Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2024 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode:	01.01.2024 - 31.12.2024

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:	27.06.2025

Grunnlag for avgivelse

År 2024: Årsregnskapet er elektronisk innlevert
År 2023: Tall er hentet fra elektronisk innlevert årsregnskap fra 2024

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, 13.08.2025

Resultatregnskap

Beløp i: NOK	Note	2024	2023
RESULTATREGNSKAP			
Kostnader			
Annen driftskostnad	2	67 000	50 000
Sum kostnader		**67 000**	**50 000**
Driftsresultat		**-67 000**	**-50 000**
Finansinntekter og finanskostnader			
Annen renteinntekt			4 000
Annen finansinntekt		61 426 000	12 500 000
Sum finansinntekter		**61 426 000**	**12 504 000**
Nedskrivning av finansielle eiendeler			40 000 000
Rentekostnad til foretak i samme konsern		16 473 000	14 928 000
Sum finanskostnader		**16 473 000**	**54 928 000**
Netto finans		**44 953 000**	**-42 424 000**
Resultat før skattekostnad		**44 886 000**	**-42 474 000**
Skattekostnad	3		
Årsresultat		**44 886 000**	**-42 474 000**
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		44 886 000	-42 474 000
Sum overføringer og disponeringer		**44 886 000**	**-42 474 000**

Balanse

Beløp i: NOK	Note	2024	2023
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	4	373 957 000	314 191 000
Sum finansielle anleggsmidler		**373 957 000**	**314 191 000**
Sum anleggsmidler		**373 957 000**	**314 191 000**
Omløpsmidler			
Varer			
Fordringer			
Konsernfordringer	5	61 426 000	14 607 000
Sum fordringer		**61 426 000**	**14 607 000**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		4 000	4 000
Sum bankinnskudd, kontanter og lignende		**4 000**	**4 000**
Sum omløpsmidler		**61 430 000**	**14 611 000**
SUM EIENDELER		**435 387 000**	**328 802 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	6,7	34 892 000	34 892 000
Overkurs	6	66 701 000	21 814 000
Sum innskutt egenkapital		**101 593 000**	**56 706 000**
Sum egenkapital		**101 593 000**	**56 706 000**

Balanse

Beløp i: NOK	Note	2024	2023
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Langsiktig konserngjeld	5	119 665 000	119 665 000
Øvrig langsiktig gjeld			74 915 000
Sum annen langsiktig gjeld		**119 665 000**	**194 580 000**
Sum langsiktig gjeld		**119 665 000**	**194 580 000**
Kortsiktig gjeld			
Kortsiktig konserngjeld	5	79 399 000	77 466 000
Annen kortsiktig gjeld		134 731 000	50 000
Sum kortsiktig gjeld		**214 130 000**	**77 516 000**
Sum gjeld		**333 795 000**	**272 096 000**
SUM EGENKAPITAL OG GJELD		**435 388 000**	**328 802 000**

EY
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Statsautoriserte revisorer
Ernst & Young AS

Stortorvet 7, 0155 Oslo
Postboks 1156 Sentrum, 0107 Oslo

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

www.ey.no
Medlemmer av Den norske Revisorforening

Til generalforsamlingen i Polygon Norway Holding AS

UAVHENGIG REVISORS BERETNING

Konklusjon

Vi har revidert årsregnskapet for Polygon Norway Holding AS som består av balanse per 31. desember 2024, 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 årsregnskapet et rettvisende bilde av selskapets finansielle stilling per 31. desember 2024 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

Styret og daglig leder (ledelsen) er ansvarlige for informasjonen i årsberetningen og annen øvrig informasjon som er publisert sammen med årsregnskapet. Øvrig informasjon omfatterårsberetningen. Vår konklusjon om årsregnskapet ovenfor dekker verken informasjonen i årsberetningen eller annen øvrig informasjon.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese årsberetningen og annen øvrig informasjon. Formålet er å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom årsberetningen, annen øvrig informasjon og årsregnskapet og den kunnskap vi har opparbeidet oss i revisjonen av årsregnskapet, eller hvorvidt informasjon i årsberetningen og annen øvrig informasjon ellers fremstår som vesentlig feil. Vi har plikt til å rapportere dersom årsberetningen eller annen øvrig informasjon fremstår som vesentlig feil. Vi har ingenting å rapportere i så henseende.

Basert på kunnskapen vi har opparbeidet oss i revisjonen, mener vi 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 utilsiktede feil.

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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.

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 utilsiktede 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 oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjonen 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 utilsiktede 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 utilsiktede feil, siden misligheter kan innebære samarbeid, forfalskning, bevisste utelatelser, uriktige fremstillinger eller overstyring av intern kontroll.
- opparbeider vi oss en forståelse av intern kontroll 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 tvil av betydning 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 innholdet i og tidspunkt for revisjonsarbeidet og eventuelle vesentlige funn i revisjonen, herunder vesentlige svakheter i intern kontroll som vi avdekker gjennom revisjonen.

Oslo, 1. juli 2025
ERNST & YOUNG AS

Revisjonsberetningen er signert elektronisk

Håvard Norstrøm
statsautorisert revisor

PENNEO

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur". De signerende parter sin identitet er registrert, og er listet nedenfor.

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

Norstrøm, Håvard
Statsautorisert revisor
På vegne av: Ernst & Young AS
Serienummer: no_bankid:9578-5997-4-227067
IP: 147.161.xxx.xxx
2025-07-01 10:35:03 UTC

bankID

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POLYGON NORWAY HOLDING AS

Noter til regnskapet for 2024
(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 2024

(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	34
Honorarer for andre tjenester utenfor revisjonen	6

Alle beløp er eksklusive merverdiavgift.

Note 3 - Skatt

Årets skattekostnad fremkommer slik:	**2024**	**2023**
Endring i utsatt skatt	0	0
Årets totale skattekostnad	0	0

Årets skattegrunnlag fremkommer slik:

	2024	**2023**
Resultat før skattekostnad	44 886	-42 474
Permanente forskjeller	0	40 000
Endring i midlertidige forskjeller	0	0
Tillegg/(fradrag) i inntekt for rentekostnader i konsern	0	0
Årets skattegrunnlag (underskudd til fremføring)	44 886	-2 474

Oversikt over midlertidige forskjeller:

	2024	**2023**
Akkumulert fremførbart underskudd før konsernbidrag	-18 056	-62 943
Avskåret rentefradrag til fremføring	0	-8 851
Netto midlertidige forskjeller pr 31.12	-18 056	-71 794
Forskjeller som ikke inngår i utsatt skatt/-skattefordel	-18 056	-71 794
Sum	0	0

Det er etter en konkret vurdering besluttet å ikke balanseføre utsatt skattefordel.

POLYGON NORWAY HOLDING AS

Noter til regnskapet for 2024

(Beløp i 1 000 kr.)

Note 4 - Datterselskap, tilknyttet selskap m.v.

Firma	Anskaffelses tidspunkt	Forretnings - kontor	Eierandel	Stemme-andel	Balanseført verdi
Datterselskap					
Polygon AS	30.11.2010	Oslo	100,00 %	100,00 %	126 131
Kaph Entreprenør AS	01.06.2021	Stavanger	100,00 %	100,00 %	247 826

Opplysninger om egenkapital og resultat ifølge siste årsregnskap

Firma	Egenkapital	Resultat
Polygon AS	70 673	21 308
Kaph Entreprenør AS	25 144	46 523

Annen finansinntekt i resultatregnskapet inkluderer 61 426 i mottatt konsernbidrag fra Kaph Entreprenør AS.

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

	Kortsiktige fordringer	
	2024	2023
Kaph Entreprenør AS	61 426	14 607

	Kortsiktig gjeld		Langsiktig gjeld	
	2024	2023	2024	2023
Polygon AS	488	421		
Polygon AB, Sverige	78 911	77 044	119 665	119 665

Selskapets driftskonto i Nordea inngår i morselskapets konsernkontoordning, trekk i og innskudd på denne bankkontoen inngår som kortsiktig mellomværende med Polygon AB.

Renter på lån innen konsernet blir beregnet med flytende rentesats og betalt løpende gjennom året, det er resultatført rentekostnader 16 473 i år mot 14 928 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 2024
(Beløp i 1 000 kr.)

Note 6 - Egenkapital

	Aksjekapital	Overkurs	Sum
Egenkapital 31.12.2023	34 892	21 814	56 706
Årsresultat		44 886	44 886
Egenkapital 31.12.2024	34 892	66 701	101 593

Note 7 - Aksjekapital og aksjonærinformasjon

Aksjekapitalen i POLYGON NORWAY HOLDING AS består av 335 500 aksjer a NOK 104 som i sin helhet eies av Polygon International AB, Sverige.

POLYGON NORWAY HOLDING AS

Kontantstrømoppstilling 01.01 - 31.12.2024

(Beløp i 1 000 kr.)

	2024	2023
Resultat før skattekostnad	44 886	-42 474
Nedskrivning anleggsmidler	0	40 000
Konsernbidrag/utbytte inntektsført i perioden	-61 426	-12 500
Endring i andre tidsavgrensninger	67	48
Netto kontantstrøm fra operasjonelle aktiviteter	**-16 473**	**-14 926**
Utbetalinger ved kjøp av aksjer og andeler i andre foretak	0	-40 000
Netto kontantstrøm fra investeringsaktiviteter	**0**	**-40 000**
Kapitalforhøyelse ved kontantinnskudd	0	40 000
Innbetalinger av konsernbidrag	14 607	0
Trekk konsernkontoordning	1 867	14 930
Netto kontantstrøm fra finansieringsaktiviteter	**16 473**	**54 930**
Netto endring av likvider i året	0	4
Likvide midler pr. 1.1.	4	0
Likvide midler pr. 31.12.	**4**	**4**

POLYGON

Polygon Group AB

Annual Report and consolidated financial statements 2024

THIS IS A TRANSLATION FROM THE SWEDISH ORIGINAL

Contents

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 2024 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, public 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 and 71 (66) 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.

2024 FINANCIAL YEAR

Consolidated sales for the financial year amounted to EUR 1,498.9 million (1,305.9) and operating income to EUR 47.1 million (38.2). Operating income was charged with items affecting comparability of EUR 9.7 million (7.7).

	2024	2023
EBIT (operational profit/(loss))	47.1	38.2
Amortization and depreciation of assets in connection with acquisition	17.5	19.0
IAC (items affecting comparison)	9.7	7.7
Adjusted EBITA	**74.3**	**65.0**
Adjusted EBITA Margin	**5.0%**	**5.0%**
Depreciation of operational assets	74.5	65.1
Adjusted EBITDA	**148.8**	**130.1**
Adjusted EBITDA Margin	**9.9%**	**10.0%**

Operating profit adjusted for items affecting comparability (adjusted EBITA) amounted to EUR 74.3 million, which was in line with budget.

During 2024, eight acquisitions have been made. In the first quarter, the subsidiary Polygon Ireland Ltd acquired the assets in React Ireland Ltd, a well-established player in the property damage restoration industry. The subsidiary Polygon Schweiz AG acquired GlassResQ AG and Axis Project GmbH, which are the leading entities in Switzerland's glass and smart surface repair industry.

In the second quarter, Polygon entered Spain, as its 18th country acquiring Alron Disinfection & Restoration Services S.L.

In the third quarter, the subsidiary Polygon France SAS acquired Sodepol Group, a renowned company, specializing in property damage restoration, including asbestos removal services. The subsidiary Polygon Deutschland GmbH acquired Glassresq GmbH, a specialized glass smart repair company. These acquisitions add about EUR 19.5 million of sales and 108 employees.

No acquisitions were made during Q4.

The total cash expenditure for acquisitions amounted to EUR 35.2 million 2024, whereof EUR 20.5 million was contingent considerations (earn-outs from previous year's acquisitions), remaining part is related to acquisitions during 2024.

Items affecting comparability comprise the following expenses and revenue:

	2024	2023
Acquisition related - transaction cost	-1,232	-2,354
Acquisition related - integration cost	-4,698	-1,739
Acquisition related - contingent considerations adj	4,902	836
Monitoring fee	-3,000	-3,000
Restructuring costs	-5,676	-1,439
Total	**-9,704**	**-7,696**

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

FINANCING AND LIQUIDITY

The Group's long-term loan financing mainly consists of First Lien Facility EUR 545 million (485) which matures in October 2028, Second Lien Facility EUR 120 million (120) which matures in October 2029 and Revolving Facility EUR 30 million (25) which matures in April 2028.

During the year new borrowing were made under First Lien Facility with a total amount of EUR 60 million (EUR 58.5 million after fees) and an additional amount of EUR 5 million from the Revolving Facility were used. The weighted average interest rate on external loans and borrowings, including margins, was 7.75 % (7.82%) per annum.

The Group has received shareholder's capital contribution of EUR 18.3 million (19.9), corresponding to the amount that Polygon management invested in new shares in PolyStorm Topco AB.

Cash and cash equivalents at 31 December 2024 amounted to EUR 10.7 million (10.3). Cash flow from operating activities in 2024 was EUR 100.9 million (127.4). Adjusted Operating cash flow amounted to EUR 41.5 million (64.2).

CAPITAL EXPENDITURES

The Group's capital expenditure on property, plant and equipment for the period amounted to EUR 29.6 million (31.7). In addition, the Group upgraded its IT systems for EUR 4.2 million (3.3). Total depreciation and amortisation excluding right-of-use assets amounted to EUR 44.2 million (43.6) during the period, of which EUR 25.4 million (23.8) pertained to depreciation of property, plant and equipment and EUR 18.8 million (19.8) to amortisation of intangible assets. New leasing contracts presented as a right-of-use assets amounted to EUR 76.0 million (69.9) for the year. Depreciation of right-of-use assets amounted to EUR 47.4 million (40.5).

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.

RESEARCH AND DEVELOPMENT

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

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 2024 was 7,966 (7,394). For more information, see Note 8 Salaries, social security expenses and employee benefits.

TAX

The recognised effective tax rate is 45.8% (13.9%), The effective tax is affected by non-deductible interest costs and changes in deferred tax expense related to unrealized FX effects (between SEK and EUR) on intra-group loan receivables held by the Swedish companies.

The average tax rate in the countries where the Group operates is approximately 26.1% (26.3%).

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 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 year-end, the Group had EUR 50.6 million (49.2) available 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 17 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. Polygon has prepared the sustainability report as a separate report from the annual report. The sustainability has been submitted to the company's auditors on the same date as the Annual Report. The sustainability report can be found on polygons website:
www.polygongroup.com/Financial%20Reports/financial-reports/

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 -55.3 million (57.7). Cash and cash equivalents at the end of the year amounted to EUR 116.5 million (111.8), which was included in the Group's cash pool. The Parent Company's assets amounted to EUR 1,427.9 million (1,401.8) and equity to EUR 535.8 million (573.7).

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 56,188,488, together with retained earnings of EUR 591,995,366, amounting to a total of EUR 535,806,878, to be carried forward.

Consolidated financial statements

Consolidated income statement

	Note	2024	2023
Revenue from contracts with customers	4	1,498,917	1,305,858
Cost of sales	5,7,8	-1,191,186	-1,036,824
Gross profit		**307,731**	**269,034**
Selling and administrative expenses	5,6,7,8	-248,188	-218,174
Other operating income and expenses	5	-12,446	-12,636
Operating profit or loss		**47,097**	**38,224**
Financial income	9	2,076	511
Financial expenses	9	-72,209	-63,467
Profit or loss after financial items		**-23,036**	**-24,732**
Income taxes	10	-9,644	-3,440
Net profit or loss for the year		**-32,680**	**-28,172**
Net profit or loss for the year			
Attributable to owners of the company		-32,687	-28,172
Attributable to non-controlling interest		8	-
Total		**-32,680**	**-28,172**

Consolidated statement of comprehensive income

	Note	2024	2023
Net profit or loss for the year		**-32,680**	**-28,172**
Consolidated statement of comprehensive profit or loss			
Items that can not be reclassified to profit or loss			
Actuarial gains and losses on defined benefit plans	23	-725	-280
Income tax effects on other comprehensive profit or loss		-842	72
Items that later can be reclassified to profit or loss			
Translation difference	21	7,799	-2,918
Other comprehensive profit or loss		**6,232**	**-3,126**
Total comprehensive profit or loss for the year, net of tax		**-26,448**	**-31,298**
Total comprehensive profit or loss for the year			
Attributable to owners of the company		-26,456	-31,298
Attributable to non-controlling interest		8	-
Total		**-26,448**	**-31,298**

Consolidated balance sheet

	Note	2024	2023
ASSETS			
Non-current assets			
Goodwill	11,13	846,768	834,604
Other intangible assets	12,13	190,692	197,865
Right-of-use assets	14	152,003	126,642
Property, plant and equipment	15	96,159	90,835
Deferred tax assets	10	7,911	7,944
Other financial assets	16,30	1,229	3
Total non-current assets		**1,294,762**	**1,257,893**
Current assets			
Account receivables	17,30	213,195	210,417
Contract assets	18	108,530	106,663
Current tax receivables		1,599	1,651
Other current financial assets	30	9,184	8,711
Prepaid expenses	19	13,277	12,153
Cash and cash equivalents	20,30	10,695	10,294
Total current assets		**356,480**	**349,889**
TOTAL ASSETS		**1,651,242**	**1,607,782**
EQUITY AND LIABILITIES			
Equity	21		
Issued capital		2	2
Translation reserve		11,430	3,631
Retained earnings including net result for the year		474,412	490,366
Equity attributable to owners of the parent company		**485,844**	**493,999**
Non-controlling interests		8	-
Total equity		**485,851**	**493,999**
Non-current liabilities			
Non-current interest-bearing liabilities	30,31,32	684,763	619,792
Non-current lease liability	22,30,31,32	110,611	91,555
Post-employment benefit provisions	23	5,145	4,480
Other provisions	3,24,30,32	4,403	29,656
Deferred tax liabilities	10	75,547	68,510
Total non-current liabilities		**880,469**	**813,993**
Current liabilities			
Account payables	30	62,206	89,904
Current lease liability	22,30,31,32	49,895	41,852
Current interest-bearing liabilities	30,31,32	3,362	1,314
Other provisions	3,23,25,30	21,357	22,076
Current income tax liabilities		10,535	12,310
Other current liabilities	18,26,30	50,825	53,979
Accrued expenses	27,30,32	86,742	78,355
Total current liabilities		**284,922**	**299,790**
TOTAL EQUITY AND LIABILITIES		**1,651,242**	**1,607,782**

Pledged assets and contingent liabilities are stated in 28 and 29.

Consolidated statement of cash flow

	Note	2024	2023
Operating activities			
Operating profit or loss		47,097	38,224
Adjustments for non cash items included in operating income	34	85,418	84,486
Income tax paid		-8,151	-3,417
Cash flow from operating activities before changes in working capital		**126,338**	**119,293**
Cash flow from changes in working capital:			
Changes in operating receivables		3,263	-34,737
Changes in contract assets and liabilities		3,447	14,166
Changes in operating liabilities		-30,204	28,654
Cash flow from operating activities		**102,844**	**127,376**
Investing activities			
Business combinations, net of cash acquired	3	-35,190	-18,020
Purchase of property, plant and equipment	15	-29,561	-31,726
Purchase of intangible fixed assets	12	-4,193	-3,297
Sale of fixed assets		1,299	881
Net cash flows used in investing activities		**-67,645**	**-52,162**
Cash flow before financing activities		**35,199**	**75,214**
Cash flows from financing activities			
Shareholder's capital contribution*		18,300	19,934
New borrowings		58,500	-
Revolving facility		30,000	15,000
Repayment of borrowings from related parties		-	-8,000
Repayment of borrowings		-1,203	-836
Repayment of revolving facility		-25,000	-
Utilization of overdraft		1,998	421
Lease payments		-45,675	-39,571
Financial income received		905	409
Financial costs paid**		-72,559	-59,535
Net cash flows from financing activities		**-34,734**	**-72,178**
Cash flow for the year		**465**	**3,036**
Cash and cash equivalents, opening balance		10,294	7,602
Translation difference in cash and cash equivalents		-64	-344
Cash and cash equivalents, closing balance		**10,695**	**10,294**

*Capital contribution original from management equity investments in Polystorm Topco AB, passed on to Polygon Group through intermediate companies Polystorm Midco AB and Polystorm Pledgeco AB

** Of which paid interest expenses EUR 67.3 million (57.9)

Consolidated statement of changes in equity

	Share capital	Translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
Closing balance, December 31 2022, as restated	**2**	**6,549**	**498,812**	**505,363**	**-**	**505,363**
Net profit or loss for the year	-	-	-28,172	-28,172	-	-28,172
Actuarial gains/losses	-	-	-280	-280	-	-280
Translation reserve	-	-3,157	-	-3,157	-	-3,157
Tax related to items in other comprehensive profit or loss	-	239	72	311	-	311
Total comprehensive profit or loww for the year	**-**	**-2,918**	**-28,380**	**-31,298**	**-**	**-31,298**
Transactions with shareholders						
Shareholder's contribution, unconditional	-	-	19,934	19,934	-	19,934
Closing balance, 31 December 2023	**2**	**3,631**	**490,366**	**493,999**	**-**	**493,999**
Net profit or loss for the year	-	-	-32,687	-32,687	8	-32,680
Actuarial gains/losses	-	-	-725	-725	-	-725
Translation reserve	-	8,205	-	8,205	-	8,205
Tax related to items in other comprehensive profit or loss	-	-406	-842	-1,248	-	-1,248
Total comprehensive profit or loss for the year	**-**	**7,799**	**-34,254**	**-26,455**	**8**	**-26,447**
Transactions with shareholders						
Shareholder's contribution, unconditional	-	-	18,300	18,300	-	18,300
Closing balance, 31 December 2024	**2**	**11,430**	**474,412**	**485,844**	**8**	**485,851**

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 Mäster Samuelsgatan 42, 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 90.7 % 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 Basis of preparation

The consolidated financial statements have been prepared in accordance with the IFRS accounting standards published by the International Accounting Standards Board (IASB), as endorsed by the EU. In addition, the Swedish Annual Accounts Act and the Swedish Corporate Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups has been applied.

The consolidated financial statements have been prepared in accordance with the historical cost convention method except where a fair value measurement is required according to IFRS. Assets and liabilities measured at fair value are contingent considerations and derivatives. Shareholder's contributions have been accounted for in Equity as Retained earnings.

Presentation currency

The presentation currency of the Group is euro (EUR), which is the functional currency of the Parent Company. Unless otherwise specified, all amounts are stated in thousands of euros.

Reporting period

The reporting period is the financial year from 1 January 2024 to 31 December 2024, and all balance sheet items refer to 31 December 2024. The preceding financial year was 1 January 2023 to 31 December 2023 and the balance sheet items for this period refer to 31 December 2023.

Basis of consolidation

The consolidated financial statements include the Parent Company and its subsidiaries. Subsidiaries are all companies over which Polygon Group AB holds a controlling influence.

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 Dec 31 2024	Average rate 2024	Closing balance rate Dec 31 2023	Average rate 2023
CAD	0.6651	0.6748	0.6830	0.6852
CHF	1.0599	1.0501	1.0799	1.0297
DKK	0.1341	0.1341	0.1342	0.1342
GBP	1.2055	1.1813	1.1507	1.1500
NOK	0.0844	0.0860	0.0890	0.0876
SEK	0.0871	0.0875	0.0901	0.0871
SGD	0.7059	0.6917	0.6854	0.6885
USD	0.9575	0.9238	0.9050	0.9247

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 2024

New or amended standards effective during the year have not had any significant impact on the consolidated financial statements.

IFRS adopted by the EU effective on or after 2025

Polygon Group has not pre-adopted any of the new or amended standards effective on or after January 1, 2025. Polygon Group intends to comply with these standards when they come into force. Most of the new or amended standards are expected to have no or limited impact on Polygon Group's financial statements when they are applied for the first time. Regarding IFRS 18 Presentation and Disclosure in Financial Statements with the effective date January 1, 2027, the group is analyzing the effects has not yet concluded the impact.

Note 2.3 Summary of key accounting policies

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 intercompany long-term liabilities are recognised in other comprehensive income, together with the related deferred tax effect.

Business combinations and goodwill

Business combinations are recognised according to the acquisition method. When a business combination occurs, the identifiable assets acquired and the liabilities assumed are measured at their fair values. 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.

Other intangible assets arising from business combinations can include intangible assets such as marketing-related, client-related, contract-related, brand-related and technology-based intangible assets. The Groups intangible assets related to business combinations mainly relates to customer relations and order backlog. The valuation method used for customer relations and order backlog is the Multi-period Excess Earnings Method (MEEM).

Other intangible assets

Apart from goodwill the Groups intangible assets consists of the Polygon trademark, customer relations, order backlog, patent, licenses and software.

The Polygon trademark was acquired through the business combination of Polygon Holding in 2021. Since the Polygon trademark is estimated to have an indefinite useful life it is not amortised but tested annually for impairment and whenever there is an indication that the asset may be impaired.

All other intangible assets have a definite useful life and are amortised on a straight-line basis over their estimated useful lives and are reviewed on every balance sheet date.

Amortisation is calculated as follows:

	Years
Patent, licenses and software	3-8
Customer relations	8-11

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

Right-of-use assets

The right-of-use asset are initially measured at an amount equal to the lease liability, calculated as present value of the future lease payments. The depreciation period amounts to shorter of the assets useful life and 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. If payment or other terms and conditions are amended, the right-of-use asset and the lease liability is remeasured, and this also applies if the term is extended. Polygon has chosen to apply the exemption rules for short-term (duration of 12 months or less) leases and low-value leases. 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
Rent of premises	3-13
Vehicles	1-5
Other equipment	1-4

For further information, see Note 22 .

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 measured using the cost model. The depreciation is linear and based on the cost of the asset adjusted with residual values when applicable and estimated useful lives. Land is not depreciated.

Depreciation is calculated as follows:

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

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.

Since it is not possible to individually test Goodwill and Trademark for impairment, they are allocated to one or more cash-generating units, depending on how goodwill and trademark are monitored for internal control purposes. Polygon has allocated goodwill and trademark to three cash-generating units: Nordics & UK, Continental Europe, and North America & Asia.

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. 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.

A financial asset or a portion of a financial asset is derecognised from the balance sheet when the contractual rights have been realised, mature or the company loses control over them. A financial liability or a portion of a financial liability is derecognised from the balance sheet when the contractual obligation has been fulfilled, cancelled or expired. 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.

Fair value through profit or loss

Some of the Group's business combinations 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 in the fair value hierarchy since there is no observable market data to apply. Fair value is determined according to the description in Note 30 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.

Impairment of financial assets

The Group's financial assets measured at amortised cost and contract assets are continuously reviewed according to the expected credit loss model to assess need for credit loss provisions. 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. 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 2023 is presented in Note 17 Accounts receivable.

Provisions

The Group's provisions mainly consist of contingent considerations. Provisions for contingent considerations are based on an assessment made by the executive management concerning the probable outcome. The Group follows IFRS 9 when determining the contingent considerations.

Employee benefits

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. The calculation is based on actuarial computation methods. The total net obligation for all plans is recognised in the consolidated balance sheet.

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, as well as commercial, public and private property owners.

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.

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.

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. Polygon uses the input method based on costs incurred relative to the total expected project costs to determine the percentage of completion. The portfolio approach is applied to the large amount of small (under EUR 100 thousand) obligations that make up the bulk of the Group's business. The portfolio approach allows bundling of similar agreements and performance obligations for the revenue recognition.

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.

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

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.

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 at the reporting date.

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, 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, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Polygon Group has applied the temporary exception from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

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.

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

The accounting for leases includes critical estimates and judgments of the leasing term and discount rate.

Determining the lease term requires management judgment as the estimated lease term includes the non-cancellable period of the lease together with both periods covered by extension options, if the lessee is reasonably certain to exercise that option, and periods covered by termination options if the lessee is reasonably certain not to exercise that option. Extension options or periods after termination options are only included in the leasing term if the lease is reasonable certain to be extended. Extension options are generally not included in the lease term since the assets can be replaced without significant costs or business disruption. If the lease doesn't have an end date 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 historical average lease term for the respective right-of-use asset.

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.

Impairment of Goodwill and Trademarks

Goodwill and Trademark are tested for impairment annually and whenever there is an indication that the asset may be impaired. If the recoverable amount of the asset is less than its carrying amount, an impairment loss is recognized. Goodwill is allocated and tested at the level of cash-generating units which are identified as the Group's three geographical markets.

The assumptions that have been made in the impairment test and related sensitivity analysis are further explained in Note 13 Impairment testing of goodwill and trademarks. The key assumptions relate primarily to assumptions about future sales and profit growth as well as assumptions about the discount rate.

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 . 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 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 17 Accounts receivable).

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.

During 2024, eight acquisitions have been made. In the first quarter, the subsidiary Polygon Ireland Ltd acquired the assets in React Ireland Ltd, a well-established player in the property damage restoration industry. The subsidiary Polygon Schweiz AG acquired GlassResQ AG and Axis Project GmbH, which are the leading entities in Switzerland's glass and smart surface repair industry.

In the second quarter, Polygon entered Spain, their 18th country acquiring Alron Disinfection & Restoration Services S.L.

In the third quarter, the subsidiary Polygon France SAS acquired Sodepol Group, a renowned company, specializing in property damage restoration, including asbestos removal services. The subsidiary Polygon Deutschland GmbH acquired Glassresq GmbH, a specialized glass smart repair company. These acquisitions add about EUR 19.5 million of sales and 108 employees.

The total cash expenditure for acquisitions amounted to EUR 35.2 million for the year.

Acquisition-related transaction costs of EUR 1.2 million are included in selling and administrative expenses in the consolidated income statement.

During the year, the above acquisitions contributed net sales of EUR 17.2 million, if had they been owned for the entire year, they would have contributed sales of EUR 21.9 million.

The amounts and assessments for 2024 are preliminary.

Contingent considerations have been recognised mainly based on an assessment of future profitability development in the acquired entities for an agreed period. The contingent considerations are unlimited and are included in the row "Other provisions" in the balance sheet, divided into current and non-current liabilities. Contingent considerations totalled EUR 19.7 million (45.3) and were distributed as follows: EUR 3.8 million (27.5) in non-current liabilities and EUR 15.9 million (17.8) in current liabilities.

No operations were divested during 2024.

Business combinations

	2024	2023
Fair value recognised on acquisition		
Customer relationships	4,849	5,883
Acquired order backlog	1,275	2,819
Tangible and intangible assets	2,321	2,662
Current receivables	8,363	8,193
Total identifiable assets at fair value	**16,808**	**19,557**
Long-term loans and other liabilities	741	24
Current liabilities	6,152	7,021
Deferred tax liabilities	1,606	1,870
Less: Cash and cash equivalents	-1,821	-3,705
Total identifiable liabilites less cash at fair value	**6,678**	**5,210**
Total identifiable net assets at fair value	**10,130**	**14,347**
Goodwill	6,761	2,423
Purchase consideration	**16,891**	**16,770**

	2024	2023
Purchase consideration		
Cash paid	16,525	11,700
Liability to seller	366	5,070
Total consideration	**16,891**	**16,770**
Analysis of cash flows on acquisition:		
Net cash acquired with the subsidiary	-1,821	-3,705
Contingent considerations	20,486	10,150
Cash paid	16,525	11,700
Translation difference	-	-125
Net cash flows on acquisition	**35,190**	**18,020**

Acquisitions after the end of the period

On January 31 2025, Polygon Belgium NV acquired Respo Group BV and Respo Repair Belux BV, Belgium's market leader in Smart Repair with additional operations in the Netherlands. The acquisition was made at a purchase consideration of EUR 6.2 million.

A preliminary purchase price allocation shows identifiable assets at fair value of EUR 4.5 million, identifiable liabilities less cash at fair value of EUR 1.8 million and goodwill of EUR 3.5 million

The acquisition adds about EUR 4 million of sales and 34 employees.

Company	Country	Corp.ID. No.	Ownership	Closing date	Annual net sales (estimated) MEUR	No of employees*
React Ireland Ltd	Northern Ireland	Asset deal	100%	06/02/2024	3.0	21
Axis Project GmbH	Switzerland	CHE-336.923.174	100%	06/03/2024	1.0	9
GlassResQ AG	Switzerland	CHE-473.892.029	100%	06/03/2024	4.0	13
Alron Disinfection & Restoration Servic	Spain	B88635081	100%	13/05/2024	1.5	17
WCMI - Sodepol	France	443642681	100%	29/08/2024	4.0	15
Ferrie SAS	France	891691792	100%	29/08/2024	3.0	11
2A Desamiantage SARL	France	753595768	100%	29/08/2024	2.0	7
Glassresq GmbH	Germany	Asset deal	100%	03/09/2024	1.0	15
					19.5	**108**

* at the time of acquistion

Note 4 Sales of service

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

2024	Nordic & UK	Continental Europe	North America & Asia	Eliminations	Group Total
Net sales per service line					
Water damage restoration	226,213	550,120	9,878	-1,596	784,615
Fire damage restoration	161,262	482,466	1,374	-	645,102
Climate control	8,411	15,751	45,038	-	69,200
Total net sales	**395,886**	**1,048,337**	**56,290**	**-1,596**	**1,498,917**

2023	Nordic & UK	Continental Europe	North America & Asia	Eliminations	Group Total
Net sales per service line					
Water damage restoration	185,419	456,599	9,787	-932	650,873
Fire damage restoration	151,015	433,690	1,892	-	586,597
Climate control	8,646	15,144	44,598	-	68,388
Total net sales	**345,080**	**905,433**	**56,277**	**-932**	**1,305,858**

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

Timing of transferring the services by geographical market.

2024	Nordic & UK	Europe	North America	Eliminations	Group Total
Net sales per timing of transfering the services					
Revenue recognised at one point in time	11,108	73,831	-	-1,572	83,367
Revenue recognised over time	384,778	974,506	56,290	-24	1,415,550
Total net sales	**395,886**	**1,048,337**	**56,290**	**-1,596**	**1,498,917**

2023	Nordic & UK	Europe	North America	Eliminations	Group Total
Net sales per timing of transfering the services					
Revenue recognised at one point in time	9,866	96,914	3	-623	106,160
Revenue recognised over time	335,214	808,519	56,274	-309	1,199,698
Total net sales	**345,080**	**905,433**	**56,277**	**-932**	**1,305,858**

For information regarding contract assets and contract liabilities see note 18.

Note 5 Breakdown of expenses by category

	2024	2023
Payroll expenses	506,247	449,603
Subcontractor expenses	587,439	490,033
Other operating expenses	200,801	185,664
Depreciations/ scrapping	91,971	84,133
Other expenses	62,676	52,338
Gains (-)/losses/write-offs of assets	-635	499
Acquisition related expenses & Monitoring fe	3,321	5,364
Total	**1,451,820**	**1,267,634**

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

Note 6 Audit fees

	2024	2023
Ernst & Young		
Audit assignment	991	813
Auditing besides audit assignment	25	19
Tax consultation	17	2
Other services	11	4
Total Ernst & Young	**1,044**	**838**
Others		
Audit assignment	299	215
Auditing besides audit assignment	39	7
Tax consultation	41	38
Other services	7	17
Total Others	**386**	**277**
Total auditors' fees	**1,430**	**1,115**

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

	2024	2023
Depreciation expense on right-of-use asset	47,410	40,516
Interest expense on lease liabilities	10,663	7,448
Expenses short-term leases*	13,400	12,383
Expenses low value items*	1,260	1,634
Total recognized in income statement	**72,733**	**61,981**

*Recognised in the cost of sales and administrative expenses.

Note 8 Salaries, social security expenses and employee benefits

Average number of employees per country

	2024		2023	
	No of employees	Whereof men	No of employees	Whereof men
Germany	3,781	77%	3,385	77%
United Kingdom	1,028	81%	1,024	81%
Norway	586	88%	585	88%
France	467	79%	442	79%
Finland	428	82%	416	82%
Sweden	393	78%	378	82%
Denmark	369	78%	310	77%
Netherlands	213	76%	232	77%
Austria	161	85%	176	88%
USA	148	75%	138	75%
Switzerland	153	82%	132	79%
Belgium	81	87%	70	87%
Italy	49	79%	42	79%
Luxembourg	37	73%	33	77%
Canada	23	59%	24	68%
Spain	7	79%	-	-
Singapore	5	80%	5	80%
Ireland	37	93%	4	100%
Total Group	**7,966**	**79%**	**7,394**	**79%**

Gender distribution of the Board and other senior executives

	2024	2023
Distribution of men and women within the Board of Directors		
Women	1	1
Men	2	2
Distribution of men and women regarding CEO and other executives of the Group*		
Women	2	1
Men	8	9

*) In 2024, executives of the Group comprised the CEO, CTO, COO, CFO and six 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

	2024				2023			
	Salaries and other compensations	**Payroll overhead**	*(whereof pension)*	**Total**	**Salaries and other compensations**	**Payroll overhead**	*(whereof pension)*	**Total**
Cheif Executive Officer	2,070	137	*137*	2,207	1,471	104	*104*	1,575
Other Senior Executives	4,248	799	*211*	5,047	3,093	476	*197*	3,569
Other Employees	382,469	80,693	*14,737*	463,162	314,341	73,796	*12,956*	388,137
Total Group	**388,787**	**81,629**	***15,085***	**470,416**	**318,905**	**74,376**	***13,257***	**393,281**

The Group's salary setting rules are based on individual and differentiated salaries that are determined by the content, difficulty, and responsibility in the role, as well as the employee's performance. Salaries to the CEO and other senior executives are established by the Board and annually reviewed by AEA's RemCo and the AIP Board comprised of CEO, CFO and Head of Group HR. Salary level is to be based on market conditions in relation to qualifications and performance.

Remuneration to CEO and other senior executives may comprise fixed salary, variable remuneration, pension benefits and other benefits. In addition to fixed salary, remuneration may include a maximum bonus of 100% of fixed salary and an overachievement bonus. 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 three and twenty-four months. In addition to notice period, severance pay may include 6 months of fixed monthly salary or 25 % of annual base 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.

No directors' fees are paid to the Board of Directors.

Note 9 Financial income and expenses

Finance income	**2024**	**2023**
Interest income	871	478
Financial exchange differences	1,171	-
Other financial income	34	33
Total financial income	**2,076**	**511**
Finance costs		
Interest expense	-58,653	-51,020
Financial exchange differences	-	-347
Interest expense on leasing liabilities	-10,663	-7,448
Other financial expenses	-2,893	-4,652
Total finance costs	**-72,209**	**-63,467**
Net financial expenses	**-70,133**	**-62,956**

Note 10 Tax

The main components of the tax expense are as follows:

	2024	**2023**
Consolidated income statement		
Current income tax	-6,590	-7,788
Adjustments for taxes related to previous year	889	1,752
	-5,701	-6,036
Change of deferred tax related to temporary differences	-3,711	2,760
Other	-232	-164
Total recognised tax expense in the income statement	**-9,644**	**-3,440**

	2024	2023
Reconciliation of effective tax		
Profit or loss before taxes	**-23,036**	**-24,732**
Tax according to current tax rate for Parent Company 20,6%	4,746	5,095
Difference related to foreign tax rates	710	570
Non-deductible expenses	-16,310	-6,681
Change in non-capitalized loss carry-forward	-391	-4,228
Tax-exempt income	1,036	154
Change in deferred tax due to unrealized currency exchange effects and change in enacted tax rates	-93	62
Tax related to previous years	889	1,752
Other	-230	-163
Total	**-9,644**	**-3,440**

The recognised effective tax rate is 45.8% (13.9%). The effective tax is affected by non-deductible interest costs and changes in deferred tax expense related to unrealized FX effects (between SEK and EUR) on intra-group loan receivables held by the Swedish companies.

The average tax rate in the countries where the Group operates is approximately 26.1% (26.3%).

Pillar Two Model Rules

The legislation of pillar two is effective from 1 January 2024. Under the legislation, the parent company will be required to pay top-up tax on profits of its subsidiaries that are taxed at an effective tax rate of less than 15 per cent.

As at 31 December 2024, the Safe Harbor exceptions in Pillar two are applicable to all of the groups jurisdictions and therefore the group had no exposure to the top-up tax during 2024.

Deferred tax asset/tax liability

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

	2024			2023		
	Deferred tax asset	**Deferred tax liability**	**Net**	**Deferred tax asset**	**Deferred tax liability**	**Net**
Intangible assets	16	47,329	-47,313	-	48,787	-48,787
Right-of-use assets	-	40,378	-40,378	-	33,717	-33,717
Plant and machinery	2,228	5,655	-3,427	4,814	5,799	-985
Non-current receivables	89	20,450	-20,361	-	14,440	-14,440
Contract assets and liability	1,141	1,022	119	4,593	758	3,835
Accounts receivable	490	9,659	-9,169	265	10,987	-10,722
Other provisions	474	129	345	337	150	187
Leasing liabilites	42,408	-	42,408	35,130	-	35,130
Other liabilities	1,401	2,346	-945	1,305	4,359	-3,054
Loss carry-forward	9,175	-	9,175	9,464	-	9,464
Provisions for pensions	664	473	191	1,625	457	1,168
Other	1,748	29	1,719	1,438	83	1,355
Total	**59,834**	**127,470**	**-67,636**	**58,971**	**119,537**	**-60,566**
Netting in company	-51,923	-51,923	-	-51,027	-51,027	-
Closing balance	**7,911**	**75,547**	**-67,636**	**7,944**	**68,510**	**-60,566**

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Change in deferred tax on temporary differences and loss carryforwards

2024	Opening balance	Business combinations	Presented in income statement	Presented in other comprehensive income	Exchange rate differences	Closing balance
Intangible assets	-48,787	-1,533	3,316	-	-309	-47,313
Rigth-of-use assets	-33,716	-	-6,662	-	-	-40,378
Plant and machinery	-985	-59	-2,280	-	-103	-3,427
Non-current receivables	-14,440	-	-5,519	-406	4	-20,361
Contract assets and liabilities	3,835	-21	-3,698	-	3	119
Accounts receivables	-10,722	-15	1,568	-	0	-9,169
Other Provisions	187	27	120	-	11	345
Leasing liabilities	35,131	-	7,264	-	13	42,408
Non-current liablities	-3,054	-6	2,112	-	3	-945
Loss carry-forward	9,464	-	-212	-	-77	9,175
Provisions for pensions	1,168	-	-83	-842	-52	191
Other	1,353	-	363	-	3	1,719
Total	**-60,566**	**-1,607**	**-3,711**	**-1,248**	**-504**	**-67,636**

2023	Opening balance	Business combinations	Presented in income statement	Presented in other comprehensive income	Exchange rate differences	Closing balance
Intangible assets	-50,924	-1,714	3,851	-	-	-48,787
Rigth-of-use assets	-26,280	-	-7,436	-	-	-33,716
Plant and machinery	-4,960	-	3,975	-	-	-985
Non-current receivables	-14,920	-	241	239	-	-14,440
Contract assets and liabilities	739	-	3,096	-	-	3,835
Accounts receivables	-6,778	-	-3,944	-	-	-10,722
Other Provisions	470	-	-283	-	-	187
Leasing liabilities	27,280	-	7,851	-	-	35,131
Non-current liablities	798	-	-3,852	-	-	-3,054
Loss carryforward	10,832	-	-1,368	-	-	9,464
Provisions for pensions	1,239	-	-143	72	-	1,168
Other	596	-15	772	-	-	1,353
Total	**-61,908**	**-1,729**	**2,760**	**311**	**-**	**-60,566**

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

Unused tax losses for which no deferred tax asset is recognised were expected to expire as follow:

Due date	2024
0-1 year	-
1-2 year	-
2-3 year	-
3-4 year	-
4-5 year	150
>5 year	5,150
No due date	29,526
Total	**34,826**

Loss carryforwards at year-end totalled EUR 74.8 million (76.1). Loss carryforwards for which a deferred tax asset has not been recognised amounted to EUR 34.8 million (34.0). Accordingly, loss carryforwards of EUR 40.0 million (42.1) are subject to recognition of deferred tax assets. The majority of the tax loss carryforwards for which no deferred tax asset are recognised pertains to Germany, France and the Netherlands.

Note 11 Goodwill

	2024	2023
Opening balance acquisition values	834,604	834,687
Additions through business combinations	6,761	2,423
Exchange rates differnces	5,403	-2,506
Closing balance acquisition values	**846,768**	**834,604**
Net book value closing balance	**846,768**	**834,604**

Note 12 Other intangible assets

2024	Trademark	Order-backlog	Customer relations	Other	Total
Opening balance acquisition values	72,397	12,089	146,419	13,338	244,243
Additions through business combinations	-	1,275	4,849	-	6,124
Investments	-	-	-	4,193	4,193
Sales/ scrapping	-	-	-	-972	-972
Translation differences	438	129	1,353	84	2,004
Closing balance acquisition values	**72,835**	**13,493**	**152,621**	**16,643**	**255,592**
Opening balance amortisation	-39	-12,050	-28,956	-4,818	-45,863
Amortisation according to plan	-	-1,313	-14,627	-2,888	-18,828
Sales/ scrapping	-	-	-	950	950
Reclassification	-	-	-	-	-
Translation differences	-	-130	-425	-89	-644
Closing balance accumulated amortisation	**-39**	**-13,493**	**-44,008**	**-6,845**	**-64,385**
Opening and closing balance accumulated write-downs	**-**	**-**	**-**	**-515**	**-515**
Net book value	**72,796**	**-**	**108,613**	**9,283**	**190,692**

2023	Trademark	Order-backlog	Customer relations	Other	Total
Opening balance acquisition values	72,672	9,215	140,298	10,478	232,663
Additions through business combinations	-	2,819	5,883	-	8,702
Investments	-	-	-	3,297	3,297
Sales/ scrapping	-	-	-	-465	-465
Adjustments	-	-	-	8	8
Translation differences	-275	55	238	20	38
Closing balance acquisition values	**72,397**	**12,089**	**146,419**	**13,338**	**244,243**
Opening balance amortisation	-39	-9,031	-15,058	-2,394	-26,524
Amortisation according to plan	-136	-2,964	-14,105	-2,600	-19,805
Sales/ scrapping	-	-	-	200	200
Reclassification	136	-	194	-	330
Adjustments	-	-	-	-8	-8
Translation differences	-	-55	13	-14	-56
Closing balance accumulated amortisation	**-39**	**-12,050**	**-28,956**	**-4,818**	**-45,863**
Opening and closing balance accumulated write-downs	**-**	**-**	**-**	**-515**	**-515**
Net book value	**72,358**	**39**	**117,463**	**8,005**	**197,865**

In the income statement, amortisation of EUR 0.0 million (0.3) is included in the cost of services sold, EUR 17.6 million (16.7) in selling and administrative expenses and EUR 1.2 million (2.8) in other operating expenses. The accumulated write-downs primarily pertained to development costs for internal computer systems that have been put into operation. 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.

	2024			2023		
	Goodwill	**Trademarks**	**Total**	**Goodwill**	**Trademarks**	**Total**
Nordic & UK	210,660	18,000	228,660	211,929	18,000	229,929
Continental Europe	544,781	46,800	591,581	536,515	46,800	583,315
North America & Asia	91,327	7,996	99,323	86,160	7,558	93,718
Total	**846,768**	**72,796**	**919,564**	**834,604**	**72,358**	**906,962**

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 3% (3%), 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 Pre-tax discount rate (WACC) of 9.1% (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 1% in 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.

Note 14 Right-of-use assets

2024	**Rent of premises**	**Vehicles**	**Other**	**Total**
Opening balance acquisition values	116,047	46,644	1,660	164,351
Additions through business combinations	875	486	-	1,361
Additions	35,313	38,269	2,404	75,986
Cancellations*	-5,387	163	-656	-5,880
Reclassification	-695	-4,133	-85	-4,913
Translation differences	161	-16	2	147
Closing balance acquisition values	**146,314**	**81,413**	**3,325**	**231,052**
Opening balance depreciation	-30,451	-7,067	-191	-37,709
Depreciation according to plan	-23,405	-22,951	-1,054	-47,410
Cancellations*	2,046	-1,239	398	1,205
Reclassification	675	4,045	171	4,892
Translation differences	-85	60	-1	-26
Closing balance accumulated depreciation	**-51,220**	**-27,152**	**-677**	**-79,049**
Net book value	**95,094**	**54,261**	**2,648**	**152,003**

Note 14 Right-of-use assets, cont.

2023	Rent of premises	Vehicles	Other	Total
Opening balance acquisition values	85,778	32,615	1,214	119,607
Additions through business combinations	1,270	874	-	2,144
Additions	39,425	29,342	1,130	69,897
Cancellations	-9,943	-15,838	-684	-26,465
Translation differences	-483	-349	-	-832
Closing balance acquisition values	**116,047**	**46,644**	**1,660**	**164,351**
Opening balance depreciation	-16,502	-4,017	-289	-20,808
Depreciation according to plan	-21,669	-18,261	-586	-40,516
Cancellations	7,464	15,117	684	23,265
Translation differences	256	94	-	350
Closing balance accumulated depreciation	**-30,451**	**-7,067**	**-191**	**-37,709**
Net book value	**85,596**	**39,577**	**1,469**	**126,642**

In the income statement, depreciation of EUR 22.1 million (17.3) is included in the cost of services sold and EUR 25.3 million (23.6) in selling and administrative expenses.
* Cancellations include adjustment between depreciation and acquisition value, EUR 7.1 million in Rent of premises, EUR 14.0 million in Vehicles and EUR 0.6 million in Other.

Note 15 Property, plant and equipment

Property and plant	2024	2023
Opening balance acquisition value	53	1,769
Sales/scrapping	-	-1,703
Translation differences	-7	-13
Closing balance acquisition value	**46**	**53**
Opening balance depreciation	-3	-69
Depreciation for the year	-4	-51
Sales/scrapping	-	110
Translation differences	4	7
Closing balance accumulated depreciation	**-3**	**-3**
Carrying amount closing balance	**43**	**50**

Equipment	2024	2023
Opening balance acquisition value	140,243	110,762
Additions throug business combinations	960	518
Investments	29,561	31,726
Disposals	-5,705	-1,571
Reclassification	-103	271
Adjustments	-1	65
Translation differences	3,026	-1,528
Closing balance acquisition balance	**167,981**	**140,243**
Opening balance depreciation	-49,458	-27,437
Depreciation for the year	-25,420	-23,787
Disposals	4,771	1,190
Reclassification	-	-271
Adjustments	-	-33
Translation differences	-1,758	880
Closing balance accumulated depreciation	**-71,865**	**-49,458**
Carrying amount closing balance	**96,116**	**90,785**
Total property, plant and equipment	**96,159**	**90,835**

In the income statement, depreciation of EUR 19.2 million (17.5) is included in the cost of services sold, EUR 4.6 million (4.2) in selling and administrative expenses and EUR 1.6 million (2.1) in other operating expenses.

Note 16 Other financial assets

	2024	2023
Opening balance	3	3
Additions	101	-
Reclassification from current receivable	1,125	-
Closing balance	**1,229**	**3**

Note 17 Accounts receivable

	2024	2023
Accounts receivables	232,615	223,641
Provision for expected credit loss	-19,420	-13,224
Total	**213,195**	**210,417**

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

Age analysis of accounts receivable

2024	Account receivables gross	Provisions for expected credit loss	Accounts receivables net
Less than 30 days overdue	54,859	-	54,859
31 to 60 days overdue	21,966	-	21,966
61 to 90 days overdue	13,447	-	13,447
91 to 180 days overdue	15,620	-	15,620
Over 181 days overdue	23,886	-19,420	4,466
Total overdue accounts	**129,778**	**-19,420**	**110,358**
Accounts receivables within their credit terms	102,837	-	102,837
Total	**232,615**	**-19,420**	**213,195**

2023	Account receivables gross	Provisions for expected credit loss	Accounts receivables net
Less than 30 days overdue	63,219	-	63,219
31 to 60 days overdue	23,561	-	23,561
61 to 90 days overdue	9,384	-	9,384
91 to 180 days overdue	10,761	-	10,761
Over 181 days overdue	16,174	-13,224	2,950
Total overdue accounts	**123,099**	**-13,224**	**109,875**
Accounts receivables within their credit terms	100,542	-	100,542
Total	**223,641**	**-13,224**	**210,417**

Provision for expected credit losses

	2024	2023
Opening balance	13,224	11,650
Additions through business combinations	601	-
Current year provision	6,298	3,289
Reversal of allowance	-425	-1,443
Recovered bad debt	-301	-238
Exchange rate differences	23	-34
Closing balance	**19,420**	**13,224**

Note 18 Contract assets and liabilities

	2024	2023
Contract assets		
Opening balance	106,662	119,523
Additions through business combinations	1,077	257
Transfers from contract assets recognised in opening balance to receivables	-58,605	-104,737
Increases as a result of changes in the measure of progress in projects	1,132,382	1,034,949
Transfers from contract assets recognised during the year to receivables	-1,073,075	-943,028
Translation difference	89	-301
Closing balance	**108,530**	**106,662**
Contract liabilities		
Opening balance	396	275
Revenue recognised that was included in the liability balance at the beginning of the period	-167	-151
Increases due to cash received, excluding amounts recognised as revenue during the period	11,383	8,602
Transfers from contract liabilies recognised during the year to revenue	-3,269	-8,330
Translation difference	-3	-
Closing balance	**8,340**	**396**

For Contract assets no provision for expected credit losses has been recognised since the credit risk is limited.

Note 19 Prepaid expenses and accrued income

	2024	2023
Prepaid insurance	1,547	1,111
Prepaid rent	1,561	1,298
Prepaid service and goods	7,435	7,419
Leasing	1,105	1,266
Personnel related expenses	339	309
Other prepaid expenses	1,290	750
Total	**13,277**	**12,153**

Note 20 Cash and cash equivalents

	2024	2023
Cash at banks and on hand	10,695	10,294
Total	**10,695**	**10,294**

At year-end, the Group had EUR 50.6 million (49.2) available in unutilised loan commitments.

Note 21 Equity

Share capital

Issued shares amount to 25.000 with 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.

Note 22 Leases

Lease liability

	2024	2023
Opening balance	133,407	104,734
Additions through business combinations	1,361	2,473
New lease contracts	76,501	68,966
Ended lease contracts	-6,354	-3,837
Interest expenses	10,663	7,253
Repayment lease liability	-55,147	-45,562
Exchange rate difference	75	-620
Closing balance	**160,506**	**133,407**

Total cash outflow 2024 for lease contracts amounts to EUR 70.3 thousand (58.9)

The Polygon Group has excluded short-term leases and leases where the underlying asset is of low value; these total EUR 14.7 (14.0) thousand.

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

	2024	2023
Less than 6 months	21,369	18,268
6-12 months	28,526	23,584
1 - 2 years	39,673	32,735
2 - 5 years	53,289	45,379
Over 5 years	17,649	13,441
Total	**160,506**	**133,407**

Undiscounted future lease payments

	2024	2023
Less than 1 year	56,114	46,643
1-2 years	46,231	37,750
3-5 years	64,112	55,808
More than 5 years	25,391	16,585
Future lease payments	**191,848**	**156,786**

Lease obligations

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

	2024	2023
Rent	10 293	10 272
Vehicles	3 104	6 732
Other	108	-
Total	**13 505**	**17 004**

Note 23 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.

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 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 2024 amounted to EUR 15,988 thousand (13,205), of which EUR 218 thousand (167) pertained to defined-benefit pensions. The pension cost for defined-contribution pensions amounted to EUR 15,045 thousand (12,758). Expected pension costs for defined-benefit pensions for 2024 amounted to EUR 189 thousand.

The pension plan in the UK is funded plan is closed, which means that no new vesting is made. During 2024, Polygon UK completed a full buy-out and transferred 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 insure future accruals with Alecta and no new vesting are 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.

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.

	2024	2023
Summary of pension provisions in the Group		
Short-term defined benefit liability	105	81
Long-term defined benefit liability	5,145	4,480
Closing balance, net liability	**5,250**	**4,561**

Pension expenses	**2024**	**2023**
Amounts recognized in the income statement		
Current service cost	48	9
Past service cost	-8	-
Interest expenses	178	260
Interest income on assets	-	-102
Expenses, defined benefit plans	**218**	**167**
Expenses, defined contribution plans	**15,045**	**12,758**
Amounts recognized in Other Comprehensive Income		
Remeasure of pension obligation	725	179
Remeasure of plan assets	-	170
Revaluation to other operating income	-	-69
Expenses/ (income), defined benefit plans	**725**	**280**
Total pension expenses	**15,988**	**13,205**

Amount recognized in the Balance sheet	**2024**	**2023**
Fair value of defined benefit obligation, funded plans	-	1,853
Fair value of plan assets	-	-1,803
Effect of asset ceiling	-	-
Closing balance, net liability	**-**	**50**
Present value of defined benefit obligation, unfunded plans	5,250	4,511
Closing balance, net liability	**5,250**	**4,561**

Change in amount recognized in the Balance sheet	**2024**	**2023**
Opening balance, net liability	4,561	4,259
Current service cost	48	9
Past service cost	-8	-
Net interest	178	158
Remeasurements	725	280
Pension payments directy from employer	-226	-163
Employer´s contribution to the pension plan assets	-	-
Additions through business combinations	106	-
Effect of changes in foreign exchange rates	-135	18
Closing balance, net liability	**5,250**	**4,561**

Change in present value of defined benefit obligation	**2024**	**2023**
Opening balance, defined benefit obligation	6,364	7,189
Current service cost	48	9
Interest expenses	178	260
Settlement	-1,847	-1,176
Remeasurements of pension obligation		
- plan amendment	-	-
- demographic assumptions	-	-91
- financial assumptions	675	48
- experience adjustments	54	223
Pension payments	-234	-167
Additions through business combinations	106	-
Effect of changes in foreign exchange rates	-95	69
Closing balance, defined benefit obligation	**5,250**	**6,364**

Change in fair value of plan assets	**2024**	**2023**
Opening balance, plan assets	1,803	2,929
Interest income	-	102
Return excluding interest income	-	-100
Settlements	-1,847	-1,176
Employer´s contribution	226	163
Pension payments from plan assets	-226	-167
Effect in changes in foreign exchange rates	44	51
Closing balance, plan assets	**-**	**1,803**

Fair value of plan assets	2024	2023
Equities	0%	0%
Bonds	0%	0%
Insurance Contracts	0%	97%
Other, including cash and cash equivalents	0%	3%
Total	**0%**	**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.

2024	Defined benefit obligation	Plan assets	Net liability
Break-down per country			
Funded plan			
Sweden	4,544	-	4,544
France	530	-	530
Germany	176	-	176
Total	**5,250**	**-**	**5,250**

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	2024	2023
United Kingdom		
Discount rate	N/A	5.10%
Inflation	N/A	2.80%
Future wage increase	N/A	N/A
Future pension increase	N/A	N/A
Sweden		
Discount rate	3.00%	3.80%
Inflation	2.00%	2.00%
Future wage increase	3.00%	3.00%
Future pension increase	2.00%	2.00%

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 455 thousand, corresponding to a debt reduction of 8.7%. A decrease in the discount rate of 0.5 percentage points would increase the pension obligation by EUR 508 thousand corresponding to a debt increase of 9.7%.

An increase in inflation of 0.5 percentage points would increase the pension obligation by EUR 515 thousand, corresponding to a debt increase of 10.2%. A decrease in inflation of 0.5 percentage points would reduce the pension obligation by EUR 462 thousand, corresponding to a debt reduction of 9.1%.

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 19 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 133 thousand (189).

Note 24 Other provisions, non-current

	2024	2023
Contingent considerations	3,750	27,495
Other taxes	58	55
Other provisions	595	2,106
Total	**4,403**	**29,656**

Note 25 Other Provisions, current

	2024	2023
Contingent considerations	15,938	17,847
Warranties and claims	3,219	3,187
Restructuring provision	824	770
Defined benefit plans	106	81
Other provisions	1,270	191
Total	**21,357**	**22,076**

Note 26 Other current liabilities

	2024	2023
VAT	29,872	31,243
Employee withholding taxes	7,620	7,639
Advance payments from customers	1,225	10,267
Contract liabilities	8,340	396
Other liabilities	3,768	4,434
Total	**50,825**	**53,979**

Note 27 Accrued expenses and deferred income

	2024	2023
Accrued salary-related expenses	24,029	22,923
Accrued vacation pay	19,861	19,316
Accrued expenses contracts with customers	19,221	15,998
Accrued non-received invoices	17,960	12,668
Accrued audit expenses	1,097	902
Accrued interest expenses	75	49
Other accrued expenses and prepaid income	4,499	6,499
Total	**86,742**	**78,355**

Note 28 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.

	2024	2023
Shares in subsidiaries	2,727,904	2,690,530
Pledged assets for own liabilities and provisions	**2,727,904**	**2,690,530**

Note 29 Contingent liabilities

The Group has no contingent liabilities.

Note 30 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.

	2024		2023	
	Carrying amounts	**Fair value**	**Carrying amounts**	**Fair value**
Financial assets measured at amortised cost				
Non-current other financial assets	1,226	1,226	-	-
Accounts receivables	213,195	213,195	210,417	210,417
Other current assets	9,189	9,189	8,711	8,711
Cash and cash equivalents	10,695	10,695	10,294	10,294
Total financial assets	**234,305**	**234,305**	**229,422**	**229,422**
Financial liabilities measured at amortised cost				
Non-current interest-bearing liabilities	684,763	696,340	619,792	631,825
Lease liability	160,506	160,506	133,407	133,407
Account payables	62,206	62,206	89,904	89,904
Other current liabilities	7,130	7,130	5,748	5,748
Accrued expenses	75	75	49	49
Financial liabilities at fair value through profit or loss				
Contingent considerations	19,688	19,688	45,342	45,342
Derivatives	824	824	1,449	1,449
Total financial liabilities	**935,192**	**946,769**	**895,691**	**907,724**

Breakdown of financial liabilities measured at fair value:

2024

Valuation category	Level 2	Level 3
LIABILITIES		
Long-term liabilities		
Other provisions	824	3,750
Current liabilities		
Other provisions	-	15,938
Total financial liabilities	**824**	**19,688**

2023

Valuation category	Level 2	Level 3
LIABILITIES		
Long-term liabilities		
Other provisions	1,449	27,495
Current liabilities		
Other provisions	-	17,848
Total financial liabilities	**1,449**	**45,342**

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. Interest-rate derivatives are measured according to level 2.

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. 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:

	2024	2023
Financial liabilities		
Opening balance	46,791	51,998
Additions during year	366	6,087
Paid during year	-20,486	-10,151
Change in fair value recognised in income statement	-5,534	-2,544
Change market value interest-rate derivatives	-625	1,401
Closing balance	**20,512**	**46,791**

Maturity dates for financial liabilities are as follows:

	Book value		Undiscounted cash flow	
	2024	2023	2024	2023
Within 1 year	134,990	155,980	190,680	212,432
Between 2 and 5 years	782,549	605,687	956,269	827,129
After 5 years	17,653	134,024	25,393	147,004
Total	**935,192**	**895,691**	**1,172,342**	**1,186,565**

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 7.82% (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

	2024	2023
EUR	800,169	710,582
SEK	3,403	6,425
USD	1,263	3,804
NOK	4,543	5,106
GBP	25,381	8,537
Other currencies	3,177	9,765
Total	**837,936**	**744,219**

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:

	2024	2023
Change in USD rate		
+10/-10%	3,936	3,450
Change in NOK rate		
+10/-10%	2,794	2,891
Change in GBP rate		
+10/-10%	6,457	7,514
Change in DKK rate		
+10/-10%	4,094	4,295
Change in CHF rate		
+10/-10%	5,556	3,584

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.

	2024	2023
Change in USD rate		
+10/-10%	424	436
Change in NOK rate		
+10/-10%	384	284
Change in GBP rate		
+10/-10%	548	421
Change in DKK rate		
+10/-10%	144	93
Change in CHF rate		
+10/-10%	558	8

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 2024, a simultaneous change in interest rates of +1 percentage point, would have impacted annual net interest expenses by EUR 7.5 million (4.7) and a simultaneous change in interest rate of -1 percentage point would have impacted the annual net interest by EUR 8.6 million (7.7), 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 834.6 million (742.9).

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 17 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.

The Group's long-term loan financing mainly consists of First Lien Facility EUR 545 million (485) which matures in October 2028, Second Lien Facility EUR 120 million (120) which matures in October 2029 and Revolving Facility EUR 30 million (25) which matures in April 2028.

Polygon's first lien facilities including revolving facility is subject to a financial covenant which is tested quarterly. The covenant measures the group's consolidated first lien net leverage. Consolidated first lien net leverage ratio means the ratio of consolidated first lien net debt to consolidated pro forma EBITDA for that relevant period. This covenant was fulfilled for 2024.

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.

	2024	2023
Interest-bearing net liabilities (A)	834,574	742,905
Total equity (B)	485,851	493,999
Relation between liabilities and equity (A/B)	1.7	1.5

Note 31 Interest-bearing loans and borrowings

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

	2024	2023
Non-current:		
First Lien Facility (floating interest rate)	545,000	485,000
Second Lien Facility (floating interest rate)	120,000	120,000
Revolving Facility (floating interest rate)	30,000	25,000
Other loans (floating interest rate)	1,340	1,825
Capitalized finance costs*	-11,577	-12,033
Leasing liability (long-term part)	110,611	91,555
Total non-current liabilities	**795,374**	**711,347**
Current:		
Leasing liability (short-term part)	49,895	41,852
Total current liabilities	**49,895**	**41,852**
Amount of borrowings	**845,269**	**753,199**

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

Note 32 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 2023	Business combinations	Cashflows	Changes in fair values	Other**	31 December 2024
Non-current interest-bearing liabilities	619,792	-	62,556	-	2,415	684,763
Current liabilities	1,314	-	2,048	-	-	3,362
Leasing liabilities*	133,407	1,361	-55,147	-	80,885	160,506
Contingent considerations	45,342	366	-20,486	-5,534	-	19,688
Accrued interest expenses	49	-	-56,413	-	56,439	75
Derivatives	1,449	-	-	-625	-	824
Total liabilities	**801,353**	**1,727**	**-67,442**	**-6,159**	**139,739**	**869,218**

	31 December 2022	Business combinations	Cashflows	Changes in fair values	Other**	31 December 2023
Non-current interest-bearing liabilities	604,084	-	15,000	-	708	619,792
Current interest-bearing liabilities	8,000	-	-6,686	-	-	1,314
Leasing liabilities*	104,734	2,473	-45,562	-	71,762	133,407
Contingent considerations	51,950	5,070	-10,025	-1,653	-	45,342
Accrued interest expenses	160	-	-49,231	-	49,120	49
Derivatives	48	-	-	1,401	-	1,449
Total liabilities	**768,976**	**7,543**	**-96,504**	**-252**	**121,590**	**801,353**

* See Note 22 for details.

** Other may include interest expenses, new and ended leasing contracts

Note 33 Related party transactions and list of Group companies

Polygon Group AB paid fees of EUR 3.0 million (3.0) for advisory and consulting services acquired from AEA Investors LP. Further, Polygon Group AB incurred other related party expenses of EUR 0.1 million (0.3). Polygon AB repaid a loan to PolyStorm Topco AB of EUR 0.0 million (8.0). Polygon Group AB received a shareholder contribution from PolyStorm Pledgeco AB of EUR 18.3 million (19.9). Group contribution was given by Polygon International AB to PolyStorm Topco AB of EUR 0.0 million (0.1).

The group companies have receivables on key management personnel amounting to EUR 0.2 million (0.1) and received interest of EUR 8 thousand (6) in relation to the loan receivables. The group companies rents premises from key management personnel and have paid EUR 0.8 million (0.5) in rental and rental rebuilding fees during the year.

For information concerning remuneration to senior executives and the Board of Directors, see Note 8 Salaries, social security expenses and employee benefits. No directors' fees are paid to the Board of Directors.

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).

Group subsidiaries

Company name	Country	Corporate Identity	Number of shares	Share of capital
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%
JVT- ja pesutekniikka Oy	Finland	0831470-9	100	100.0%
Polygon Italia 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 Holding Schweiz AG	Switzerland	CHE-358.912.902	100	100.0%
Polygon Schweiz AG	Switzerland	CHE-371.376.207	1	100.0%
Polygon Fenster 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%
GlassResQ AG	Switzerland	CHE-473.892.029	300	100.0%
Digital Solutions AB	Sweden	559021-1271	75,000	100.0%
Polygon 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)	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	1,250	100.0%
Asbest Cleaning Services BVBA	Belgium	BE 0671.968.983	100	100.0%
VVZRL Pont 45 Depolution	Belgium	BE 1004.090.352	0	80.0%
Polygon Sverige AB	Sweden	556034-6164	2,100	100.0%
Polygon Restoration Inc (Canada)	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%
E.P.I.C.A.M. SAS	France	82501617300015	100	100.0%
BMS Mediterranée SAS	France	52951164400021	1,000	100.0%
Polygon SAS	France	982966145	100	100.0%
WCMI Sodepol SAS	France	443642681	4,000	100.0%
Ferrie SAS	France	891691792	3,000	100.0%
Polygon Iberia S.L.	Spain	B88635081	60,000	100.0%

Group subsidiaries, cont.

Company name	Country	Number	Number of shares	Share of capital
Polygon Service Pte Ltd	Singapore	201012990Z	1,317	100.0%
R3 Polygon UK Ltd	United Kingdom	402652	250,000	100.0%
Polygon Digital Solutions Ltd	United Kingdom	06557609	17,725	100.0%
Harwell Technical Services Ltd	United Kingdom	3064821	10,000	100.0%
Neways Associates Ltd	United Kingdom	4373558	90	100.0%
F.S.H (Holdings) Ltd	United Kingdom	11914696	100,000	100.0%
F.S.H (Group) Ltd	United Kingdom	03161422	1,000	100.0%
Higley's of Yorkshire Ltd	United Kingdom	10397382	100	100.0%
F.S.H Maintenance Ltd	United Kingdom	08544426	1	100.0%
Element3 Ltd	United Kingdom	04978243	1	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 Ireland Ltd	Northern Ireland	15301951	1	100.0%
Polygon Ireland Restoration Services Ltd	Ireland	501685	50	100.0%
Polygon US Corporation	USA	27-2892115	1,000	100.0%
AMRestore 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%
VDL Verwaltungs GmbH	Germany	HRB 13063	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 34 Adjustment for non-cash items in the statement of cash flows

Non-cash changes in financial liabilities are recognised in Note 32 Changes in financial liabilities.

	2024	2023
Non-affecting cash-flow:		
Amortisation and impairment of intangible assets	66,539	60,296
Depreciation of tangible assets	25,432	23,838
Disposal of fixed assets	-636	807
Fair value of contingent consideration	-5,534	-1,653
Changes in provisions and other	-383	1,199
Total	**85,418**	**84,486**

Note 35 Significant events after the end of the financial year

After the end of the financial year, Polygon Group has appointed a new group CEO, Robin Petersen, effective January 7, 2025.

Additionally, the subsidiary Polygon Belgium NV acquired Respo Group BV and Respo Repair Belux BV, Belgium's market leader in Smart Repair with additional operations in the Netherlands. The subsidiary Polygon Ireland Restoration Services Ltd acquired All Trades Response Holding Ltd, a Dublin-based company specializing in property damage restoration.

Note 36 Alternative performance measures

Polygon Group applies the Guidelines on Alternative Performance Measures issued by The European Securities and Markets Authority (ESMA). Alternative performance measures are financial measures of historical or future financial performance, financial position, or cash flows that are not defined or specified in IFRS. Polygon Group believes that these measures provide valuable supplementary information to company management, investors and other stakeholders in evaluating the company's performance. These alternative performance measures are not always comparable with the measure used by other companies since not all companies calculate these measures in the same way. Accordingly, the measures are to be viewed as a supplement to the measures defined according to IFRS. For definitions see page 41.

	2024	2023
Adjusted EBITDA and EBITA breakdown		
Operating profit or loss (EBIT)	47,097	38,224
Add back depreciations	25,429	23,882
Add back amortisations	66,539	60,299
Operating profit or loss before depreciation and amortisation (EBITDA)	**139,065**	**122,405**
Add back items affecting comparability (IAC)	9,705	7,696
Operating profit or loww before depreciation and IAC (Adjusted EBITDA)	**148,770**	**130,101**
Operational depreciations	-23,858	-21,715
Operational amortisations	-50,598	-43,420
Operating profit or loss before amortisation and IAC (Adjusted EBITA)	**74,314**	**64,966**

	2024	2023
Net debt		
Non-current interest-bearing liabilities	684,763	619,792
Lease liability	160,506	133,407
Defined benefit plans	5,250	4,561
Current loans, interest-bearing	3,362	1,314
Cash and bank	-10,695	-10,294
Total	**843,186**	**748,780**

	2024	2023
Operating cash flow breakdown		
Adjusted EBITA	74,314	64,966
Operational depreciations and amortisations	74,455	65,135
Net capital expenditure	-32,453	-34,141
Lease payments	-45,675	-39,571
Operating cash flow before change in trade working capital	**70,641**	**56,388**
Change in trade working capital, excl IAC	-23,494	8,083
Other adjustments	-5,680	-261
Adjusted Operating cash flow	**41,467**	**64,211**

	2024	2023
Items affecting comparability		
Acquisition related - transaction cost	-1,232	-2,354
Acquisition related - integration cost	-4,698	-1,739
Acquisition related - contingent considerations adjustments	4,902	836
Monitoring fee	-3,000	-3,000
Sale of property	-	-774
Restructuring cost	-5,676	-665
Total	**-9,704**	**-7,696**

Note 37 Multi-year overview

	2024	2023	2022	2021*
Sales and Net profit or loss				
Sales of services	1,498,917	1,305,858	1,121,102	282,494
Operating profit or loss	47,097	38,224	25,393	-12,751
Net financial income/ expenses	-70,133	-62,956	-39,660	-7,638
Profit or loss before tax from continuing operations	-23,036	-24,732	-14,267	-20,389
Income taxes	-9,644	-3,440	-17,298	-1,779
Net profit or loss for the year	**-32,680**	**-28,172**	**-31,565**	**-22,168**
Financial position				
Goodwill	846,768	834,604	834,687	789,000
Other intangible assets	342,695	324,507	304,423	276,442
Tangible assets	96,159	90,835	85,025	78,933
Other non-current assets	9,140	7,947	18,772	15,349
Contract assets	108,530	106,663	119,523	99,858
Current receivables	237,255	232,932	192,382	148,880
Cash and cash equivalents	10,695	10,294	7,602	26,117
Total assets	**1,651,242**	**1,607,782**	**1,562,414**	**1,434,579**
Equity	485,851	493,999	505,363	528,996
Non-current liabilities	795,374	711,347	674,870	598,438
Provisions	85,095	102,646	133,286	92,460
Current liabilities	284,922	299,790	248,895	214,685
Total Equity and liabilities	**1,651,242**	**1,607,782**	**1,562,414**	**1,434,579**
KPIs				
EBITDA	139,065	122,405	100,392	9,527
EBITA	66,583	57,270	43,183	-3,723
Adjusted EBITA	74,314	64,966	52,267	15,555
Adjusted EBITA %	5.0%	5.0%	4.7%	5.5%
Net debt	843,186	748,780	705,474	611,244
Full time employees per year end	7,637	7,226	6,575	5,801

* The Group was established in the beginning of October 2021

Parent Company financial statements

Parent Company income statement

	Note	2024	2023
Sales of services	2	3,150	3,150
Total revenue		**3,150**	**3,150**
Selling and administrative expenses	3,4	-609	-160
Other operating expenses	5	-3,029	-3,350
Operating profit or loss		**-488**	**-360**
Income from shares in Group companies	6	-	114,000
Finance income	7	5,070	1,066
Financial expenses	7	-64,737	-58,533
Profit or loss after financial items		**-60,155**	**56,173**
Appropriations	8	4,814	1,568
Profit or loss before income taxes		**-55,341**	**57,741**
Income taxes	9	-848	101
Net profit or loss		**-56,189**	**57,842**

Parent Company statement of comprehensive income

	Note	2024	2023
Net profit or loss		-56,189	57,842
Comprehensive profit or loss		**-56,189**	**57,842**

Parent Company balance sheet

	Note	2024	2023
ASSETS			
Non-current assets			
Non-current financial assets			
Participations in Group companies	10,13	1 298 384	1 274 650
Deferred tax assets		13	211
Total non-current financial assets		**1 298 397**	**1 274 861**
Total non-current assets		**1 298 397**	**1 274 861**
Current assets			
Receivables, Parent company	15	18	18
Other receivables		4	136
Prepaid expenses		102	-
Receivables, Group companies	15	129 353	126 773
Total current assets		**129 477**	**126 927**
TOTAL ASSETS		**1 427 874**	**1 401 788**
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital (25,000 shares at ratio value 0.1 EUR)		2	2
Non restricted equity			
Retained earnings including net result for the year		535 807	573 696
Total non-restricted capital		535 807	573 696
Total Equity		**535 809**	**573 698**
Non-current liabilities			
Long-term provisions		-	1 449
Non-current liabilities, Group companies	15	207 000	207 000
Non-current financial liabilities, interest-bearing	11	683 423	617 967
Total non-current liabilities		**890 423**	**826 416**
Current liabilities			
Account payables		10	1 507
Other provisions		824	-
Income tax libailtiy		650	-
Accrued expenses	12	158	167
Total current liabilities		**1 642**	**1 674**
TOTAL EQUITY AND LIABILITIES		**1 427 874**	**1 401 788**

Parent Company statement of cash flows

	Note	2024	2023
Operating activities			
Operating profit or loss		-488	-360
Adjustments for non cash items in operating profit or loss	14	6	-26
Dividend received		-	114,000
Cash flow from operating activities prior changes in working capital		**-482**	**113,614**
Change in working capital			
Change in receivables and liabilities to Group companies		1,568	1,132
Change in other receivables		32	1,083
Changes in other liabilities		-1,488	390
Cash flow used in operating activities		**-370**	**116,219**
Cash flow from financing activities			
Proceeds from borrowings		58,500	-
Revolving facility		30,000	15,000
Repayment of revolving facility		-25,000	-
Financial income received		4,439	1,063
Financial cost paid		-62,801	-54,802
Cash flow from financial activities		**5,138**	**-38,739**
Cash flow from the year		**4,768**	**77,480**
Cash and cash equivalents at the beginning of the year*		111,771	34,291
Cash and cash equivalents at the end of the year*		**116,539**	**111,771**

* 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
Closing balance per 31 December 2022	**2**	**495,920**	**495,922**
Net profit or loss	-	57,842	57,842
Total comprehensive profit or loss for the year	**-**	**57,842**	**57,842**
Transactions with shareholders			
Shareholder's contribution	-	19,934	19,934
Closing balance per 31 December 2023	**2**	**573,696**	**573,698**
Net profit or loss	-	-56,189	-56,189
Total comprehensive profit or loss for the year	**-**	**-56,189**	**-56,189**
Transactions with shareholders			
Shareholder's contribution	-	18,300	18,300
Closing balance per 31 December 2024	**2**	**535,807**	**535,809**

Notes to the Parent Company financial statements

Note 1 Basis of presentation

Rules and regulations applied

The Parent Company applies the same accounting policies as the Group, with the exception of those cases specified below.

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 Corporate 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 Sales and purchases with Group companies

Polygon Group AB had internal sales of EUR 3.2 million (3.2) 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 in 2024 nor 2023.

Note 4 Audit fees

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.

	2024	2023
Audit assignment (EY)	174	119
Other assignments (EY)	19	11
Total	**193**	**130**

Note 5 Other operating expenses

	2024	2023
Monitoring fee	3,000	3,000
Acquisition-related items	17	350
Currency exchange gains/ losses	12	-
Total	**3,029**	**3,350**

Note 6 Income from shares in Group companies

	2024	2023
Dividend	-	114,000
Total	**-**	**114,000**

Note 7 Financial income and expense

	2024	2023
Interest income and other similar transactions		
Interest income, internal	4,445	1,066
Total	**4,445**	**1,066**
Interest expenses and other similar transactions		
Interest cost, external	-57,280	-49,766
Interest cost to subsidiaries	-4,159	-4,190
Exchange rate differences	2	-26
Other financial expenses	-2,675	-4,551
Total	**-64,112**	**-58,533**
Net financial expenses	**-59,667**	**-57,467**

Note 8 Appropriations

	2024	2023
Received group contribution	4,814	1,568
Total	**4,814**	**1,568**

Note 9 Tax

	2024	2023
Profit or loss before taxes	**-55,341**	**57,741**
Tax according to current tax rate for Parent company 20,6%	11,400	-11,895
Change of deferred tax related to tax loss carry-forward	-	-
Non-deductible expenses	-12,254	-11,475
Non-taxable income	6	23,418
Non recognized tax loss carry forward	-	-
Utilization of peviously unrecognised tax losses	-	53
Total	**-848**	**101**

As of 31 December 2024, Polygon Group AB had a gross accumulated loss carryforward of EUR 0.0 million (0.0) with no maturity date, of which EUR 0.0 million (0.0) is recognised as a deferred tax asset.

Note 10 Participations in Group companies

Participation in Group Companies	Country	Corporate Identity Number	Number of shares	Share of capital	2024	2023
Polygon Holding AB	Sweden	556809-3511	15,315,199	100.0%	1,098,359	1,074,625
Polygon HoldCo GmBH	Germany	HRB12867	25,000	100.0%	200,025	200,025
Net carrying value closing balance					**1,298,384**	**1,274,650**

	2024	2023
Opening balance	1,274,650	1,268,150
Shareholder contribution	23,734	6,500
Closing balance	**1,298,384**	**1,274,650**

Indirect holdings and the Group structure are described in Note 33 Related party transactions (notes to the consolidated financial statements).

Note 11 Non-current financial liabilities, interest bearing

	2024	2023
First Lien Facility	545,000	485,000
Second Lien Facility	120,000	120,000
Revolving facility	30,000	25,000
Capitalized finance costs*	-11,577	-12,033
Total	**683,423**	**617,967**

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

At year end, an interest rate cap at EURIBOR 400 bps with a notional of EUR 302.5 million is in place. The interest rate cap matures in December 2025.

Note 12 Accrued expenses and deferred income

	2024	2023
Accrued interest expenses	67	85
Accrued non-received invoices	91	82
Total	**158**	**167**

Note 13 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.

	2024	2023
Pledged assets		
Shares in subsidiaries	1,298,384	1,274,650
Total assets pledged	**1,298,384**	**1,274,650**
Contingent liabilities	**None**	**None**

Note 14 Adjustment for non-cash items in the statement of cash flows

	2024	2023
Non-cash flow items not included in operating profit		
Unrealised currency revaluations	6	-26
Total non-cash changes	**6**	**-26**

Note 15 Related party transactions

Polygon Group AB paid fees of EUR 3 million (3) for advisory and consulting services acquired from AEA Investors LP. Further, Polygon Group AB incurred other related party expenses of EUR 0.1 million (0.3). Polygon Group AB received a shareholder contribution from PolyStorm Pledgeco AB of EUR 18.3 million (19.9). Polygon Group AB gave a shareholder contribution to Polygon Holding AB of EUR 23.7 million (6.5). Polygon Group AB received a group contribution of EUR 4.8 million (1.6) from Polygon International AB. Polygon Group AB has a claim on Polygon AB of EUR 8.0 million (13.4). Polygon Group AB had internal sales of EUR 3.2 million (3.2) during the period, relating to management services that were provided to Polygon Holding AB.

Note 16 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 56,188,488, together with retained earnings of EUR 591,995,366, amounting to a total of EUR 535,806,878, to be carried forward.

Note 17 Significant events after the end of the financial year

After the end of the financial year, Polygon Group AB has appointed a new CEO, Robin Petersen, effective January 7, 2025.

Definitions

Sales revenue	Sales revenue excluding VAT and discounts
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
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of sales revenue
Adjusted EBITA margin	Adjusted EBITA as a percentage of sales revenue
EBIT	Earnings before interest and tax
Operational amortisations	Amortisation of intangible assets not related to acquisitions
Operational depreciation	Depreciation of property, plant and equipment not related to acquisitions
Adjusted Operating cash flow	Cash flow from operating activities excluding IAC payments and income tax paid less repayment of lease liabilities, net capital expenditure and non-cash changes in non-operating provisions
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

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 2025

Åsa Källenius
/Chairman/

Robin Petersen
/Board member & CEO/

Ulf Gimbringer
/Board member/

Our auditor's report was issued on April 2025
Ernst & Young AB

Charlotte Holmstrand
/Authorised Public Accountant/

THIS IS A TRANSLATION FROM THE SWEDISH ORIGINAL

Building a better working world

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 2024.

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 2024 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 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards 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 Accounting Standards 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual 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 the company and the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual 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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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 2024 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 type of operations, size and risks place on the size of the company'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 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 23 April 2025
Ernst & Young AB

Charlotte Holmstrand
Authorized Public Accountant

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POLYGON NORWAY HOLDING AS - ÅRSBERETNING FOR 2024

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 2027 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.

Redegjørelsen for aktsomhetsvurderingene og Åpenhetsloven
Bedriftens redegjørelse for aktsomhetsvurderingene i forbindelse med Åpenhetsloven finnes offentlig tilgjengelig på selskapets hjemmesider.

Resultat, kontantstrøm, investeringer, finansiering og likviditet

Driftsresultatet i selskapet var på kr -67 tnok.

Samlet kontantstrøm fra operasjonelle aktiviteter i selskapet var på kr – 16,5 mnok.

Totalkapitalen var ved utgangen av året kr 435,4 mnok. Egenkapitalandelen pr 31.12.24 var 23,3 %.

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 2024 (tusen kroner):

Avsatt Utbytte	:	0
Til Annen egenkapital		44 886
Sum Disponering	:	44 886

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, 27. juni 2025

Signed by:
Robin Petersen
B6DCE4CE96DB4D1...

Robin Petersen
Styrets leder

Signed by:
A86737F36BF24BA...

Åsa Kallenius
Styremedlem

DocuSigned by:
Marianne Theiste
CABF018EA5F64C2...

Marianne Kaufmann Theiste
Styremedlem

DocuSigned by:
Sigurd Austin
D0FDB755C479461...

Sigurd Austin
Daglig leder