



Investor presentation

May 2020

Today's presenters



Johan Nordström
CEO

- ▶ Started as CEO of Green Landscaping in 2015.
- ▶ Johan has previously been Chairman of the Board and President of Car-O-Liner Production AB and Car-O-Liner Group AB.
- ▶ Studied economics at Lund University and the University of Gothenburg, and holds an MBA from Copenhagen Business School.



Carl-Fredrik Meijer
CFO

- ▶ CFO Green Landscaping since 2015. Started as Head of M&A 2013.
- ▶ Carl-Fredrik's previous experience includes Strategy Consultant at PwC in London and Business Developer at Coor Service Management.
- ▶ Holds a MSc in Technology Management from Lund University of Technology and an BA in Corporate Finance.



A photograph of a green city street. In the foreground, there are several small, well-manicured pine trees and some yellow flowers. In the background, there are more trees, a paved walkway, and a building. Two people are walking on the walkway. The overall scene is bright and green, suggesting a sustainable and walkable urban environment.

Our vision is to create a
green city for all through
entrepreneurship, social
responsibility and
sustainable business

We make cities enjoyable and green

Ground Maintenance



Maintenance and services for all outdoor areas

Multiyear contracts



Landscaping



Design and construction of all outdoor green areas

Projects & Framework agreements



Winter Services



Snow plowing/removal, deicing and gritting.

Multiyear contracts



Sports Landscaping



Services and products for Green Sports turf

Online, projects & multiyear contracts



Arborist services



Tree care, pruning, forestry, nature conservation, bioenergy and recycling services.

Framework agreements



Actively working for a better environment and society

Green Steps

- ▶ Combines education and work experience for new arrivals and long-term unemployed
- ▶ Creates a clear career path even for those who do not have a higher education
- ▶ Through the program participants in the program will have a workplace, a community and a context in society
- ▶ Contributes to open-up the labour market for people who have previously been excluded
- ▶ The initiative takes place in cooperation with municipalities and municipal housing companies, which are also our customers

Sustainability for the good of everyone

- ▶ We contribute to nature experiences for city residents and reduce the harmful effects of air pollution and create social meeting places
- ▶ We review our resource utilization and environmental impact and work actively to reduce our energy consumption
- ▶ We control our emissions from transport, use of chemicals and waste
- ▶ We are certified in accordance with ISO 9001 (quality) och ISO 14001 (environment)

Contents

1. Green Landscaping in brief



2. Financial highlights

3. Rights issue 2020

A. Appendix

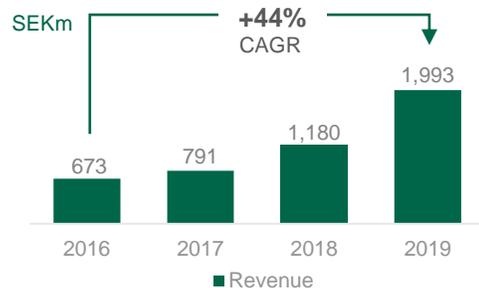


Green Landscaping in brief

Company in brief

- ▶ The #1 landscaping services provider in Sweden
- ▶ Focus on larger cities in Sweden
- ▶ Populous & diversified contract portfolio
- ▶ Recent focus on profitability, driving EBITA growth

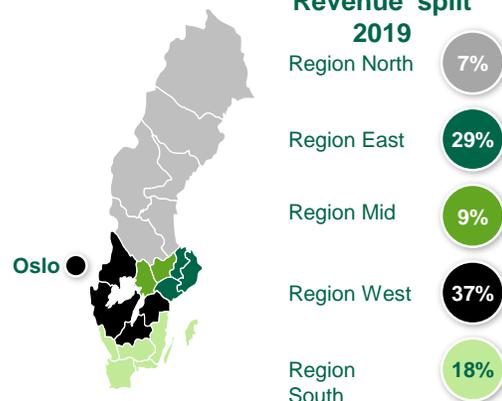
Financial development



Financial targets

- 10%** revenue CAGR
- 8%** EBITA margin
- 2.5x** net debt/EBITDA
- 40%** of net income in dividend

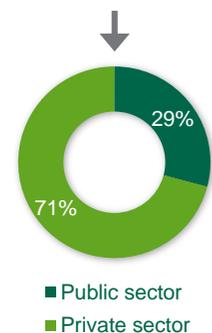
Geographic focus



Market in brief

- ▶ Stable non-cyclical growth of 5% p.a.
- ▶ Larger cities seeing higher growth & profitability
- ▶ Fragmented market with entry barriers
- ▶ Favourable conditions for consolidation

Addressable market

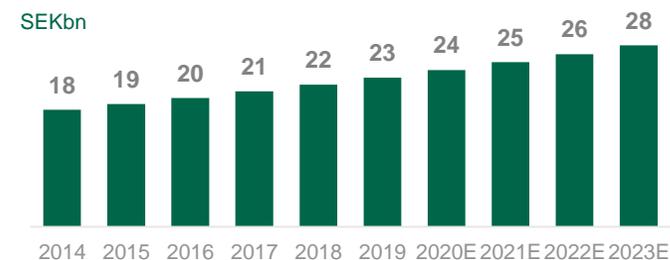


Green is the clear leader...

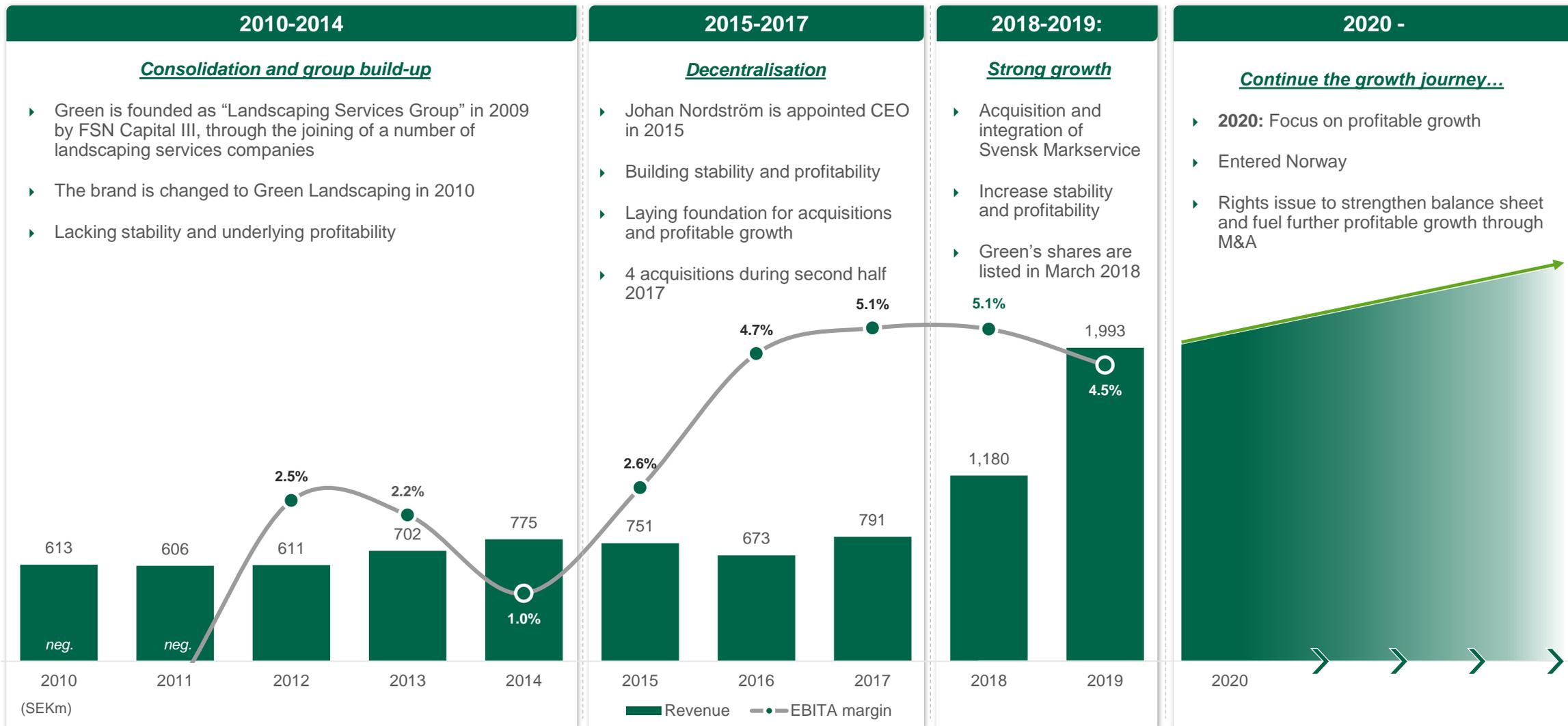
Revenue, 2018



... in a market growing steadily at 5% p.a.



Established platform for profitable growth



Rights issue to enable further value creating acquisitions

M&A strategy with different approaches

1

Sweet-spot

SEK 30-150m

Approach

- ▶ Entrepreneurs are brought into the Green family and stay on as investors
- ▶ Provides local knowledge and network
- ▶ Decentralization – operating as subsidiaries
- ▶ De-risking from acquiring profitable contract portfolios
- ▶ Economy of scale

2

Bolt-ons

SEK <30m

Approach

- ▶ Acquiring smaller companies that can help build scale in a specific region
- ▶ Companies are absorbed into the Green Group and does not continue with its old brand

Previous acquisitions and outcomes

TRANEMO
Trädgårdstjänst AB

Jacksons
trädvård

JORDELIT

PARK



Trädexperterna

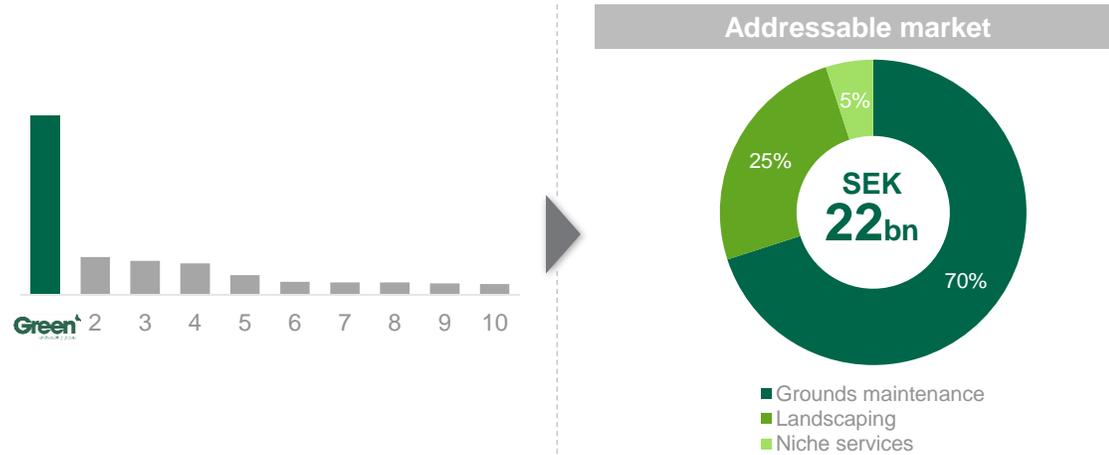
Borås Markentreprenad

- ▶ Broadened service offering
- ▶ Increased geographical reach
- ▶ Economy of scale
- ▶ Cost benefits from sourcing and operational synergies

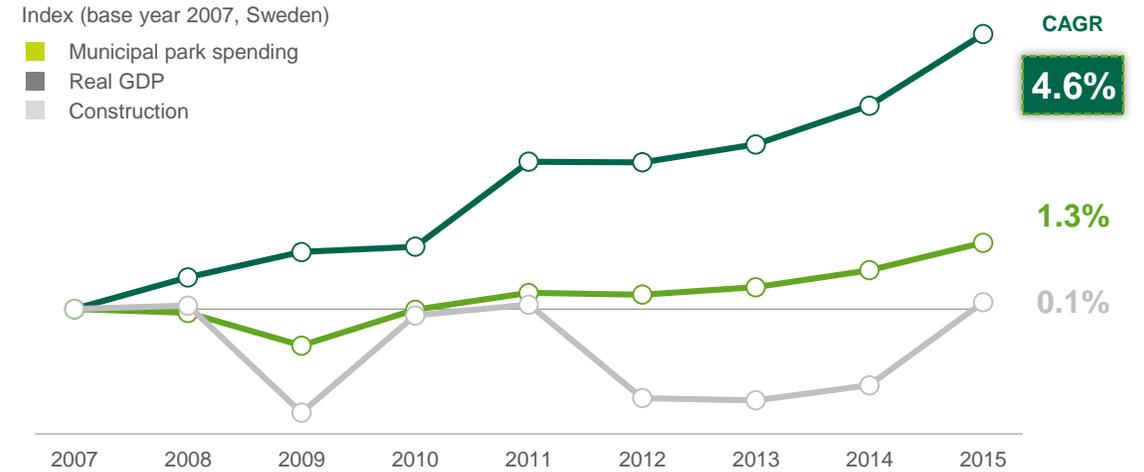
- ▶ Increased local presence and knowledge
- ▶ Smooth incorporation in the Green Group

Large, growing, non-cyclical, profitable and green market

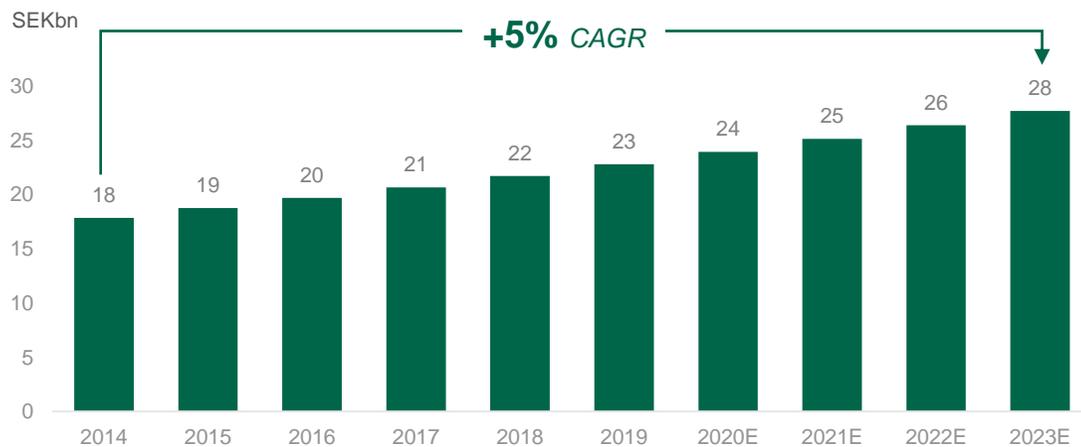
SEK 22bn addressable market



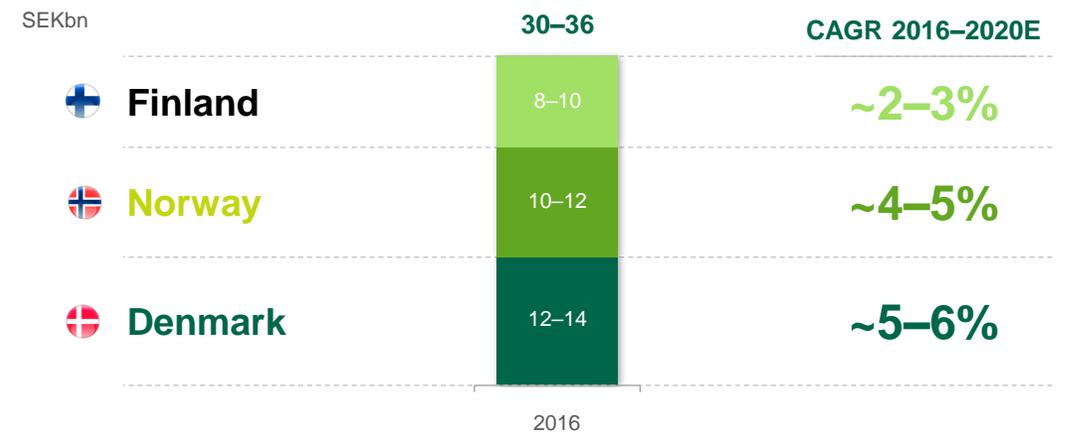
Market showing non-cyclicalty during broader economy weakness



The Swedish market is growing at 5%



Significant expansion potential in the remaining Nordics



Approach for value creation

Organic growth

Organic growth in structurally growing market



Margin expansion

Active measures to improve profitability and drive margins



Attractive M&A

Further driving growth through active and proven M&A agenda at attractive multiples

Jacksons
trädvård

M SVENSK
MARKSERVICE

Mark
& miljö
projekt

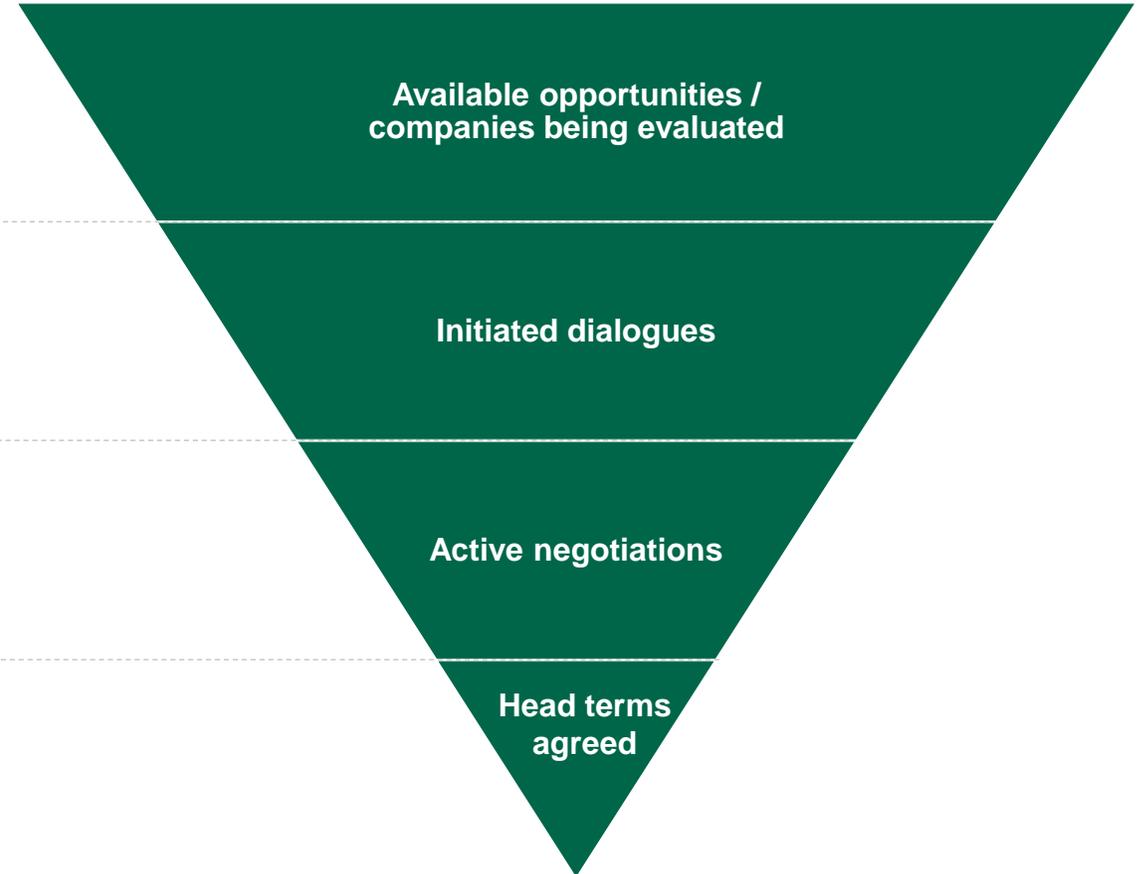
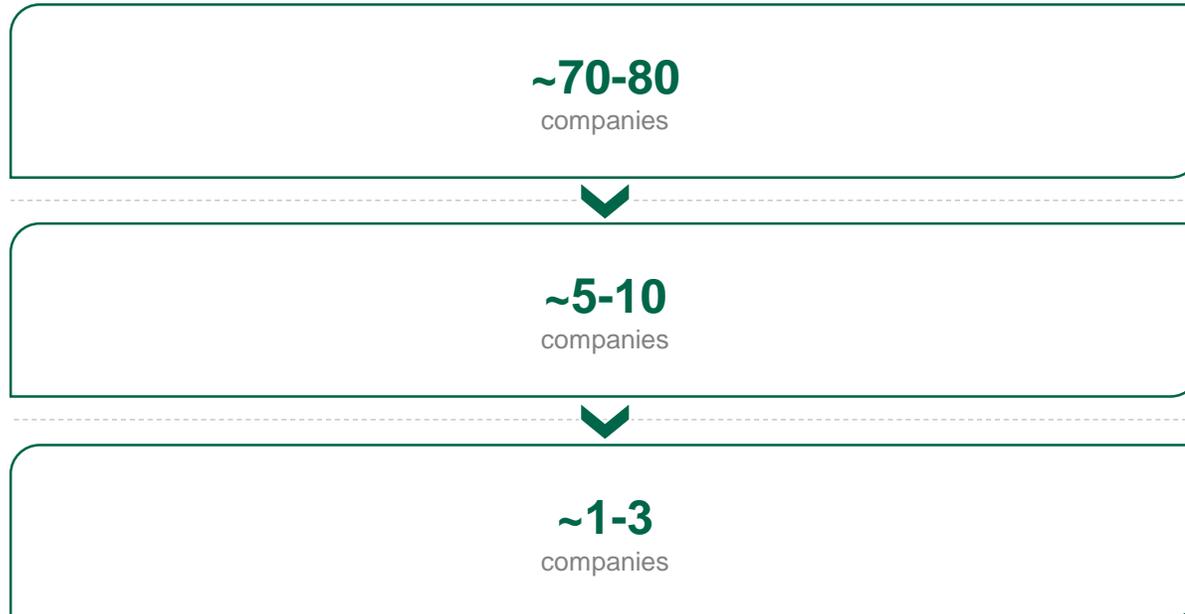
GAST
ENTREPRENÖR

PARK
- förnyar och vårdar gröna ytor

M&A outlook and pipeline

M&A pipeline framework and overview

- ▶ Highly fragment market with large amount of available acquisition targets
- ▶ Green is actively screening the market and evaluation potential M&A opportunities



Contents

1. Green Landscaping in brief

2. Financial highlights



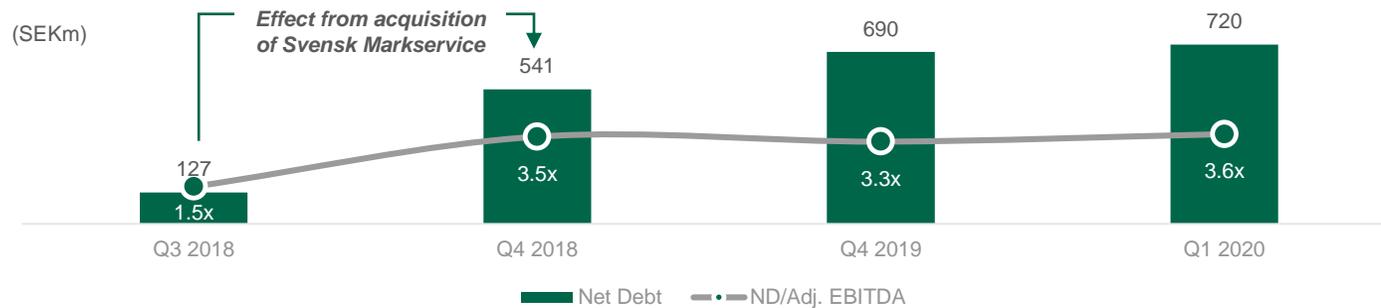
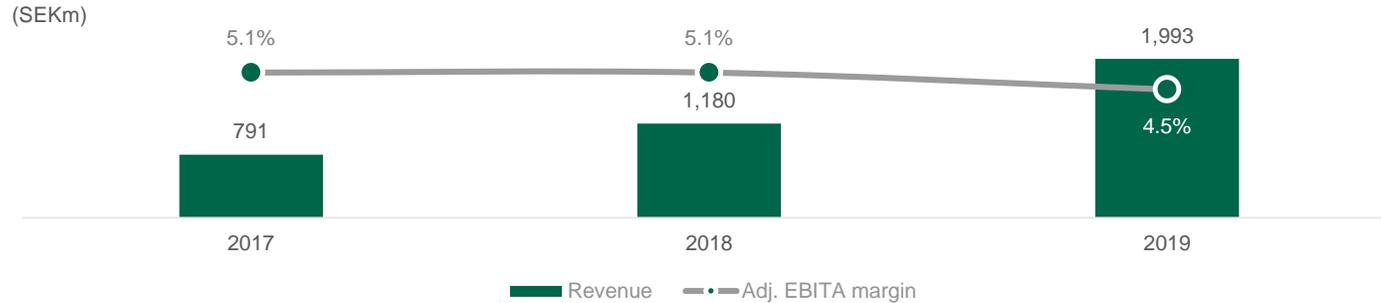
3. Rights issue 2020

A. Appendix



Growing strongly and maintaining margins

Historical financial development



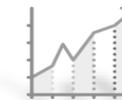
2019

- ▶ Significant growth of 69% in 2019
- ▶ High focus around integration of Svensk Markservice
- ▶ Satisfactory overall margin development in 2019 considering the low margin derived from Svensk Markservice which resulted in a mixed effect
- ▶ Full year results lower than expected due to integration costs and lower than expected operations in the winter segment for Q4

Medium-term financial targets

Growth

10%
Net sales CAGR



Margin

8%
EBITA margin



Leverage

<2.5x
Net debt / EBITDA

Dividend

~40%
of net income

Q1 2020 highlights

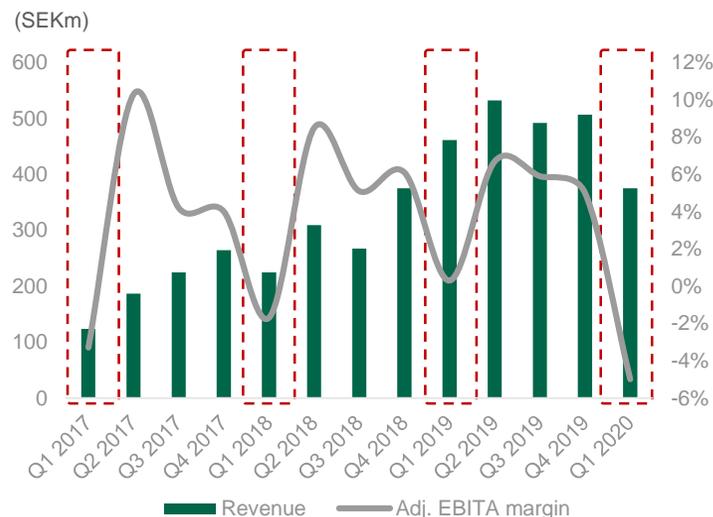
Development

- ▶ Absence of winter activity impacts organic growth and profitability negatively in the quarter
- ▶ YTD growth of -18.7%, whereof -20.7 ppc organic
- ▶ YTD Adj. EBITA of -5.0% (0,3%)
- ▶ Two acquisitions closed in the quarter: GAST Entreprenør AS ("GAST") and Park i Syd. GAST is Green Landscaping Groups first acquisition outside Sweden.
- ▶ The Board has decided to conduct a rights issue of c.150 MSEK to finance continued acquisitions
- ▶ Strong pipeline of acquisitions

Exceptionally low snowfall¹ during Q1 2020...



...impacting revenues from winter activities



Q1 2020 Financial highlights

Net sales
375.1
SEKm

Net sales growth
-18.7
%

Adjusted EBITA
-18.7
SEKm

Adjusted EBITA margin
-5.0
%

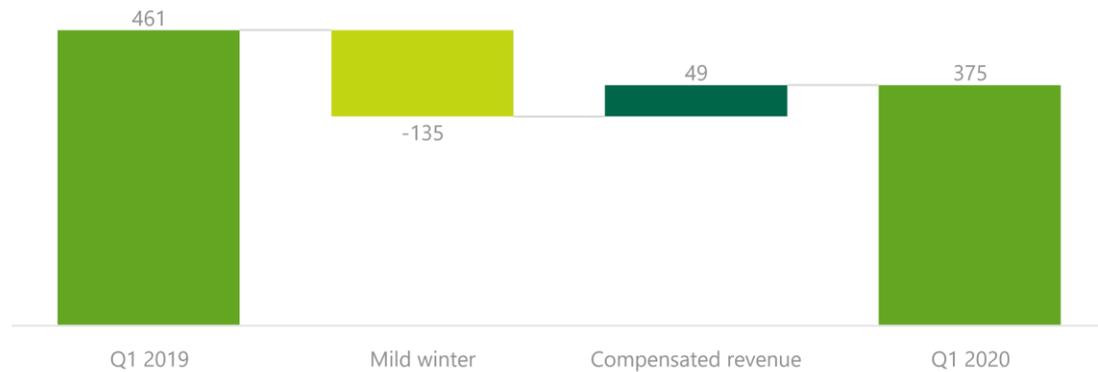
Order book
3,596
SEKm

Employees
1,245

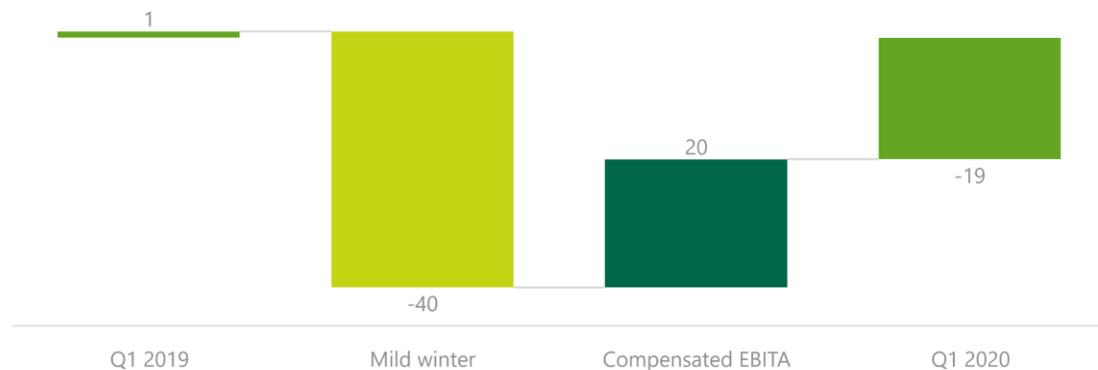
Actions to reduce winter dependency will be implemented

Impact Q1 2020 vs. Q1 2019

Revenue (SEKm)



EBITA (SEKm)



Actions to reduce winter dependency

- ▶ Proactively build-up orderbook of landscaping projects to create flexibility if winter is mild
- ▶ Reduce fixed costs
- ▶ Discuss risk sharing between customers and suppliers e.g. cost of personnel on-call, revenue model etc.
- ▶ Encourage customers to improve procurement process so that it better mirrors the actual amount of winter activity in order to reduce the level of strategic pricing. (the winter is often given underweight in the evaluation models)

Contents

1. Green Landscaping in brief

2. Financial highlights

3. Rights issue 2020



A. Appendix



Rights issue to provide a strong base for continued growth

Rights issue terms

- ▶ Subscription right: 1:4 - Each current share in Green Landscaping held on the record date entitle to one (1) subscription right. Four (4) subscription rights entitle to subscription for one (1) new share.
- ▶ Subscription price: SEK 16.75 per share
- ▶ Rights issue to generate proceeds of approximately SEK 150m
- ▶ Preferential subscription rights for existing shareholders
- ▶ Other investors wishing to participate can either:
 - i. Purchase subscription rights in secondary market
 - ii. Subscribe for shares in the rights issue, without preferential right (allocated shares, if any, after allocation to existing shareholders)

Important dates

- ▶ Announcement of rights issue: 21 February 2020
- ▶ AGM: 14 May 2020
- ▶ Announcement of terms: 20 May 2020
- ▶ Prospectus publication: 27 May 2020
- ▶ Record date to participate in rights issue: 28 May 2020
- ▶ Subscription period: 1 – 15 June 2020

- **Rights issue to finance acquisitions, bridge financing and balance sheet strengthening**
- **Subscription commitments from some of the Company's largest shareholders (Byggmästare Anders J Ahlström, the Salén Family, Chairman Per Sjöstrand and AFA Försäkring) corresponding to c. 50% of the rights issue**
- **Expressions of support and indications of interest to subscribe from Tredje AP-fonden and Odin Fonder, corresponding to c. 7% of the rights issue**
- **In total, subscription commitments and expressed intentions to subscribe for c. 57% of the rights issue has been received**

Shareholder structure

Top 15 owners as of 17 April 2020, including known changes thereafter

| # | Shareholder | % | Acc. % | Comments |
|----|---|---------------|---------------|----------|
| 1 | Byggmästare Anders J Ahlström Holding AB | 20.6% | 20.6% | |
| 2 | Staffan Salén with family and through company | 18.4% | 39.0% | |
| 3 | Johan Nordström through company | 8.1% | 47.1% | CEO |
| 4 | AFA Försäkring | 6.1% | 53.2% | |
| 5 | Per Sjöstrand through company | 4.5% | 57.8% | Chairman |
| 6 | Tredje AP-fonden | 4.5% | 62.2% | |
| 7 | ODIN Fonder | 2.7% | 64.9% | |
| 8 | Peter Lindell through company | 2.7% | 67.6% | |
| 9 | Roger Carlsson through company | 2.1% | 69.7% | |
| 10 | Jan and Jenny Pettersson through company | 1.9% | 71.6% | |
| | Top 10 | 71.6% | 71.6% | |
| | Other | 28.4% | 100.0% | |
| | Totalt | 100.0% | 100.0% | |

Management ownership

| Shareholder | % | Comments |
|-----------------------------|--------------|--------------------------------|
| Johan Nordström | 8.1% | CEO of Green Landscaping |
| Roger Carlsson | 2.1% | CEO of Tranemo Trädgårdstjänst |
| Jan & Jenny Pettersson | 1.9% | CEO of Björmentreprenad |
| Betongförbedring Holding AS | 1.3% | CEO & co-founder of Gast |
| NORDEA BANK ABP | 1.3% | Co-founder of Gast |
| Eblon Holding AB | 0.7% | Founder of Svensk Jordelit |
| Jakob Körner | 0.6% | Strategy at Green Landscaping |
| Carl-Fredrik Meijer | 0.5% | CFO of Green Landscaping |
| Other management | 1.6% | |
| Total management | 18.1% | |

The Green Landscaping share share

Green Landscaping share price development since IPO



Performance

| Share price performance | % |
|---------------------------|-------|
| Since IPO (23 March 2018) | +23% |
| L2Y | +25% |
| L1Y | (22%) |
| YTD | (30%) |
| L3M | (22%) |

The Green Landscaping opportunity

Green Landscaping as an investment

- ✓ #1 landscaping service provider in a **non-cyclical & growing Nordic market**
- ✓ **Established platform** for profitable growth through **M&A and organically**
- ✓ Large, growing, non-cyclical, profitable and **green** market
- ✓ Clear approach for **value creation** through organic growth, profitability improvements and M&A



Contents

1. Green Landscaping in brief
2. Financial highlights
3. Rights issue 2020

1. Appendix

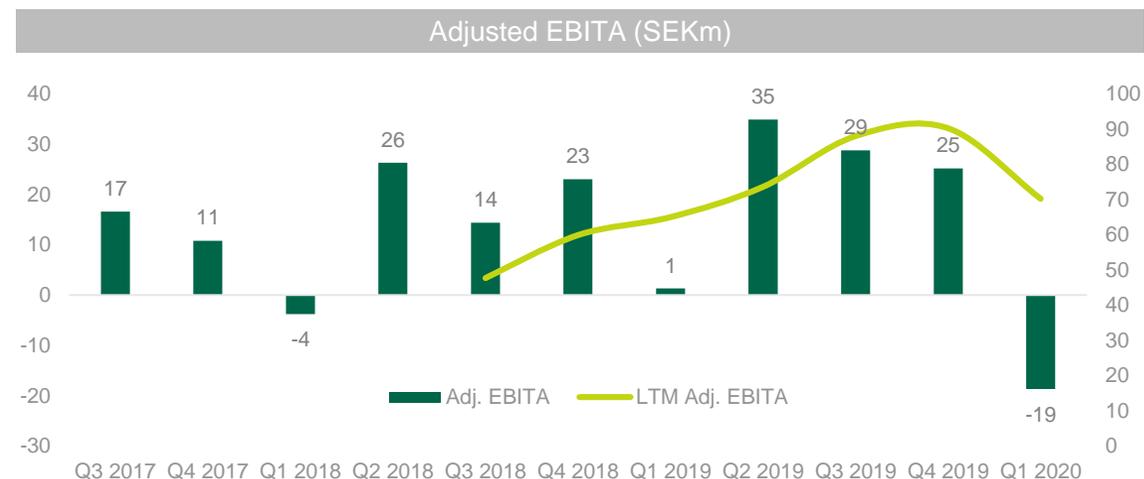
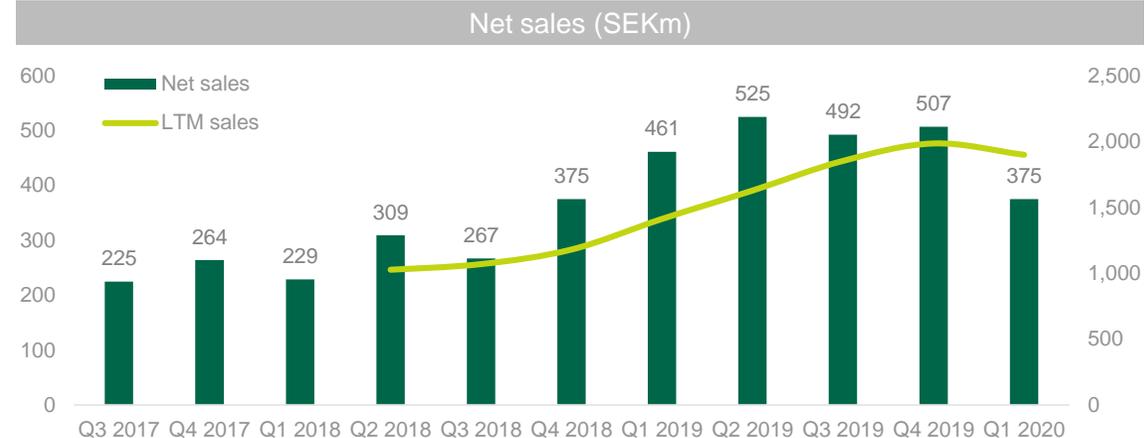


Key P&L items

| P&L | | |
|------------------------------|---------|---------|
| SEKm | Q1 2020 | Q1 2019 |
| Net sales | 375.1 | 461.3 |
| Adj. EBITA | -18.7 | 1.3 |
| Result after financial items | -32.5 | -24.9 |
| Adj EBITA margin | -5.0% | 0.3% |
| Non-recurring items | 0.0 | 14.1 |
| Earnings per share | -0.86 | -0.71 |
| Adjusted earnings per share* | -0.63 | -0.50 |

**in the calculation has amortization regarding intangible assets been excluded*

Quarterly sales & profitability development



Balance sheet

Balance sheet

| SEKm | 31 March 2020 | 31 March 2019 |
|-------------------------------------|----------------|----------------|
| Total non-current assets | 979.7 | 862.0 |
| Total current assets | 428.2 | 525.5 |
| Total assets | 1,407.9 | 1,387.5 |
| | | |
| Total equity | 210.4 | 180.9 |
| Total non-current liabilities | 683.2 | 639.1 |
| Total current liabilities | 514.3 | 567.5 |
| Total equity and liabilities | 1,407.9 | 1,387.5 |

- ▶ Net debt SEK 719.7 million
- ▶ Cash and available facility of SEK 88.1 million
- ▶ Working Cap SEK -4.7million, c. -0.2%* (*working capital % of LTM sales)

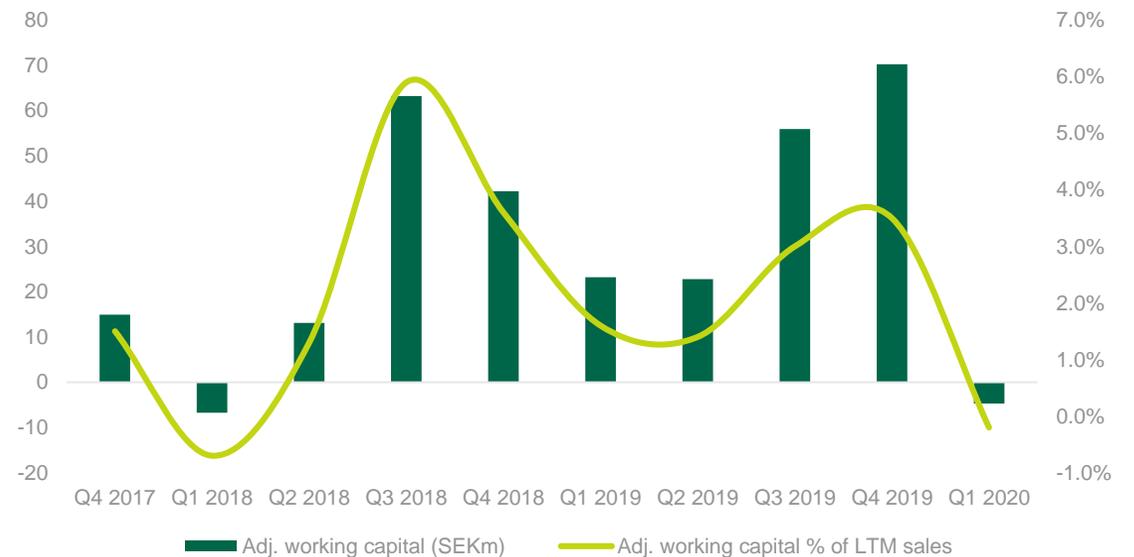
Cash flow

Cash flow

| SEKm | Q1 2020 | Q1 2019 |
|---|-------------|-------------|
| Cash flow from operating activities before changes in working capital | 0.4 | -1.0 |
| Cash flow from operating activities | 42.2 | 21.8 |
| Cash flow from investing | -83.2 | -3.1 |
| Cash flow from financing | 37.0 | -22.3 |
| Cash flow for the period | -4.0 | -3.6 |
| Cash and cash equivalents at the end of the period | 40.5 | 92.7 |

- ▶ Improved cash flow from operating activities. This is in all essential explained by the reduction in working capital since Q4 2019. Per Q1 2020 working capital amounts to -4.7 million.
- ▶ Cash flow from investing relates to the acquisition of GAST and Park i Syd.

Negative working capital in the first quarter



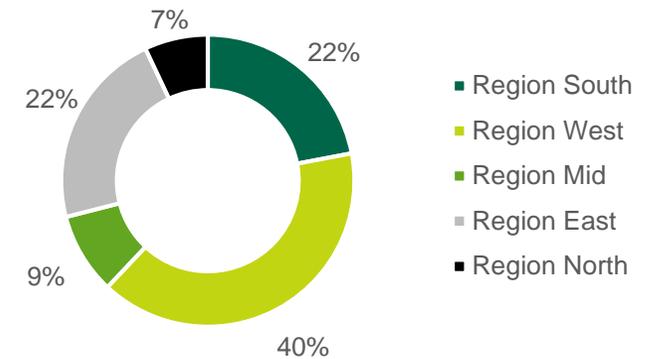
Q1 2020 segment development

Development

- ▶ The absence of winter has had a negative impact on the revenue and profitability
 - i. South, West and North has managed the quarter relatively well
 - ii. East and Mid has been impact severely due to the mild winter
- ▶ GAST part of Region West from 1st march
- ▶ Market conditions remain favourable. The order book has increased with app. 30 MSEK in the first quarter

Segment breakdown

Sales per segment (%)



| SEKm | Sales 2020 (2019) | Adj. EBITA 2020 (2019) | Adj. EBITA margin 2020 (2019) |
|--------------|----------------------|---------------------------|-------------------------------------|
| Region South | 86.1 (60.5) | -1.9 (-0.5) | -2.2% (-0.8%) |
| Region West | 159.4 (164.9) | 0.2 (2.2) | 0.1% (1.3%) |
| Region East | 85.7 (151.4) | -14.7 (-2.3) | -17.2% (-1.5%) |
| Region Mid | 34.1 (49.5) | -3.2 (-1.3) | -9.4% (-2.6%) |
| Region North | 26.0 (33.9) | 3.0 (4.7) | 11.5% (13.9%) |

Clear strategy for value creation

Value creating acquisitions

M&A

- ▶ Acquiring companies at 3-6x EBIT
- ▶ Profitability, stability, and cultural fit
- ▶ Strong management committed to continue journey
- ▶ Contract portfolio and brand strength
- ▶ Growth

Financial muscles to create growth

- ▶ Cash flow
- ▶ Leverage at ~3.6x ND/EBITDA (as of Q1 2020)
- ▶ Buying companies at low multiples and pay 20-30% with shares
- ▶ SEK ~150m rights issue in 2020 to strengthen balance sheet and provide a strong base for continued growth

Developing companies

- ▶ Decentralisation with small head office
- ▶ Lean and Policy deployment (implementing strategy)
- ▶ Talent management, goal setting, sharing and learning
- ▶ Access to lower prices – procurement
- ▶ Competition within the group with rankings
- ▶ Addressing business with too low profitability - The rights “medicine” – the 3 steps
- ▶ Big bets – understanding risk
- ▶ Develop digital services
- ▶ Green steps
- ▶ Educate customers on how to state requirements
- ▶ Bolt-on acquisitions (SEK 5-15m in revenue)
- ▶ Establish local dominance

Stability



Profitability



Growth

Significant recent acquisitions

Acquisitions made 2018-'20 YTD



- ▶ Revenue of SEK ~85m
- ▶ Operating margin: ~20%



- ▶ Revenue of SEK ~30m
- ▶ 13 employees



- ▶ Revenue of SEK 48m
- ▶ 52 employees

HD Landscapes

- ▶ Revenue of SEK ~65m
- ▶ Positive impact on profitability expected during H2 2020
- ▶ Relates to an asset acquisition



- ▶ Revenue of SEK 54m
- ▶ EBIT of SEK 7.0m



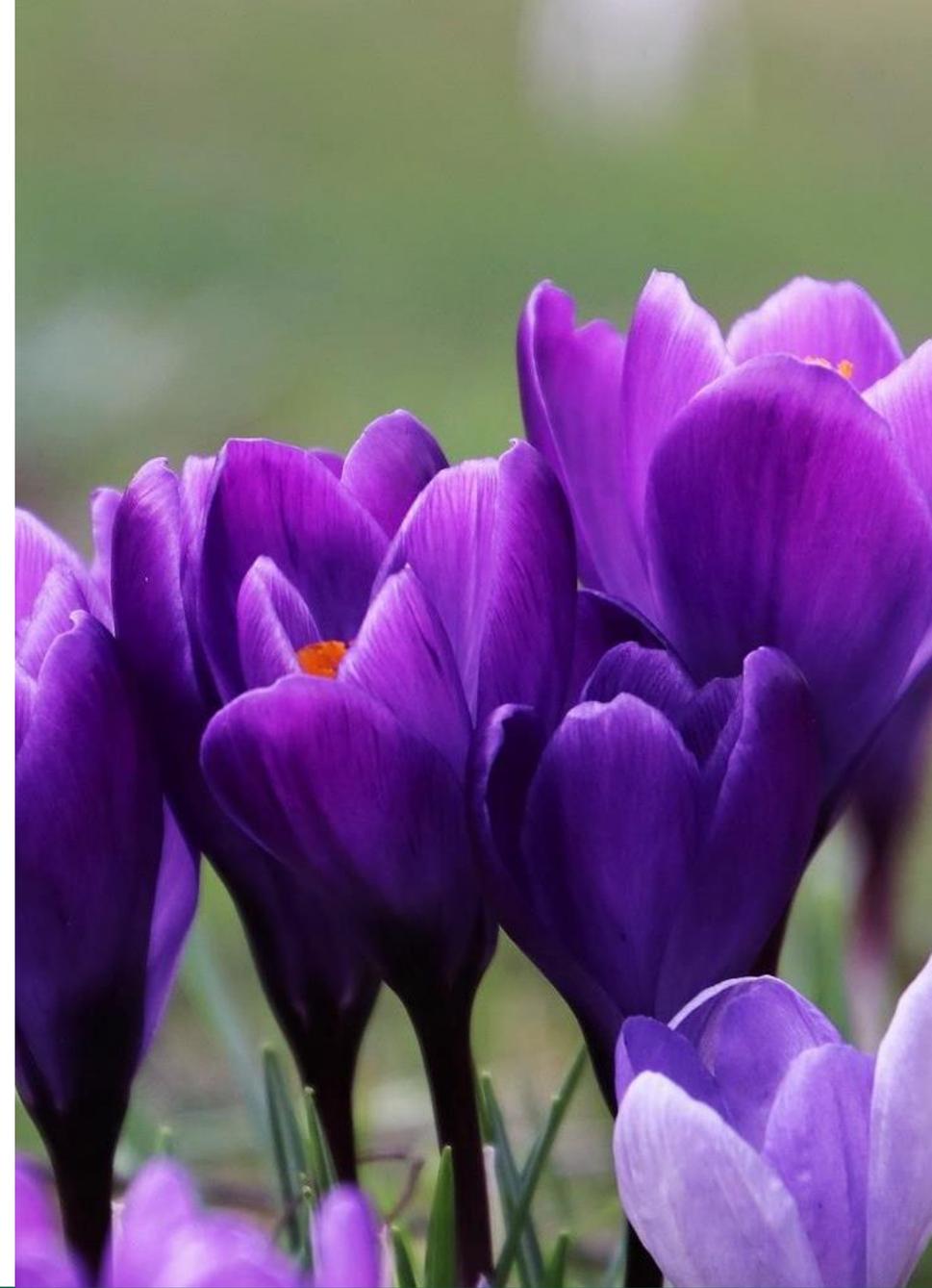
- ▶ Revenue of SEK 813m
- ▶ EBIT of SEK 12.5m

Trädexperterna

- ▶ Revenue of SEK 15m
- ▶ EBIT of SEK 1.3m

Borås Markentreprenad

- ▶ Revenue of SEK 10m
- ▶ Relates to an asset acquisition



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Thank you!