allocated over the duration of the loan.

Note 11 Accrued expenses and deferred income

	2022	2021
Accrued interest expenses	204	194
Accrued non-received invoices	-	500
Other accrued expenses	58	64
Total	**262**	**758**

Note 12 Pledged assets

The table below shows the carrying amount of the Parent Company's subsidiaries that are pledged as collateral for the Group's financing.

	2022	2021
Pledged assets		
Shares in subsidiaries	1,268,150	-
Total assets pledged	**1,268,150**	**-**
Contingent liabilities	None	None

Note 13 Adjustment for non-cash items in the statement of cash flows

	2022	2021
Non-cash flow items not included in operating profit		
Unrealised currency revaluations	131	-217
Total non-cash changes	**131**	**-217**

Note 14 Related party transactions

Polygon Group AB paid fees of EUR 3 million (0.7) for advisory and consulting services acquired from AEA Investors LP. Further, Polygon Group AB incurred other related party expenses of EUR 0.3 million (0). Polygon Group AB received a group contribution of EUR 4.6 million from Polygon International AB and EUR 0.7 million from Polygon Holding AB. Polygon Group AB had internal sales of EUR 3.1 million during the period, relating to management services that were provided to Polygon Holding AB.

Note 15 Proposed appropriation of earnings

Proposed appropriation of the Parent Company's earnings:

The Board of Directors propose that the loss for the year of EUR 32,760,664, together with retained earnings of EUR 528,680,268, amounting to a total of EUR 495,919,605, to be carried forward.

Note 16 Significant events after the end of the financial year

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Definitions

Sales revenue	Sales revenue excluding VAT and discounts
Organic growth	Growth generated by existing operations excluding the impact of foreign exchange
Gross profit	Sales revenue less cost of services sold
Adjusted EBITDA	Earnings before interest, tax, depreciation of property, plant and equipment, amortisation of intangible assets and items affecting comparability
Adjusted EBITA	Earnings before interest, tax, depreciation of the surplus value of property, plant and equipment, amortisation of the surplus value of intangible assets in connection with acquisitions and items affecting comparability
EBIT	Earnings before interest and tax
Adjusted EBITDA margin, Adjusted EBITA margin	Adjusted EBITDA, Adjusted EBITA as a percentage of sales revenue
Operational amortisations	Amortisation of intangible assets related to acquisitions
Operational depreciation	Depreciation of property, plant and equipment related to acquisitions
Operating cash flow	Cash flow from operating activities excluding payments attributable to items affecting comparability, paid income tax less repayment of lease liabilities and investments
Net financial items	Financial income less financial expenses including exchange differences related to financial assets and liabilities
Net debt	Interest-bearing debt (including pension and lease liabilities) less cash and bank balances
Items affecting comparability	Monitoring fee, acquisition related items and non-recurring costs such as restructuring costs.
Capital expenditures	Resources used to acquire intangible assets and property, plant and equipment
IFRS	The term "IFRS" as used in this document refers to the application of IAS and IFRS as well as the interpretations of these standards published by the IASB's Standards Interpretation Committee (SIC).

Polygon presents certain financial performance measures that are not defined in accordance with IFRS. Polygon believes that these performance measures provide useful supplementary information for investors and company management to enable an assessment of trends and the company's performance. Since not all companies calculate financial performance measures in the same manner, these performance measures are not always comparable with those used by other companies. The performance measures used are not to be seen as a replacement for the performance measures defined in accordance with IFRS but rather as a complement.

POLYGON GROUP AB, CORP. REG. NO. 559324-6548

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Signatures of the Board of Directors and CEO

The Board of Directors and the CEO hereby certify that the annual accounts were prepared in accordance with generally accepted accounting standards in Sweden, and that the consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) as defined 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, and provide a fair presentation of the Group and the Parent Company's financial position and earnings. The Board of Directors and the CEO also certify that the statutory administration report provides a fair presentation of the Group's and the Parent Company's operations, financial position and earnings and describes the material risks and uncertainties facing the Parent Company and the companies included in the Group.

Stockholm, April 2023

Martin Hamner
/Chairman/

Axel Gränitz
/Board member & CEO/

Ulf Gimbringer
/Board member/

Our audit report concerning this annual report was submitted on April 2023
Ernst & Young AB

Henrik Jonzén
/Authorised Public Accountant/

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Auditor's report

To the general meeting of the shareholders of Polygon Group AB, corporate identity number 559324-6548

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Polygon Group AB for the year 2022.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors [and the Managing Director].
- Conclude on the appropriateness of the Board of Directors' [and the Managing Director's] use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

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Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Polygon Group AB for the year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Stockholm, 27 April 2023

Ernst & Young AB

Henrik Jonzén
Authorized Public Accountant

POLYGON NORWAY HOLDING AS

Noter til regnskapet for 2022
(Beløp i 1 000 kr.)

Note 1 - Regnskapsprinsipper

Årsregnskapet er satt opp i samsvar med regnskapslovens bestemmelser og god regnskapsskikk.

Konsolideringsprinsipper
Regnskapet består av Polygon Norway Holding AS. Som heleid datterselskap av morselskap tilhørende i en EØS-stat, er det etter Regnskapslovens § 3-7 ikke utarbeidet konsernregnskap for morselskap i underkonsern. Konsernregnskapet kan fås utlevert ved henvendelse til Polygon AB i Stockholm, Sverige.

Salgsinntekter
Inntektsføring skjer på opptjeningstidspunktet.

Vurdering og klassifisering av balanseposter
Omløpsmidler og kortsiktig gjeld omfatter poster som forfaller til betaling innen ett år etter anskaffelsestidspunktet, samt poster som knytter seg til varekretsløpet. Øvrige poster er klassifisert som anleggsmiddel/langsiktig gjeld. Omløpsmidler vurderes til laveste av anskaffelseskost og virkelig verdi.

Investering i datterselskap
Investering i datterselskap regnskapsføres etter kostmetoden i selskapsregnskapet. Mottatt utbytte og konsernbidrag inntektsføres når utdelingen ikke overskrider opptjent egenkapital i egen eierperiode. Inntektsføring skjer samme år som utdelingen er avsatt for i datterselskapet.

Valuta
Pengeposter i utenlandsk valuta er vurdert etter kursen ved regnskapsårets slutt.

Skatt
Skattekostnaden i resultatregnskapet omfatter både periodens betalbare skatt og endring i utsatt skatt. Utsatt skatt er beregnet med 22 % på grunnlag av de midlertidige forskjeller som eksisterer mellom regnskapsmessige og skattemessige verdier ved utgangen av regnskapsåret. Skatteøkende og skattereduserende midlertidige forskjeller som reverserer eller kan reverseres i samme periode er utlignet og nettoført. Netto utsatt skattefordel balanseføres i den grad det er sannsynlig at denne kan bli nyttiggjort.

Kontantstrømoppstilling
Kontantstrømoppstillingen er satt opp etter den indirekte metode.

POLYGON NORWAY HOLDING AS

Noter til regnskapet for 2022

(Beløp i 1 000 kr.)

Note 2 - Ansatte, godtgjørelser, lån til ansatte m.v.

Polygon Norway Holding AS er et rent holdingselskap og det er ingen ansatte i selskapet. Daglig leder er ansatt i Polygon AS og får lønn i dette selskapet.

Honorar til revisor

Honorarer for lovpålagte revisjonstjenester	32
Honorarer for andre tjenester utenfor revisjonen	0

Alle beløp er eksklusive merverdiavgift.

Note 3 - Skatt

Årets skattekostnad fremkommer slik:	**2022**	**2021**
Endring i utsatt skatt	0	0
Årets totale skattekostnad	0	0

Årets skattegrunnlag fremkommer slik:

	2022	**2021**
Resultat før skattekostnad	-67 709	-9 926
Permanente forskjeller	60 000	2 837
Endring i midlertidige forskjeller	0	0
Tillegg/(fradrag) i inntekt for rentekostnader innen konsernet	0	0
Årets skattegrunnlag (underskudd til fremføring)	-7 709	-7 089

Oversikt over midlertidige forskjeller:

	2022	**2021**
Akkumulert fremførbart underskudd før konsernbidrag	-60 469	-52 760
Avskåret rentefradrag til fremføring	-8 851	-8 851
Netto midlertidige forskjeller pr 31.12	-69 320	-61 611
Forskjeller som ikke inngår i utsatt skatt/-skattefordel	-69 320	-61 610
Sum	0	0

POLYGON NORWAY HOLDING AS

Noter til regnskapet for 2022
(Beløp i 1 000 kr.)

Note 4 - Datterselskap, tilknyttet selskap m.v.

Firma	Anskaffelses tidspunkt	Forretnings - kontor	Eierandel	Stemme-andel
Datterselskap				
Polygon AS	30.11.2010	Oslo	100,00 %	100,00 %
Kaph Entreprenør AS	01.06.2021	Stavanger	100,00 %	100,00 %

Opplysninger om egenkapital og resultat ifølge siste årsregnskap

Firma	Egenkapital	Resultat
Polygon AS	8 383	-40 445
Kaph Entreprenør AS	11 977	2 537

Annen finansinntekt i resultatregnskapet inkluderer 2 107 i mottatt konsernbidrag fra Kaph Entreprenør AS.

Note 5 - Mellomværende med selskap i samme konsern m.v.

	Kortsiktige fordringer	
	2022	**2021**
Kaph Entreprenør AS	2 107	

	Kortsiktig gjeld		Langsiktig gjeld	
	2022	**2021**	**2022**	**2021**
Polygon AS	375	342		
Polygon AB, Sverige			119 665	119 665

Renter på lån innen konsernet blir beregnet med flytende rentesats og betalt løpende gjennom året, det er resultatført rentekostnader 9 765 i år mot 7 036 i fjor. Førøvrig ingen transaksjoner med nærstående parter.

I forbindelse med finansieringen av Polygon Group, er selskapets aksjer i Polygon AS pantsatt til fordel for Nordea Bank AB

POLYGON NORWAY HOLDING AS

Noter til regnskapet for 2022
(Beløp i 1 000 kr.)

Note 6 - Egenkapital

	Aksjekapital	Overkurs	Sum
Egenkapital 31.12.2021	34 221	52 669	86 890
Kapitalforhøyelse ved kontantinnskudd	336	39 665	40 000
Årsresultat		-67 709	-67 709
Egenkapital 31.12.2022	34 557	24 624	59 181

Note 7 - Aksjekapital og aksjonærinformasjon

Aksjekapitalen i POLYGON NORWAY HOLDING AS består av 335 500 aksjer a NOK 103 som i sin helhet eies av Polygon International AB, Sverige.

POLYGON NORWAY HOLDING AS

Kontantstrømoppstilling 01.01 - 31.12.2022
(Beløp i 1 000 kr.)

	2022	2021
Resultat før skattekostnad	-67 709	-9 925
Nedskrivning anleggsmidler	60 000	0
Konsernbidrag/utbytte inntektsført i perioden	-2 107	0
Endring i andre tidsavgrensninger	50	49
Netto kontantstrøm fra operasjonelle aktiviteter	**-9 766**	**-9 876**
Utbetalinger ved kjøp av aksjer og andeler i andre foretak	-60 000	-113 145
Tilbakebetaling av lån fra andre foretak	0	28 300
Netto kontantstrøm fra investeringsaktiviteter	**-60 000**	**-84 845**
Kapitalforhøyelse ved kontantinnskudd	40 000	130 000
Trekk konsernkontoordning	29 766	-35 279
Netto kontantstrøm fra finansieringsaktiviteter	**69 766**	**94 721**
Netto endring av likvider i året	0	0
Likvide midler pr. 1.1.	0	0
Likvide midler pr. 31.12.	**0**	**0**

POLYGON NORWAY HOLDING AS - ÅRSBERETNING FOR 2022

Virksomhetens art og hvor den drives
Polygon Norway Holding eier 100% av aksjene i Polygon AS og KAPH Entreprenør AS og er et rent holdingselskap. Virksomheten drives i Norge.

Fortsatt drift
I samsvar med regnskapsloven § 3-3a bekreftes det at forutsetningene om fortsatt drift er til stede. Til grunn for antagelsen ligger resultatprognoser for datterselskapene fram til og med 2025 og konsernets langsiktige strategiske planer for årene fremover. Selskapet har mottatt morselskapsgaranti av Polygon International AB. På bakgrunn av dette mener styret at fortsatt drift kan legges til grunn.

Arbeidsmiljø og personale
Polygon Norway Holding AS har ingen ansatte.

Miljørapportering
Polygon Norway Holding har ingen operativ virksomhet og har derved ingen forurensende effekt på det ytre miljø.

Resultat, kontantstrøm, investeringer, finansiering og likviditet

Driftsresultatet i selskapet var på kr 0 mill.

Samlet kontantstrøm fra operasjonelle aktiviteter i selskapet var på kr – 9,8 mill.

Totalkapitalen var ved utgangen av året kr 316,2 mill. Egenkapitalandelen pr 31.12.22 var 18,7%.

Finansiell risiko
Markedsrisiko
Selskapet har ingen aktivitet og er dermed ikke utsatt for markedsrisiko.

Kredittrisiko
Selskapet har ingen aktivitet og er dermed ikke utsatt for kredittrisiko.

Likviditetsrisiko
Styret vurderer likviditeten i selskapet som tilfredsstillende ut fra en vurdering av datterselskapenes evne til å gi utbytte og konsernbidrag.

Resultatdisponering
Styrets forslag til resultatdisponering for 2022 (tusen kroner):

Avsatt Utbytte	:	0
Til Annen egenkapital		- 67 909
Sum Disponering	:	- 67 909

Forsikring for styrets medlemmer og daglig leder

Gjennom morselskapet Polygon International AB er det tegnet styreforsikring for styrets medlemmer og daglig leder for deres mulige ansvar overfor foretaket og tredjepersoner med en forsikringsdekning på 20 mill. EUR. Styreansvarsforsikringen dekker alle datterselskaper til Polygon International AB.

Oslo, 29. juni 2023

DocuSigned by: F3D7B64173334SF...	DocuSigned by: Martin Hamner 349E77F96BCD4FB...	DocuSigned by: Kai Andersen 2BD0BD94A4E949B...
Axel Jörg Granitz	Martin Per Hamner	Kai Andersen
Styrets leder	Styremedlem	Styremedlem

DocuSigned by: Sigurd Austin D0FDB755C479461...

Sigurd Austin
Daglig leder

EY
Building a better working world

Statsautoriserte revisorer
Ernst & Young AS

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Tlf: +47 24 00 24 00

www.ey.no
Medlemmer av Den norske Revisorforening

UAVHENGIG REVISORS BERETNING

Til generalforsamlingen i Polygon Norway Holding AS

Konklusjon

Vi har revidert årsregnskapet for Polygon Norway Holding AS som består av balanse per 31. desember 2022, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening oppfyller årsregnskapet gjeldende lovkrav og gir et rettvisende bilde av selskapets finansielle stilling per 31. desember 2022 og av dets resultater og kontantstrømmer for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

Grunnlag for konklusjon

Vi har gjennomført revisjonen i samsvar med International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet nedenfor under *Revisors oppgaver og plikter ved revisjonen av årsregnskapet*. Vi er uavhengige av selskapet i samsvar med kravene i relevante lover og forskrifter i Norge og *International Code of Ethics for Professional Accountants* (inkludert internasjonale uavhengighetsstandarder) utstedt av International Ethics Standards Board for Accountants (IESBA-reglene), og vi har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Innhentet revisjonsbevis er etter vår vurdering tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Øvrig informasjon

Øvrig informasjon omfatter informasjon i selskapets årsrapport bortsett fra årsregnskapet og den tilhørende revisjonsberetningen. Styret og daglig leder (ledelsen) er ansvarlig for den øvrige informasjonen. Vår konklusjon om revisjonen av årsregnskapet dekker ikke den øvrige informasjonen, og vi attesterer ikke den øvrige informasjonen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese den øvrige informasjonen med det formål å vurdere om årsberetningen inneholder de opplysninger som skal gis i henhold til gjeldende lovkrav og hvorvidt det foreligger vesentlig inkonsistens mellom den øvrige informasjonen og årsregnskapet eller kunnskap vi har opparbeidet oss under revisjonen, eller hvorvidt den tilsynelatende inneholder vesentlig feilinformasjon. Dersom vi konkluderer med at den øvrige informasjonen inneholder vesentlig feilinformasjon eller ikke inneholder de opplysninger som skal gis i henhold til gjeldende lovkrav, er vi pålagt å rapportere det.

Vi har ingenting å rapportere i så henseende, og vi mener at årsberetningen er konsistent med årsregnskapet og inneholder de opplysninger som skal gis i henhold til gjeldende lovkrav.

Ledelsens ansvar for årsregnskapet

Ledelsen er ansvarlig for å utarbeide årsregnskapet og for at det gir et rettvisende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik intern kontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller feil.

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet med mindre ledelsen enten har til hensikt å avvikle selskapet eller virksomheten, eller ikke har noe annet realistisk alternativ.

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Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med ISA-ene, alltid vil avdekke vesentlig feilinformasjon. Feilinformasjon kan skyldes misligheter eller feil og er å anse som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke de økonomiske beslutningene som brukerne foretar på grunnlag av årsregnskapet.

Som del av en revisjon i samsvar med ISA-ene, utøver vi profesjonelt skjønn og utviser profesjonell skepsis gjennom hele revisjonen. I tillegg:

- identifiserer og vurderer vi risikoen for vesentlig feilinformasjon i årsregnskapet, enten det skyldes misligheter eller feil. Vi utformer og gjennomfører revisjonshandlinger for å håndtere slike risikoer, og innhenter revisjonsbevis som er tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon. Risikoen for at vesentlig feilinformasjon som følge av misligheter ikke blir avdekket, er høyere enn for feilinformasjon som skyldes feil, siden misligheter kan innebære samarbeid, forfalskning, bevisste utelatelser, uriktige fremstillinger eller overstyring av intern kontroll.
- opparbeider vi oss en forståelse av den interne kontrollen som er relevant for revisjonen, for å utforme revisjonshandlinger som er hensiktsmessige etter omstendighetene, men ikke for å gi uttrykk for en mening om effektiviteten av selskapets interne kontroll.
- evaluerer vi om de anvendte regnskapsprinsippene er hensiktsmessige og om regnskapsestimatene og tilhørende noteopplysninger utarbeidet av ledelsen er rimelige.
- konkluderer vi på om ledelsens bruk av fortsatt drift-forutsetningen er hensiktsmessig, og, basert på innhentede revisjonsbevis, hvorvidt det foreligger vesentlig usikkerhet knyttet til hendelser eller forhold som kan skape betydelig tvil om selskapets evne til fortsatt drift. Dersom vi konkluderer med at det eksisterer vesentlig usikkerhet, kreves det at vi i revisjonsberetningen henleder oppmerksomheten på tilleggsopplysningene i årsregnskapet, eller, dersom slike tilleggsopplysninger ikke er tilstrekkelige, at vi modifiserer vår konklusjon. Våre konklusjoner er basert på revisjonsbevis innhentet frem til datoen for revisjonsberetningen. Etterfølgende hendelser eller forhold kan imidlertid medføre at selskapet ikke kan fortsette driften.
- evaluerer vi den samlede presentasjonen, strukturen og innholdet i årsregnskapet, inkludert tilleggsopplysningene, og hvorvidt årsregnskapet gir uttrykk for de underliggende transaksjonene og hendelsene på en måte som gir et rettvisende bilde.

Vi kommuniserer med styret blant annet om det planlagte omfanget av og tidspunktet for revisjonsarbeidet og eventuelle vesentlige funn i revisjonen, herunder vesentlige svakheter i den interne kontrollen som vi avdekker gjennom revisjonen.

Oslo, 4. juli 2023
ERNST & YOUNG AS

Revisjonsberetningen er signert elektronisk

Håvard Norstrøm
statsautorisert revisor

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"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Håvard Norstrøm
Statsautorisert revisor
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