Year End Report

Q4 January—December 2019

This Interim Report consists of two sections. The first one is the regular Interim Report January—December 2019. The last section is an additional disclosure for holders of the Assemblin Senior Secured Notes issued on December 6, 2019.

Assemblin designs, installs and maintains technical systems for air, water and energy. We are present at more than 100 locations in Sweden, Norway and Finland which makes us one of the leading installation companies in the Nordics. Our vision is to create smart and sustainable installations - in both large and small assignments.

Assemblin

Fourth quarter (October–December) 2019

- Net sales in the fourth quarter increased 10.0 per cent to SEK 2,857 million (2,596).
- Adjusted EBITA increased 53.1 per cent, totalling SEK 204 million (135). The adjusted EBITA margin increased to 7.2 per cent (5.2).
- EBITA totalled SEK -10 million (132). The difference between adjusted EBITA and EBITA is mainly explained by items affecting comparability related to the accelerated profitability programme.
- EBIT totalled SEK -18 million (131).
- Profit after tax amounted to SEK -51 million (40).
- Order intake was SEK 2,607 million (2,684). Order backlog at the end of the period increased to SEK 8,478 million (6,971).

Full year 2019

- Net sales for the full year increased 12.3 per cent to SEK 9,978 million (8,885).
- Adjusted EBITA increased 28.9 per cent totalling SEK 516 million (401). Adjusted EBITA margin increased to 5.2 per cent (4.5).
- EBITA totalled SEK 270 million (417).
- EBIT totalled SEK 252 million (414). The decrease pertains to items affecting comparability mainly in the fourth quarter.
- Profit after tax decreased to SEK 78 million (172).
- Order intake increased to SEK 11,258 million (9,459), including the large ventilation order from the Stockholm Bypass Project totalling SEK 520 million and the multi-tech installation assignment in Malmö's hospital campus totalling SEK 867 million. Order backlog at the end of the period increased to SEK 8,478 million (6,971).

Key figures

	Quarter 4		Full Year	
	2019	2018	2019	2018
Net sales, SEKm	2,856	2,596	9,978	8,885
Growth, %	10.0	13.9	12.3	8.8
Organic growth, %	5.7	10.4	8.3	6.9
Aquired growth, %	4.3	2.3	3.7	1.0
Currency effect, %	0.1	1.2	0.3	0.9
Adjusted EBITA, SEKm	204	135	516	401
Adjusted EBITA margin, %	7.2	5.2	5.2	4.5
EBITA, SEKm	-10	132	270	417
EBITA-margin, %	-0.4	5.1	2.7	4.7
EBIT, SEKm	-18	131	252	414
Profit for the period, SEKm	-51	40	78	172
Order backlog, SEKm	8,478	6,971	8,478	6,971
Order intake, SEKm	2,607	2,684	11,258	9,459
Average number of employees, FTE	5,869	5,596	5,901	5,632

For definitions, refer to page 24. For reconciliation of key performance indicators not defined under IFRS, refer to page 19.

The transition to IFRS 16 has not impacted segment reporting. For information on the effects of the transition to IFRS 16, see Note 1.

Unless otherwise indicated, the amounts in the report are in SEK million rounded to the nearest million, which may result in rounding differences.

Comments from the CEO
A strong end to a good year

We have come to the end of a successful and exciting year, with growth of 12.3 per cent and an order intake of SEK 11.3 billion, improved adjusted EBITA of 28.9 per cent and a cash conversion exceeding 100 per cent.

Increased market share

Assemblin continued to capture market share and grew 10.0 per cent in the last quarter, driving full year growth of 12.3 per cent (of which 5.7 per centage points was organic and 4.3 from acquisitions).

We are naturally very proud of this achievement. Assemblin now has net sales of SEK 10 billion and our record order backlog of SEK 8,478 (6,971) million at year end supports a continued growth outlook. Contributing to our organic growth is also the greenfielding of five new branches. In light of this, we are selective in our M&A growth. Our strategy hinges on finding strategic acquisitions with a proven earnings record and a good match with our corporate culture. Experience shows that these companies are both easier to integrate and contribute more rapidly to growth in our profitability. In the last quarter of the year, following approval from the competition authorities, we completed three heating & sanitation acquisitions in Norway that fulfilled all these criteria: Norway Arve Hagen AS, Ramsøy AS and Gjøvik Varme och Sanitær AS with operations in Brumunddal, Lillehammer and Gjøvik.

Full focus on profitability

Adjusted EBITA margin increased to 7.2 (5.2) per cent in the quarter and 5.2 (4.5) per cent for the full year. Adjusted EBITA increased to SEK 204 (135) million in the quarter and SEK 516 (401) million for the full year. Though this is good, what is especially pleasing is that we are already seeing some positive effects from the accelerated profitability programme (APP) we launched in the fourth quarter. This programme encompassed actions such as closing unprofitable branches and overall reduction in operating expenses. In addition we have improved internal control and governance. I can draw two key conclusions from the results: the programme is firmly anchored throughout the entire organisation and we have taken the right steps. We are clearly on the right track reaching our long-term profitability target.

As previously communicated, the APP resulted in temporary costs that were recognised as items affecting comparability included in earning for the fourth quarter. All costs for this programme have now been incurred.

External rating and successful bond listing

In order to access the institutional European capital markets, Assemblin issued a EUR 250 million bond issue (senior secured notes) in December that was subsequently successfully listed on TISE (CI). I would like to take the opportunity to welcome our new bondholders to Assemblin. Our ambition is to be open and transparent with all our stakeholders and I encourage you to contact us if you have any questions.

In advance of the bond issue, three independent ratings agencies (Standard & Poor, Moody´s and Fitch) rated Assemblin as B, B+ and B2 respectively, which confirms Assemblin´s position as a stable installation company with strong potential.

Continued strong cash flow

Cash flow is a key focus area for us at Assemblin. In the last quarter of this year, free cash flow was strong - SEK 484 million - with decreasing work capital driving a 101 per cent cash conversion for the full year.

A payment to the company´s shareholders in conjunction with refinancing related to the bond issue increased debt.

Our cash position and unutilised credit facilities amounted to SEK 857 million at year end, guaranteeing ample liquidity and a solid acquisition capacity.

Outlook

Overall development of the service and installation markets in the Nordics remains stable. We are experiencing continued high demand, especially in Sweden and Norway. The key drivers are the renovation and reconstruction requirements for public facilities, residential real estate and offices as well as significant investments in hospitals and infrastructure projects. The switch to a climate-sustainable society continues to drive demand in renewable energy and chargeable electrical vehicles across the Nordic region.

Assemblin has experienced a period of strong organic growth. Given our increased order backlog and the market outlook, we expect further growth. Nevertheless, our key priority for 2020 is to continue to improve profitability. Our goal is crystal clear: Assemblin will be the best installation company for our customers, employees and owners.

Stockholm, February 2020

Mats Johansson
President and CEO
Assemblin

Overview, consolidated results

Net sales and order intake

Fourth quarter (October–December)

Organic growth for the quarter was 5.7 per cent (10.4) driven primarily by increasing volumes from both installation and service assignments. In addition, acquisitions completed during the year contributed growth of 4.3 per cent (2.3). In total, net sales in the fourth quarter increased 10.0 per cent to SEK 2,856 million (2,596). Growth for the quarter was particularly strong in Assemblin El and Assemblin VS. In the quarter, service assignments represented 39 per cent (40) of the Group's net sales.

Order intake during the fourth quarter was SEK 2,607 million (2,684), which primarily included small and mid-sized installation and service assignments.

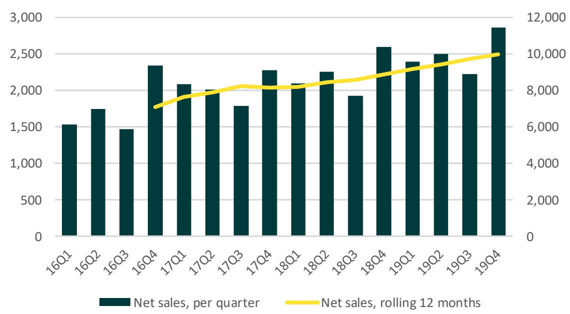
Compared to the fourth quarter 2018, installation assignments increased 11 per cent and service assignments increased 8 per cent.

Full year 2019

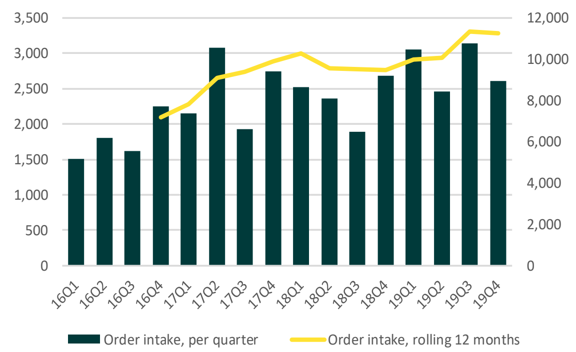
Net sales for the full year increased 12.3 per cent to SEK 9,979 million (8,885), of which 8.3 per centage points was organic and 3.7 per centage points was driven by acquisitions. Overall, growth was particularly strong in Assemblin Norway and Assemblin El. Compared with 2018, installation assignments increased 11 per cent and service assignments increased 14 per cent. At the year end, the service assignments represented 38 per cent (38) of the Group's net sales.

Order intake for the period increased 19.0 per cent year-on-year to SEK 11,258 million (9,459). The largest new orders during 2019 were the multi tech assignment in the new medical building in Malmö´s hospital campus worth SEK 867 million (Assemblin El, VS and Ventilation) as well as the ventilation order for the Stockholm Bypass project (Förbifart Stockholm) worth SEK 520 million. The large order intake created an order backlog of SEK 8,478 million (6,971) at the year end.

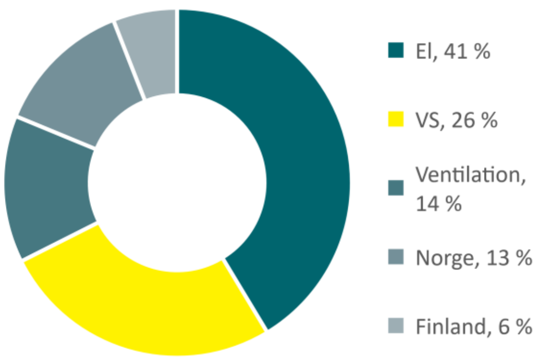
Net sales, SEK m



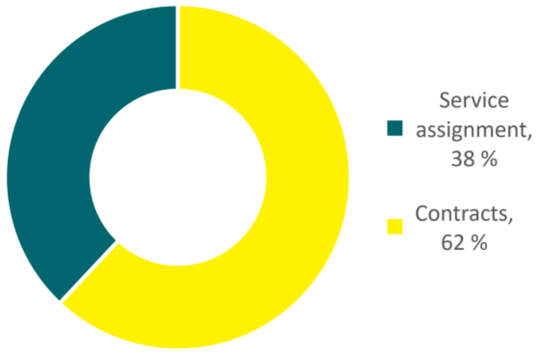
Order intake, SEK m



Net sales per business area 2019



Net sales per assignment 2019



Earnings and profitability

Fourth quarter (October–December)

Adjusted EBITA for the fourth quarter increased 51.7 per cent year-on-year, totalling SEK 204 million (135). As a result, the adjusted EBITA margin increased to 7.2 per cent (5.2). The adjusted EBITA margin increased in all Swedish business areas partly as an effect of the profit improvement programme launched in the fourth quarter, to strengthen Assemblin's profitability and competitiveness going forward.

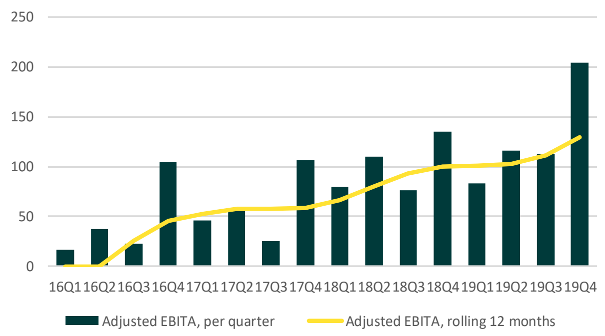
The programme resulted in items affecting comparability, which explains the decrease in EBITA to SEK -10 million (132) for the quarter and the fall in the EBITA margin from 5.1 per cent to -0.4 per cent.

Full year 2019

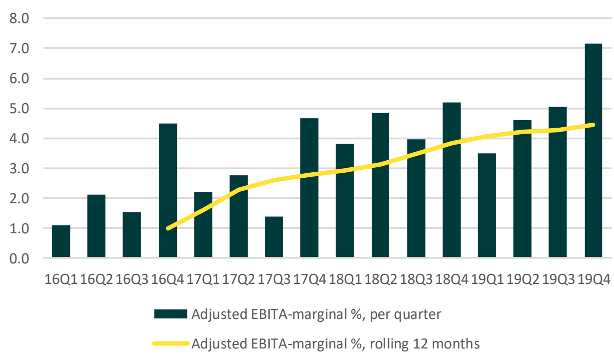
Adjusted EBITA and adjusted EBITA margins in 2019 recovered during the year after write-downs in Norway and Finland in the first quarter. For the full year, the adjusted EBITA increased by 28.9 per cent and amounted to SEK 516 million (401), and the adjusted EBITA margin increased to 5.2 per cent (4.5).

EBITA for the period decreased from SEK 417 million to SEK 270 million, and the EBITA margin from 4.7 per cent to 2.7 per cent, which is attributable to items affecting comparability recognised in the fourth quarter.

Adjusted EBITA, SEK m



Adjusted EBITA margin, %



Net financial items and profit/loss after tax

Net financial items for the full year improved SEK 74 million to SEK -120 million (-193). The change in net financial items and other financial expenses was attributable to the conversion of shareholder loans into bank loans with better financial terms as a result of the refinancing at the end of 2018. Net financial items were also positively impacted by a dividend from the partially owned company Elajo in the second quarter. The expensing of capitalised arrangement fees from refinanced bank loans impacted the fourth quarters of both 2019 and 2018 due to the issue of senior secured notes as well as subsequent refinancing and the refinancing of shareholder loans in each of the respective quarters.

Tax for the full year amounted to SEK -54 million (-48), corresponding to 41 per cent (22) of profit before tax. Tax was impacted by an amended assessment of deductibility on certain interest expenses from previous periods in the third quarter.

Profit after tax amounted to SEK 78 million (172).

Cash flow and financial position

Cash flow from operating activities in the fourth quarter was SEK 383 million (293) and SEK 484 million (514) for the full year period.

Consolidated net debt at the end of the period amounted to SEK 2,931 million (1,582), primarily as a result of refinancing trough the issue of senior secured notes and implementing IFRS 16.

Cash and cash equivalents amounted to SEK 407 million (411). Unutilised borrowing facilities at the end of the period totalled SEK 450 million.

Equity at the end of the period amounted to SEK - 803 million (238). Despite significant value in the group no step-up in goodwill could be recognised in the refinancing since the ultimate shareholders remain unchanged. The transaction was structured such that Assemblin Financing AB (publ) acquired Assemblin Holding AB for a market-value consideration financed through the issuance of senior secured notes and a shareholder contribution.

Organisation and employees

At year end, the average number of employees restated in full-time equivalents (FTEs) was 5,901 (5,632), corresponding to an increase of 4.8 per cent year-on-year.

Significant events during the period

- The extensive accelerated profitability programme launched in the fourth quarter was fully implemented.
- In early October, the acquisition of three Norwegian heating and sanitation companies operating north of Oslo was announced: Arve Hagen AS, Ramsøy AS and Gjøvik Varme och Sanitær AS. Combined, the three companies have a total of 110 employees and anticipated annual sales of SEK 260 million.
- Assemblin's corporate governance processes were reviewed, the results of which included a new risk management process and improved internal control.
- On December 6, Assemblin successfully issued a Eurobond of EUR 250 million (senior secured floating rate notes).

Significant events after the end of the period

- In January 2020, Assemblin announced the acquisition of the Malmö-based technical consultancy Projektuppdrag Syd AB.
- In February 2020, the Senior secured notes issued in December were listed on the TISE (CI) market.

Risks and uncertainties

The Group's material risks and uncertainties comprise strategic risks associated with the market and business cycle, as well as sustainability and operational risks related to customer contracts. Furthermore, the Group is exposed to different kinds of financial risks, including currency, interest rate and liquidity risks. The Group's and Parent Company's risks are described in Assemblin's Annual Report, which can be found on Assemblin's website. No additional material risks are deemed to have arisen since the 2018 Annual Report was released.

Parent Company

The group's parent company has changed as a consequence of the issue of senior secured notes. However, the ultimate owners remain unchanged, therefore predecessor accounting has been applied retroactively. Thus the new parent company's (Assemblin Financing AB (publ) historical consolidated accounts reflect its predecessor's (Assemblin Holding AB) consolidated accounts.

The Parent Company's loss after tax for the year totalled SEK -4 million (-0). The Parent Company's total assets at 31 December amounted to SEK 6.748 million (0). Equity in the Parent Company amounted to SEK 4.085 million (0) reflecting the value of the group.

Related party transactions

Assemblin Financing AB (publ) acquired Assemblin Holding AB, the group company, from Ignition MidCo S.á.r.l. owned by Trition Fund IV on December 6, 2019, for a market-value consideration financed through the issuance of senior secured notes and a shareholder contribution. Apart from this transaction, no transactions that substantially impacted the company's financial position and earnings took place between Assemblin and related parties during the period.

The share and shareholders

Since 2015, Assemblin has been owned primarily by the investment company Triton.

Share capital amounts to SEK 500,000, with a quotient value of SEK 1 per share.

Business areas

Business Area Assemblin El (Sweden)

Net sales and order intake

Net sales increased by 17.3 per cent to SEK 1,215 million (1,035) in the fourth quarter and 15.5 per cent to SEK 4,146 million (3,588) for the full year. Growth in 2019 was primarily organic. Order intake for the quarter was SEK 1,199 million and included a steady stream of small and mid-sized installation projects and service assignments. At the end of the quarter, the order backlog amounted to SEK 3,029 million (2,590).

Earnings and profitability

Earnings and profitability also increased in the last quarter of the year, driven partly by positive effects from the Assemblin profitability improvement programme. Adjusted EBITA for the fourth quarter increased 78.5 per cent to SEK 94 million (53) and the adjusted EBITA margin increased to 7.8 per cent (5.1) year-on-year.

Adjusted EBITA for the full year increased 34.3 per cent to SEK 222 million (165), and adjusted EBITA margin improved to 5.4 per cent (4.6).

Key figures	Quarter 4		Full Year	
	2019	2018	2019	2018
Net sales, SEKm	1,215	1,035	4,146	3,588
Growth, %	17.3	13.4	15.5	0.8
Adjusted EBITA, SEKm	94	53	222	165
Adjusted EBITA margin, %	7.8	5.1	5.4	4.6
Average number of employees, FTE	2,827	2,751	2,796	2,754

Business Area Assemblin VS (Sweden)

Net sales and order intake

Assemblin VS experienced growth, driven both by previously completed acquisitions and organic growth. Net sales for the quarter increased 15.3 per cent to SEK 730 million (633), and growth for the period increased 10.5 per cent to SEK 2,629 million (2,379).

Order intake in the quarter was SEK 656 million (634) and included primarily small installation projects and service assignments. Order backlog at the end of the period increased to SEK 2,005 million (1,602).

Earnings and profitability

Adjusted EBITA for the quarter increased 45.9 per cent to SEK 50 million (34). The difference compared with the preceding year is due to such factors as previously completed acquisitions with good profitability, as well as positive effects from the accelerated profitability programme. Acquisitions together with a strong performance explains the 30.9 per cent increase in the adjusted EBITA to SEK 139 million (107) as well as the increase in adjusted EBITA margin to 5.3 per cent (4.5) for the full year.

Key figures	Quarter 4		Full Year	
	2019	2018	2019	2018
Net sales, SEKm	730	633	2,629	2,379
Growth, %	15.3	-1.3	10.5	5.4
Adjusted EBITA, SEKm	50	34	139	107
Adjusted EBITA margin, %	6.9	5.4	5.3	4.5
Average number of employees, FTE	1,496	1,423	1,475	1,428

Business Area Ventilation (Sweden)

Net sales and order intake

Net sales in the quarter totalled SEK 368 million (399) and for the full year SEK 1,367 million (1,317). In the fourth quarter, Assemblin Ventilation completed a number of installation projects, which in combination with delayed start-ups in a couple of large installation assignments explains the decrease in net sales.

Order intake for the quarter totalled SEK 273 million (336). Order backlog at the end of the period was SEK 1,805 million (1,338).

Earnings and profitability

Overall, Assemblin Ventilation has a several major projects in early stages, which temporarily adversely impacts profitability. Nevertheless, successfully completed projects improved earnings and profitability at the end of the year. For the fourth quarter, adjusted EBITA increased 14.2 per cent to SEK 37 million (32) and adjusted EBITA margin increased to 10.0 per cent (8.1). Adjusted EBITA for the full year amounted to SEK 73 million (73) and adjusted EBITA margin was 5.3 per cent (5.6) year-on-year.

Key figures	Quarter 4		Full Year	
	2019	2018	2019	2018
Net sales, SEKm	368	399	1,367	1,317
Growth, %	-7.9	22.6	3.9	22.8
Adjusted EBITA, SEKm	37	32	73	73
Adjusted EBITA margin, %	10.0	8.1	5.3	5.6
Average number of employees, FTE	543	501	544	515

Business Area Norway

Net sales and order intake

Net sales for the quarter increased 7.8 per cent to SEK 381 million (354), and net sales for the full year increased 19.8 per cent to SEK 1,285 million (1,073). The growth in Norway was both organic and acquired.

Order intake for the quarter was SEK 356 million (322), including both small and mid-sized installation project and service assignments. Order backlog at year end totalled SEK 1,367 million (1,097).

Earnings and profitability

Adjusted EBITA in the fourth quarter was SEK 26 million (26) and adjusted EBITA margin amounted to 6.8 per cent (7.2).

Adjusted EBITA for the full year totalled SEK 70 million (71) and the adjusted EBITA margin was 5.4 per cent (6.6), mainly due to project write-downs in the first quarter of 2019.

Key figures	Quarter 4		Full Year	
	2019	2018	2019	2018
Net sales, SEKm	381	354	1,285	1,073
Growth, %	7.8	52.1	19.8	25.2
Adjusted EBITA, SEKm	26	26	70	71
Adjusted EBITA margin, %	6.8	7.2	5.4	6.6
Average number of employees, FTE	648	587	704	595

Business Area Finland

Net sales and order intake

Net sales for the fourth quarter increased 7.5 per cent to SEK 180 million (167). Net sales for the full year increased 10.8 per cent to SEK 598 million (539).

Order intake totalled SEK 123 million (142) and included primarily small installation projects and service assignments. Order backlog at the end of the period was SEK 272 million (344).

Earnings and profitability

Adjusted EBITA for the quarter increased to SEK 7 million (6), and for the full year to SEK 12 million (11), which represented a growth of 10.8 per cent year-on-year. Profitability in the fourth quarter increased slightly as the adjusted EBITA margin increased to 3.9 per cent (3.5) year-on-year. For the full year, the adjusted EBITA margin decreased to 1.9 per cent (2.0).

Key figures	Quarter 4		Full Year	
	2019	2018	2019	2018
Net sales, SEKm	180	167	598	539
Growth, %	7.5	21.1	10.8	9.6
Adjusted EBITA, SEKm	7	6	12	11
Adjusted EBITA margin, %	3.9	3.5	1.9	2.0
Average number of employees, FTE	362	309	357	314

Condensed consolidated statement of earnings and other comprehensive income

	Quarter 4		Full Year	
Amounts in SEKm	2019	2018	2019	2018
Net sales	2 856	2 596	9 978	8 885
Production cost	-2 303	-2 096	-8 131	-7 186
Gross profit	**553**	**500**	**1 848**	**1 699**
Sales and administrative expenses	-571	-369	-1 595	-1 285
Operating profit (EBIT)	**-18**	**131**	**252**	**414**
Net financial items	-60	-81	-120	-193
Profit/loss before tax	**-77**	**49**	**133**	**220**
Tax	26	-9	-54	-48
Profit for the period	**-51**	**40**	**78**	**172**
Other comprehensive income				
Items that have been transferred or can be transferred to profit for the period				
Translation differences for the year in translation of foreign operations	11	11	11	11
Changes in the fair value of hedge reserve	-6		-6	-
Tax attributable to items that can be transferred to profit/loss for the year	1		1	
	6	**11**	**6**	**11**
Items that cannot be transferred to profit/loss for the year				
Revaluation of defined-benefit pension plans	-11	-49	-111	-49
Tax attributable to items that cannot be transferred to profit/loss for the year	2	10	23	10
	-9	**-39**	**-88**	**-39**
Other comprehensive income for the period	**-3**	**-29**	**-82**	**-29**
Comprehensive income for the period	**-54**	**12**	**-4**	**144**
Attributable to:				
Parent Company owners	-54	12	-4	144
Comprehensive income for the period	**-54**	**12**	**-4**	**144**

Condensed consolidated statement of financial position

Amounts in SEKm	31-dec-2019	31-dec-2018
Goodwill	2,640	2,411
Right-of-use assets	693	
Other fixed assets	288	571
Total fixed assets	**3,621**	**2,982**
Contract assets	441	408
Trade receivables	1,410	1,315
Other receivables	380	313
Cash and cash equivalents	407	411
Total current assets	**2,638**	**2,447**
Total assets	**6,259**	**5,429**
Equity	**-803**	**238**
Long-term liabilities	3,502	2,416
Leasing debt	590	210
Total long-term liabilities	**4,091**	**2,626**
Leasing debt	186	81
Contract liabilities	712	638
Trade payables	861	835
Other current liabilities	1,211	1,010
Total current liabilities	2,970	2,564
Total liabilities	**7,062**	**5,191**
Total equity and liabilities	**6,259**	**5,429**

Condensed consolidated statement of changes in equity

Amounts in SEKm	jan-dec 2019	jan-dec 2018
Equity at the beginning of the period	**238**	**106**
Transition to IFRS 16	-45	
Effect of new parrent company	-992	
New capital issue	0	
Comprehensive income for the period	-4	144
Dividend		-12
Equity at end of period	**-803**	**238**

Condensed consolidated statement of cash flow

	Quarter 4		The period Jan - Dec	
Amounts in SEKm	2019	2018	2019	2018
Operating activities				
Profit/loss before tax	-77	49	133	220
Adjustments for items not included in the cash flow	340	114	494	228
Tax paid	5	1	-21	-48
Cash flow from operating activities before changes in working capital	**267**	**165**	**605**	**400**
Changes in working capital	115	128	-121	115
Cash flow from operating activities	**383**	**293**	**484**	**514**
Investment activities				
Net investment fixed assets	-1	-14	-4	-27
Acquisitions of subsidiaries	-109	-42	-211	-63
Other	0	-1	17	1
Cash flow from investment activities	**-111**	**-57**	**-197**	**-88**
Financing activities				
Loans raised	2 591	1 700	2 591	1 700
Repayment of loan	-2 717	-2 010	-2 717	-2 033
Amortisation of lease debt	-43	-17	-170	-97
Dividend paid		-12		-12
Cash flow from financing activities	**-169**	**-338**	**-296**	**-442**
Cash flow for the period	**103**	**-102**	**-8**	**-14**
Cash and cash equivalents at the beginning of the period	308	519	411	420
Exchange rate difference in cash and cash equivalents	-4	-6	4	5
Cash and cash equivalents at the end of the period	**407**	**411**	**407**	**411**

Condensed summary of the Parent Company's income statement

Condensed Summary of the Parent Company's income statement

	Quarter 4		Full Year	
Amounts in SEKm	2019	2018	2019	2018
Net sales	22		22	
Sales and administrative expenses	-31		-31	
Operating profit (EBIT)	**-9**		**-9**	
Net financial items	-5	0	-5	0
Profit after financial items	**-14**	**0**	**-14**	**0**
Allocations	10	0	10	0
Profit/loss before tax	**-4**	**0**	**-4**	**0**
Tax	0	0	0	0
Profit for the period	**-4**	**0**	**-4**	**0**

Condensed statement of financial position for the Parent company

Amounts in SEKm	31-dec-2019	31-dec-2018
Shares in Group companies	5 081	
Receivables in Group companies	1 616	
Total fixed assets	**6 697**	
Short-term receivables, group companies	33	
Cash and cash equivalents	18	0
Total current assets	**49**	**0**
Total assets	**6 748**	
Equity	**4 085**	**0**
Total long-term liabilities	**2 621**	
Other current liabilities	42	
Total current liabilities	**42**	
Total liabilities	**2 663**	
Total equity and liabilities	**6 748**	**0**

Condensed changes in equity for the parent company

Amounts in SEKm	jan-dec 2019	jan-dec 2018
Equity at the beginning of the period	**0**	**0**
New capital issue	0	
Shareholder contribution	4 089	
Profit for the period	-4	
Equity at end of period	**4 085**	**0**

Calculation of key performance indicators not defined under IFRS

This interim report presents certain financial measures that are not fully defined under IFRS. Assemblin believes that these measures provide valuable information about the company's performance, but they should be regarded as a supplement to the measures defined under IFRS. Assemblin's definitions of these measures may differ from other companies' definitions of the same terms. A reconciliation of these measures follows below. For definitions of key performance indicators, refer to page 24.

Reconciliation of key figures

	Quarter 4		The period Jan - Dec	
Amounts in SEKm	2019	2018	2019	2018
Net debt				
Interest-bearing liabilities	3,337	1,993	3,337	1,993
Cash and cash equivalents	-407	-411	-407	-411
Net debt	**2,931**	**1,582**	**2,931**	**1,582**
EBITA				
Operating profit/loss (EBIT)	-18	131	252	414
Amortisation and impairment, intangible fixed assets	7	2	18	3
EBITA	**-10**	**132**	**270**	**417**
Adjusted EBITA				
EBITA	-10	132	270	417
Adjustments for Items Affecting Comparability	215	2	246	-16
Adjusted EBITA	**204**	**135**	**516**	**401**
Adjusted EBITDA				
Adjusted EBITA	204	135	516	401
Depreciation of property, plant and equipment and right-of-use	93	24	243	88
Lease accounting adjustments	-70		-153	0
Adjusted EBITDA	**228**	**159**	**606**	**489**
Free Cash Flow				
Adjusted EBITDA	228	159	606	489
Changes in working capital	115	128	-121	115
Adjustment for noncash items	120	57	158	88
Net investment fixed assets	-1	-14	-4	-27
Net vehicle leases capex	-32	-39	-116	-136
Free Cash Flow	**430**	**291**	**523**	**529**
Cash Conversion (%)	**210%**	**216%**	**101%**	**132%**

Notes

1. Accounting policies

The condensed consolidated financial statements were prepared in accordance with IAS 34 Interim financial reporting and the applicable provisions in the Swedish Annual Accounts Act. The Parent Company interim report was prepared in accordance with Chapter 9, Interim reports, of the Annual Accounts Act.

The group's parent company has changed in conjunction with the issuance of senior secured notes. However, the ultimate owners remain unchanged therefore predecessor accounting has been applied retroactively. Thus the new parent company's (Assemblin Financing AB (publ), corp.id 559077-5952) historical consolidated accounts reflect its predecessor's (Assemblin Holding AB, corp.id 559025-2952) consolidated accounts. For the Group and the Parent Company, the same accounting policies and bases for calculation have been applied as in the latest annual report for Assemblin Holding AB (559025-2952), with the exception of the amended accounting policies described below in accordance with the transition rules in IFRS 16.

In addition to the financial statements and the accompanying notes, disclosures in accordance with IAS 34.16a also appear in other parts of this interim report.

The Group applies IFRS 16 Leases from 1 January 2019. The Parent Company does not apply IFRS 16, in accordance with the exemption found in RFR 2. The description of IFRS 16 and the effects of the transition to this standard are given in the summary below.

The Group applies IFRIC 23 Uncertainty over income tax treatments from 1 January 2019. The application of IFRIC 23 has not given rise to any transition effects.

IFRS 16 Leases

From 1 January 2019, Assemblin applies IFRS 16 Leases. This reporting standard replaces IAS 17. The Group has selected the modified retrospective approach as the transition method, which means that the comparison figures for 2018 and earlier periods are not restated, and that the difference between right-of-use assets and lease liabilities are recognised in equity adjusted for pre-paid lease expenses as at 31 December 2018. Furthermore, the Group has chosen to apply the options in IFRS 16 to not report right-of-use assets and lease liabilities for contracts with a lease term of 12 months or less, or for assets with a low value (SEK 50,000). The effects of IFRS 16 are recognised at the Group level.

Lessee

The Group recognises a right-of-use asset and a lease liability on the start date of a lease. The right-of-use asset is initially measured at cost, which consists of the original value of the lease liability plus lease expenses paid on or before the start date and any initial direct expenses. The right-of-use asset is thereafter depreciated on a straight-line basis from the start date to the earlier of the end of the useful life of the asset and the end of the lease term.

The lease liability is initially measured at the present value of the future lease expenses that have not been paid on the start date. The lease expenses are discounted with the marginal interest rate on borrowings or implicit interest rate of the lease.

The lease liability is measured at amortised cost using the effective rate method. The lease liability is remeasured if the future lease expenses are changed as the result of factors such as changes to an index or price. When the lease liability is remeasured this way, an equivalent adjustment is made to the carrying amount of the right-of-use asset.

Leases where the Group is lessee

At the transition to IFRS 16, the Group chose to apply the modified retrospective approach. The content and effect on the Group are described below.

Previously, the Group classified leases as operating or finance leases based on whether the lease transferred the risks and benefits entailed by ownership of the underlying asset. In accordance with IFRS 16, the Group recognises right-of-use assets and lease liabilities for most leases (i.e. the lease is included in the statement of financial position); exemptions from this are indicated below.

Leases previously classified as operating leases under IAS 17

At the transition, the lease liabilities were measured at the present value of the remaining lease expenses, discounted by the Group's marginal interest rates on borrowings on the initial date of application (1 January 2019). Each right-of-use asset was measured at an amount corresponding to the lease liability, adjusted for any prepaid or accrued lease expenses.

The Group has chosen to apply the following solutions in practice:

- Applied a discount rate based on the Group's financing expenses on various maturities.
- Adjusted the right-of-use asset by an amount recognised as a provision for operating leases that constituted onerous leases, immediately before the first date of application, as an alternative to performing an impairment review.
- Right-of-use assets and lease liabilities have not been recognised for leases for which the lease term finishes within 12 months or earlier (short-term leases).
- Excluded initial direct payments from the measurement of right-of-use assets on the first date of application.

Effect on the financial statements

At the transition to IFRS 16, the Group recognised right-of-use assets of SEK 723 million and lease liabilities of SEK 760 million, of which SEK 80 million are short-term lease liabilities. The difference between assets and liabilities is due to the reclassification of pre-paid lease expenses, and further to rights of use being recognised based on IFRS 16 having been applied since the start of the agreement as well as the right-of-use assets being reduced by reserves for onerous leases recognised in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* immediately prior to the transition to IFRS 16 on 31 December 2018.

When measuring the lease liability, the Group discounted its lease expenses at the marginal interest rate on borrowings and the implicit interest rate at 1 January 2019. The interest rate used in discounting future flows lies between 1.7 and 4.8 per cent, depending on the tenor of the contract. Previous financial leases have been reclassified from Property, plant and equipment to Right-of-use assets.

The right-of-use assets recognised are attributable to the following types of assets:

Amounts in MSEK	31-dec-19	1-jan-19
Rental premises	336	408
Vehicles	356	315
Total - Access rights Assets	**693**	**723**

Comparative figures, if IAS 17 had also been applied in 2019

The consolidated income statement in summary

	IFRS 16	IAS 17	IAS 17	IFRS16	IAS17	IAS17
Amounts in SEKm	oct-dec 2019	oct-dec 2019	oct-dec 2018	jan-dec 2019	jan-dec 2019	jan-dec 2018
Net sales	2,856	2,856	2,596	9,978	9,978	8,885
Production costs	-2,303	-2,306	-2,096	-8,131	-8,141	-7,186
Gross profit	**553**	**550**	**500**	**1,848**	**1,838**	**1,699**
Sales and administrative expenses	-571	-570	-369	-1,595	-1,598	-1,285
Operating profit (EBIT)	**-18**	**-20**	**131**	**252**	**240**	**414**
Net financial items	-60	-55	-81	-120	-101	-193
Profit/loss before tax	**-77**	**-75**	**49**	**133**	**138**	**220**
Tax	26	26	-9	-54	-56	-48
Profit for the period	**-51**	**-49**	**40**	**78**	**83**	**172**

Summary of the consolidated balance sheet

	IFRS 16	IAS 17	IAS 17
Amounts in SEKm	31-dec-19	31-dec-2019	31-dec-2018
Goodwill	2 640	2 640	2 411
Access rights Assets - Vehicles	*356*	*331*	*291*
Access rights Assets - Real Estate	*336*		
Total - Access rights Assets	693	331	291
Other fixed assets	288	274	280
Total fixed assets	**3 621**	**3 245**	**2 982**
Total current assets	**2 638**	**2 660**	**2 447**
Total assets	**6 259**	**5 905**	**5 416**
Equity	**-803**	**-753**	**238**
Long-term liabilities	3 502	3 533	2 403
Leasing debt	590	243	210
Total long-term liabilities	**4 091**	**3 776**	**2 613**
Leasing debt	186	89	81
Other current liabilities	2 784	2 793	2 483
Total current liabilities	4 543	4 454	4 036
Total liabilities	**8 634**	**8 231**	**6 650**
Total equity and liabilities	**6 259**	**5 905**	**5 416**

Consolidated statement of cash flow

	IFRS 16	IAS 17	IAS 17
Amounts in SEKm	jan-dec 2019	jan-dec 2019	jan-dec 2018
Operating activities			
Profit/loss before tax	133	138	220
Adjustments for items not included in the cash flow	494	394	228
Tax paid	-21	-21	-48
Cash flow from operating activities before changes in working capital	**605**	**511**	**400**
Changes in working capital	-121	-121	115
Cash flow from operating activities	**484**	**390**	**515**
Investment activities			
Net investment fixed assets	-4	-4	-27
Acquisitions of subsidiaries	-211	-211	-63
Other	17	17	1
Cash flow from investment activities	**-197**	**-197**	**-88**
Financing activities			
Loans raised	2 591	2 591	1 700
Repayment of loan	-2 717	-2 717	-2 033
Amortisation of lease debt	-170	-76	-97
Dividend paid			-12
Cash flow from financing activities	**-296**	**-202**	**-442**
Cash flow for the period	**-8**	**-8**	**-14**
Cash and cash equivalents at the beginning of the period	411	411	420
Exchange rate difference in cash and cash	4	4	5
Cash and cash equivalents at the end of the period	**407**	**407**	**411**

2. Items affecting comparability

In the fourth quarter, the Group recognised SEK 215 (31 SEK million at September 30, 2019 and SEK 2 fourth quarter 2018) million as items affecting comparability. Items Affecting Comparability include acquisition, integration and start-up costs, restructuring costs, transformation costs and other adjustments.

3. Acquisition of business

In the period January–December 2019, Assemblin completed the following acquisitions:

Acquired unit	Country	Type	Time	Percentage of votes	Employees	Estimated annual sales in SEKm
Värmesvets Entreprendad i Eslöv AB	Sweden	Company	March	100%	44	90
Norrlands Industrimontage AB	Sweden	Company	January	100%	40	50
Industri och Värmemontage Werme AB	Sweden	Company	June	100%	38	75
KP Svets & Smide AB	Sweden	Company	June	100%	15	25
Bygg og Varme	Norway	Asset acquisition	October	-	1	2
Suomen Kylmäpiste	Finland	Asset acquisition	October	-	3	10
Hagen Holding AS (Arve Hagen AS)	Norway	Company	November	100%	43	100
Hagen Holding AS (Gjövik Värme og Sanitär AS)	Norway	Company	November	100%	55	132
Hagen Holding AS (Ramsöy AS)	Norway	Company	November	100%	12	28

The aquisitions of Hagen Holding AS has been renamed Assemblin Innlandet AS.

Effects of acquisitions 2019

Assemblin completed nine acquisitions in the period from January to December. The maximum (i.e. non-discounted) amount that could be paid as additional considerations to previous owners is SEK 29 million, of which SEK 29 million pertains to acquisitions in 2019. The purchase amounts fall due for payment within one to three years.

The goodwill of SEK 211 million arise from the acquisitions is primarily attributable to staff. Acquisition analyses regarding companies acquired in 2019 are preliminary, as only a brief period of time has elapsed since the acquisitions took place. These acquisitions are not considered to be material, either individually or jointly.

Assets and liabilities included in acquisitions	Fair value reported in the Group, MSEK per Q4
Intangible fixed assets	0
Property, plant and equipment	11
Other fixed assets	14
Accounts receivable	65
Contracts assets	18
Other current assets	57
Provisions	-7
Non-current liabilities	-19
Trade payables	-24
Contract liabilities	-6
Current liabilities	-77
Order backlog	25
Deferred tax on surplus	-3
Net identifiable assets and liabilities	54
Group Goodwill	**211**
Purchase price	264
Cash and cash equivalents, acquired	32
Net effect on cash and cash equivalents	**232**
Cash regulated purchase price	236
Consideration as yet unsettled	29
Purchase price	**266**

Acquisitions after the end of the reporting period

January 15, 2020 the acquisition of Projektuppdrag Syd AB was announced. The company is a Malmö-based consultancy firm with eight employees specialised in advanced project and construction administration.

4. Financial assets

Holdings in Elajo are recognised at fair value. The shares are classified as Level 3 assets since they are not listed in a regulated market and no observable transactions have recently been conducted in the company. Fair value as at December 31, 2019 was SEK 30 million; at the beginning of the year, fair value was SEK 30 million.

The fair values of the Group's long-term assets and liabilities do not differ substantially from the carrying amounts.

5. Non-current liabilities

Non-current liabilities include provisions for pensions of SEK 727 million (SEK 576 million at December 31, 2018). Since December 31, 2018 there has been a substantial reduction in market rates, which means the assumption regarding the discount rate for defined-benefit obligations has decreased from 2.40 per cent at December 31, 2018 to 1.40 per cent at December 31, 2019. As a result, an actuarial loss of SEK 111 million has been recognised in other comprehensive income for the full year period. A substantial amount (SEK 100) of the change in the discount rate has been charged to the third quarter. Pertaining to this, deferred tax of SEK 23 million has been recognised in other comprehensive income during the full-year period.

In December, Assemblin issued senior secured notes totalling EUR 250 m with a 5 per cent quarterly coupon. The entire principal and future coupons have been hedged to SEK.

6. Events occurring after the balance sheet date

The senior secured notes, issued in December 2019, have been listed on The International Stock Exchange, TISE (CI), in February 2020. The only acquisition occurring after the balance sheet date is the above-mentioned acquisition of Projektuppdrag Syd AB.

This report has not been reviewed by the company´s auditors.

Stockholm, February 21, 2020

For the Board of Directors of Assemblin Financing AB (publ)

Mats Johansson
President and CEO

For more information:

For questions concerning this report, please contact CFO Philip Carlsson (tel: +46 10 475 39 50). For questions concerning operations in general, contact President and CEO Mats Johansson (tel: +46 10 475 39 60) or Head of Communications and Sustainability Åsvor Brynnel (tel: +46 10 475 39 48).

More information is also available on our website: www.assemblin.com

Invitation to an investor presentation:

On 21 February, at 11:00 a.m. CET, the company's President and CFO will present developments in the fourth quarter in a webcast. To participate in the webcast, please register in advance using the following link: https://event.on24.com/wcc/r/2179786/2C374A3CC46BFFAB1023A3FEE97853DF.

To listen to the presentation by telephone, dial +46 856642651 (Sweden), +33 170750711 (France), +44 3333000804 (UK) or any other international dial in numbers at http://events.arkadin.com/ev/docs/NE_W2_TOLL_Events_International_Access_List.pdf, and use the PIN code 28795296# (all participants).

The briefing material and a recording of the webcast will be published on the company's website www.assemblin.com under the Investor tab (log in is needed), after the briefing. For accessing this page, please contact Head of Communications and Sustainability Åsvor Brynnel (+46 10 475 39 48).

Future reporting dates

Annual Report	2019	May 13, 2020
Interim report	January–March 2020	May 13, 2020
Interim report	January–June 2020	July 17, 2020
Interim report	January–September 2020	November 5, 2020
Interim report	January–December 2020	February, 2020

Definitions

Financial definitions

Acquired growth Net sales from units acquired during the period and the preceding period, less net sales from units acquired in the preceding period, divided by net sales for the equivalent period of the preceding year.

Adjusted EBITA Earnings before tax, net financial items, and amortisation and impairment of intangible assets, adjusted for items affecting comparability. Adjusted EBITA improves comparison over time by excluding non-recurring items.

Adjusted EBITDA Adjusted EBITA adjusted for Depreciation of property, plant and equipment and right-of-use assets.
Assets excluding the effect of applying IFRS 16. Adjusted EBITDA improves comparison over time by excluding non-recurring items.

Adjusted EBITA margin (EBITA, %) Earnings before tax, net financial items, and amortisation and impairment of intangible assets, adjusted for items affecting comparability and divided by net sales. Adjusted EBITA margin, % excludes the effect of non-recurring items, thereby improving the possibility of comparisons over time.

Average number of employees, FTE Average number of employees during the period, taking full or part-time employment into account.

Cash Conversion, % Free cashflow divided by Adjusted EBITA. Cash conversion provides a measure of the ability to convert profits to cash.

Free Cash Flow Adjusted EBITDA adding or subtracting any changes in working capital adjusted for changes from non-cash items less net investment in fixed assets adjusted for net vehicle leases capex. Free cash flow shows the cash generation before costs related to items affecting comparability and capital structure, e.g. tax, financing activities and acquisitions.

Items affecting comparability Primarily costs for acquisitions and integration of acquisitions, as well as more comprehensive restructuring programmes and new establishments. These occur on an irregular basis, and thus make comparison over time difficult.

Net sales Sales recorded in accordance with the Group's accounting policies as described in Note 1 of Assemblin's 2018 Annual Report.

Net debt Long- and short-term interest-bearing liabilities, excluding pension liabilities, less cash and cash equivalents at the end of the period. This key metric is a measurement showing the Group's total interest-bearing debt.

Organic growth Growth less currency effect less acquired growth.

Order intake The value of projects received and changes to existing projects in the current period.

Order backlog The value of the remaining production value in all projects not generated at the end of the period.

Working capital The sum of current assets, reduced by cash and cash equivalents minus the sum of current liabilities, reduced by current provisions and short-term interest-bearing liabilities. This key metric shows how much working capital is tied up in the operations, and can be set in relation to sales to show how efficiently tied-up capital working capital is being used.

EBITA Earnings before tax, net financial items, and amortisation and impairment of intangible assets. EBITA is used as the primary key earnings figure in the operational monitoring of the Group.

EBITA, % Earnings before tax, net financial items, and amortisation and impairment of intangible assets, divided by net sales.

EBIT Earnings before tax and net financial items.

EBITDA EBITA before planned depreciation, amortisation and impairment. EBITDA is a measurement the Group considers relevant for an investor who wishes to understand earnings generation before making investments in fixed assets.

Growth Changes to net sales for the period, divided by net sales from the year-earlier period (including currency effects).

Profit margin Earnings for the period, divided by net sales for the period.

Other definitions

Installations/Installation assignments New construction and reconstruction of technical systems in buildings, facilities and infrastructure.

Service/Service assignments Operation and maintenance assignments, including maintenance-related reconstruction of technical systems in buildings, facilities and infrastructure.

Additional disclosure

Information for holders of Assemblin Senior Secured Notes issued on December 6, 2019

Amounts in SEKm	31-dec-2019
Ratios:	
Consolidated Net Leverage Ratio	3,7x
Fixed Charge Coverage Ratio	10,0x
Reconciliations:	
Cash and cash equivalents	**-407**
Senior Secured Floating Rate Notes	2 657
Other long-term debt	1
Market value currency agreement[1]	6
Lease liabilities [2]	332
Indebtedness	**2 997**
Consolidated Net Leverage	**2 590**
EBITA - reported	**270**
Depreciation of property, plant and equipment and right-of-use assets	243
EBITDA - Reported	**513**
Lease accounting adjustments (2)	-153
Items Affecting Comparability (3)	246
EBITDA excluding items affecting comparability	**606**
EBITDA - Proforma Acquisition adjustments (4)	33
EBITDA - Proforma Operational improvement program (5)	65
Consolidated EBITDA - (*Pro forma Adjusted EBITDA)* [6]	**704**
Consolidated Interest Expense	-89
Dividends	19
Fixed Charges	**-70**

Comments

1. Market value currency agreements refers to mark-to-market changes in value of derivative instruments used to hedged EUR senior secured notes to SEK.
2. Lease liabilities refer to lease liabilities as defined in the Offering Memorandum for €250,000,000 Senior Secured Floating Rate Notes due 2025, i.e. excluding additional lease liabilities recognised as a consequence of implementing IFRS16. Lease accounting adjustments is the effect on EBITDA of implementing IFRS16 compared to previous IFRS.
3. Items Affecting Comparability include acquisition, integration and start-up costs, restructuring costs, transformation costs and other adjustments. Compared to the Items Affecting Comparability presented in the Offering Memorandum for €250,000,000 Senior Secured Floating Rate Notes due 2025 the development is summarized in the table opposite.
4. EBITDA - Pro forma Acquisition adjustments reflects an estimate of the pro forma full twelve-month impact of acquisitions that were completed prior to December 31, 2019 as if such acquisitions had completed on January 1, 2019. The adjustments are based on each target's historical EBITDA derived from its management accounts, as adjusted for its actual contribution to our results of operations since the date of its acquisition and as further adjusted in a manner consistent with our Adjusted EBITDA to the extent applicable and the application of our accounting policies and other items.
5. EBITDA - Pro forma Operational improvement adjustments reflects an estimate of the pro forma run-rate effect of certain operational cost savings initiatives that have been implemented in 2019 as if such operational cost savings initiatives had been completed by January 1, 2019. To deliver these cost savings, we have incurred costs of approximately SEK 163 million during the last quarter of 2019.
6. The pro forma adjustments to EBITDA presented above are for informational purposes only and do not purport to present what our results of operations would have been, nor do they purport to project our results of operations for any future period. Moreover, the assumptions underlying the pro forma adjustments to EBITDA presented above are based on our current estimates, and they involve risks, uncertainties, assumptions and other factors that may cause actual results, performance or achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by such pro forma financial information. Please refer to the Offering Memorandum for €250,000,000 Senior Secured Floating Rate Notes due 2025 section *"Risk Factors—Risks Related to Our Business—Benefits from our accelerated profitability programme and anticipated pro forma adjustments to our financial information may not materialize as anticipated."*

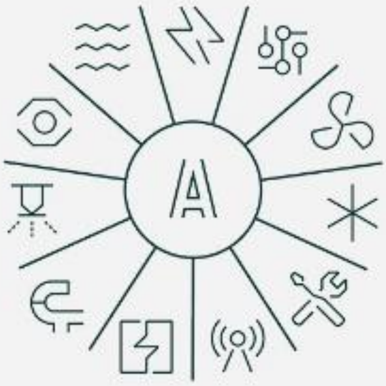
Items Affecting Comparability

Items Affecting Comparability Breakdown	jan-dec 2019
Items Affecting Comparability YTD Q3	31
APP - initial estimate	127
APP - additional branch closures	15
APP - overrun	21
Fees - refinancing	31
IPO readiness	12
Acquisition and new branch costs Q4	9
Total Items Affecting Comparability 2019	**246**

It's the inside that matters.

In every building, there are people living and working who depend on functioning air, water and energy every day, year-round. Our 5,900 skilled and committed employees make this a reality. With full focus on the inside, we'll take your construction project all the way from start to finish.

A complete installation and service partner



Electrical, Heating and sanitation, Ventilation, Automation, Data and telecom, Security, Industrial pipes, District heating, Cooling, Sprinklers, Electrical workshop and field service.

Our common platform

Vision
Smart and sustainable installations.
By people, for people.

Mission
We use air, energy and water to make buildings work and make people feel comfortable.

Business concept
We design, install and maintain technical systems for buildings.

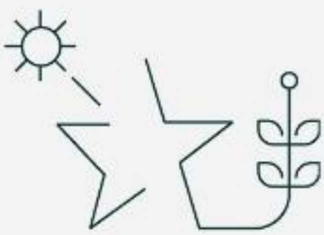
We act as a responsible and value-adding company in relation to all our stakeholders.

Assemblin as a supplier
Innovative and sustainable installations that make buildings work and people feel comfortable.

Assemblin as an employer
A developing and responsible employer who offers exciting assignments in a good, safe and non-discriminatory work environment.

Assemblin as a social player
We create prosperous citizens in buildings with good indoor climate and carry out our activities with care for the environment and the community around us.

Assemblin as an investment
A good return through stable economic development with controlled risk and a sound business ethics approach.



Our view of sustainability.

We try to take responsibility for the impact that our services and installations give rise to. Our objective is to run a profitable and sound business with respect for the world around us and manage our own and other's resources efficiently. Assemblin shall show great environmental consideration in all our activities.