20220715123724

Årsredovisning

för

Crendo Fastighetsförvaltning AB

556642-4809

Räkenskapsåret

2021

Fastställelseintyg

Undertecknad styrelseledamot i Crendo Fastighetsförvaltning AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma 2022-06-30. Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Stockholm 2022-06-30

Müllner, Johannes

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Styrelsen för Crendo Fastighetsförvaltning AB avger följande årsredovisning för räkenskapsåret 2021.

Årsredovisningen är upprättad i svenska kronor, SEK. Om inte annat särskilt anges, redovisas alla belopp i tusentals kronor (Tkr). Uppgifter inom parentes avser föregående år.

Förvaltningsberättelse

Information om verksamheten

Crendo Fastighetsförvaltning AB bedriver fastighetsförvaltning samt därmed förenlig verksamhet i Halland, Skåne, Östergötland och Småland. Vi arbetar lokalt med fokus på flexibilitet och erbjuder omfattande tjänster inom teknisk och ekonomisk fastighetsförvaltning, fastighetsskötsel, driftteknik, vitvaruarbeten, fuktutredning, mark- och trädgårdsskötsel, snöröjning och halkbekämpning.

Företaget har sitt säte i Solna.

Väsentliga händelser under räkenskapsåret

Resultatet för det gångna året visar en markant förbättring jämfört med 2019/2020.

Under året har verksamheten i Kronoberg renodlats. Ett antal uppdrag inom ekonomisk/administrativ förvaltning har flyttats till dotterbolaget Crendo Redovisningsbyrå AB, och den tekniska förvaltningen har lagts över till Crendo Fastighetsförvaltning AB.

Även under 2021 har bolaget påverkats negativt av covid 19-pandemin. En förhöjd sjukfrånvaro och problem med leveranser av material har lett till försening av projekt.

Miljö och kvalitet

Crendo har under året inlett ett arbete gällande certifiering enligt ett miljö- och kvalitetsledningssystem.

Crendo arbetar långsiktigt i sitt miljöarbete för att minska miljöpåverkan och följer de regelverk som finns. Avvikelser dokumenteras och följs upp i ett internt system. Arbetet med att möta de nya myndighetskraven avseende farligt elavfall pågår. Fordonsparken förnyas successivt med övergång till miljöanpassade fordon.

Ett digitalt orderhanteringssystem finns nu implementerat i hela verksamheten, vilket har lett till en högre effektivitet och säkerhet gällande orderflöde och fakturering. Vidare kommer vi att arbeta mot en full integration mellan order- och affärssystem.

Förväntad framtida utveckling samt väsentliga risker och osäkerhetsfaktorer

Bolaget ser tillväxtmöjligheter i alla affärsområden och inom samtliga befintliga regioner.
Vår bedömning är att efterfrågan på kvalificerad fastighetsservice kommer att öka för såväl offentligt ägda verksamheter som för privata fastighetsägare.

Likviditetsrisk

Likviditetsrisk avser risken för likviditetsbrist till följd av att ett upplåningsbehov inte kan tillgodoses. Bolagets mål är att uppvisa en god likviditet och kassaflöde. Risken att bolaget skulle ha svårigheter gällande ett eventuellt upplåningsbehov bedöms som liten.

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Marknadsrisk

Marknadsrisk som till exempel konkurrens eller ändrad prisbild på marknaden påverkar bolaget i stora drag och bedöms som företagets största risk. Bolagets mål är att genom nöjda kunder skapa en relation som är stark när konkurrensen ökar eller prisbilden på marknaden eventuellt går ned.

Ränterisk

Ränterisken är en relativt liten risk för bolaget på grund av obefintliga utestående banklån.

Valutarisk

Någon betydande valutarisk existerar inte i dagsläget för bolaget då nästan samtliga transaktioner sker i svensk valuta.

Kreditrisk

Kreditrisk innebär bland annat risken för att en kund inte fullgör sin betalning. Bolagets mål är att minimera dessa kreditrisker. Kreditupplysningar tas på presumtiva kunder. Dessutom har bolaget en snabb och effektiv kravhantering.

Ägarförhållanden

Bolaget ägs till 100 % av PHM Sweden AB, 559206-7952, Företaget upprättar i enlighet med ÅRL 7 kap 2§ inte någon koncernredovisning. Koncernredovisning upprättas av moderbolaget PHM Group OY i Finland.

Flerårsöversikt (Tkr)	**2021**	**2019/20**	**2018/19**	**2017/18**	**2016/17**
Nettoomsättning	123 992	173 110	157 573	160 703	199 582
Rörelseresultat	3 366	-40	-186	3 556	-7 855
Soliditet (%)	22	16	14	17	11
Balansomslutning	36 750	35 855	48 254	48 521	64 141

Förslag till vinstdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

balanserad vinst	5 607 524
årets vinst	2 413 570
	8 021 094
disponeras så att	
i ny räkning överföres	8 021 094

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning samt kassaflödesanalys med noter.

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Resultaträkning

Tkr

	Not	2021-01-01 -2021-12-31	2019-10-01 -2020-12-31 (15 mån)
Nettoomsättning	2	123 992	173 111
Övriga rörelseintäkter		1 919	1 514
		125 911	**174 625**
Rörelsens kostnader	3		
Kostnader för material och underentreprenörer		-50 009	-77 327
Övriga externa kostnader	4, 5	-14 222	-19 052
Personalkostnader	6	-57 314	-77 029
Avskrivningar och nedskrivningar av materiella och immateriella anläggningstillgångar		-1 000	-1 257
		-122 545	**-174 665**
Rörelseresultat	7	**3 366**	**-40**
Resultat från finansiella poster			
Övriga ränteintäkter och liknande resultatposter	8	4	33
Räntekostnader och liknande resultatposter	9	-121	-1 269
		-117	**-1 236**
Resultat efter finansiella poster		**3 249**	**-1 276**
Resultat före skatt		**3 249**	**-1 276**
Skatt på årets resultat	10	-835	209
Årets resultat		**2 414**	**-1 067**

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Balansräkning

Tkr

	Not	2021-12-31	2020-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Immateriella anläggningstillgångar			
Koncessioner, patent, licenser, varumärken samt liknande rättigheter	11	812	1 217
		812	**1 217**
Materiella anläggningstillgångar			
Maskiner och andra tekniska anläggningar	12	1 210	241
Inventarier, verktyg och installationer	13	419	749
		1 629	**990**
Finansiella anläggningstillgångar			
Andelar i koncernföretag	14, 15	2 304	2 304
Uppskjuten skattefordran	16	1 230	2 064
		3 534	**4 368**
Summa anläggningstillgångar		**5 975**	**6 575**
Omsättningstillgångar			
Varulager m m			
Råvaror och förnödenheter		2 493	2 388
		2 493	**2 388**
Kortfristiga fordringar			
Kundfordringar		20 104	12 238
Fordringar hos koncernföretag		5 679	18
Aktuella skattefordringar		986	51
Övriga fordringar		258	1 311
Upparbetad men ej fakturerad intäkt		0	7 563
Förutbetalda kostnader och upplupna intäkter	17	1 218	1 472
		28 245	**22 653**
Kassa och bank	18	36	4 240
Summa omsättningstillgångar		**30 774**	**29 281**
SUMMA TILLGÅNGAR		**36 749**	**35 856**

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Balansräkning

Tkr

	Not	2021-12-31	2020-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital	19, 20		
Bundet eget kapital			
Aktiekapital		100	100
Reservfond		20	20
		120	**120**
Fritt eget kapital			
Balanserad vinst eller förlust		5 608	6 675
Årets resultat		2 414	-1 067
		8 022	**5 608**
Summa eget kapital		**8 142**	**5 728**
Långfristiga skulder			
Övriga skulder		746	0
Summa långfristiga skulder		**746**	**0**
Kortfristiga skulder			
Leverantörsskulder		7 178	7 075
Skulder till koncernföretag		0	16
Övriga skulder		9 745	11 771
Upplupna kostnader och förutbetalda intäkter	21	10 938	11 266
Summa kortfristiga skulder		**27 861**	**30 128**
SUMMA EGET KAPITAL OCH SKULDER		**36 749**	**35 856**

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Rapport över förändringar i eget kapital

Tkr

	Aktie-kapital	Bundna reserver	Fritt eget kapital	Årets resultat	Summa eget kapital
Ingående eget kapital 2019-10-01	**100**	**604**	**7 698**	**-1 607**	**6 795**
Aktivering av utvecklingsarbete		-584	584		0
Vinstdisposition			-1 607	1 607	0
Årets resultat				-1 067	-1 067
Utgående eget kapital 2020-12-31	**100**	**20**	**6 675**	**-1 067**	**5 728**
Vinstdisposition			-1 067	1 067	0
Årets resultat				2 414	2 414
			-1 067	**3 481**	**2 414**
Utgående eget kapital 2021-12-31	**100**	**20**	**5 608**	**2 414**	**8 141**

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Kassaflödesanalys

Tkr

	Not	2021-01-01 -2021-12-31	2019-10-01 -2020-12-31 (15 mån)
Den löpande verksamheten			
Resultat efter finansiella poster	8	3 248	-1 276
Justeringar för poster som inte ingår i kassaflödet	22	701	1 152
Betald skatt		-936	230
Kassaflöde från den löpande verksamheten före förändring av rörelsekapital		**3 013**	**106**
Kassaflöde från förändring av rörelsekapitalet			
Förändring av varulager och pågående arbete		-1	203
Förändring av kundfordringar		-7 866	-10 337
Förändring av kortfristiga fordringar		8 870	2 581
Förändring av leverantörsskulder		103	-2 112
Förändring av kortfristiga skulder		-2 726	6 525
Kassaflöde från den löpande verksamheten		**1 393**	**-3 034**
Investeringsverksamheten			
Investeringar i immateriella anläggningstillgångar		0	-480
Investeringar i materiella anläggningstillgångar		-322	-276
Försäljning av materiella anläggningstillgångar		314	274
Amortering av finansiella anläggningstillgångar		0	21 791
Kassaflöde från investeringsverksamheten		**-8**	**21 309**
Finansieringsverksamheten			
Amortering av lån		-76	-15 658
Kassaflöde från finansieringsverksamheten		**-76**	**-15 658**
Årets kassaflöde		**1 309**	**2 617**
Likvida medel vid årets början	23		
Likvida medel vid årets början		4 240	1 623
Likvida medel vid årets slut		**5 549**	**4 240**

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Noter

Tkr

Not 1 Redovisnings- och värderingsprinciper

Allmänna upplysningar

Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Redovisningsprinciperna är oförändrade jämfört med föregående år.

Intäktsredovisning

Intäkter har tagits upp till verkligt värde av vad som erhållits eller kommer att erhållas och redovisas i den omfattning det är sannolikt att de ekonomiska fördelarna kommer att tillgodogöras bolaget och intäkterna kan beräknas på ett tillförlitligt sätt.

Ersättning i form av ränta, royalty eller utdelning redovisas som intäkt när det är sannolikt att företaget kommer att få de ekonomiska fördelar som är förknippade med transaktionen och när inkomsten kan beräknas på ett tillförlitligt sätt.

Ränta redovisas som intäkt enligt den så kallade effektivräntemetoden. Royalty periodiseras i enlighet med den aktuella överenskommelsens ekonomiska innebörd. Utdelning redovisas som intäkt när företagets rätt till betalning är säkerställd.

Segmentrapportering

Ett segment är en redovisningsmässigt identifierbar del av bolaget som antigen tillhandahåller varor och tjänster (rörelsegrenar), eller varor och tjänster inom en viss ekonomisk omgivning (geografiskt område), som är utsatta för risker och möjligheter som skiljer sig från andra segment. Bolagets primära segment utgörs av en rörelsegren, fastighetsförvaltning. Bolagets sekundära segment utgörs av det geografiska området Sverige.

Pågående tjänsteuppdrag

Inkomster från uppdrag på löpande räkning redovisas som intäkt i takt med att arbetet utförs och material levereras eller förbrukas innebärande att vinsten från uppdragen avräknas successivt.

Om det inte är sannolikt att betalning kommer att erhållas för belopp som redan har redovisats som intäkt redovisas det belopp som sannolikt inte kommer att erhållas som en kostnad.

I balansräkningen jämförs redovisade intäkter med de belopp som fakturerats beställaren under samma period. Om de fakturerade beloppen överstiger den redovisade intäkten utgör mellanskillnaden en skuld, vilken redovisas som fakturerad men ej upparbetad intäkt. Om intäkten överstiger de fakturerade beloppen utgör mellanskillnaden en fordran vilken redovisas som upparbetad men ej fakturerad intäkt.

Inkomster till fast pris redovisas som intäkt enligt färdigställandemetoden, det vill säga senast när arbetet väsentligen är fullgjort.

I balansräkningen redovisas för ej färdigställda uppdrag nettot av nedlagda kostnader minskat med fakturerade belopp som pågående arbete för annans räkning. Om ett uppdrag befaras gå med förlust redovisas en kostnad omgående i resultaträkningen.

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Immateriella tillgångar

Företaget redovisar internt upparbetade immateriella anläggningstillgångar enligt aktiveringsmodellen. Det innebär att samtliga utgifter som avser framtagandet av en internt upparbetad immateriell anläggningstillgång aktiveras och skrivs av under tillgångens beräknade nyttjandeperiod, under förutsättningarna att kriterierna i BFNAR 2012:1 är uppfyllda.

Anläggningstillgångar

Immateriella och materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar enligt plan och eventuella nedskrivningar.
Avskrivning sker linjärt över den förväntade nyttjandeperioden med hänsyn till väsentligt restvärde.

Nedskrivningsprövning av immateriella och materiella anläggningstillgångar

Vid varje balansdag bedöms om det finns indikationer på nedskrivningsbehov av någon av de immateriella och materiella anläggningstillgångarna. Nedskrivning sker om värdenedgången bedöms vara bestående och prövas individuellt.

Följande avskrivningsprocent tillämpas:

Immateriella anläggningstillgångar

Balanserade utgifter för utvecklingsarbeten	20%
Koncessioner, patent, licenser, varumärken	20%
Goodwill	20%

Materiella anläggningstillgångar

Maskiner och andra tekniska anläggningar	12,5-20%
Inventarier, verktyg och installationer	20%

Finansiella instrument

Finansiella instrument värderas utifrån anskaffningsvärdet. Instrumentet redovisas i balansräkningen när bolaget blir part i instrumentets avtalsmässiga villkor. Finansiella tillgångar tas bort från balansräkningen när rätten att erhålla kassaflöden från instrumentet har löpt ut eller överförts och bolaget har överfört i stort sett alla risker och förmåner som är förknippade med äganderätten. Finansiella skulder tas bort från balansräkningen när förpliktelserna har reglerats eller på annat sätt upphört.

Andra långfristiga värdepappersinnehav

Placeringar i värdepapper som är anskaffade med avsikt att innehas långsiktigt har redovisats till sina anskaffningsvärden. Varje balansdag görs bedömning om eventuellt nedskrivningsbehov.

Derivatinstrument

Företagets utestående lån löper med rörlig ränta. Samtliga fordringar och skulder är i svenska kronor. Säkringsredovisning tillämpas för närvarande inte.

Kundfordringar/kortfristiga fordringar

Kundfordringar och kortfristiga fordringar redovisas som omsättningstillgångar till det belopp som förväntas bli inbetalt efter avdrag för individuellt bedömda osäkra fordringar.

Låneskulder och leverantörsskulder

Låneskulder och leverantörsskulder redovisas initialt till anskaffningsvärde efter avdrag för transaktionskostnader. Skiljer sig det redovisade beloppet från det belopp som ska återbetalas vid förfallotidpunkten periodiseras mellanskillnaden som räntekostnad över lånets löptid med hjälp av instrumentets effektivränta. Härigenom överensstämmer vid förfallotidpunkten det redovisade beloppet och det belopp som ska återbetalas.

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Kvittning av finansiell fordran och finansiell skuld
En finansiell tillgång och en finansiell skuld kvittas och redovisas med ett nettobelopp i balansräkningen endast då legal kvittningsrätt föreligger samt då en reglering med ett nettobelopp avses ske eller då en samtida avyttring av tillgången och reglering av skulden avses ske.

Nedskrivningsprövning av finansiella anläggningstillgångar
Vid varje balansdag bedöms om det finns indikationer på nedskrivningsbehov av någon av de finansiella anläggningstillgångarna. Nedskrivning sker om värdenedgången bedöms vara bestående och prövas individuellt.

Leasingavtal
Företaget redovisar samtliga leasingavtal där företaget är leasetagare som operationell leasing oavsett om avtalen är finansiella eller operationella. Leasingavtal redovisas som en kostnad linjärt över leasingperioden.

Varulager
Varulagret har värderats till det lägsta av dess anskaffningsvärde och dess nettoförsäljningsvärde på balansdagen. Med nettoförsäljningsvärde avses varornas beräknade försäljningspris minskat med försäljningskostnader. Den valda värderingsmetoden innebär att inkurans i varulagret har beaktats.

Inkomstskatter
Total skatt utgörs av aktuell skatt och uppskjuten skatt. Skatter redovisas i resultaträkningen, utom då underliggande transaktion redovisas direkt mot eget kapital varvid tillhörande skatteeffekter redovisas i eget kapital.

Aktuell skatt
Aktuell skatt avser inkomstskatt för innevarande räkenskapsår samt den del av tidigare räkenskapsårs inkomstskatt som ännu inte redovisats. Aktuell skatt beräknas utifrån den skattesats som gäller per balansdagen.

Uppskjuten skatt
Uppskjuten skatt är inkomstskatt som avser framtida räkenskapsår till följd av tidigare händelser. Redovisning sker enligt balansräkningsmetoden. Enligt denna metod redovisas uppskjutna skatteskulder och uppskjutna skattefordringar på temporära skillnader som uppstår mellan bokförda respektive skattemässiga värden för tillgångar och skulder samt för övriga skattemässiga avdrag eller underskott.

Uppskjutna skattefordringar nettoredovisas mot uppskjutna skatteskulder endast om de kan betalas med ett nettobelopp. Uppskjuten skatt beräknas utifrån gällande skattesats på balansdagen. Effekter av förändringar i gällande skattesatser resultatförs i den period förändringen lagstadgats. Uppskjuten skattefordran redovisas som finansiell anläggningstillgång och uppskjuten skatteskuld som avsättning.

Uppskjuten skattefordran avseende underskottsavdrag eller andra framtida skattemässiga avdrag redovisas i den omfattning det är sannolikt att avdragen kan avräknas mot framtida skattemässiga överskott.
På grund av sambandet mellan redovisning och beskattning särredovisas inte den uppskjutna skatteskulden som är hänförlig till obeskattade reserver.

Avsättningar
Som avsättning har redovisats förpliktelser gentemot tredje man som är hänförliga till räkenskapsåret eller tidigare räkenskapsår och som på balansdagen antingen är säkra eller sannolika till sin förekomst men oviss till belopp eller till den tidpunkt då de ska infrias.

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Uppskjuten skattefordran
Bolagets bedömning av den skattefordran som finns i balansräkningen är att bolaget under de kommande åren kommer att generera skattemässiga överskott som medför att skattefordran kommer att kunna utnyttjas fullt ut.

Uppskjuten skatt har beräknats med användning av den skattesats som kommer att gälla i Sverige under den aktuella perioden (20,6). Beroende på när i tiden bolaget bedömer att återvinning respektive reglering av det redovisade värdet kommer att ske, kan de uppskjutna skatterna komma att justeras i efterföljande finansiella rapporter.

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Not 2 Nettoomsättningens fördelning

	2021	2019-10-01 -2020-12-31
Nettoomsättningen per segment		
Teknisk fastighetsförvaltning	122 631	170 619
Ekonomisk och administrativ förvaltning	1 361	2 492
	123 992	**173 111**

Not 3 Exceptionella kostnader

	2021	2019-10-01 -2020-12-31
Personalkostnader	0	560
Övriga externa kostnader	0	607
	0	**1 167**

Not 4 Leasingavtal

Årets leasingkostnader avseende hyreskostnader uppgår till 2 682 tkr (3 406 tkr), kostnader för övriga operationella leasingavtal uppgår till 3 018 tkr (3 786 tkr).

Framtida leasingavgifter, för icke uppsägningsbara leasingavtal, förfaller till betalning enligt följande:

	2021	2019-10-01 -2020-12-31
Hyreskostnader inom ett år	2 913	2 464
Hyreskostnader senare än ett år men inom fem år	4 145	863
Övriga operationella leasingavtal inom ett år	1 704	2 069
Övriga operationella leasingavtal senare än ett år men inom fem år	2 998	3 958
	11 760	**9 354**

Hyresavtalen löper fram till åren 2022-2026. Inga avtal innehåller krav på förlängning.

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Not 5 Arvode till revisorer

Med revisionsuppdrag avses granskning av årsredovisningen och bokföringen samt styrelsens förvaltning, övriga arbetsuppgifter som det ankommer på bolagets revisor att utföra samt rådgivning eller annat biträde som föranleds av iakttagelser vid sådan granskning eller genomförandet av sådana övriga arbetsuppgifter.

	2021	**2019-10-01 -2020-12-31**
KPMG		
Revisionsuppdrag	137	110
Övriga tjänster	20	37
	157	**147**

Not 6 Anställda och personalkostnader

	2021	**2019-10-01 -2020-12-31**
Medelantalet anställda		
Kvinnor	24	24
Män	81	86
	105	**110**
Löner och andra ersättningar		
Styrelse och verkställande direktör	0	190
Övriga anställda	40 742	53 110
	40 742	**53 300**
Sociala kostnader		
Pensionskostnader för styrelse och verkställande direktör	0	78
Pensionskostnader för övriga anställda	3 359	3 494
Övriga sociala avgifter enligt lag och avtal	12 770	17 866
	16 129	**21 438**
Totala löner, ersättningar, sociala kostnader och pensionskostnader	**56 871**	**74 738**

Löner och ersättningar avser endast personal i Sverige

Könsfördelning bland ledande befattningshavare		
Andel kvinnor i styrelsen	0 %	0 %
Andel män i styrelsen	100 %	100 %
Andel kvinnor bland övriga ledande befattningshavare	33 %	33 %
Andel män bland övriga ledande befattningshavare	67 %	67 %

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Not 7 Inköp och försäljning mellan koncernföretag

	2021	2019-10-01 -2020-12-31
Andel av årets totala inköp som skett från andra företag i koncernen	0,20 %	2,56 %
Andel av årets totala försäljningar som skett till andra företag i koncernen	0,20 %	0,73 %

Not 8 Räntor och utdelningar

	2021	2019-10-01 -2020-12-31
Erhållen ränta	-4	-33
	-4	**-33**

Not 9 Räntekostnader och liknande resultatposter

	2021	2019-10-01 -2020-12-31
Räntekostnader till koncernföretag	0	471
Övriga räntekostnader	121	798
	121	**1 269**

Not 10 Aktuell och uppskjuten skatt

	2021	2019-10-01 -2020-12-31
Skatt på årets resultat		
Uppskjuten skatt på underskottsavdrag	835	209
Totalt redovisad skatt	**835**	**209**

Avstämning av effektiv skatt

		2021		2019-10-01 -2020-12-31
	Procent	**Belopp**	**Procent**	**Belopp**
Redovisat resultat före skatt		3 248		-1 276
Skatt enligt gällande skattesats	20,60	-669	21,40	273
Ej avdragsgilla kostnader		-45		-57
Ej skattepliktiga intäkter		1		0
Förändring uppskjuten skatt avseende ny skattesats				-8
Förändring av skatt hänförlig till tidigare år		-122		
Redovisad effektiv skatt	**25,70**	**-835**	**16,36**	**209**

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Not 11 Koncessioner, patent, licenser, varumärken samt liknande rättigheter

	2021-12-31	2020-12-31
Ingående anskaffningsvärden	1 987	0
Inköp	0	112
Omklassificeringar	0	1 507
Aktiverat arbete	0	368
Utgående ackumulerade anskaffningsvärden	**1 987**	**1 987**
Ingående avskrivningar	-770	0
Omklassificeringar	0	-303
Årets avskrivningar	-405	-466
Utgående ackumulerade avskrivningar	**-1 175**	**-770**
Utgående redovisat värde	**812**	**1 217**

Not 12 Maskiner och andra tekniska anläggningar

	2021-12-31	2020-12-31
Ingående anskaffningsvärden	955	5 163
Inköp	278	71
Försäljningar/utrangeringar	-75	-4 279
Övertagna anskaffningar vid inkråmsöverlåtelse	1 010	
Utgående ackumulerade anskaffningsvärden	**2 168**	**955**
Ingående avskrivningar	-714	-4 633
Övertagna avskrivningar från inkråmsövelåtelse	-97	
Försäljningar/utrangeringar	61	4 045
Årets avskrivningar	-207	-126
Utgående ackumulerade avskrivningar	**-957**	**-714**
Utgående redovisat värde	**1 210**	**241**

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Not 13 Inventarier, verktyg och installationer

	2021-12-31	2020-12-31
Ingående anskaffningsvärden	2 879	5 000
Inköp	44	205
Försäljningar/utrangeringar	-118	-2 327
Omklassificeringar	46	
Utgående ackumulerade anskaffningsvärden	**2 851**	**2 879**
Ingående avskrivningar	-2 130	-3 740
Försäljningar/utrangeringar	118	2 290
Omklassificeringar	-31	
Årets avskrivningar	-388	-680
Utgående ackumulerade avskrivningar	**-2 432**	**-2 130**
Utgående redovisat värde	**419**	**749**

Not 14 Andelar i koncernföretag

	2021-12-31	2020-12-31
Ingående anskaffningsvärden	2 304	2 304
Utgående ackumulerade anskaffningsvärden	**2 304**	**2 304**
Utgående redovisat värde	**2 304**	**2 304**

Not 15 Specifikation andelar i koncernföretag

Namn	Kapital-andel	Rösträtts-andel	Antal andelar	Bokfört värde
Crendo Redovisningsbyrå AB	100	100	1 000	2 304
				2 304

	Org.nr	Säte
Crendo Redovisningsbyrå AB	556345-5731	Växjö

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Not 16 Uppskjuten skatt på temporära skillnader

Uppskjuten skatt på temporära skillnader
2021-12-31

Temporära skillnader	Uppskjuten skattefordran	Uppskjuten skatteskuld	Netto
Skattemässiga underskottsavdrag	1 230	0	1 230
	1 230	**0**	**1 230**

2020-12-31

Temporära skillnader	Uppskjuten skattefordran	Uppskjuten skatteskuld	Netto
Skattemässiga underskottsavdrag	2 064	0	2 064
	2 064	**0**	**2 064**

Förändring av uppskjuten skatt

	Belopp vid årets ingång	Redovisas i resultaträk.	Belopp vid årets utgång
Skattemässiga underskottsavdrag	2 064	-835	1 230
	2 064	**-835**	**1 230**

Not 17 Förutbetalda kostnader och upplupna intäkter

	2021-12-31	2020-12-31
Förutbetalda hyreskostnader	429	632
Övriga poster	789	840
	1 218	**1 472**

Not 18 Checkräkningskredit

	2021-12-31	2020-12-31
Beviljat belopp inom PHM koncern cash pool Nordea	2 000	2 000
Utnyttjad kredit uppgår till	0	0

Not 19 Antal aktier och kvotvärde

Namn	Antal aktier	Kvot-värde
Aktier	1 000	100
	1 000	

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Not 20 Disposition av vinst eller förlust

	2021-12-31
Förslag till vinstdisposition	
Styrelsen föreslår att till förfogande stående vinstmedel:	
balanserad vinst	5 608
årets vinst	2 414
	8 021
disponeras så att	
i ny räkning överföres	8 021

Not 21 Upplupna kostnader och förutbetalda intäkter

	2021-12-31	2020-12-31
Upplupna löner och semesterlön	8 024	7 435
Upplupna sociala avgifter	2 505	3 402
Övriga poster	410	430
	10 939	**11 266**

Not 22 Justering för poster som inte ingår i kassaflödet

	2021-12-31	2020-12-31
Avskrivningar	1 000	1 257
Övriga avsättningar	0	-86
Vinst vid försäljning av anläggningstillgångar	-329	-19
Förlust vid försäljning av anläggningstillgångar	30	0
	701	**1 152**

I samband med en inkråmsöverlåtelse har tillgångar och skulder övertagits från dotterbolag. Inget kassaflöde uppkom vid överlåtelsen och nedan angivna tillgångar och skulder ingår ej i kassaflödet:

Tillgångar:		
Varulager	105	
Fordran dotterbolag	148	
Maskiner och inventarier		927
	1.180	
Skulder		
Skuld till kreditinstitut		822
Kortfristiga skulder	358	
	1.180	

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Not 23 Likvida medel

	2021-12-31	2020-12-31
Likvida medel		
Kassamedel	3	3
Banktillgodohavanden	33	4 237
Fordran PHM Oy, cashpool Nordea	5 513	0
	5 549	**4 240**

Not 24 Ställda säkerheter

	2021-12-31	2020-12-31
För skulder till kreditinstitut:		
Företagsinteckningar	15 000	15 000
	15 000	**15 000**

Solna 2022-05-25

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42A69C5A18474E1...
Ville Rantala
Ordförande

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6784A6F8CC0C4EB...
Johannes Müllner

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Petri Pellonmaa
9BFD5FD83EC64C2...
Petri Pellonmaa

Min revisionsberättelse har lämnats 2022-05-27

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Fredrik Eklu Sjödén
Auktoriserad revisor

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Fredrik Eklu Sjödén fredrik.eklu.sjoden@kpmg.se KPMG AB Security Level: Email, Account Authentication (None)	DocuSigned by: Fredrik Eklu Sjödén ED275E6282434C3... Signature Adoption: Pre-selected Style Signed by link sent to fredrik.eklu.sjoden@kpmg.se Using IP Address: 195.84.56.2	Sent: 5/25/2022 3:08:29 PM Resent: 5/27/2022 5:43:29 AM Viewed: 5/27/2022 9:23:18 AM Signed: 5/27/2022 9:23:27 AM

Authentication Details
Identity Verification Details:
Workflow ID: facedebc-e28d-4182-adbf-789fbd673b01
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: SE_BANKID
Transaction Unique ID: cd38551a-0fec-558d-ab55-0df913a4ea51
Country of ID: SE
Result: Passed
Performed: 5/27/2022 9:23:06 AM

Electronic Record and Signature Disclosure:
Not Offered via DocuSign

Johannes Müllner Johannes@phmgroup.se Security Level: Email, Account Authentication (None)	DocuSigned by: 6784A6F8CC0C4EB... Signature Adoption: Drawn on Device Signed by link sent to Johannes@phmgroup.se Using IP Address: 94.246.77.90	Sent: 5/25/2022 3:08:28 PM Viewed: 5/25/2022 4:17:23 PM Signed: 5/25/2022 4:17:29 PM

Authentication Details
Identity Verification Details:
Workflow ID: facedebc-e28d-4182-adbf-789fbd673b01
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: SE_BANKID
Transaction Unique ID: b91bb707-45a8-569b-8543-75aae42efe06
Country of ID: SE
Result: Passed
Performed: 5/25/2022 4:17:13 PM

Electronic Record and Signature Disclosure:
Accepted: 4/12/2021 8:22:38 PM
ID: 3c4dbce0-efff-4feb-a14f-1e62c56ee8fd

Signer Events	Signature	Timestamp
Petri Pellonmaa petri.pellonmaa@kotikatu.fi Group CFO PHM Group Holding Oy Security Level: Email, Account Authentication (None)	DocuSigned by: Petri Pellonmaa 9BFD5FD83EC84C2...	Sent: 5/25/2022 3:08:28 PM Resent: 5/27/2022 5:43:30 AM Viewed: 5/27/2022 8:23:47 AM Signed: 5/27/2022 8:23:52 AM
	Signature Adoption: Pre-selected Style Signed by link sent to petri.pellonmaa@kotikatu.fi Using IP Address: 80.221.158.165	

Authentication Details
Identity Verification Details:
Workflow ID: facedebc-e28d-4182-adbf-789fbd673b01
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: FTN
Transaction Unique ID: c486541d-3e05-54cc-9bab-67fe78c7932c
Country of ID: FI
Result: Passed
Performed: 5/27/2022 8:23:35 AM

Electronic Record and Signature Disclosure:
Accepted: 5/25/2022 11:38:32 AM
ID: 0e820e84-b790-4a85-a98b-dda6d778646f

Ville Rantala ville.rantala@phm.fi ceo Security Level: Email, Account Authentication (None)	DocuSigned by: Ville Rantala 42A69C5A18474E1...	Sent: 5/25/2022 3:08:29 PM Viewed: 5/25/2022 3:58:00 PM Signed: 5/25/2022 3:58:07 PM
	Signature Adoption: Pre-selected Style Signed by link sent to ville.rantala@phm.fi Using IP Address: 188.238.49.81	

Authentication Details
Identity Verification Details:
Workflow ID: facedebc-e28d-4182-adbf-789fbd673b01
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: FTN
Transaction Unique ID: 4a971822-581d-5581-9f9c-922f73bb4d47
Country of ID: FI
Result: Passed
Performed: 5/25/2022 3:57:48 PM

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ID: 6628ca60-816b-4b95-a13b-b315b89f1a3b

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	**Status**	**Timestamp**
Agent Delivery Events	**Status**	**Timestamp**
Intermediary Delivery Events	**Status**	**Timestamp**
Certified Delivery Events	**Status**	**Timestamp**
Carbon Copy Events	**Status**	**Timestamp**
Witness Events	**Signature**	**Timestamp**
Notary Events	**Signature**	**Timestamp**
Envelope Summary Events	**Status**	**Timestamps**

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Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	5/25/2022 3:08:29 PM
Certified Delivered	Security Checked	5/25/2022 3:58:00 PM
Signing Complete	Security Checked	5/25/2022 3:58:07 PM
Completed	Security Checked	5/27/2022 9:23:27 AM

Payment Events	Status	Timestamps

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Parties agreed to: Johannes Müllner, Petri Pellonmaa, Ville Rantala

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20220715172339

Revisionsberättelse

Till bolagsmännen i Crendo fastighetsförvaltning AB, org. nr 556642-4809

Rapport om årsredovisningen

Uttalande

Jag har utfört en revision av årsredovisningen för Crendo fastighetsförvaltning AB för år 2021.

Enligt min uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Crendo fastighetsförvaltning ABs finansiella ställning per den 31 december 2021 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Grund för uttalande

Jag har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Mitt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Jag är oberoende i förhållande till bolaget enligt god revisorssed i Sverige och har i övrigt fullgjort mitt yrkesetiska ansvar enligt dessa krav.

Jag anser att de revisionsbevis jag har inhämtat är tillräckliga och ändamålsenliga som grund för mitt uttalande.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som den bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Mina mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller mina uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder jag professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer jag riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för mina uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar jag mig en förståelse av den del av bolagets interna kontroll som har betydelse för min revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala mig om effektiviteten i den interna kontrollen.
- utvärderar jag lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar jag en slutsats om lämpligheten i att styrelsens och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Jag drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om jag drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste jag i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Mina slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar jag den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Jag måste informera styrelsen och verkställande direktören om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Jag måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som jag identifierat.

Rapport om andra krav enligt lagar och andra författningar

Uttalande

Utöver min revision av årsredovisningen har jag även utfört en revision av styrelsens och verkställande direktörens förvaltning för Crendo fastighetsförvaltning AB för år 2021.

Enligt min uppfattning finns inget att anmärka.

Grund för uttalande

Jag har utfört revisionen enligt god revisionssed i Sverige. Mitt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Jag är oberoende i förhållande till bolaget enligt god revisorssed i Sverige och har i övrigt fullgjort mitt yrkesetiska ansvar enligt dessa krav.

Jag anser att de revisionsbevis jag har inhämtat är tillräckliga och ändamålsenliga som grund för mitt uttalande.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för förvaltningen enligt lagen om handelsbolag och enkla bolag och bolagsavtalet.

Revisorns ansvar

Mitt mål beträffande revisionen av förvaltningen, och därmed mitt uttalande, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget.

Som en del av en revision enligt god revisionssed i Sverige använder jag professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på min professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att jag fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Jag går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för mitt uttalande.

Västerås den 2022-05-27

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Fredrik Eklu Sjödén
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PHM Group TopCo Oy

Business ID: 31238097

Financial Statements
1.1.-31.12.2021

PHM Group TopCo Oy
Financial Statements and Report of the Board of Directors 2021

Board of Directors' Report

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Financial Statements of the Parent Company (FAS)

Signatures to the Board of Directors' Report and the Financial Statements

202210201003

Key Figures

EUR million, unless otherwise specified	2021	2020
Reported		
Revenue (net sales)	364,2	122,2
EBITDA	56,9	15,0
Adjusted EBITDA	62,7	24,3
Adjusted EBITDA margin -%	17,2 %	19,9 %
	36,0	14,0
Adjusted EBITA margin -%	9,9 %	11,5 %
Profit for the period	-4,3	-7,0
Like-for-like (LFL)		
LFL Revenue (net sales)	416,7	373,4
LFL EBITDA	64,6	54,1
LFL adjusted EBITDA	70,4	63,5
LFL adjusted EBITDA margin -%	16,9 %	17,0 %
LFL adjusted EBITA	40,9	37,1
LFL adjusted EBITA margin -%	9,8 %	9,9 %
LFL synergy adjusted EBITDA	71,6	-
Financial position		
Equity ratio, %	24,0 %	41,5 %
Net interest bearing debt (NIBD)	346,3	199,2
Leverage, x	4,84	-
Operating cash flow before acquisitions	42,0	8,7
Cash conversion, %	73,8 %	58,3 %
Other		
Number of employees at the end of period	4 781	3 191
Average number of employees	4 138	1 410

Alternative Performance Measures (APM)

Company applies ESMA (European Securities and Markets Authority) guidelines on alternative performance measures effective from 2016.

Company uses and presents the following alternative performance measures to better illustrate the operative development of its business: operating profit before amortisation of PPA (EBITA), EBITDA, Adjusted EBITA, Adjusted EBITDA, like-for-like figures, LFL synergy adjusted EBITDA. PPA amortizations arise from assets recognised in fair value in acquired business combinations.

The items included in the aforementioned APM's consist of the following:

Adjusted EBITA and EBITDA	2021	2020
EBIT	**18,6**	**-0,6**
Amortisation of intangible assets identified in PPA	11,6	5,3
EBITA	**30,2**	**4,7**
M&A related consultancy costs	3,5	6,2
Business related non-recurring items	1,7	3,0
Other non-recurring items	0,6	0,1
Adjusted EBITA	**36,0**	**14,0**
LFL impact of acquisitions made	4,9	23,1
LFL adj EBITA	**40,9**	**37,1**

EBIT	**18,6**	**-0,6**
Depreciations	26,7	10,3
Amortisation of intangible assets identified in PPA	11,6	5,3
EBITDA	**56,9**	**15,0**
M&A related consultancy costs	3,5	6,2
Business related non-recurring items	1,7	3,0
Other non-recurring items	0,6	0,1
Adjusted EBITDA	**62,7**	**24,3**
LFL impact of acquisitions made	7,6	39,2
LFL adj EBITDA	**70,4**	**63,5**
Run rate adjustment of unrealised synergies	1,2	-
LFL synergy adjuste EBITDA	**71,6**	**-**

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Formulas of Key Figures

EBITDA	=	Operating profit + depreciations and amortisation
EBITDA margin -%	=	Operating profit + depreciations and amortisation / Net sales x 100
Operating profit before amortisation of intangible assets identified in PPA and impairment of goodwill (EBITA)	=	Operating profit + amortisation of intangible assets identified in PPA + impairment of goodwill
Operating profit before amortisation of intangible assets identified in PPA and impairment of goodwill (EBITA) margin -%	=	Operating profit + amortisation of intangible assets identified in PPA + impairment of goodwill / Net sales x 100
Adjusted EBITDA	=	EBITDA + non-recurring items
Adjusted EBITDA margin -%	=	Adjusted EBITDA / Net sales x 100
Adjusted EBITA		EBITA + non-recurring items
Adjusted EBITA margin -%	=	Adjusted EBITA / Net sales x 100
LFL Revenue (net sales)		Net sales + like-for-like adjustments
LFL EBITDA		EBITDA + like-for-like adjustments
LFL adjusted EBITDA		Adjusted EBITDA + like-for-like adjustments
LFL adjusted EBITDA margin -%	=	LFL adjusted EBITDA / Net sales x 100
LFL adjusted EBITA		EBITA + like-for-like adjustments
LFL adjusted EBITA margin -%	=	LFL adjusted EBITA / Net sales x 100
LFL synergy adjusted EBITDA		LFL adjusted EBITDA + run rate synergies
Equity ratio, %	=	Shareholders equity / Balance sheet total – advances received x 100
Net interest bearing debt (NIBD)		Interest bearing liabilities - cash and cash equivalents
Leverage, x		Net interest bearing debt (NIBD) / LFL synergy adjusted EBITDA x 100
Operating cash flow before acquisitions		EBITDA + change in working capital (excluding intra group liability to ultimate parent) + Proceeds from sale of tangible and intangible assets + Purchase of tangible and intangible assets
Cash conversion, %		EBITDA / Operating cash flow before acquisitions x 100
Number of employees at the end of period	=	The number of employees at the end of the review period.
Average number of employees	=	The average number of employees at the end of previous financial year and of each calendar month during the accounting period

Consolidated Financial Statements (IFRS)

Consolidated statement of Financial Position

EUR thousand	Note	31.12.2021	31.12.2020
Assets			
Non-current assets			
Goodwill	4.2	350 561	277 441
Intangible assets other than goodwill	4.3	122 758	112 225
0	4.4	45 295	38 045
	4.5	22 285	19 448
Other shares and investments	5.8	2 965	2 547
Other receivables	4.6	273	258
Deferred tax assets	3.5	2 202	1 222
Total non-current assets		**546 338**	**451 186**
Current assets			
Trade receivables	4.6	37 086	21 178
Inventories		1 112	971
Loan receivables	5.3	86	22
Other current assets	4.6	10 174	5 869
Cash and cash equivalents	5.2; 5.4	18 331	17 530
Total current assets		**66 789**	**45 570**
Total assets		**613 127**	**496 756**
Equity and liabilities			
Equity			
Translation differences		343	978
Fund for unrestricted equity	5.7	143 759	194 038
Subordinated loan	6.2	15 286	17 933
Retained earnings		-12 076	-6 960
Equity attributable to equity holders of the parent		**147 311**	**205 989**
Non-controlling interests	1.1; 1.2	0	0
Total equity		**147 311**	**205 989**
Non-current liabilities			
Interest-bearing loans and borrowings	5.1-5.3; 5.5	303 971	187 401
Other non-current liabilities	4.7	1 457	0
Lease liabilities	4.5; 5.5	13 494	12 845
Deferred tax liabilities	3.5	27 843	24 821
Total non-current liabilities		**346 765**	**225 066**
Current liabilities			
Trade payables and other payables	4.7	73 559	50 179
Interest-bearing loans and borrowings	5.1-5.3; 5.5	33 584	6 914
Lease liabilities	4.5; 5.5	9 362	6 821
Income tax payable	3.5	2 546	1 786
Total current liabilities		**119 051**	**65 700**
Total liabilities		**465 816**	**290 767**
Total equity and liabilities		**613 127**	**496 756**

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Consolidated Financial Statements (IFRS)

Consolidated Statement of Profit and Loss

EUR thousand	Note	1.1.-31.12.2021	6.3.-31.12.2020
Revenue (net sales)	3.1.	**364 215**	**122 173**
Other operating income	3.2.	3 479	674
Materials and services	3.2.	-96 480	-33 011
Employee benefit expenses	3.3.	-167 978	-54 837
Depreciations, amortisations and impairment	4.2.; 4.3.; 4.4.	-38 327	-15 570
	3.2.	-46 292	-20 026
Operating profit (EBIT)		**18 617**	**-597**
Financial income	3.4.	794	612
ial expenses	3.4.	-22 868	-6 543
Profit before tax		**-3 456**	**-6 527**
Income tax	3.5.	-805	-433
Profit for the financial period		**-4 261**	**-6 960**

Consolidated Statement of Other Comprehensive Income

Profit for the financial period	**-4 261**	**-6 960**
Items that may be reclassified to profit or loss in subsequent periods (net of tax):		
Exchange differences on translation of foreign operations, net of tax	-636	978
Items that will not be reclassified to profit or loss in subsequent periods (net of tax):		
Remeasurement gains/(losses) on defined benefit plans, net of tax	0	0
Other comprehensive income/(loss) for the year, net of tax	**-636**	**978**
Total comprehensive income for the financial period	**-4 897**	**-5 982**
Profit for the period attributable to		
Equity holders of the parent	-4 261	-6 960
Non-controlling interests	0	0
Total comprehensive income attributable to		
Equity holders of the parent	-4 897	-5 982
Non-controlling interests	0	0

1.1.-1.2.

Consolidated Financial Statements (IFRS)

Consolidated statement of Changes in Equity

2021

EUR thousand	Note	Fund for unrestricted equity	Subordinated loans	Translation differences	Retained earnings	Total	Non-controlling interests	Total equity
Equity on 1.1.2021	5.7.	**194 038**	**17 933**	**978**	**-6 960**	**205 989**		**205 989**
Profit for the period					-4 261	-4 261		-4 261
Other comprehensive income				-636		-636		-636
Total comprehensive income		**0**	**0**	**-636**	**-4 261**	**-4 897**	**0**	**-4 897**
Acquisition of a subsidiary (Note 4.1)						0		0
Transactions with shareholders		-49 853				-49 853		-49 853
Dividends paid					-822	-822		-822
Change in subordinated loans			-2 647			-2 647		-2 647
Acquisitions of treasury shares		-426				-426		-426
Other changes					-32	-32		-32
Equity on 31.12.2021		**143 759**	**15 286**	**343**	**-12 076**	**147 312**	**0**	**147 312**
	Rec. SOFP	0	0	0	0	0		

2020

EUR thousand	Note	Fund for unrestricted equity	Subordinated loans	Translation differences	Retained earnings	Total	Non-controlling interests	Total equity
Equity on 6.3.2020 before IFRS adjustments	5.7.	**0**	**0**	**0**	**0**	**0**	**0**	**0**
IFRS adjustments					0	0		
Adjusted equity on 6.3.2020		**0**	**0**	**0**	**0**	**0**	**0**	**0**
Profit for the period					-6 960	-6 960		
Other comprehensive income				978		978		
Total comprehensive income		**0**	**0**	**978**	**-6 960**	**-5 982**	**0**	**-5 982**
Acquisition of a subsidiary (Note 4.1)		194 038				194 038		194 038
Change in subordinated loans			17 933			17 933		17 933
Other changes						0		0
Equity on 31.12.2020		**194 038**	**17 933**	**978**	**-6 960**	**205 989**	**0**	**205 989**

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Consolidated Financial Statements (IFRS)

Consolidated statement of Cash Flows

EUR thousand	2021	2020
Operating activities		
Profit before tax	-3 456	-6 527
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and impairment	38 327	15 570
Finance income and expenses	22 073	5 930
Other adjustments	223	93
Change in working capital	-1 955	2 766
Income tax paid	-2 817	329
n operating activities	**52 395**	**18 162**
Net cash flow fron investing activities		
Acquisition of tangible and intangible assets	-13 052	-9 009
Acquisition of a subsidiary, net of cash acquired	-85 999	-256 104
Net cash flow from investing activities	**-99 050**	**-265 114**
Net cash flow from financing activities		
Increase in fund for unrestricted equity	-	211 970
Purchase of own shares	-426	
Paid dividend and other distribution of profit	-53 356	
Net change in borrowings	132 630	65 193
Net interests and finance costs paid	-20 983	-9 446
Payments of lease liabilities	-10 409	-3 235
Net cash flow from financing activities	**47 457**	**264 482**
Net increase in cash and cash equivalents	**801**	**17 530**
Cash and cash equivalents at 1.1. (6.3.)	17 530	-
Cash and cash equivalents at 31.12.	**18 331**	**17 530**

Notes to the financial statements

1. Key accounting policies and consolidation

1.1. General information

Corporate information

PHM Group Topco Oy ("PHM" or "Group") is a limited company incorporated and domiciled in Finland and whose shares are not publicly listed. The registered office is located in Helsinki, Uusimaa, Finland.

PHM principally provides services within property maintenance. Information about the PHM's group structure is provided below. Information on other related party relationships of PHM is provided in Note 6.1.

The consolidated financial statements for the year ended 31.12.2021 were authorised for issue in accordance with a resolution of the Board of Directors on 31.05.2022. PHM's financial statements, Board of Directors' report and Auditor's report are available at the website www.phmgroup.fi/for-investors and in the Group's head office at Takomotie 1-3, 00380 Helsinki, Finland. In accordance with Finnish Limited Liability Act, shareholders may adopt or reject the financial statements at the Annual General Meeting held after the publication.

Information about subsidiaries

The consolidated financial statements of PHM include the following subsidiaries and associated companies, which all provide property maintenance services to its customers. More information about the consolidation principles is presented in Note 1.2 Basis of preparation.

The consolidated financial statements of the Group include:

Name	Country of incorporation	% equity interest 2021	2020
Aluetalonmies A. Koskela Oy***	Finland	-	100
AN-Palvelu Oy	Finland	100	100
Cateva Oy	Finland	100	100
EPV Kiinteistöpalvelu Oy	Finland	100	100
Eurajoen Kiinteistöpalvelu Oy	Finland	100	100
Helmi Saneerauspavelut Oy	Finland	100	100
Huittisten TRH Palvelu Oy***	Finland	***	100
Janitor Oy	Finland	100	
Kanta-Hämeen Kiinteistöala Oy	Finland	100	100
Kiinteistö Oy Porrassalmenkatu 1	Finland	50	50
Kiinteistö Oy Timpurinkatu 4	Finland	100	100
Kiinteistöhoito Juhala Oy	Finland	100	
Kiinteistöhuolto 3 J Oy	Finland	100	
Kiinteistöhuolto Honkapää Oy	Finland	100	
Kiinteistöhuolto J Rusanen Oy	Finland	100	100
Kiinteistöhuolto J.J. Tuomi Oy***	Finland	-	100
Kiinteistöhuolto Jurvelin Oy	Finland	100	
Kiinteistöhuolto Kantola Oy	Finland	100	100
Kiinteistöhuolto Kirvesniemi Oy***	Finland	-	100
Kiinteistöhuolto Koskela Oy***	Finland	-	100
Kiinteistöhuolto Lyijynen Oy	Finland	100	
Kiinteistöhuolto Paldanius Oy***	Finland	-	100
Kiinteistöhuolto Rantanen Oy	Finland	100	100
Kiinteistöpalvelu Kariniemi Oy***	Finland	-	100
Kiinteistöpalvelu Lintula Oy	Finland	100	
Kiinteistöpalvelu Tim Turunen Oy	Finland	100	
Kirkas-Siivous Oy	Finland	100	

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Kotikatu Group Oy	Finland	100	100
Kotikatu Hallintopalvelut Oy	Finland	100	100
Kotikatu Holding Oy	Finland	100	100
Kotikatu Jokilaakso Oy	Finland	100	100
Kotikatu Oy	Finland	100	100
Kotkan Kiinteistöpalvelu Oy	Finland	100	100
Kouvolan talohuolto Oy	Finland	100	
Lappeen Huoltomestarit Oy	Finland	100	100
Luotsi Kiinteistöpalvelut Oy	Finland	100	100
Meranti Siivouspalvelut Oy	Finland	100	
Merstolan Huolto Oy***	Finland	-	100
Moxley Oy	Finland	100	100
Nokian Kiinteistöhuolto Oy	Finland	100	100
PHM Finland Oy	Finland	100	100
PHM Group Topco Oy	Finland	100	100
PHM Group Holding Oy	Finland	100	100
PHM Group Oy	Finland	100	100
PHM Holding Oy	Finland	100	100
Pirkanmaan Duo Siivouspalvelut Oy	Finland	100	
Pirkanmaan Talotoimi Oy	Finland	100	
Puhdas Tuuli Oy	Finland	100	
Purkat Oy	Finland	100	100
QSC Group Oy	Finland	100	
Raahen Kiinteistöhoito Oy	Finland	100	
Raahen Taloholto Oy	Finland	100	
Savon Talohoito STH Oy	Finland	100	100
Siivouslinja Oy***	Finland	-	100
Talohuolto Multanen Oy	Finland	100	
Talosyke Oy	Finland	100	100
Tankkipojat Oy	Finland	100	100
TL-Maint Oy	Finland	100	100
Tuiran Kiinteistöpalvelut Oy***	Finland	-	100
Turun Kiinteistöässä Oy	Finland	100	100
Uudenmaan Huoltokeskus Oy	Finland	100	
Valkeakosken Kiinteistöpalvelu Oy	Finland	100	100
Vihdin Rakennustekniikka VRT Oy	Finland	100	
Viherkehä Oy	Finland	100	
Ympäristöpalvelut Knuutila Oy	Finland	100	100
Aquam Resources AB	Sweden	100	100
Berga Lås &Larm AB	Sweden	100	100
Bromma Fönsterputs AB	Sweden	100	
Cemi Ab	Sweden	100	100
Cemi Specialfastigheter AB	Sweden	100	100
Crendo Fastighetsförvaltning Ab	Sweden	100	100
Crendo i Växjö Ab**	Sweden	**	100
Crendo Redovisningsbyrån AB	Sweden	100	**
Driftia EL AB	Sweden	100	
Driftia Förvaltning Aktiebolag	Sweden	100	
F.T Drift Ab	Sweden	100	100
Fastighet Mark Teknik Förvaltning Norr AB	Sweden	100	
Fastighet- och Underhållservice Lyckan***	Sweden	-	100
FF - Fastighetsservice AB	Sweden	100	
Flow fastighetsvärden AB	Sweden	100	
Fönsterputskåren i Stockholm AB	Sweden	100	
Förvaltnings AB Graden	Sweden	100	
Gröna Gården AB	Sweden	100	
Gutens Fastighetsservice AB	Sweden	100	
Hemma Bäst BidCo AB (uct Flow Fastighetsvärden IT AB)	Sweden	100	

Höga Kusten Skog & Fastighet AB	Sweden	100	
Lövets Ab	Sweden	100	100
Mark & Fastighetsservice i Kalmar AB	Sweden	100	
Miljö & Trädgårdsservice i Stockholm AB	Sweden	100	100
Norstaden Stockholm Ab	Sweden	100	100
Optimal Elservice Sverige AB	Sweden	100	
Optimal FM Syd AB	Sweden	100	
Optimal Service Sverige AB	Sweden	100	
Optimal Service Väst AB	Sweden	100	
Ostkustens Trädgårdsservice AB	Sweden	100	
Part Halmstad Fastighetsförvaltning AB	Sweden	100	
PHM Sweden Ab	Sweden	100	100
Renew Service Ab	Sweden	100	100
Svealands Fastighetsteknik Ab	Sweden	100	100
Tingvalla Mark AB	Sweden	100	100
Tomina AB	Sweden	100	
Västerås Service & Anläggning Ab	Sweden	100	100
Västmanlands Byggtjänst Ab	Sweden	100	100
Västmanlands Fastighetsservice Ab	Sweden	100	100
993Hjelp AS	Norway	100	
Din Vaktmester As	Norway	100	100
Montasjelaget AS	Norway	100	
Myja AS	Norway	100	
Olies Renhold AS	Norway	100	
PHM Norge As	Norway	100	100
Rene Bygårder As	Norway	100	100
Rene Trapper As	Norway	100	100
Trappervsak Service AS	Norway	100	
Tronheim Renholdsservice AS	Norway	100	
Uterom Entreprenør AS	Norway	100	
Økonomiske Løsninger AS	Norway	100	
Ejendomsvirke A/S	Denmark	100	100
PHM Danmark ApS	Denmark	100	
Tip Top Ejendomsservice ApS	Denmark	100	

** Entity name has changed. New entity names are presented below the former name.
*** Entity was merged during the 2021 financial period.

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1.2. Basis of preparation

Basis of preparation and adoption of IFRS

The consolidated financial statements of PHM Group Topco Oy have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC Interpretations as adopted by European Union as of 31.12.2021. The notes to the financial statements also comply with the Finnish accounting and corporate legislation. These financial statements are prepared on a going concern basis. The condition of the assumption is that the group has adequate resources to continue its operations and that the management will continue the operations for at least one financial year from the end of the previous reporting period.

The consolidated financial statements have been prepared on a historical cost basis, unless otherwise stated in the accounting policies below. The consolidated financial statements are presented in euros and all values are rounded to the nearest thousand, except when otherwise indicated. Therefore, the sum of individual numbers may deviate from the presented sum figure due to rounding differences. The comparative year information is presented in brackets after the information for the current financial year.

The consolidated financial statements as of 31.12.2021 are PHM Group Topco's first consolidated financial statements prepared in accordance with International Financial Reporting Standards and the date of transition to IFRS being 6.3.2020. The consolidated IFRS financial statements as of 31.12.2021 contain comparative information for the period ended 31.12.2020. PHM Group Topco Oy was established on 6.3.2020. Previously PHM has applied Finnish Accounting standards. Note 2. First Time Adoption of IFRS Standards the group discloses the impact of the transition to IFRS on The Group's reported financial position and financial performance. The opening balance sheet from the transition date is zero, which was not impacted by the transition. Based on this, no separate IFRS bridge for the opening balance has been presented.

Consolidation principles

The consolidated financial statements incorporate the financial statements of the Parent Company and entities controlled by PHM Group (its subsidiaries). PHM has control of an entity when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Acquired subsidiaries are consolidated from the date on which control is transferred to PHM, and are no longer consolidated from the date that control ceases.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the PHM's accounting policies. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests are presented in the consolidated statement of financial position as within equity, separately from equity attributable to shareholders. Non-controlling interests are separately presented in the statement of other comprehensive income.

Non-controlling interests

Transactions with non-controlling interests are regarded as transactions with equity owners. In the case of purchases from non-controlling interests, the difference between any consideration paid and the relevant share of the carrying value of net assets acquired in the subsidiary is recorded in shareholders' equity. Gains or losses on disposal to non-controlling interests are also recorded directly in shareholders' equity.

nt reporting

PHM has one reportable segment. The reported segment comprises of the Group, PHM Group Topco, and the segment numbers are consistent with PHM Group Topco numbers. See further information in the note 3.1 Revenue from contracts with customers.

Currencies

PHM's consolidated financial statements are presented in euros, which is also the parent company's functional currency. For each entity, PHM determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. PHM uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions in foreign currencies are initially recorded by PHM's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of PHM's net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

On consolidation, the assets and liabilities of foreign operations are translated into euros at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Impacts of COVID-19 Pandemic

The Board of Directors has assessed the impacts of the COVID-19 virus pandemic on the Group's market, employees and business. So far, the virus pandemic has not had a significant impact on the demand for the company's services or its ability to execute them. The company's Board of Directors and management closely monitor the development of the COVID-19 situation and will update their assessment of the impacts of the epidemic as the situation progresses.

War in Ukraine

The Board of Directors has also evaluated the impacts on PHM's business from the war in Ukraine and assessed that it will not have any

Current versus non-current classification

PHM presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is expected to be realised or intended to be sold or consumed in the normal operating cycle, is held for trading or, is expected to be realised within 12 months. Cash and cash equivalent items are presented as current assets unless restricted from being exchanged or used to settle a liability for longer than 12 months.

A liability is current when it is expected to be settled in normal operating cycle, is held primarily for trading or it is due to be settled within 12 months or there is no unconditional right to defer the settlement over a period of 12 months.

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1.3. Accounting estimates and judgements applied in the preparation of the financial

The preparation of PHM's consolidated financial statements requires management to use judgement, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The actual values may differ from these estimates and assumptions.

In the process of applying PHM's accounting policies, management has made various judgements. Those which management has assessed to have the most significant effect on the amounts recognised in the consolidated financial statements have been discussed in the individual notes of the related financial statement line items.

The most significant accounting policies requiring judgement by the management and the key factors of uncertainty related to estimates are presented in the following notes:

- Business combinations, value of net assets acquired and contingent considerations (Note 4.1)
- Impairment testing (Note 4.2)
- Expected credit losses (Note 5.1)
- Leases (Note 4.5)

1.4. New and updated IFRS standards

PHM adopts the new and amended standards and interpretations, if applicable, when they become effective. The new and amended standards that become effective of 1 January 2021 or later are not expected to have an impact on PHM's consolidated financial statements.

The following new and amended standards have been issued and become effective on 1 January 2022 or later. PHM's perspective about the relevancy of each amended standard have been included in the summary below.

Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use
Under the amendment, proceeds from selling items before the related item of PPE is available for use should be recognized in profit or loss, together with the costs of producing those items.

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Costs of Fulfilling a Contract
Under the amendment, when assessing whether a contract is onerous or loss-making, an entity needs to include both the direct costs as well as incremental costs and an allocation of costs directly related to contract activities.

Amendments to IFRS 9 Financial Instruments: Fees in the '10 per cent' test for derecognition of financial liabilities
The amendment to IFRS 9 clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability to determine whether to derecognise the existing financial liability.

Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework
The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, to an updated version issued in 2018 without significantly changing its requirements. This amendment will not have an impact on PHM's financial statements.

Amendments to IAS 1 *Presentation of Financial Statements* : Classification of Liabilities as Current or Non-current
The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. This amendment will not have an impact on the classification of the liabilities.

Amendments to IAS 1 and IFRS Practice Statement 2 *Disclosures of Accounting Policies*
The amendments intend to assist entities in determining which accounting policies to disclose. It has been previously stated in IAS 1 *Presentation of Financial Statements* that an entity shall disclose its significant accounting policies without providing the Board a defintion for the term 'significant'. Therefore, the Board decided to develop these amendments to IAS 1 to require entities to disclose their material accounting policies rather than their significant ones. Additionally, IFRS Practice Statement 2 has been amended by adding guidance to explain the application on the 'four-step materiality process' to accounting policy information in order to support the amendments to IAS 1. This amendment will not have an impact on PHM's financial statements.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
The amendments are intended to clarify the difference between accounting policies and accounting estimates since companies sometimes struggle to distinguish between these. Earlier application of these amendments are permitted but they are effective for annual periods beginning or after 1 January 2023 and changes that occur on or after the start of that period. This amendment will not have an impact on PHM's financial statements.

Amendments to IAS 12 *Deferred Tax Assets and Liabilities arising from a Single Transaction*
The amendment narrows the scope of the initial recognition exception of deferred taxes so that it no longer applies to transactions which give rise to an equal temporary difference between taxable and deductible taxes. It would apply to assets and liabilities arising from individual transactions, such as right-of-use assets and lease liabilities or asset retirement obligations and corresponding asset components, if their deferred taxes are not equal. The effect on deferred taxes would be presented from the beginning of the earliest comparison year.

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Interest Rate Benchmark Reform - Phase 2 - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16
The amendment provides temporary reliefs related to financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free rate (RFR).

Amendments to IFRS 17 *Insurance contracts*
The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. This amendment will not have an impact on PHM's financial statements.

Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards*
The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1. This amendment will not have an impact on PHM's financial statements.

Amendments to IAS 41 *Agriculture*
The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41. This amendment will not have an impact on PHM's financial statements.

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
The amendments address the conflict between IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. In December 2015, the IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. Early application of the amendments is still permitted.

2. First-time adoption of IFRS standards

2.1. IFRS impact: The transition effects and exemptions applied

First-time adoption of IFRS

PHM has listed a publicly traded bond in Frankfurt stock exchange (Börse Frankfurt). As part of the listing process, PHM has prepared its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) for the financial period ending 31.12.2021, including the comparative figures for the financial year ended 31.12.2020.

PHM Group Topco was established at 6.3.2020. The Group published its first financial statements for the period ending 31.12.2020 following Finnish GAAP (FAS). The transition to IFRS was made for the period ending 31.12.2021 and thus the comparatives for the period ending 31.12.2020 have been presented in this IFRS 1 note. PHM Group was founded 6.3.2020 without any share capital. The first acquisition was made in 30.4.2020. Hence, the opening balance sheet does not contain any items to be presented. Based on this, no separate IFRS bridge for the opening balance has been prepared or presented in this FTA disclosure.

The following tables present the most significant adjustments made between Finnish GAAP (FAS) and IFRS for the balance sheet date 31.12.2020.

The alphabets in topics (A-G) refer to the columns in the first time adoption bridge calculations in notes 2.2. and 2.3.

1) Reclassification of subordinated loan (A)

PHM Group Topco has a subordinated loan. The instrument does not have a maturity date and it does not require any interest payments or any other financial obligation. Thus, based on the IAS 32 classification criteria the instrument meets the IFRS classification and recognition criteria of an equity instrument. PHM has reclassified the instrument as an equity instrument for IFRS purposes.

The adjustment for the reclassification of subordinated loan has been presented in adjustment column A, "Reclassification of subordinated loan". The impact of the reclassification of the closing balance as of 31.12.2020 was EUR 17,933 thousand classified to equity. Interest expense of EUR 777 thousand and tax expense of EUR 155 thousand were recognised in the statement of profit and loss and a total of EUR 622 thousand in retained earnings. Correspondingly, EUR 17,933 thousand was derecognised from other non-current liabilities and EUR 155 thousand was recognised as deferred tax liabilities.

2) Goodwill reversal (B)

PHM has reversed the FAS amortisation between 6.3.-31.12.2020 by adjusting the goodwill amortization in the income statement against the goodwill recognised in the balance sheet. In accordance with IFRS, goodwill shall no longer be amortized over its useful life but it will be tested for impairment in accordance with IAS 36 annually or whenever there are indications of impairment in the assets. Goodwill has been tested for impairment as of 31.12.2020 and 31.12.2021 and has not resulted in any impairment recognition.

The adjustment for reversal of goodwill amortizations has been presented in adjustment column B, "Goodwill reversal". The goodwill amortizations of EUR 18,762 thousand recognised in FAS financial statements for 6.3.-31.12.2020 have been reversed as an IFRS adjustment in the statement of profit and loss 6.3.-31.12.2020. In the statement of financial position the reversal of goodwill amortization increased the goodwill EUR 18,762 thousand.

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3) Business combinations (C)
PHM has restated the business combinations, from the transition date 6.3.2020 onwards, to comply with the requirements of IFRS. The significant acquisitions made by PHM during 2020, which have been recorded in accordance with IFRS 3, are Rene Trapper AS, Kotikatu Holding Oy and PHM Holding Oy.

PHM has measured the cost of the acquisitions at the fair value of the considerations paid, allocated that cost to the acquired identifiable assets and liabilities on the basis of their fair values and the rest of the cost has been recorded as goodwill. For the 2020 acquisitions of Rene Trapper AS, Kotikatu Holding Oy and PHM Holding Oy, PHM has identified customer relationships and marketing related intangibles as key intangible assets and allocated the cost accordingly to these identified intangible assets. The fair value of identified intangible assets in connection with the acquisitions were customer relationships related intangibles of EUR 99,830 thousands and marketing related intangibles of EUR 12,027 thousand. PHM recognised contingent considerations from these acquisitions amounting to EUR 2,747 thousand. As a result of the recognised intangible assets EUR 90,877 was reclassified and derecognised from goodwill. Thus, the goodwill has been recorded as the residual of the net assets acquired and the purchase price paid.

These identified intangible assets are amortised within their underlying useful life. The amortisation period for customer relationships is between 10-12 years and for marketing related intangibles 15 years. The reversed amortizations during the period of 6.3.-31.12.2020 amounted to EUR 5,261 thousand.

Furthermore, PHM has recognised EUR 22,438 thousand as deferred tax liabilies for the above mentioned PPA adjustments.

The adjustments for business combinations recalculated in accordance with IFRS 3, have been presented in the column C, "Business combinations" in the Statement of Profit and Loss and in the Statement of Financial Position.

4) Transaction costs from business combinations (D)
Under FAS, transaction costs are included in the acquisition cost of the acquired company, while these items are expensed when incurred under IFRS. Accordingly, when preparing the PPAs for the business combinations in the conversion period, the transaction costs have been expensed for IFRS purposes. Transaction costs adjusted were EUR 4,443 thousand recognised as other operating expenses.

A deferred tax asset of EUR 892 thousand has been recognised for the adjustment above as of 31.12.2020.

The adjustments for transaction costs from business combinations are recalculated in accordance with IFRS 3, have been presented in the column D. 'Transaction Costs from Business combinations' in the Statement of Profit and Loss and in the Statement of Financial Position.

5) Leases (E) - PHM as a lessee
PHM has mainly leased office premises, cars and machinery and equipment. Under FAS, lease expenses have been recognized as other operating expenses in the statement of profit and loss on a straight-line basis over the lease period. The Group has not capitalized the leases in FAS and has thus not followed the option to apply IFRS 16 *Leases* in FAS. Under FAS, the commitments relating to the lease agreements have been disclosed in the notes to the financial statements as off-balance sheet items as part of contingent liabilities.

In adoption of the IFRS 16 standard, the Group has measured the lease liability and right-of-use-asset at the date of each acquisition, as the group did not have any valid lease contracts at the transaition date 6.3.2020.

The right-of-use asset and the lease liability are calculated by discounting the future lease payments. Lease liabilities have been measured at the present value of the remaining lease payments, discounted using PHM's internal incremental borrowing rate at 6.3.2020. Right-of-use assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately after 6.3.2020.

The impact on the balance sheet for right-of-use assets on 31.12.2020 was EUR 19,448 thousand and the amount of lease liabilities was EUR 19,667 thousand. The amount of current lease liabilities was EUR 6,821 thousand and non-current lease liabilities EUR 12,845 thousand. During the reporting period the lease payments in total were EUR 3,669 thousand, from which the interest portion was EUR 389 thousand and depreciation of the right-of-use assets was EUR 3,032 thousand. The recognised deferred tax liability was EUR 44 thousand.

In applying IFRS 16, the lease expenses presented in FAS are replaced with the depreciation of the right-of-use asset. In addition, the interest expenses of the lease liabilities are recognised as finance costs in the statement of profit and loss.

PHM has applied the exemption of IFRS 1 standard, which allows a first-time adopter that is a lessee not to apply the requirements of IFRS 16 standard for low-value leases and short-term leases (lease term 12 months or less).

The effect of leases has been presented in column E "Leases" in the Statement of Profit or Loss and Statement of Financial Position.

Please, see note 4.5. for additional information.

6) Transaction costs from financial liabilities (F)

Under FAS, PHM has expensed transaction costs related to loans from financial institutions. According to IFRS 9 the transaction costs are recorded applying the effective interest rate method and loans are classified at amortized cost. Directly attributable transaction costs for the period 6.3.-31.12.2020 amounted to EUR 6,332 thousand, which was derecognised from the total amount of the financial liability and and reclassified as reduction of finance cost of EUR 6,046 thousand and other operating expense of EUR 286 thousand.

The related impact on deferred tax assets for the period was EUR 1,266 thousand.

7) Other FAS adjustments (G)

PHM has adjusted the FAS goodwill by EUR 1,612 thousand resulting from aligning accounting policies of the acquisitions related to Swedish entities. The adjusments impact the accumulated translation differences relating to depreciation differences from the Swedish entities. This resulted in an currency translation adjustment of EUR 1,027 thousand. The other adjustments are mainly related to the reconciliation of group entities in group reporting.

The impact on profit and loss is a loss of EUR 93 thousand related to FAS adjusments made for the period.

2. First-time adoption of IFRS Standards
2.2. IFRS impact: Consolidated Statement of Financial Position as at 31.12.2020 and 6.3.2020

Consolidated Statement of Financial Position as at 31.12.2020

EUR thousand	Note	FAS as at 31.12.2020	A. Reclassification of subordinated loan	B. Goodwill reversal	C.Business combinations	D. Transaction costs from business combinations	E. Leases	F. Transaction costs from financial liabilities	G. Other FAS adjustments	Effects of IFRS adjustments, Total	IFRS as at 31.12.2020
Assets											
Non-current assets											
Goodwill	B, C, D, G	352 387		18 762	-90 877	-4 443			1 612	-74 946	277 441
Intangible assets other than goodwill	D	360			111 857					111 857	112 225
	G	38 133							-88	-88	38 045
Right-of-use assets	E	0					19 448			19 448	19 448
Investments		2 547								0	2 547
Other receivables		258								0	258
Deferred tax assets	D, G	116				892			214	1 106	1 222
Total non-current assets		393 810	0	18 762	20 979	-3 551	19 448	0	1 737	57 376	451 186
Current assets											
Trade receivables	G	21 177							0	0	21 178
Inventories		971								0	971
Loan receivables		22								0	22
Other current assets	G	5 884							-15	-15	5 869
Cash and cash equivalents	G	17 531							-1	-1	17 530
Total current assets		45 586	0	0	0	0	0	0	-16	-16	45 570
Total assets		439 396	0	18 762	20 979	-3 551	19 448	0	1 721	57 360	496 756
Equity and liabilities											
Equity											
Capital loan	A	0	17 933							17 933	17 933
Translation differences	E, G	-46					-3		1 028	1 025	978
Fund for unrestricted equity		194 038								0	194 038
Retained earnings	A, B, C, D, E, F, G	-23 301	622	18 762	-4 206	-3 551	-259	5 065	-93	16 341	-6 960
Total equity		170 691	18 554	18 762	-4 206	-3 551	-262	5 065	935	35 298	205 989
Non-current liabilities											
Interest-bearing loans and borrowings	G	187 210							190	190	187 401
Other non-current liabilities	A	17 932	-17 933							-17 933	0
Lease liabilities	E	0					12 845			12 845	12 845
Deferred tax liabilities	A, C, E, F, G	885	155		22 438		44	1 266	62	23 956	24 821
Total non-current liabilities		206 008	-17 777	0	22 438	0	12 889	1 266	243	19 059	226 066
Current liabilities											
Trade payables and other payables	C, G	48 068	-777		2 747				141	2 112	50 179
Interest-bearing loans and borrowings	E, G	13 222						-6 332	24	-6 308	6 914
Lease liabilities	E	0					6 821			6 821	6 821
Income tax payable	G	1 408							378	378	1 786
Total current liabilities		62 697	-777	0	2 747	0	6 821	-6 332	543	3 003	65 700
Total liabilities		268 705	-18 554	0	25 185	0	19 711	-5 065	788	22 062	290 767
Total equity and liabilities		439 395	0	18 762	20 979	-3 551	19 449	0	1 721	57 360	496 756

2. First-time adoption of IFRS Standards
2.3. IFRS impact: Consolidated Statement of Profit and Loss and Other Comprehensive Income 6.3.-31.12.2020

EUR thousand	Note	FAS 6.3.-31.12.2020	A. Reclassification of subordinated loan	B. Goodwill reversal	C.Business combinations	D. Transaction costs from business combinations	E. Leases	F. Transaction costs from financial liabilities	G. Other FAS adjustments	Effects of IFRS adjustments, Total	IFRS 6.3.-31.12.2020
Revenue (net sales)	G	122 176							-3	-3	122 173
Other operating income	G	671							3	3	674
Materials and services	G	-33 052							41	41	-33 011
Employee benefit expenses	G	-54 807							-29	-29	-54 837
	B, C, E, G	-25 962		18 762	-5 261		-3 032		-78	10 391	-15 570
Other operating expenses	D, E, F, G	-19 045				-4 443	3 205	288	-28	-980	-20 026
Operating profit (EBIT)		-10 019	0	18 762	-5 261	-4 443	173	288	-95	9 423	-597
ancial income		612							0	0	612
Financial expenses	A, E, F, G	-12 981	777				-389	6 046	4	6 439	-6 543
Other income		0								0	0
Other expense		0								0	0
Lease interest		0							0	0	0
Profit before tax		-22 389	777	18 762	-5 261	-4 443	-215	6 332	-91	15 862	-6 527
Income tax	A, D, E, F, G	-912	-155		1 055	892	-44	-1 266	-2	479	-433
Profit for the financial period		-23 301	622	18 762	-4 206	-3 551	-259	5 065	-93	16 341	-6 960

Other Comprehensive Income

Net other comprehensive loss to be reclassified to profit or loss in subsequent periods											
Exchange differences on translation of foreign operations		976							2	2	978
Other comprehensive income, net of tax		976	0	0	0	0	0	0	2	2	978
Total comprehensive income for the financial period		-22 324	622	18 762	-4 206	-3 551	-259	5 065	-91	16 343	-5 982

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3. Group Performance

3.1. Revenue from contracts with customers

Accounting principles

Segment information

PHM reports its business operations as one segment, which is in line with the internal reporting delivered to the chief operating decision maker. The chief operating decision maker of PHM is the board of directors and the management group.

The Group is in the business of providing property maintenance and additional technical services. In addition, PHM provides short-term refurbishment projects. The maintenance services have similar financial characteristics and are also similar in terms of nature of service production processes, type of customer, and methods used in service distribution.

Since PHM is managed as one segment by the chief operating decision maker and the management reporting only consist of Group level reporting, PHM only has one operating segment.

Revenue recognition

In accordance with IFRS 15, revenue from contracts with customers is recognised when control of the services is transferred to the customer at an amount that reflects the consideration to which PHM expects to be entitled in exchange for those goods or services. The control is transferred over time. PHM acts mainly as a principal in its revenue arrangements, as it typically controls the goods or services being transferred to the customers.

PHM's customer contracts include mainly property maintenance and technical services. PHM recognises revenue from the property maintenance services over time as the services are rendered. The property maintenance services are invoiced monthly based on services rendered. The additional services are invoiced separately based on hourly fees and the revenue is recognised accordingly over time when services are rendered.

In addition to property maintenance services, PHM provides short-term projects, e.g. sauna and playground refurbishments. The short-term projects typically last for 1-6 months in all operating countries. PHM periodises the revenue of short-term projects for each month work has been performed and thus, recognises revenue over time. The revenue from the short-term projects has not been significant during the conversion period.

:onsideration

Rendering of services may include variable consideration e.g. discounts, penalties for delay and customer claims. If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

PHM's contracts with customers do not include significant variable considerations.

Contract balances

Trade receivables

A receivable represents PHM's right to an amount of consideration that is unconditional, i.e., only the passage of time is required before payment of the consideration is due. Further information is disclosed in note 4.6. Trade and other receivables.

Other principles

PHM's contracts with customers do not include significant financing components.

PHM's contracts with customers do not include non-cash considerations.

PHM does not provide any warranties to its customers that would be considered as separate performance obligations. PHM's short-term project customer contracts include warranties, which guarantee to the customer that services performed comply with the agreed specifications. Typically, the contracts contain standard warranties in accordance with the overall industry practice and no service-type warranties are provided to the customers.

Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

EUR thousand	For the year ended 31 December 2021		
	maintenance services	**Additional services**	**Total**
Type of goods or service			
Sale of property service maintenance	169 730	95 730	265 459
Sale of additional services	-	45 326	45 326
Other sales	-	53 429	53 429
Total revenue from contracts with customers	**169 730**	**194 485**	**364 215**
Geographical markets			
Finland	121 940	111 727	233 667
Sweden	34 852	69 023	103 875
Norway	6 668	12 409	19 077
Denmark	6 269	1 326	7 595
Total revenue from contracts with customers	**169 730**	**194 485**	**364 215**
Timing of revenue recognition			
Services transferred over time	169 730	194 485	364 215
Total revenue from contracts with customers	**169 730**	**194 485**	**364 215**

EUR thousand	For the year ended 31 December 2020		
	Property maintenance services	**Additional services**	**Total**
Type of goods or service			
Sale of property service maintenance	57 175	21 781	78 957
Sale of additional services	-	10 761	10 761
Other sales	-	32 455	32 455
Total revenue from contracts with customers	**57 175**	**64 997**	**122 173**
Geographical markets			
Finland	40 230	40 802	81 032
Sweden	15 386	22 938	38 324
Norway	1 559	1 257	2 816
Denmark	-	-	-
Total revenue from contracts with customers	**57 175**	**64 997**	**122 173**
Timing of revenue recognition			
Services transferred over time	57 175	64 997	122 173
Total revenue from contracts with customers	**57 175**	**64 997**	**122 173**

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3.2. Other operating income and expenses

Other operating income

Other operating income includes income that does not directly relate to income from PHM's operating activities.

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset. Government grants have been recognised within other income. There has not been any material grants during the financial period of 2021 or the comparison period.

Description of the contents of other operating income during the periods presented include mainly annual rebates, rent income and Covid-19 related cost compensations.

EUR thousand	2021	2020
Insurance compensations	383	45
Capital gains on fixed assets	937	233
Other income	2 159	396
Total other operating income	**3 479**	**674**

Other operating expenses

Other operating expenses include other operating expenses, which are not considered to be cost of good sold.

The other operating expenses consist mainly of lease expenses, IT expenses and research and development costs. Additionally, derecognition and impairment of assets is recognised in other operating expenses.

EUR thousand	2021	2020
Short-term and low value leases	524	191
IT expenses	6 083	1 928
Machinery and equipment expenses	20 173	7 230
Marketing and administrative expenses	11 909	9 679
Expenses for premises	2 153	636
Other operating expenses	5 973	361
Total other operating expenses	**46 292**	**19 834**

Audit fees

EUR thousand	2021	2020
Audit fees	570	179
Consulting services	223	-
Total fees to auditors	**794**	**179**

Materials and services

Materials and services consists of acquisitions of typical equipment and materials related to the inventory and services provided to customers. Inventory value is lower of the acquisition cost or net realised value.

3.3. Employee benefit expenses

Accounting principles

Short-term employee benefits

PHM provides pension benefits in accordance with local statutory regulation.The current plans are defined contribution based plans and therefore the contributions payable are recognised as expenses in the statement of profit and loss for the period to which the payments relate.
PHM has an annual bonus plan and PHM accrues for the bonus on a monthly basis.

Post employment benefit

The post-employment benefit plans in PHM are contribution-based arrangements. PHM does not have legal obligations to pay any additional amounts related to the defined contribution plans. The payments made to the defined contribution plans are recognized in the statement of profit and loss during a financial period to which they relate.

Employee benefit expenses

EUR thousand	2021	2020
Wages and salaries	135 813	45 566
Social security costs	13 869	4 648
Pension expenses	18 296	4 621
Total employee benefit expenses	**167 978**	**54 836**

Average number of employees

	2021	2020
Average number of employees during the period	4 138	1 410

Salaries, fees and benefits paid for the Board of Directors and for the Group management

Please see the note 6.1. Related party transactions for information regarding compensation to Board and Directors and the Group management.

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3.4. Financial income and financial expenses

Accounting principles

Financial income and expenses are recognised in the period during which they are incurred. Interest income and expenses are recognised using the effective interest method. More information regarding the financial instruments is presented in the sections 5.1, 5.2 and 5.4. Accounting policies relating to lease agreements are presented in the note 4.5.

The financial income of PHM consist mainly of interest income and foreign currency exchange gains. The financial expenses relate mostly to loans' interest payments and foreign currency exchange losses.

Financial income

EUR thousand	2021	2020
Interest income	-	50
Foreign currency exchange gains	686	-
Dividends received	2	4
Other finance income	107	557
Total financial income	**794**	**612**

Financial expenses

EUR thousand	2021	2020
Interest on debts and borrowings	13 704	4 620
Interest expenses from leases	971	388
Foreign currency exchange losses	723	-
Group contributions	0	-
Other finance costs	7 469	1 534
Total financial expenses	**22 868**	**6 542**

3.5. Income tax

Accounting principles

Current income tax

Income taxes comprise of tax recognized on the taxable income for the financial year as well as deferred taxes. Taxes for the items recognised in the statement of profit and loss are included in income taxes in the statement of profit and loss. For items recognised directly in the other comprehensive income statement (OCI) the respective tax effect is recognised in other comprehensive income (OCI).

Taxes based on taxable income are recorded according to the local tax rules of each country using the applicable tax rate. If there is uncertainty included in interpretations of the income tax rules, company estimates if a company is able to fully utilize the tax position that is stated in income tax computation. If necessary, tax bookings are adjusted to reflect the changes in tax position.

Deferred tax

Deferred tax asset or liability is recognised on temporary differences arising between the tax bases of assets and liabilities and their financial statement carrying amounts at the reporting date. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Typical temporary differences arise mainly from leases, business combinations and fair valuation of financial assets and liabilities through profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax liabilities are recognised in the balance sheet in full.

The Group offsets the deferred tax assets and deferred liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on either the same taxable entity.

Direct taxes

The major components of income tax expense for the years ended 31 December 2021 and 2020 are:

EUR million	2021	2020
Income tax on operations	- 3 516	- 942
Tax for previous accounting periods	- 110	39
Deferred taxes	2 821	470
Income tax total	**- 805**	**- 433**

Tax rate reconciliation

EUR thousand	2021	2020
Profit before income tax	**-3 456**	**-6 527**
Tax calculated at parent's tax rate of 20% (2020 20%)	- 695	- 1 458
Tax for previous years	- 110	39
Effect on different tax rates in foreign subsidiaries	- 156	- 9
Non-deductible expenses	1 500	-
Income not subject to tax	- 1 242	-
Confirmed losses and other tax items	- 103	996
Income taxes	**- 805**	**- 433**

Income tax receivables and payables

EUR thousand	2021	2020
Income tax receivables	67	116
Income tax payable	2 546	1 786

Effective tax rate

	2021	2020
Effective tax rate for the period	-23 %	-7 %

Deferred tax

Deferred tax assets 2021

EUR thousand	1.1.2021	Recognised in profit or loss	31.12.2021
Leases	-	153	153
Transaction costs from financial instruments	-	447	447
Business combinations	892	458	1 350
Other	329	-78	251
Total	1 222	980	2 202

Deferred tax assets 2020

EUR thousand	6.3.2020	Recognised in profit or loss	31.12.2020
Business combinations	-	892	892
Other	-	329	329
Total	-	1 222	1 222

The income tax assets recognised from derecognition of trade receivables includes both the amounts from expected credit losses and write-off amounts for 2020. The deferred tax assets are recognised on a company level and included in profit and loss.

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Deferred tax liabilities 2021

EUR thousand	1.1.2021	Recognised in profit or loss	Business acquisitions	31.12.2021
Reclassification of subordinated loan	155	-	-	155
Business combinations	22 436	-2 303	4 169	24 304
Leases	44	-	-	44
Transaction costs from financial instruments	1 266	240	-	1 506
Other	918	915	-	1 833
Total	24 821	-1 148	4 169	27 843

Deferred tax liabilities 2020

EUR thousand	6.3.2020	*Recognised in profit or loss*	*Business acquisitions*	31.12.2020
Reclassification of subordinated loan	-	155	-	155
Business combinations	-	-	22 438	22 438
Leases	-	44	-	44
Transaction costs from financial instruments	-	1 266	-	1 266
Other	-	-	918	918
Total	-	*1 466*	*23 355*	*24 821*

4. Capital Employed
4.1. Business Combinations

Accounting principles

Acquired subsidiaries are consolidated in the Group financial statements from the date when PHM obtained control over the acquired entity. Business combinations are accounted for using the acquisition method in accordance with IFRS 3. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. The Group measures the identifiable assets acquired and the liabilities assumed at their acquisition date fair values.

Acquisition-related costs are expensed as incurred and included in the statement of profit and loss as other operating expenses.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to Group's cash-generating unit that is expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to that unit. More information about goodwill and imparment testing is provided in the note 4.2. Goodwill and impairment testing.

A contingent consideration recognised in a business combination is initially measured at its fair value. Subsequently, it is measured in accordance with the requirements in IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Acquisitions in 2021

During 2021, the Group completed 33 acquisitions, of which 18 were in Finland, 9 were in Sweden, 6 were in Norway and 2 in Denmark. Please see details in the table below of the acquisitions in 2021. In addition, the main acquisitions in each country have been presented in more detail below.

Acquisitions in Sweden

In Sweden, the Group managed to acquire one of its main competitors, Flow Fastighetsvärden AB with a transaction that was signed in June 2021 and subsequently executed in July 2021 after competition authority clearance was received. Flow Group, formerly owned by MVI Advisors and key management, comprises of four operating entities with a wide geographical coverage that greatly complements PHM's current geographical presence in Sweden. In addition, the acquisition will give PHM access to a proprietary digital property management system that can be used widely also in PHM's other operations. PHM also widened its geographical footprint and strengthened its position in many geographical areas during 2021 especially in the southern and northern parts of Sweden and Stockholm.

Acquisitions in Finland

Acquisitions in Norway and Denmark

In Norway, the Group was successful in entering Stavanger as well as strengthening its position in both Oslo and Trondheim where it already had a presence since fall 2020. In April, the Group made its first acquisition in Denmark by acquiring Ejendomsvirke A/S , which is based in Copenhagen, but provides property management and maintenance services nationwide in Denmark. Subsequently in December, the Group also acquired TIP TOP Ejendomsservice ApS, a fast-growing property maintenance company focusing on the residential market.

Acquired company	Country	Acquisition date	Currency	Revenue *)	EBITDA *)
Tomina AB	Sweden	January	SEKt	39 000	3 900
Montasjelaget AS	Norway	February	NOKt	18 900	1 900
Olles Renhold AS	Norway	February	NOKt	4 900	700
Meranti Siivouspalvelut Oy	Finland	March	EURt	3 600	500
Janitor Oy	Finland	March	EURt	800	100
Kiinteistöhuolto 3J Oy	Finland	April	EURt	1 200	100
QSC Group	Finland	April	EURt	16 600	2 200
Viherkehä Oy	Finland	April	EURt	1 500	200
Ejendomsvirke A/S	Denmark	April	DKKt	67 500	6 700
Höga Kusten Skog & Fastighet AB	Sweden	April	SEKt	63 700	6 800
Vihdin Rakennustekniikka VRT Oy	Finland	May	EURt	1 700	200
Optimal Service Sverige AB **)	Sweden	May	SEKt	31 200	2 900
Gröna Gården AB	Sweden	May	SEKt	27 700	5 100
Ostkustens Trädgårdsservice AB	Sweden	May	SEKt	18 700	1 300
Trondheim Renholdsservice AS	Norway	June	NOKt	12 700	1 000
Uterom Entreprenør AS **)	Norway	June	NOKt	28 100	9 100
Kiinteistöhuolto Lyijynen Oy	Finland	June	EURt	4 300	1 900
Kiinteistöpalvelu Tim Tuunnen Oy	Finland	June	EURt	1 600	200
Flow Fastighetsvärden AB	Sweden	July	SEKt	231 900	9 400
Mark & Fastighetsservice i Kalmar Ab	Sweden	July	SEKt	27 500	1 400
Uudenmaan Huoltokeskus Oy	Finland	September	EURt	1 600	200
Økonomiske Løsninger AS	Norway	September	NOKt	19 300	4 000
Bromma Fönsterputs Ab and Fönsterputskåren i	Sweden	October	SEKt	8 800	500
Raahen Kiinteistönhoito Oy and Raahen Talonhoito	Finland	November	EURt	1 200	100
993 Hjelp As	Norway	November	NOKt	11 200	1 300
Fastighet Mark Teknik Förvaltning Norr Ab	Sweden	November	SEKt	18 000	- 800
Puhdas Tuuli Oy	Finland	December	EURt	300	-
Pirkanmaan Talotoimi Oy	Finland	December	EURt	1 300	400
Duo Siivouspalvelut Oy	Finland	December	EURt	2 600	500
Kouvolan Talohuolto Oy	Finland	December	EURt	700	100
Kiinteistöhoito Juhala Oy	Finland	December	EURt	800	100
Kiinteistöhuolto Honkapää Oy	Finland	December	EURt	700	200
TIP TOP Ejendomsservice ApS	Denmark	December	DKKt	14 900	1 400
Trappevask Service As	Norway	December	NOKt	9 200	3 700

**) Presented financials are based on latest available local GAAP audited financial statements in local currency.*

***) Unofficial consolidation of group entities*

EUR thousand	Acquisitions in 2021
Purchase price	
Consideration paid in cash	97 672
Consideration paid in shares	-
Contingent considerations	4 228
Fair value of assets and liabilities recognised on acquisitions	
Assets	
Intangible assets	
Customer related intangibles	20 212

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Marketing related intangibles			
Other intangible assets	1 431	Rec.	
Intangible assets	**21 643**		
Tangible assets	10 575		
Other assets	18 557		
Cash and cash equivalents	11 574	Rec.	
Total assets	**62 349**		0
Liabilities			
Non-interest bearing liabilities	30 475		
Interest bearing liabilities	9 418		
Deferred tax liability (Note 3.6)	4 179		
Total liabilities	**44 072**		
Total identifiable net assets at fair value	**18 277**		
Goodwill arising on acquisition (Note 4.2)	73 064		
Purchase consideration transferred	**91 341**		
Cash flow impact of acquisitions			
Paid in cash			
Cash and cash equivalents	97 572		
Expenses related to the acquisition	- 3 145		
Net cash flow on acquisition	**94 427**		

Acquisitions in 2020

Acquisition of PHM Holding Oy

On 30 April 2020, the Group acquired 100% of the shares of PHM Holding Oy, a Finnish company operating in the property maintenance sector. With the acquisition, PHM strengthened its position with core competencies; property maintenance and management, cleaning, landscaping and outdoor maintenance and snow plloting and transaction. The acquisition was paid in cash based on purchase price of shares totaling to value EUR 42.3 million and reinvestments from former shareholders to the new holding company (non-cash item) of EUR 32.9 million. The identifiable assets acquired and liabilities assumed are measured at fair value as of the acquisition date. As a part of the allocation of fair values, PHM recognised customer relationships of PHM Holding Oy as intangible assets identified in connection with the acquisition of PHM Holding Oy. Please see details in the table below. Residual goodwill EUR 93.4 million includes e.g. assembled workforce, future customer relationships and buyer-specific synergies.

The Group has expensed acquisition related transaction costs of EUR 2.8 million. Transaction costs are included in other operating expenses in the statement of profit and loss.

Acquisition of Kotikatu Holding Oy

On 24 September 2020, the Group acquired 100% of the shares of Kotikatu Holding Oy, a Finnish company operating mostly in property and maintenance services as well as technical services. With the acquisition, PHM strengthened its position in the property maintenance sector and simultaneously acquiring organizational knowledge and processes. The acquisition was paid partly in cash and partly as a locked-box interest. The cash payment was based on the price of shares EUR 157.3 million and locked-box interest of EUR 7.7 million. The identifiable assets acquired and liabilities assumed are measured at fair value as of the acquisition date. As a part of the allocation of fair values, PHM recognised customer relationships and trademarks of Kotikatu are identified as intangible assets in connection with the acquisition of Kotikatu Holding Oy. Please see details in the table below. Residual goodwill EUR 160.8 million includes e.g. assembled workforce, future customer relationships and buyer-specific synergies such as cross-selling to Kotikatu's existing customers and expansion to other cities in the Finnish property and maintenance service market.

The Group has expensed acquisition related transaction costs of EUR 1.3 million. Transaction costs are included in other operating expenses in the statement of profit and loss.

Other acquisitions in 2020

During 2020, the Group completed 11 acquisitions in addition to the acquisitions of Kotikatu Holding Oy and PHM Holding Oy. One was in Finland, seven were in Sweden and three were in Norway. With the acquisitions, the Group strengthened its position in the property maintenance sector within the Nordic countries.

One of the large acquisitions of 2020 was the acquisition of Rene Trapper As. On 31 August 2020, the Group acquired 100% of the shares of Rene Trapper As, a Norwegian company operating in the property maintenance sector. With the acquisition, PHM strengthened its position in the property maintenance sector, especially in the cleaning services. PHM recognised customer relationships of Rene Trapper As as intangible assets identified in connection with the acquisition of Rene Trapper As.

The Group has expensed acquisition related transaction costs for the other acquisitions in 2020 of EUR 0.3 million. Transaction costs are included in other operating expenses in the statement of profit and loss.

Table below specifies the purchase prices and the fair value of the identifiable assets and liabilities of the acquisitions and the cash flow impact of the acquired companies in 2020:

EUR thousand	Kotikatu Holding Oy	PHM Holding Oy	Other acquisitions in 2020
Purchase price			
Consideration paid in cash	165 030	42 317	24 444
Reinvestments	-	32 855	-
Adjustments	-	32 855	-
Contingent liability	-	-	2 747
Fair value of assets and liabilities recognised on acquisitions			
Assets			
Intangible assets			
Customer related intangibles	51 016	50 325	3 493
Marketing related intangibles	12 277	-	
Other intangible assets	210	90	59
Intangible assets	**63 503**	**50 415**	**3 552**
Tangible assets	31 886	24 237	
ROU assets	9 624	9 641	
Land and water areas		60	
Buildings	276	730	
Machinery & equipment	21 984	13 808	1 060
Construction in progress			
Other tangible assets	2	- 1	53

Other assets	7 341	16 696	8 225
Cash and cash equivalents	1 547	6 657	1 914
Total assets	**104 277**	**98 006**	**14 805**
Liabilities			
Non-interest bearing liabilities	53 924	35 753	6 840
Interest bearing liabilities	46 124	78 938	1 514
Deferred tax liability	12 659	10 733	769
Total liabilities	**100 048**	**114 691**	**8 354**
Total identifiable net assets at fair value	**4 229**	**-16 685**	
Goodwill arising on acquisition (Note 4.2)	160 801	93 433	18 537
Purchase consideration transferred	**165 030**	**76 748**	**18 537**

Cash flow impact of acquisitions			
Paid in cash			
Cash and cash equivalents	165 030	76 748	24 444
Expenses related to the acquisition	2 827	1 297	319
Net cash flow on acquisition	**167 857**	**78 045**	**24 763**

Contingent considerations from business combinations

As part of business combinations PHM has recognised contingent considerations purchase price from acquisitions in 2021 and 2020. The total amount of contingent considerations arise from multiple acquisitions. For more details about the amounts and accounting details in relation to contingent considerations, please see notes 5.1, 5.3 and 5.5.

Accounting estimates and the management's judgement

Net assets acquired in the business combinations are measured at fair value, which is determined based on the market value of similar assets (tangible assets) or an estimate of the expected future cash flows (intangible assets). This valuation is based on the current repurchase values, expected cash flows or estimated selling prices and it has required management's judgement. PHM's management believes that the estimates and assumptions used are sufficiently reliable for determination of fair values.

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4.2. Goodwill and impairment testing

Accounting principles

Goodwill arises from the business combinations, and it corresponds to the amount that the consideration transferred exceeds the fair value of identifiable net assets as of the acquisition date.

Goodwill from business combinations is allocated for impairment testing to the cash generating unit that is expected to gain benefit from the synergies created by the business combination.

Goodwill is reviewed for impairment annually or whenever events or changes in circumstances indicate to a possible impairment. The carrying amount of the cash-generating unit (CGU) including goodwill is compared to the recoverable amount which is the higher of the fair value less costs of disposal or the value in use. Possible impairment is recognised as an expense in the statement of profit and loss with immediate effect, and it will not be reversed later.

If the recoverable amount of an asset is less than its carrying amount, the impairment loss is recorded so that the carrying amount of the asset is equal to its recoverable amount.

EUR thousand	31.12.2021	31.12.2020
Acquisition cost at 1.1. (6.3.2020)	**274 694**	**0**
Goodwill from business acquisitions	75 867	274 694
Acquisition cost at 31.12.	**350 561**	**274 694**

Goodwill is tested following the IFRS guidance for impairment testing. PHM does not possess any intangible assets that have indefinite useful life. Impairment testing is carried out at group level as the identified cash generating unit (CGU) also follows the method how the management follows the operative business. PHM monitors goodwill internally at Group level and as PHM only has identified one CGU, all goodwill recognised is allocated to this cash generating unit.

The Group has in the reporting period tested goodwill for impairment at 31.12.2021 and 31.12.2020. Goodwill has not been tested for impairment at 6.3.2020 since the Group was founded on the transition date, when the first acquisition was made. The recoverable amount from the cash generating unit is determined based on value-in-use calculations. The calculations are prepared following the discounted cash flow method using the management approved estimates for the following year and subsequent development derived from the strategic plans. Terminal year value has been defined based on the long-term strategic plans.

Cash flows beyond the 5-year period are calculated using the terminal value method. The terminal growth rate of 0.5% percent (0.5%) used in projections is based on management's assessment on conservative long term growth. Key driver for the valuation is the revenue growth based on the Group's performance and future strategic growth plans, market position as well as the potential in key markets.
The applied discount rate is the weighted average pre-tax cost of capital (WACC). The components of the WACC are risk-free rate, market risk premium, company specific factor, and industry specific beta, cost of debt and debt/equity ratio. The WACC of 10.15% percent (9.10%) has been used in the calculations.

As a result of the impairment test, no impairment loss for the CGU was recognized for the financial periods ended 31.12.2021 and 31.12.2020.

When assessing the recoverable amounts of cash generating units, management believes that no reasonably possible change in any of the key variables used would lead to a situation where the recoverable amount of the units would fall below their carrying amount.

Sensitivity analysis

The impact of the sensitivity analysis to the CGU's value in use was the following:

%	WACC increased by 1.0%	Terminal growth rate from 2.0% to 3.0%
2021	-15 %	18 %
PHM Total	-15 %	18 %

%	WACC increased by 1.0%	Terminal growth rate from 2.0% to 3.0%
2020	-13 %	15 %
PHM Total	-13 %	15 %

The sensitivity analysis also includes several EBITDA level projections, WACC and sales growth based on reasonable change in the future performance of the CGU. However, the impact on the present value obtained is limited as long as there is no permanent weakening expected for the business, which would affect the terminal value. Based on these sensitivity analyses, the management believes that no reasonably possible change of the key assumptions used would cause the carrying value of any cash generating unit to exceed its recoverable amount.

Accounting estimates and determinations based on management's judgements

The management uses significant estimates and judgement when determining whether there are indications of impairment of goodwill. Management judgement has also been used when defining the amount of cash generating units but since one cash generating unit has been identified, no further allocation of goodwill is required.

The cash flow projections are based on budgets and financial estimates approved by management covering a 5-year period. Cash flow forecasts are based on Group's existing business structure, actual results and the management's best estimates on future sales, cost development, general market conditions and applicable tax rates. The growth rates are based on the management's estimates on future growth of the business.

Management tests the impacts of changes in significant estimates used in forecasts by sensitivity analyses as described above in this note.

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4.3. Intangible assets

Accounting principles

PHM's intangible assets arise from separately acquired or developed intangible assets. Separately acquired intangible assets are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is measured at fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are recorded as expenses and the expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. However, PHM does not have any intangible assets with indefinite life.

For PHM's accounting policy on impairment for goodwill, refer to Note 4.2, Goodwill and impairment testing.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. *Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in* the statement of profit or loss.

A summary of the policies applied to the PHM's intangible assets is, as follows:

	Customer related intangibles	Marketing related intangibles
Useful lives (years)	Finite (12 and 10 years)	Finite (15 years)
Amortisation principle	Amortised on a straight-line basis over the period of the customer relationships	Amortised on a straight-line basis over the period of the trademark
***Internally generated or* acquired**	Acquired	Acquired

EUR thousand	Customer related intangibles	Marketing related intangibles	Other intangible assets excluding goodwill	Total excluding goodwill	Goodwill	Total intangible assets
Cost						
6.3.2020	-	-	-	-	-	-
Additions		-	81	81	-	81
Business combinations	104 816	12 300	360	117 475	277 442	394 917
31.12.2020	**104 816**	**12 300**	**440**	**117 556**	**277 442**	**394 997**
Additions	158	-	849	1 007	-	1 007
Business combinations	20 212	-	1 431			
				21 643	73 119	94 762
31.12.2021	**125 186**	**12 300**	**2 720**	**140 206**	**350 561**	**490 766**
Amortisation and impairment						
6.3.2020	-	-	-	-	-	-
Amortisation	-4 987	-273	-72	-5 332	-	-5 332
31.12.2020	**-4 987**	**-273**	**-72**	**-5 332**	**-**	**-5 332**
Amortisation	-10 792	-820	-503	-12 115	-	-12 115
31.12.2021	**-15 779**	**-1 093**	**-575**	**-17 447**	**-**	**-17 447**
Net book value						
31.12.2021	109 406	11 207	2 145	122 758	350 561	473 319
31.12.2020	99 828	12 027	369	112 223	277 442	389 665
6.3.2020	-	-	-	-	-	-

Customer related intangibles

PHM has recognised customer relationships as intangible assets. The majority of intangible assets in connection to business acquisitions are customer relationships due to importance of the customer base to PHM's operations.

Marketing related intangibles

PHM has been granted the right to use the Kotikatu trademark. The trademark has been valued using the relief from royalty method.

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4.4. Tangible Assets

Accounting principles

PHM's property, plant and equipment consist mainly of buildings, machinery & equipment and land and water areas. Tangible assets mainly consist of machines and equipment which include cars, vans, trucks, office equipment and furniture and other equipment.

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. The costs comprises directly attributable incremental costs incurred. Indirect acquisition costs are not included in the capitalised acquisition costs.

Depreciation of property, plant and equipment is charged on a straight-line basis over the estimated useful lives to their residual value, as follows:
- Land areas (are not depreciated)
- Buildings 5-25 years
- Machinery and equipment 3-10 years
- Other tangible assets 3-5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

Sales gains and losses on disposal or transfer of tangible assets are presented in other operating income and expenses. Sales gains or losses are calculated as the difference between the sales price and the remaining acquisition cost.

PHM estimates the recognised amounts of the tangible assets, when the internal or external events or changes in the conditions of the operations indicate that the recognised value may not be retained. PHM also takes into account the age of the assets and their remaining useful lives. If any such indication exists, the entity estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the difference is recognized in profit or loss

EUR thousand	Land and water areas	Buildings	Machinery & equipment	Construction in progress	Other equipment	Total
Acquisition cost						
6.3.2020	-	-	-	-	-	-
Additions	3	-	5 834	564	1 298	7 699
Business combinations (Note 4.1)	60	1 006	36 653	-	54	37 971
Disposals	-	-348	-	-	-	-348
Transfers	-	-	-	-	-	-
Depreciation charge for the year	-	-	-7 206	-	-72	-7 277
Translation differences	-	-	-	-	-	-
31.12.2020	**63**	**657**	**35 481**	**564**	**1 280**	**38 045**
Additions	-	-	13 201	-	46	13 247
Business combinations (Note 4.1)	189	1 407	8 791	188	-	10 575
Disposals	-101	-235	-	-	-	-336
Transfers	-	-	752	-752	-	-
Depreciation charge for the year	-	-122	-16 035	-	-79	-16 235
Translation differences	-	-	-	-	-	-
31.12.2021	**150**	**1 707**	**42 190**	**-**	**1 247**	**45 295**

4.5. Leases

Accounting principles

Group as a lessee

The lease contracts of PHM consist mainly of cars, machinery and equipment and office premises. The majority of PHM's leasing contracts are valid until further notice with notice periods of 3, 6 or 12 months respectively. Lease contracts are valid for a fixed period or until further notice. The Group does not have any service contracts that contain an asset for which a right-of-use asset should be recognized in accordance with IFRS 16.

PHM assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Right-of-use assets

Right-of-use assets are measured at aqcuisition cost comprising the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date (less any incentives received), any initial direct costs incurred by PHM, and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Subsequently, the right-of-use assets are measured at initial measurement less accumulated depreciation and impairment losses. The right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

Lease liabilities

At the inception of the lease, PHM measures the lease liability at the present value of the lease payments over the lease term. The lease payments included in the measurement of the lease liability comprise the following payments:
fixed payments;
variable lease payments that depend on an index or a rate;
the price of the purchase option if it is reasonably certain that the option will be exercised by the Group; and
payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

The fixed payments consist of the minimum lease payments. In some of the contracts the lease payments are increased annually based on index. The non-lease components are separated from leases payments in case they can be measured reliably.

Lease payments are discounted by using the lessee's incremental borrowing rate since the interest rates are not easily available in the lease contracts. PHM's incremental borrowing rate is determined based on financing offers received and market conditions and it is reviewed annually. Further information regarding the incremental borrowing rate has been disclosed in the note 5.1. Financial risk management.

Interest expense on lease liabilities are recognized in financial items in the statement of profit and loss over the lease term. The lease liabilities are subsequently measured at initial recognition less lease payments that are allocated to the principal.

For the contracts with extension options, PHM applies judgement to evaluate whether it is reasonably certain that the extension option will be exercised. Extensions for the leases are included in the lease liability when the lease term is reasonably certain to be extended.

When determining the lease term for the contracts that are valid until further notice, PHM takes into account similar contracts with fixed lease period and their typical lease terms. The estimates of the lease terms are updated at each reporting date.

Interest expense on lease liabilities are recognized in financial items in the statement of profit and loss over the lease term. The lease liabilities are subsequently measured at initial recognition less lease payments that are allocated to the principal.

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Short-term lease contracts and contracts of low-value assets

PHM applies the exemptions applicable to short-term lease contracts (lease period 12 months or less), and for lease contracts for which the underlying asset is of low value. The lease assets are considered to be low value when the underlying asset value is estimated to be under the threshold of EUR 200 on a monthly basis. However, car leases under EUR 200 are included to the lease calculations. These low value lease contracts, which are not included to the lease calculations, are not recognized in the statement of financial position but recorded as expense when the costs are incurred. Lease expenses recognised for short-term leases and low-value assets are presented in more detail in note 3.2. Other operating income and expenses.

These lease contracts are not recognised in the statement of financial position but recognised as expense when the costs are incurred.

Right-of-use assets

EUR thousand	buildings	vehicles	machinery	Total
At 6.3.2020	-	-	-	-
Additions	17 853	3 569	1 074	22 496
Disposals	-	-	-	-
Depreciations for the financial year	-2 069	-714	-250	-3 033
At 31.12.2020	**15 784**	**2 855**	**824**	**19 463**
1.1.2021	**15 784**	**2 855**	**824**	**19 463**
Additions	23 371	6 230	2 665	32 267
Disposals	-	-	-	-
Depreciations for the financial year	-6 608	-2 305	-1 069	-9 983
31.12.2021	**32 548**	**6 780**	**2 420**	**22 285**

Lease liabilities

EUR thousand	2021	2020
6.3.2020	-	-
Additions	33 485	23 736
Lease payments	-9 659	-3 669
Interest expenses	-971	-386
31.12.2020	**22 856**	**19 681**

EUR thousand	31.12.2021	31.12.2020
Long-term lease liabilities	13 494	12 854
Short-term lease liabilities	9 362	6 827
31.12.2021	**22 856**	**19 681**

The maturity analysis of lease liabilities is disclosed in Note 5.3. Borrowings and lease liabilities.

Impact of leases on profit and loss statement

EUR thousand	1.1.-31.12.2021	6.3.-31.12.2020
Short-term leases	-179	-118
Low value assets	-345	-73
Depreciations of right-of-use assets	-9 977	-3 032
Interest expenses from lease liabilities	-971	-388
Total	**-10 948**	**-3 421**

The cash flows arising from lease contracts during the financial period 2021 were EUR 10,409 thousand (2020: EUR 3,235 thousand).

Accounting estimates and management's judgements

The most significant management judgment relates to open-ended lease agreements. For these contracts, management needs to estimate the length of the lease term, which may significantly affect the amounts of right-of-use asset and lease liability as well as the related depreciation and interest expense. Management judgment is also applied in defining the incremental borrowing rate used to calculate the present value of the future lease payments.

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4.6. Trade and other receivables

Trade and other receivables

Accounting principle

Trade and other receivables arise from typical business transactions and are non-interest-bearing receivables. A trade receivable is recognised if an amount of consideration that is unconditional is due from the customer. Trade receivables are initially recognised at fair value at inception and recognised as subsequently measured at amortised cost following the classification of financial assets. Other receivables are recognised as cost and are typically including tax receivables and other short-term accruals, which are not considered as financial assets.

PHM does not typically enter into agreement to sell trade receivables. Refer to accounting policies of financial assets in note 5.3. Financial assets and liabilities.

Trade receivables

EUR thousand	**2021**	**2020**
Trade receivables from external customers	38 160	21 509
Provision for expected credit losses	-1 074	-331
Total trade receivables	**37 086**	**21 178**

Trade receivables are non-interest bearing and are generally on payment terms of 14 to 45 days. Trade receivables which are over 360 days past due are considered as defaulted. Past due trade receivables are subject to enforcement activity and collection. The collection process is managed by the PHM 's credit control unit.

For terms and conditions relating to related party receivables, refer to Note 6.1. At the reporting date there were no open receivables from the related parties.

Other current assets consist of other receivables, which include VAT receivables, prepayments and accrued income and other related items. Other receivables considered as non-current assets amount to EUR 273 thousand for 2021 and EUR 258 thousand for 2020. The receivables under other current assets are presented below.

Other receivables & other current assets

EUR thousand	**2021**	**2020**
Other receivables	10 174	5 869
Other current assets	**10 174**	**5 869**

Expected Credit Loss (ECL) calculation

The expected credit loss calculation is based on historical data adjusted by forward-looking parameters based on customers' payment behavior. PHM has analyzed its trade receivables as one portfolio, because the payment behavior is homogeneous. The management estimates the customers' payment behavior and economic events in every reporting period. PHM estimates the timeliness of the payment alongside the customers' payment profile in order to recognize the time value of money effect for the credit receivables. As PHM does not use financing as part of their sales contracts in accordance with IFRS 15, the clients' time value of money is discounted separately for each past due bracket as presented in the ECL table above. PHM applies the simplified approach to calculate the estimated credit losses for each period.

The expected credit losses for contract assets include the expected credit losses from accrued revenues at each quartely reporting period. The expected credit loss rate of contract assets is assumed to match the rate used for current trade receivables.

In order to avoid excessive concentrations of risk, the PHM 's Group policies and procedures include specific guidelines to focus on the maintenance of a diversified customer portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Set out below is the information about the credit risk exposure on Group's trade receivables using a provision matrix:

Expected Credit Loss 31.12.2021

EUR thousand	**%**	**Gross value**	**Expected credit loss**	**Net value**
Current	0,1 %	32 727	-33	32 694
Overdue 1-30 days	0,5 %	2 841	-14	2 827
Overdue 31-90 days	2,0 %	712	-14	697
Overdue 91-180 days	10,0 %	545	-54	490

Overdue 181-360 days	50,0 %	754	-377	377
Overdue > 360 days	100,0 %	581	-581	0
Total		**38 160**	**-1 074**	**37 086**

PHM has recognised an expense that combines expected credit losses and write-offs of sales receivables amounting to EUR 331 thousand for 2020. The expected credit losses for period ending at 31.12.2020 is not presented separately in tabular format.

There are no changes in the expected credit loss valuation methods or assumptions between the comparison periods. Due to immaterial amount of the loan receivables to and loan payables to the parent of the group, the expected credit loss was not calculated for either financial period.

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4.7. Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within 12 months or less. If not, they are presented as non-current liabilities.

Other payables are obligations e.g. accrued personnel costs, including holiday pay that are settled in accordance with local laws and regulations.

EUR thousand	31.12.2021	31.12.2020
Other non-current payables		
Other liabilities	1 457	0
Other non-current payables total	**1 457**	**0**

EUR thousand	31.12.2021	31.12.2020
Current trade and other payables		
Trade payables	19 368	9 920
Personnel related liabilities	28 379	17 803
Other payables	14 671	14 401
Accrued interest	502	1 470
Accrued expenses and deferred income	10 639	6 585
Current trade and other payables total	**73 559**	**50 179**

Other payables consist of contingent considerations, cash pool payables, VAT liabilities, withholding tax and social security pay. The accrued expenses consist mainly of accrued costs and personnel related expenses.

The definitions for contract liabilities is presented in note 3.1 Revenue from contracts with customers.

Accrued expenses and other liablities mainly consist of short-term payments for a business acquisition from 2020, payroll and interest liabilities.

5. Financial Instruments and Capital Structure
5.1. Financial risk management

Financial instruments risk management objectives and policies

PHM's principal financial instruments are exposed to various financial risks. Financial risks include market risk, credit risk and liquidity risk. Market risk covers foreign exchange risk and interest rate risk. In addition, PHM's financial assets are exposed to counterparty's credit risk. PHM's management monitors and manages its financial risks in accordance to its Risk Management Policy. PHM has appropriate policies and procedures and financial risks are identified, measured and managed in accordance with PHM's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks.

Currently, PHM does not use derivatives to hedge its risks associated with market risk. PHM does not apply hedge accounting. However, PHM key management has the mandate from the Board of Directors to use derivatives if deemed necessary. The objective of PHM is to monitor and minimize financial risk exposures if needed. PHM has centralized management for its funding arrangements.

The Group considers Covid-19 impact on it's financial instruments to be insignificant due to the nature of it's business.

Market risk

Market risk is the risk that the fair value or future cash flows arising from financial instruments will fluctuate because of changes in market prices or market conditions. Market risk is comprised of: interest rate risk and currency risk. Sensitivity analysis of the market risks is presented below.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. PHM's exposure to interest rate fluctuations relates primarily to the debt obligations which have floating interest rate linked to euribor. Changes in market interest rates have a direct effect on PHM's future interest payments. The majority of PHM external loans are having fixed interest rate and hence variable interest rate risk is considered insignificant.

In 2021, PHM secured financing for enabling continued strategy execution by successfully placing a 300 MEUR senior secured fixed interest rate bond that is currently listed on the Frankfurt open market exchange. Maturity date of the bond is 18.6.2026. Simultaneously, PHM Group Topco Oy agreed on a new super senior RCF of 50 MEUR which has a floating interest rate.

Interest-bearing loans

Debt Instrument	Interest	Interest type	Fiscal Year
Super senior RCF	Euribor + Margin	Floating	2021
External loan	Reference rate + Margin	Floating/Fixed	2020-2021
Bond	4,75 %	Fixed	2021

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. Sensitivity analysis has been calculated assuming 0.5 % variation in the market interest rate with other variables remaining constant. The changes in the interest rate level are shown in full without considering the effects of possible contractual interest rate floors related to loans.

	2021	
EUR thousand	Profit of the year	Equity
+0.5% change in market interest rate	-140,0	-140,0
-0.5% change in market interest rate	140,0	140,0

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows will fluctuate because of changes in foreign exchange rates. PHM's exposure to the foreign currency risk relates primarily to the operating activities, when revenue or expense is denominated in a foreign currency.

PHM operates in Finland, Sweden, Norway and Denmark. All entities in the group has local currency as their functional currency. All antities operates with their functional currency without any significant foreign currency transactions and hence the significant foreign currency transaction risk does not exist. PHM Group does not have financial instrument position according to IFRS 7 in other than their functional currencies.

PHM Group has translation risk related to Swedish krona, Norwegian krone and Danish krone. Foreign currency translation risk is presented in translation difference in equity. The most significant part of the translation risk arises in SEK. PHM Group has not hedged its equity risk in its group.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial credit loss. PHM is exposed to credit risk from its operating activities, which primarily includes trade receivables.

In relation to the credit risk PHM is exposed to a counterparty risk, which is managed alongside the credit risk, by recognising the customer prior the trading for the services. PHM operates only with recognised, creditworthy parties. Receivable balances are monitored and collected on an ongoing basis. The maximum exposure to credit risk at the reporting date is the carrying value of financial assets. There are no significant concentrations of credit risk within PHM. Please, see note 4.6 Trade and other receivables regarding credit risk.

Liquidity risk

PHM monitors its available funds and maturity analysis as the basis for concluding the cash requirements. Management assesses the business forecast and the related cash flows to maintain the liquidity requirements.

PHM's objective is to maintain a balance between continuity of funding and flexibility through the use of bank balances, and if necessary bank loans. PHM assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

PHM has a considerable head room for covenants at their current position. The Group has not had any repayment events caused by breaches of covenants.

Please see further information regarding the liquid assets in the note 5.4. Cash and cash equivalents.
The maturity analysis of the financial liabilities is presented in the note 5.5. Borrowings and lease liabilities, Maturity distribution table, which presents the relevant cash outflows for the forseeable future.

Maturity Distibution of Financial liabilities

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The maturity distribution of the financial liabilities is presenting the cash outflows in relation to PHM's financial liabilities. The objective is to present the liquidity requirements for meeting the upcoming outflows on an annual basis. The maturity analysis involves the interest-bearing financial liabilities and IFRS 16 lease liabilities in order to present the actual out flows in relation to all PHM's liabilities.

Based on the maturity distribution position PHM's management facilitates the credit position and liquidity requirement and adjusts the company's credit risk policy.

31.12.2021

EUR thousand	Carrying amount	Due in less than a year	Due in 1-5 years	Over 5 years	Total Cash Outflows
Interest-bearing loans and borrowings incl. interest	337 555	-47 834	-360 971	-	-408 805
Lease liabilities	22 856	-10 335	-14 971	-	-25 306
Trade and other payables (incl. financial instruments)	18 866	-18 866	-	-	-18 866
Contingent considerations	4 228	-3 127	-1 101	-	-4 228
Total	**383 505**	**-80 162**	**-377 043**	**-**	**-457 205**

31.12.2020

EUR thousand	Carrying amount	Due in less than a year	Due in 1-5 years	Over 5 years	Total Cash Outflows
Interest-bearing loans and borrowings	194 314	-6 914	-187 401	-	-194 314
Lease liabilities	19 681	-10 409	-24 475	-	-34 884
Trade and other payables (incl. financial instruments)	11 390	-11 390	-	-	-11 390
Contingent considerations	2 747	-2 747	-	-	-2 747
Total	**228 132**	**-31 459**	**-211 876**	**-**	**-243 335**

5.2. Fair value measurement

PHM measures financial instruments at fair value at each balance sheet date. Aside from this note, additional fair value related disclosures, including the valuation methods, significant estimates and assumptions are also provided in note 4.1. Business combinations.

Accounting principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

-In the principal market for the asset or liability; or
-In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by PHM.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

PHM uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Fair value estimation

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1:
The fair value of these assets or liabilities is based on available quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2:
The fair value of these assets or liabilities is based on valuation techniques, for which the lowest level input that is significant to the fair value measurement and it is directly or indirectly observable. The inputs for the valuation are based on quoted or other readily available source.

Level 3:
Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable and require independent consideration and judgement from the valuation perspective.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, PHM determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the PHM's management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the PHM's accounting policies.

For the purpose of fair value disclosures, PHM has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Fair values

Set out in the Financial instruments tabular presentation (Note 5.3. Financial assets and liabilities) is a comparison, by class, of the carrying amounts and fair values of PHM's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values.

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5.3. Financial assets and liabilities

Accounting principles

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

PHM's financial assets are measured at fair value at initial recognition at trade date, and are classified and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss. The classification is based on the contractual cash flow characteristics of the financial asset and PHM's business model for managing the instruments. The impairment of the financial assets is discussed in detail in the risk management section in Note 5.1 Financial risk management.

Amortised cost

Financial assets are classified at amortized cost, if the objective of holding the asset is to collect contractual cash flows and if the cash flows are solely payments of principal and interest. Financial assets which fulfill both of the conditions are subsequently measured using the effective interest rate method (EIR) and are subject to impairment. Any gains or losses from these financial assets are recognized in profit or loss when the asset is derecognized, modified or impaired.

PHM's financial assets at amortized cost include cash and cash equivalents, trade and loan receivables.

Financial assets at fair value through profit and loss

Financial assets are classified at fair value through profit and loss when the financial assets are held for trading and when the collection of cash flows are not based on payments of principal and interest and do not pass the SPPI test. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

PHM does not have financial assets classified at fair value through profit and loss.

Financial assets at fair value through Other comprehensive income (OCI)

Financial assets are classified at fair value through other comprehensive income if the objective of holding the financial asset is both to collect contractual cashflows and to sell the financial asset, and if the cash flows are solely payments of principal and interest. Financial assets at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

At initial recognition PHM can make an irrevocable election to classify and measure its equity investments as equity instruments designated at fair value through other comprehensive income when these instruments are not held for sale and when these financial instruments fulfill the requirements of investments to equity instruments under IAS 32.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

PHM does not have financial assets classified at fair value through other comprehensive income.

Derecognition of financial assets

PHM derecognises a financial assets when, and only when the contractual rights to the cash flows from the financial asset expires or it transfers the financial asset and the transfer qualifies for derecognition.

When PHM has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, PHM continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability.

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions (1.2.-1.3.)
- Goodwill and impairment test (4.2.)
- Trade receivables (4.6.)

PHM recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

Further information about ECL is presented in the Note 5.1. Financial Risk Management.

Financial liabilities

PHM recognises a financial liability in its statement of financial position when, and only when, the entity becomes party to the contractual provision of the instrument. PHM's financial liabilities are measured at fair value at initial recognition at trade date, and are classified as subsequently measured at amortised cost and fair value through profit or loss. The financial liabilities are classified to their respective current and non-current accounts.

Amortised cost

PHM's financial liabilities classified at amortized cost, such as interest-bearing loans and borrowings are initially recognized at fair value less any related transaction cost, and are subsequently measured using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Financial liabilities classified at amortized cost include loans from financial institutions, bond and trade payables.

Financial liabilities at fair value through profit and loss

Financial liabilities measured at fair value through profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit and loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category includes derivative financial instruments entered into by PHM that are not designated as hedging instruments in hedge relationships as defined by IFRS 9.

Financial liabilities at fair value through profit and loss includes contingent considerations arising from business combinations. Contingent consideration is based on business combinations related to IFRS 3.

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Derecognition of financial liabilities

PHM derecognizes financial liabilities when, and only when the obligation of a financial liability specified in its respective contract is discharged, cancelled or it expires. This includes a situation where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss. The Group has not derecognized any liabilities during the financial period or the comparable financial periods.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. PHM does not offset its financial instruments.

5.3. Financial assets and liabilities (continues)

Financial instruments by classification 31.12.2021

Financial assets, 2021

EUR thousand	Note	Level	Fair value through profit and loss	Fair value through OCI	At amortized cost	Book value	Fair value
Current financial assets							
Trade receivables	4.6.	2	-	-	37 086	37 086	37 086
Loan receivables	5.3.	2	-	-	86	86	86
Cash and cash equivalents	5.4.	2	-	-	18 331	18 331	18 331
Current financial assets total			-	-	55 503	55 503	55 503
Financial assets total			-	-	55 503	55 503	55 503

Financial liabilities, 2021

EUR thousand	Note	Level	Fair value through profit and loss	Fair value through OCI	At amortized cost	Book value	Fair value
Non-current financial liabilities							
Interest-bearing loans and borrowings	5.5.	2	-	-	303 971	303 971	303 971
Contingent consideration	5.5.	3	1 101	-	-	1 101	1 101
Non-current financial liabilities total			1 101	-	303 971	305 072	305 072
Current financial liabilities							
Interest-bearing loans and borrowings	5.5.	2	-	-	33 584	33 584	33 584
Trade payables	4.7.	2	-	-	19 368	19 368	19 368
Other current financial liabilities	4.7. & 5.5.	2	-	-	502	502	502
Contingent consideration	5.5.	3	3 127	-	-	3 127	3 127
Current financial liabilities total			3 127	-	53 454	56 581	56 581
Financial liabilities total			4 228	-	357 425	361 653	361 653

Financial instruments by classification 31.12.2020

Financial assets, 2020

EUR thousand	Note	Level	Fair value through profit and loss	Fair value through OCI	At amortized cost	Book value	Fair value
Current financial assets							
Trade receivables	4.6.	2	-	-	21 178	21 178	21 178
Loans receivable	5.3.	2	-	-	22	22	22
Cash and cash equivalents	5.4.	2	-	-	17 530	17 530	17 530
Current financial assets total			-	-	38 729	38 729	38 729
Financial assets total			-	-	38 729	38 729	38 729

Financial liabilities, 2020

EUR thousand	Note	Level	Fair value through profit and loss	Fair value through OCI	At amortized cost	Book value	Fair value
Non-current financial liabilities							
Interest-bearing loans and borrowings	5.5.	2	-	-	187 401	187 401	187 401
Contingent consideration	5.5.	3	-	-	-	-	-
Non-current financial liabilities total			-	-	187 401	187 401	187 401
Current financial liabilities							
Interest-bearing loans and borrowings	5.5.	2	-	-	6 914	6 914	6 914
Trade payables	4.7.	2	-	-	9 920	9 920	9 920
Other current financial liabilities	4.7. & 5.5.	2	-	-	1 451	1 451	1 451
Contingent consideration	5.5.	3	2 747	-	-	2 747	2 747
Current financial liabilities total			-	-	18 284	21 032	21 032
Financial liabilities total			-	-	205 685	208 433	208 433

5.4. Cash and cash equivalents

Cash and cash equivalents comprise of cash at banks and on hand with a maturity of three months or less. Cash and cash equivalents are subject to an insignificant risk of changes in value. The Groups cash deposits are deposited to banks with a low credit risk and funds with a low risk profile.

EUR thousand	2021	2020
Cash at banks and on hand	18 331	17 530
Total	**18 331**	**17 530**

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5.5.Interest-bearing loans and borrowings

Interest-bearing liabilities and net interest-bearing debt

Net interest-bearing debt

EUR thousand	2021	2020
Non-current interest-bearing liabilities	303 971	187 401
Current interest-bearing loans and borrowings	33 584	6 914
Lease liabilities	22 856	19 681
Contingent consideration	4 228	2 747
Cash and cash equivalents	-18 331	-17 530
Net interest-bearing debt total	**346 308**	**199 213**

Changes in the interest-bearing liabilities
31.12.2021

EUR thousand	Opening balance 1.1.	Net changes	Reporting date balance 31.12.
Non-current interest-bearing liabilities	187 401	116 570	303 971
Current interest-bearing liabilities	6 914	26 670	33 584
Lease liabilities	19 681	3 175	22 856
Contingent considerations	2 747	1 481	4 228
Total changes in interest-bearing liabilities	**216 743**	**147 896**	**364 639**

31.12.2020

EUR thousand	Opening balance 6.3.	Net changes	Reporting date balance 31.12.
Non-current interest-bearing liabilities	-	187 401	187 401
Current interest-bearing liabilities	-	6 914	6 914
Lease liabilities	-	19 681	19 681
Contingent considerations	-	2 747	2 747
Total changes in interest-bearing liabilities	**-**	**216 743**	**216 743**

Contingent considerations
PHM has contingent considerations related to its acquisition. PHM recognises contingent considerations at fair value through profit or loss. Revaluation is made on each reporting date based on the likelihood meeting the predetermined targets set at acquisition. The earn-out is based on an agreed performance target of the acquired entity, which is typically an agreed EBITDA target for the entity.

In connection with the acquisitions from financial period ending 31.12.2021, PHM has agreed on contingent consideration based on the performance of the acquired companies. PHM has estimated the contingent consideration to an amount of EUR 4,228 thousand 31.12.2021 included in the acquisition price at the acquisition date, of which EUR 1,101 thousand will mature in less than five years and EUR 3,127 thousand will mature in less than a year.

In connection with acquisitions from financial period ending 31.12.2020, PHM had agreed on contingent considerations based on the performance of several acquired companies. These contingent considerations of EUR 2,747 thousand is included in the acquisition price at the acquisition date, and were paid during 2021.

Publicly traded bond
PHM Group Holding Oy issued a publicly traded bond instrument of EUR 300 million in June 2021. The bond is traded in Frankfurt stock exchange (Börse Frankfurt). The instrument was used to pay back prior loans from financial institutions and from the parent company. More details about the bond can be found on Frankfurt stock exchange and section 5.1. Financial Risk Management.

5.6. Capital management

The primary objective of the Group's capital management is to ensure continuity of operations (going concern) and increase the shareholder value.

PHM manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, PHM may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. PHM monitors its capital structure by following its equity and net debt levels. PHM includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and short-term deposits, excluding discontinued operations.

Interest-bearing net debt is presented separately in note 5.5. Borrowings and lease liabilities.

EUR thousand	2021	2020
Net debt (note 5.5.)	346 308	199 213
Equity	147 312	205 989

In order to achieve this overall objective, PHM's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31.12.2021 and 31.12.2020.

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5.7. Equity

Equity and capital reserves

Equity consists of share capital, reserve for unrestricted equity and exchange differences on translation of foreign operations.

Number of shares (A-shares)	2021	2020
Total number of shares in the beginning of the period	**43 827 618**	-
Transfer of own shares	-144 000	
Shares issued	1 297 449	43 827 618
Total number of shares outstanding at the end of the period	**44 981 067**	**43 827 618**
Of which own shares held by the parent company	144 000	
Total number of shares at the end of reporting period	**45 125 067**	**43 827 618**

PHM Group Topco Oy has four series of shares: series A shares (Ordinary shares), series P1 shares (the P1 shares), series P2 shares (the P2 shares and together with the P1 shares the "Preference Shares"), and the series V shares (the V shares). The Ordinary shares and the V shares carry one (1) vote each. The Preference Shares do not have any voting rights. The V shares have no right to dividend or any other distribution.

In addition to the A-shares listed on the table above, the total number of P1 shares is 18 500 116 (2020: 12 699 698), the total number of P2 shares is 143 364 045 (2020: 137 392 648) and the total number of V-shares is 12 229 687 (2020: 12 229 687). The number of unregistered shares at 31.12.2021 is 77 144 A-shares, 502 171 P-1 shares and 445 038 P2-shares.

The Preference Shares have a preferred right in relation to the Ordinary Shares to receive dividend corresponding to a yield of 8% per annum calculated from the date of payment for each Preference Share on the subscription price of the Preference Share less any return of capital paid to such Preference Share. However, PHM does not have a contractual obligation to pay dividends or other contributions. PHM distributes the Preference Distribution for the previous financial year to P1 Shares in cash in accordance with the Group's articles of association, subject to any restrictions under the Finnish Companies Act or the financing agreements of the Group. The P1-shares are ahead of P2 -shares in distributions. The P1- and P2-shares do not have right to any other distribution.

Dividends

The Board of Directors proposes to the Annual General Meeting that for the financial year ended 31.12.2021 dividends will be distributed to the P1 shareholders and that the profit for the period shall be recorded within retained earnings.

PHM Group Topco Oy has paid preference payment during the financial year of 2021 for a total amount of EUR 822.2 thousand for P1 shareholders based on fiscal year 2020 result. Preference payments have not been paid in financial year 2020 as it was company's first fiscal year.

Fund for unrestricted equity

The fund for unrestricted equity contains the other equity-related investments and share subscription prices to the extent not to be credited to the share capital. PHM Group TopCo Oy has returned capital to shareholders in the financial year 2021 for a total amount of EUR 67.4 million as per following: for A-shares EUR 44.2 million, for P1 shares EUR 2.4 million and for P2 shares EUR 20.8 million.

Exchange differences on translation of foreign operations

Exchange differences relating to the translation of the results and net assets of the PHM's foreign operations from their functional currencies to the Group's presentation currency (i.e. euro) are recognised in other comprehensive income and accumulated in the equity.

Subordinated loan

PHM Group Topco has a subordinated loan. The instrument does not have a maturity date and it does not require any interest payments or any other financial obligation. Thus, based on the IAS 32 classification criteria the instrument meets the IFRS classification and recognition criteria of an equity instrument. PHM has reclassified the instrument as an equity instrument for IFRS purposes.

In 31.12.2020 PHM Group Topco Oy had a EUR 17,933 thousand suboridinated loan which was recognized in equity. During the financial year 2021 PHM Group repaid the loan at amount of 2 647 EUR. The remaining balance as of 31.12.2021 was EUR 15 285 thousand.

5.8 Other shares and investments

PHM's investments in other shares consist of shares of housing co-operative and other equity shares. Shares in housing co-operative company is a typical ownership structure for Finnish apartments and commercial space, where the acquirer owns the shares allowing for tenure in a specific unit and the company around housing co-operative facilitates the maintenance and public spaces. Other shares and investments are initially measured at cost and are subsequently measured at cost less any impairment.

EUR thousand	2021	2020
Other shares and investments	**2 964**	**2 547**

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6. Other notes

6.1. Related party transactions

PHM's related parties comprise of the Board of Directors, the CEO as well as the other members of the management team and the close members of the family of said persons as well as their controlled entities and joint ventures and associates.

Balances and transactions between the parent and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

Compensation of key management personnel

Key management personnel consist of the members of the Board of Directors, Group CEO and members of the Group management team.

Compensation of the members of the Board of Directors

EUR thousand	2021	2020
Chairman of the Board	0	0
Other Board Members	29	0
Total	**29**	**0**

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

Group management team

EUR thousand	2021	2020
Salaries and short-term employee benefits	1 432	453
Post-employment pension and medical benefits	5	-
Termination benefits	-	-
Share-based payment transactions	-	-
Total compensation paid to key management personnel	1 437	453

Service provided to

EUR thousand	2021	2020
to Companies held by CEO or to CEO	361	187
Total	361	187

Services Purchased from

EUR thousand	2021	2020
Real-estate leases from Mivi Capital (CEO)	675	434
Total	675	434

6.2. Contingent liabilities, Commitments & Report of the Board of Directors referred to in the limited liability companies act

Primary terms and conditions of subordinated loans and non-expensed interest accrued on the loans

EUR thousand	2021	2020
Subordinated loans		
Non-current subordinated loans	15 286	17 933

Terms and conditions:
The subordinated loan meets all of the criteria laid down in chapter 12 of the Limited Liability Companies Act.

Interest:
The agreed annual interest rate on the subordinated loan is 8%.

Other commitments and obligations for the Group

EUR thousand	2021	2020
Liabilities with pledges, mortgages or other assets pledged as collateral		
Liabilities	39 500	215 000
Total	**39 500**	**215 000**

Securities pledged as collateral for own commitments regarding the above-mentioned liabilities		
Business mortgages	650 000	253 500
Total	**650 000**	**253 500**

Obligations for leases

EUR thousand	2021	2020
Liabilities payable in the following financial year	1 389	39
Liabilities payable in later financial years	4 166	117
Total	**5 554**	**156**

Obligations for lease liabilities

EUR thousand	2021	2020
Liabilities payable in the following financial year	278	40
Liabilities payable in later financial years	833	120
Total	**1 111**	**160**

Legal claim contingency

PHM has not had any material outstanding or ongoing juridical cases with employees, former employees, customers, or other parties to the companies from which PHM would be liable to compensate the other party.

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6.3. Events after reporting period

In February 2022, the Group completed a tap issue of its senior secured callable fixed rate notes in nominal amount of 40 MEUR under the existing 450 MEUR notes' framework. After the tap issue the total value of outstanding notes is 340 MEUR.

The Group has continued its strategy of growing through acquisitions even after the year end and continues to have a strong pipeline of active dialogues. None of the closed transactions are such that it would have a material impact on the Group's business or financial position.

The Board of Directors has assessed the impacts of the COVID-19 virus pandemic on the Group's market, employees and business. So far, the virus pandemic has not had a significant impact on the demand for the company's services or its ability to execute them. The company's Board of Directors and management closely monitor the development of the COVID-19 situation and will update their assessment of the impacts of the pandemic as the situation progresses.

The Board of Directors has also evaluated the impacts on PHM's business from the war in Ukraine and assessed that it will not have any significant impacts on the Group's operations, financial position or operating environment. The Group's Board of Directors and management closely monitor the development of the situation and are prepared to react to changing circumstances as needed.

PHM's publicly traded bond will be listed in Helsinki stock exchange (Nasdaq Helsinki) in June 2022.

Parent Company Financial Statements (FAS)

Parent Company Income Statement (FAS)

EUR thousand	1.1.-31.12.2021	6.3.-31.12.2020
Revenue (net sales)	0	0
Other operating expenses	- 41	- 12
Operating profit (loss)	**- 41**	**- 12**
Financial income and expenses		
Other interest and financial income	699	777
Interest and other financial expenses	- 2	- 777
Financial income and expenses, total	**696**	**- 0**
Profit (loss) before appropriations and taxes	656	- 12
Group contribution	669	
Taxes	- 265	
Profit for the financial period	**1 060**	**- 12**

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Parent company balance sheet (FAS)

EUR thousand	2021	2020
Assets		
Non-current assets		
Investments		
Holdings in Group companies	158 318	193 910
Receivables from Group companies	0	18 710
Total investments	158 318	212 620
Total non-current assets	**158 318**	**212 620**
Current assets		
Current receivables		
Receivables from group companies	16 996	116
Total current receivables	16 996	116
Total current assets	**16 996**	**116**
Total assets	**175 314**	**212 736**
Equity and liabilities		
Equity		
Other reserves (Ltd)		
Other reserves (Ltd)	143 759	194 038
Other reserves (Ltd), total	143 759	194 038
Subordinated loans	15 286	0
Retained earnings	- 57	0
Profit (loss) for the financial year	1 060	- 12
Total shareholder's equity attributable to equity holders of th	**160 047**	**194 026**
Liabilities		
Non-current liabilities		
Subordinated loan	0	17 933
Total non-current liabilities	0	17 933
Current liabilities		
Liabilities to Group companies	15 000	777
Short term liabilities	267	0
Total Current liabilities	15 267	777
Total liabilities	**15 267**	**18 710**
Total equity and liabilities	**175 314**	**212 736**

Cash Flows Statement of the Parent Company

EUR thousand		2021	2020
Operating activities			
Profit before tax		656	-12
Adjustments to reconcile profit before tax to net cash flows:			
	Finance income and expenses	-696	0
Change in working capital		-16 325	-
Net cash flow from operating activities		**-16 366**	**-12**
Net cash flow from investing activities			
Acquisition of a subsidiary, net of cash acquired			-193 910
Return of equity invested in subsidiaries		50 592	
Net cash flow from investing activities		**50 592**	**-193 910**
Net cash flow from financing activities			
Loans granted		-	-18 826
Repayment of loan receivables		18 826	-
Net change in borrowings		-	18 710
Purchase of own shares		-426	-
Paid dividend and other distribution of profit		-53 322	-
Increase in equity		-	194 038
Net interest and finance cost paid		696	-
Net cash flow from financing activities		**-34 226**	**193 922**
Net increase in cash and cash equivalents		**0**	**0**
Cash and cash equivalents at 1.1.		-	-
Cash and cash equivalents at 31.12.		**0**	**0**

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Accounting policies

The financial statements have been prepared in accordance with the Small Business Act (in accordance with Chapters 2 and 3 of the PMA).

Valuation and accrual principles and methods

The company's valuation principles and methods as well as accrual principles and methods are in accordance with sections 3: 1.2–3 of the PMA (Small Business Acts), therefore no separate notes are presented on these.

Notes concerning the parent company's balance sheet

Asset breakdown

EUR thousand	2021	2020
Holdings in Group companies		
PHM Group Holding Oy	158 318	193 910

EUR thousand	2021	2020
Breakdown of receivables		
Subordinated loan receivable PHM Group Holding Oy	-	18 710
Group contribution receivable PHM Group Holding Oy	669	-
Cash pool receivable	16 327	-
Total	16 996	18 710

Breakdown of Equity items

Restricted equity

EUR thousand	2021	2020
Share capital 1st of January 2021 & 6th of March 2020	0	0
Increase	0	0
Decrease	0	0
Share capital 31 December	0	0
Total restricted equity	0	0

Unrestricted equity and other equity reserves

EUR thousand	2021	2020
Other reserves 1st of January 2021 & 6th of March 2020	194 038	
Increase	17 239	206 575
Decrease	-67 518	-12 538
Other reserves 31 December	143 759	194 038
Total unrestricted equity	**143 759**	**194 038**

Retained earnings

EUR thousand	2021	2020
Retained earnings 1st of January 2021 & 6th of March 2020	-12	0
Dividend paid	-822	0
Capitalon loan interest fy 2020	777	0
Retained earnings 31 December	**- 57**	**0**

Non-restricted equity attributable to the owners of the parents

EUR thousand	2021	2020
Retained earnings/losses	-57	-
Profit (loss) for the period	1 060	-12
Total unrestricted equity	143 759	194 038
Total Non-resticted equity	**144 762**	**194 026**

Distributable funds attributable to the owners of the parents and subordinated loans

EUR thousand	2021	2020
Other reserves	143 759	194 038
Retained earnings/losses	1 003	-12
Total	**144 762**	**194 026**

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Notes concerning the parent company's income statement

Total amounts of dividend income, interest income and interest expenses

EUR thousand	2021	2020
Other interest and financial income	699	777
Interest and other financial expenses	- 2	- 777
Total	**696**	**- 0**

Parent company's notes concerning personnel and members of the organs

Number and groups of personnel

The company did not have any employees during the financial year.

Loans and securities granted to the CEO, Board of members and other related parties

EUR thousand	2021	2020
Subordinated loan to PHM Group Holding Oy	0	18 710

Holdings in other companies	2021	2020
PHM Group Holding Oy	100 %	100 %

Notes concerning reporting entity included in the Group

The company is a parent company and the consolidated financial statements are available from Takomotie 1-3, FI-00380 Helsinki, Finland

202210201035

Report of the Board of Directors referred to in the limited liability companies act

Board of Directors' proposal for measures concerning the company's profit and any other distribution of non-restricted equity

The Board of Directors proposes that no dividend is distributed and that the profit of EUR 1 059 687,41 is booked as retained earnings.

Primary terms and conditions of subordinated loans and non-expensed interest accrued on the loans

EUR thousand	2021	2020
Subordinated loans		
Non-current subordinated loans	15 286	17 933

Terms and conditions:

Subordinated loan has been reclassified in equity under IFRS. The instrument does not have a maturity date and it does not require any interest payments or any other financial obligation

Other commitments and obligations for the Group (EUR thousand)	**2021**	**2020**
Liabilities with pledges, mortgages or other assets pledged as collateral		
Liabilities	0	215 000
Total	**0**	**215 000**
Securities pledged as collateral for own commitments regarding the above-mentioned liabilities		
Business mortgages	0	253 500
Total	**0**	**253 500**

Signatures to the Board of Directors' Report and the Financial Statements

Karl Svozilik
Chairman of the Board

Ståle Angel
Member of the Board

Tuomas Sarkola
Member of the Board

Marika Af Enehjem
Member of the Board

Svein Olav Stølen
Member of the Board

Auditor's note

A report on the audit performed has been issued today.

KPMG Oy

Turo Koila
Authorised Public Accountant

20221020100036

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This document is an English translation of the Finnish auditor's report. Only the Finnish version of the report is legally binding.

Auditor's Report

To the Annual General Meeting of PHM Group TopCo Oy

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of PHM Group TopCo Oy (3123809-7) for the year ended December 31, 2021. The financial statements comprise the consolidated statement of financial position, consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in shareholder's equity, consolidated statement of cash flows and notes, including a summary of significant accounting policies, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

— the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU

— the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other 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 opinion.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted

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in accordance with good auditing practice 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 the financial statements.

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

— Identify and assess the risks of material misstatement of the financial statements, 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 opinion. 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 internal control relevant to the 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 parent company's or the group's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

— Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or 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 financial statements or, if such disclosures are inadequate, to modify our opinion. 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 parent company or the group to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

— Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Reporting Requirements

Other Information

The Board of Directors is responsible for the other information. The other information comprises the report of the Board of Directors. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also

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includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

Helsinki, 1 June 2022

KPMG OY AB

TURO KOILA
Authorised Public Accountant, KHT