

**ADMISSION TO TRADING OF THE  
SHARES IN GREEN LANDSCAPING  
HOLDING AB (PUBL)  
ON NASDAQ STOCKHOLM**



## IMPORTANT INFORMATION TO INVESTORS

This Prospectus (the "**Prospectus**") has been prepared by reason of admission to trading of shares in Green Landscaping Holding AB (publ), reg. no 556771-3465, on Nasdaq Stockholm. By "**Green Landscaping**" or the "**Company**" is meant in the Prospectus, depending on context, Green Landscaping Holding AB (publ), the group in which the Company is a parent company or one or more subsidiaries in the group. The "**Group**" in the Prospectus refers to the group in which Green Landscaping Holding AB (publ) is the parent company.

The Prospectus has been prepared in accordance with the rules of the Swedish Financial Instruments Trading Act (*Sw. lag (1991:980) om handel med finansiella instrument*), the Council Directive 2003/71/EC (the "**Prospectus Directive**") and the Commission Regulation (EC) No. 809/2004. This version of the Prospectus is an English translation of the Swedish prospectus that has been approved and registered by the Swedish Financial Supervisory Authority (*Sw. Finansinspektionen*) (the "**SFSA**") in accordance with Chapter 2, Sections 25 and 26 of the Swedish Financial Instruments Trading Act (*Sw. lagen (1991:980) om handel med finansiella instrument*). Approval and registration of the Prospectus by the SFSA does not imply a guarantee by the SFSA of the completeness or correctness of the facts presented in the Prospectus.

The Prospectus has only been produced in connection to the application for admission to trading of the shares in the Company on Nasdaq Stockholm and does not contain any offer to subscribe or otherwise acquire shares or other financial instruments in the Company in Sweden or in any other jurisdiction. The Prospectus may not be distributed or published in any jurisdiction other than in accordance with applicable laws and regulations. The recipient of the Prospectus is required to inform themselves of and follow these restrictions and may not publish or distribute the Prospectus in conflict with applicable laws and regulations. Measures in conflict with these restrictions may constitute a violation of applicable securities legislation.

An investment in securities is associated with certain risks; please refer in particular to section "*Risk factors*". In making a decision to invest, an investor must rely on his or her own assessment of the Company, including present circumstances and risks. Before making a decision to invest, potential investors should engage their own professional advisor and carefully evaluate and consider the decision to invest. Investors may only rely on the information in the Prospectus and in any supplements to the Prospectus. No one is authorised to dispense any other information or make any statements other than the ones in the Prospectus. If, nevertheless other information is dispensed, such information or such statements should not be considered approved by the Company and the Company is not responsible for such information or such statements. Neither the publication nor the distribution of the Prospectus, should imply that the information in the Prospectus is correct or valid at any other time than on the day of its publication, or that the Company's business has remained unchanged after this date. In the event that there have been any material changes to the information in the Prospectus, such changes will be made public in accordance with the provisions on amending a prospectus of the Swedish Financial Instruments Trading Act.

The shares of the Company have not been and will not be registered under the United States Securities Act of 1933, as amended ("**Securities Act**"), or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or otherwise transferred, directly or indirectly, in or to the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with the securities laws of the relevant state or other jurisdiction of the United States. The Company's shares has neither been approved nor rejected by the US Securities and Exchange Commission, any state securities agency or other US government agency. Nor has any such authority assessed or expressed the accuracy or reliability of the Prospectus. Potential claims to the contrary constitute a crime in the United States.

Any dispute arising from the Prospectus or other legal matters related thereto shall be settled exclusively by a Swedish court of law and resolved in accordance with Swedish law without reference to any of its choice of law principles. The district court of Stockholm (*Sw. Stockholms tingsrätt*) shall be the court of first instance. It should also be noted that an investor bringing court action in connection with the information disclosed in the Prospectus may be obliged to pay for a translation of the Prospectus.

### Forward-looking information and market information

The Prospectus contains certain forward-looking statements reflecting the Company's current view of future events and financial and operational results. Such forward-looking statements are associated with both known and unknown risks and circumstances outside the Company's control. All statements in the Prospectus other than statements of historical or current facts or circumstances are forward-looking statements. Forward-looking statements are made in several sections of the Prospectus and can be identified by the use of terms or expressions such as "may", "could", "should", "anticipated", "estimated", "likely", "forecasted", "plans to", "aims to", or conjugations of such terms or similar terms. The "*Risk factors*" section contains a description of some, but not all, factors that may cause the Company's future earnings and development to deviate significantly from those expressed or implied in any forward-looking statement.

The forward-looking statements only apply as of the date of the Prospectus. The Company has no intent or obligation to publish updated forward-looking statements or any other information contained in the Prospectus based on new information, future events etc. other than required by applicable law, regulation or regulatory framework.

The Prospectus contains certain information regarding the market and the industry in which the Group operates and its position in relation to its competitors which may be based on third party information as well as the Company's estimates based on third party information. The Company has accurately reproduced such third party information and, as far as the Company's board of directors is aware and is able to ascertain through comparisons with other information published by the third party concerned, no details have been omitted in a manner that would make the reproduced information inaccurate or misleading. However, the Company has not independently verified the correctness or completeness of any third party information and therefore the Company cannot guarantee its correctness or completeness.

### Presentation of financial information

Some amounts and percentages stated in the Prospectus have been rounded off and may therefore not always correctly add up. Other than expressly stated in the Prospectus, no information in the Prospectus has been examined or audited by the Company's auditors.

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## IMPORTANT DATES

Last day of trading Green Landscaping's shares on Nasdaq First North	15 April 2019
First day of trading Green Landscaping's shares on Nasdaq Stockholm	16 April 2019

## OTHER

Ticker on Nasdaq First North:	GREEN
Ticker on Nasdaq Stockholm:	GREEN
ISIN code:	SE0010985028

## FINANCIAL CALENDAR

Annual general meeting 2019	15 May 2019
Interim report Q1	7 May 2019
Interim report Q2	28 August 2019
Interim report Q3	6 November 2019
Year-end report January – December 2019	19 February 2020

# SUMMARY

This summary consists of information requirements (hereinafter referred to as “Items”). The Items are numbered in the sections A–E (A.1–E.7). This summary contains all the Items required in a summary for this type of security and issuer. Since some Items do not need to be included, there are gaps in the numbering of the Items. Even if an Item shall be included in the summary for this type of security and issuer, it is possible that no relevant information can be given on that Item. These items contain a brief description of the Item with the comment “not applicable”.

## SECTION A – INTRODUCTION AND WARNINGS

<b>A.1</b>	<b>Introduction and warnings</b>	This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on an assessment of the Prospectus in its entirety by the investor. If the claims relating to information in the Prospectus are brought before court, the plaintiff investor might, in accordance with the national laws of the Member States, have to answer for the costs of translation of the Prospectus before the legal proceedings are initiated. Civil liability can only be imposed on the persons who submitted the summary, including the translations thereof, but only if the summary is misleading, incorrect or incompatible with the other parts of the Prospectus or if not, together with other parts of the Prospectus, provides key information to help investors considering investing in such securities.
<b>A.2</b>	<b>Financial intermediaries</b>	<i>Not applicable.</i> Financial intermediaries are not entitled to use the Prospectus for resale or final placement of securities.

## SECTION B – ISSUER

<b>B.1</b>	<b>Legal name of the issuer</b>	The Company’s name is Green Landscaping Holding AB (publ) and its registration number is 556771-3465.
<b>B.2</b>	<b>Domicile and legal form</b>	The Company’s board of directors is based in municipality of Stockholm, Stockholm County. The Company is a Swedish public limited company incorporated in Sweden under Swedish law and the Company operates under Swedish law. The Company’s association form is governed by the Swedish Companies Act (2005: 551).
<b>B.3</b>	<b>Description of the issuer’s business</b>	<p>Green Landscaping is a supplier of services in the Swedish market for outdoor environment maintenance. The main business includes a full range of maintenance services such as grounds maintenance, landscaping, sports grounds maintenance as well as arborist services. Green Landscaping is active in all of Sweden with focus on cities.</p> <p>According to the Company’s articles of association, the object of the Company’s business is directly or indirectly to, independently or through subsidiary companies, pursue land and real estate engineering operations, management and contract work and any other activities compatible therewith and to own and manage real estate and chattels.</p>
<b>B.4a</b>	<b>Trends</b>	Driving factors for the market’s expected positive development are favourable demographic trends. Growth is expected to be driven primarily by urbanisation, increased ambitions from municipalities with increased spending on green areas and higher quality and safety requirements combined with increased housing construction. New construction of homes often takes place in combination with new construction of outdoor environments such as parks, playgrounds and outdoor gyms. Furthermore, the market is also affected by the proportion of services outsourced to external suppliers.
<b>B.5</b>	<b>Group structure</b>	The Company is a parent company in the Group which, as of the date of the Prospectus, consists of the Company and thirteen (13) directly and indirectly owned subsidiaries, all of which are Swedish private limited companies, as well as one Norwegian branch.

- B.6 Shareholder structure** As of the 29 March 2019, the Company has approximately 900 shareholders. The chart below presents the ten largest shareholders as of 29 March 2019.

#### Shareholding on the day of the Prospectus

Shareholders	Number of shares	Percent of share capital and votes (%)
Byggmästare Anders J Ahlström Holding AB	7,385,599	20.6
Staffan Salén with family through company	6,745,839	18.8
Johan Nordström through company	3,746,738	10.5
AFA Försäkring	2,261,000	6.3
Per Sjöstrand through company	1,668,886	4.7
Tredje AP-fonden	1,651,000	4.6
Peter Lindell through company	1,113,447	3.1
Tranemo Förvaltning AB	781,727	2.2
Toppstjärnan AB	699,718	2.0
Nordnet Pensionsförsäkring	583,190	1.6
<b>Total of the ten largest shareholders</b>	<b>26,637,144</b>	<b>74.3</b>
Other shareholders	9,212,519	25.7
<b>Total</b>	<b>35,849,663</b>	<b>100</b>

- B.7 Selected historical financial information** The information for the financial year 2018 is taken from the Company's audited Annual Report for the financial year 2018. The Annual Report for the financial year 2018 has not yet been adopted by the Annual General Meeting. The Annual Report for the financial year 2018 was prepared for the first time in accordance with IFRS as adopted by the EU. For the financial years 2016 and 2017, the Company has applied the Annual Accounts Act and K3 of the Swedish Accounting Standards Board (BFNAR 2012:1) ("K3"). The financial information for the financial years 2016 and 2017 is taken from the audited Annual Reports for the financial years 2016 and 2017. To present financial information consistently and to enable a better comparison between the financial years, in this Prospectus, the Company has also chosen to present unaudited financial information for the financial year 2017 recalculated in accordance with International Financial Reporting Standards ("IFRS"), which has been taken from the comparative figures in the audited Annual Report for the financial year 2018.

#### Consolidated income statement

Income statement, SEK million	In accordance with IFRS		In accordance with K3	
	Audited 2018	Not audited 2017	Audited 2017	Audited 2016
Net sales	1,176.1	796.6	790.9	672.7
Change, work in progress	–	–	11.5	7.6
Other operating income	4.0	2.7	2.7	0.9
<b>Sales</b>	<b>1,180.1</b>	<b>799.3</b>	<b>805.2</b>	<b>681.3</b>
<b>OPERATING EXPENSES</b>				
Cost of goods and services sold	–586.6	–373.9	–379.7	–348.4
Other external expenses	–124.3	–93.1	–87.3	–53.7
Employee benefit expenses	–386.3	–276.4	–276.4	–252.5
Other operating expenses	–27.6	–0.1	–0.1	–0.0
Depreciation/amortization and impairment	–	–	–46.6	–35.6
Depreciation of property, plant and equipment	–37.4	–25.7	–	–
Amortization of intangible assets	–14.2	–4.6	–	–
<b>Total operating expenses</b>	<b>–1,176.4</b>	<b>–773.8</b>	<b>–790.1</b>	<b>–690.1</b>
<b>Operating profit (loss)</b>	<b>3.7</b>	<b>25.5</b>	<b>15.0</b>	<b>–8.9</b>
<b>PROFIT (LOSS) FROM FINANCIAL ITEMS</b>				
Financial income	0.3	2.5	2.5	0.6
Financial expenses	–16.0	–19.7	–18.8	–12.7
<b>Total profit (loss) from financial items</b>	<b>–15.7</b>	<b>–17.2</b>	<b>–16.3</b>	<b>–12.2</b>
<b>Profit (loss) after financial items</b>	<b>–12.0</b>	<b>8.3</b>	<b>–1.2</b>	<b>–21.0</b>
Tax	6.3	–4.1	–4.2	–0.1
Other taxes	–	–	–0.8	–1.2
<b>Profit (loss) for the year</b>	<b>–5.7</b>	<b>4.2</b>	<b>–6.2</b>	<b>–22.3</b>
Other operating profit (loss)	–	–	–	–
<b>Total operating profit (loss) for the year</b>	<b>–5.7</b>	<b>4.2</b>	<b>–6.2</b>	<b>–22.3</b>

B.7	Selected historical financial information, cont.	Consolidated balance sheet	In accordance with IFRS		In accordance with K3	
			Audited	Not audited	Audited	Audited
			2018	2017	2017	2016
		Balance sheet, SEK million				
		<b>ASSETS</b>				
		<b>Fixed assets</b>				
		<i>Intangible assets</i>				
		Goodwill	418.7	138.0	138.4	60.5
		Customer relationships	83.5	29.8	–	–
		Brands	51.5	8.9	–	–
		Other intangible assets	3.6	2.5	2.5	1.0
		<b>Total intangible assets</b>	<b>557.3</b>	<b>179.1</b>	<b>140.9</b>	<b>61.4</b>
		<b>Property, plant and equipment</b>				
		Expenditure for improvement on unowned property	0.8	0.3	0.3	0.5
		Machinery and other technical facilities	132.7	64.2	64.2	41.2
		Equipment, tools, fixtures and fittings	31.9	17.4	17.4	1.4
		<b>Total property, plant and equipment</b>	<b>165.4</b>	<b>81.9</b>	<b>81.8</b>	<b>43.1</b>
		<b>Financial assets</b>				
		Deferred tax assets	21.3	16.6	16.6	17.3
		Other non-current receivables	0.2	0.1	0.1	0.0
		<b>Total financial assets</b>	<b>21.5</b>	<b>16.7</b>	<b>16.7</b>	<b>17.4</b>
		<b>Total fixed assets</b>	<b>744.2</b>	<b>277.7</b>	<b>239.4</b>	<b>121.8</b>
		<b>Current assets</b>				
		Inventories	23.7	31.2	31.2	9.6
		Accounts receivable	317.2	184.5	184.5	117.1
		Current tax assets	5.7	1.5	1.5	0.5
		Other current receivables	5.5	2.6	2.5	0.5
		Income accrued but not invoiced / contract assets	41.6	35.9	36.0	23.5
		Prepaid expenses and accrued income	43.7	24.5	24.5	15.9
		Cash and bank balances	96.3	33.7	33.7	6.1
		<b>Total current assets</b>	<b>533.7</b>	<b>313.8</b>	<b>314.0</b>	<b>173.2</b>
		<b>TOTAL ASSETS</b>	<b>1 277.9</b>	<b>591.6</b>	<b>553.4</b>	<b>295.0</b>

B.7	<i>Selected historical financial information, cont.</i>	<b>EQUITY AND LIABILITIES</b>			
	Share capital	2.5	2.2	2.3	1.9
	Other contributed capital	391.3	220.2	219.4	191.0
	Other equity including profit (loss) for the year	-191.0	-188.0	-216.3	-210.1
	<b>Equity attributable to Parent Company's shareholders</b>	<b>202.8</b>	<b>34.4</b>	<b>5.3</b>	<b>-17.2</b>
	<b>Provisions</b>				
	Deferred tax liability	-	-	5.8	0.1
	Other provisions	-	-	2.6	3.4
	<b>Total provisions</b>	<b>-</b>	<b>-</b>	<b>8.5</b>	<b>3.5</b>
	<b>Non-current liabilities</b>				
	Warranty provisions	1.9	1.7	-	-
	Deferred tax liability	37.3	14.3	-	-
	Convertible loans	-	47.1	47.1	39.1
	Liabilities to credit institutions	453.7	51.1	51.1	3.8
	Liabilities pertaining to finance leases	112.7	45.9	45.9	38.0
	<b>Total non-current liabilities</b>	<b>605.6</b>	<b>160.1</b>	<b>144.1</b>	<b>80.8</b>
	<b>Current liabilities</b>				
	Warranty provisions	3.1	1.0	-	-
	Bank overdraft	17.6	43.5	43.5	30.3
	Liabilities to credit institutions	52.8	38.5	38.5	-
	Accounts payable	169.6	131.8	131.8	100.9
	Current tax liabilities	0.9	3.4	3.4	0.2
	Contract liabilities	15.3	16.5	-	-
	Other current liabilities	60.0	21.8	21.8	21.0
	Income invoiced but not accrued	-	-	16.5	9.5
	Accrued expenses and prepaid income	150.3	140.6	140.0	66.1
	<b>Total current liabilities</b>	<b>469.6</b>	<b>397.1</b>	<b>395.5</b>	<b>227.9</b>
	<b>Total liabilities</b>	<b>1,075.2</b>	<b>557.2</b>	<b>548.0</b>	<b>312.2</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,278.0</b>	<b>591.6</b>	<b>553.4</b>	<b>295.0</b>

B.7 Selected historical financial information, cont.	Consolidated cash flow	In accordance with IFRS		In accordance with K3	
		Audited 2018	Not audited 2017	Audited 2017	Audited 2016
<b>Cash flow statement, SEK million</b>					
<b>OPERATING ACTIVITIES</b>					
Operating profit (loss)	3.7	25.5	15.0	-8.9	
Reversal of amortization/depreciation	51.6	30.3	-	-	
Other non-cash items	-6.4	-1.9	-	-	
Adjustment of non-cash items	-	-	41.9	36.1	
Interest received and paid	-16.8	-7.4	-6.5	-5.5	
Paid income tax	-3.0	-0.4	-1.4	-0.2	
<b>Cash flow from operating activities before changes in working capital</b>	<b>29.1</b>	<b>46.1</b>	<b>49.0</b>	<b>21.5</b>	
<b>Change in working capital</b>					
Increase (-) / decrease (+) in operating receivables	-6.8	-40.1	-43.3	-5.6	
Increase (-) / decrease (+) in operating liabilities	-26.7	19.4	23.3	-13.6	
Increase (-) / decrease (+) in inventories	7.8	-8.2	-8.2	0.3	
<b>Cash flow from changes in working capital</b>	<b>-25.7</b>	<b>-28.9</b>	<b>-28.2</b>	<b>-18.9</b>	
<b>Cash flow from operating activities</b>	<b>3.4</b>	<b>17.2</b>	<b>20.8</b>	<b>2.6</b>	
<b>INVESTING ACTIVITIES</b>					
Acquisitions of subsidiaries	-212.8	-75.8	-75.8	-	
Acquisitions of tangible and intangible fixed assets	-52.3	-34.2	-26.9	-12.4	
Disposals of property, plant and equipment	4.4	3.1	3.1	2.7	
<b>Cash flow from investing activities</b>	<b>-260.7</b>	<b>-106.9</b>	<b>-99.6</b>	<b>-9.7</b>	
<b>FINANCING ACTIVITIES</b>					
New share issue	72.9	-	-	-	
New loans	522.6	115.9	101.6	7.8	
Amortization of liabilities	-248.9	-11.7	-8.4	-7.9	
Expenses relating to loans raised	-3.4	-	-	-	
Net change bank overdraft	-25.9	13.2	13.2	9.4	
Options	2.4	-	-	-	
Deposits	-	-	-	0.0	
Change in bank overdraft	-	-	13.2	9.4	
<b>Cash flow from financing activities</b>	<b>319.7</b>	<b>117.4</b>	<b>106.4</b>	<b>9.3</b>	
<b>CASH FLOW FOR THE YEAR</b>	<b>62.4</b>	<b>27.7</b>	<b>27.6</b>	<b>2.3</b>	
Cash and cash equivalents at the beginning of the period	33.7	6.1	6.1	3.9	
<b>Cash and cash equivalents at the end of the period</b>	<b>96.1</b>	<b>33.8</b>	<b>33.7</b>	<b>6.1</b>	

**B.7 Selected historical financial information, cont.** **Alternative key performance indicators not defined in accordance with IFRS**

The following table shows selected alternative key performance indicators not defined or specified in accordance with IFRS unless otherwise stated. Certain descriptions of the key performance indicators present trends in operational and financial key performance indicators not defined in accordance with IFRS. The Company believes that these alternative key performance indicators provide a better understanding of the Company's financial trends and they are, to a large extent, used by the Company's management team, investors, equity analysts and other stakeholders as a complementary measures of the Company's development. Since not all companies calculate financial measures in the same way, they are not always comparable to those used by other companies. Accordingly, these measures should not be viewed as a replacement for measures defined in accordance with IFRS.

Key figures, SEK million	In accordance with IFRS		In accordance with K3	
	Audited 2018	Not audited 2017	Audited 2017	Audited 2016
<b>SALES MEASURES</b>				
Nettoomsättning <sup>1</sup>	1,176.1	796.6	790.9	672.7
Net sales growth, %	47.6	0.7	17.6	–
Organic net sales growth, %	8.5	0.8	3.7	–9.2
Acquired net sales growth, %	39.6	16.5	16.0	–
Order book	3,880.0	1,975.0	962.0	1,437.0
Change in order book, %	96.5	105.3	–33.1	–
<b>PROFITABILITY MEASURES</b>				
EBITDA	55.3	55.8	61.6	26.7
EBITA	17.9	30.1	35.6	9.0
Operating profit (loss) (EBIT) <sup>1</sup>	3.7	25.5	15.0	–8.9
Adjusted EBITDA	97.2	66.0	70.7	48.8
Adjusted EBITA	59.8	40.3	44.6	31.0
Adjusted EBIT	45.6	35.7	24.1	13.2
<b>MARGIN MEASUREMENTS</b>				
EBITDA margin, %	4.7	7.0	7.8	4.0
EBITA margin, %	1.5	3.8	4.5	1.3
EBIT margin, %	0.3	3.2	1.9	–1.3
Adjusted EBITDA margin, %	8.3	8.3	8.9	7.3
Adjusted EBITA margin, %	5.1	5.1	5.6	4.6
Adjusted EBIT margin, %	3.9	4.5	3.0	2.0
<b>CAPITAL STRUCTURE</b>				
Adjusted working capital	42.2	14.9	–58.4	–46.3
Adjusted working capital in relation to net sales, %	3.6	1.9	–7.4	–6.9
Total net debt	540.5	145.2	192.3	105.0
Total net debt in relation to adjusted EBITDA, multiple	5.6	2.2	2.7	2.2
<b>EMPLOYEES</b>				
Average number of employees	599	589	589	419

1) Key performance indicator defined in accordance with IFRS.

**B.7 Selected historical financial information, cont. Financial year 2018 compared to financial year 2017**

To avoid effects impacting comparability in connection with changes of accounting principles, comparison figures for comparison between 2017 and 2018 according to IFRS.

**Net sales**

The Group's net sales increased by SEK 379.5 million, or 48 percent, from SEK 796.6 million in 2017 to SEK 1,176.1 million in 2018. The increase of the Company's net sales was mainly attributable to the acquisitions made in 2017 and the acquisition of Svensk Markservice, consolidated on 1 December 2018. The company's acquisition-driven growth was 40 percent and organic growth was 8 percent in 2018.

**Operating profit (loss)**

The Company's operating profit (loss) decreased by SEK 21.8 million, from SEK 25.5 million in 2017 to SEK 3.7 million in 2018. The decline in operating profit (loss) was mainly attributable to the acquisitions that Green Landscaping made during 2018. The decrease was partly attributable to higher costs for goods and services sold, which rose by SEK 212.7 million, from SEK 373.9 million in 2017 to SEK 586.6 million in 2018, which was attributable, in turn, to an increase in expenses through the acquisitions made by the Company in 2018. In addition, consolidated operating profit (loss) was offset by expenses for personnel benefits, which rose by SEK 109.9 million, from SEK 276.4 million in 2017 to SEK 386.3 million in 2018, attributable to an increase in the number of employees through the acquisitions made by the Company in 2018.

In 2018, operating profit was burdened by items affecting comparability, which were mainly attributable to expenses related to the listing and change of list, and acquisition and integration expenses.

**Financial year 2017 compared to financial year 2016**

To avoid effects impacting comparability in connection with changes of accounting principles, comparison figures for 2016 and 2017 are reported in accordance with K3.

**Net sales**

Consolidated net sales rose by SEK 118.2 million, or 17.6 percent, from SEK 672.7 million in 2016 to SEK 790.9 million in 2017. The increase in net sales was primarily attributable to the four acquisitions carried out in 2017 and contributed to acquisition-driven growth in net sales of 16 percent. Net sales increased organically by 1.6 percent in 2017.

**Operating profit (loss)**

The Company's operating profit (loss) increased by SEK 23.9 million, from a loss of SEK 8.8 million in 2016 to SEK 15.0 million in 2017. The increased operating profit (loss) was primarily attributable to the acquisitions that Green Landscaping made in 2017. The increase was partly offset by higher expenses for personnel benefits, which increased by SEK 24.0 million, from SEK 252.5 million in 2016 to SEK 276.4 million in 2017, which was attributable to an increase in the number of employees through the acquisitions that the Company made in 2017. The improved consolidated operating profit (loss) was also offset by increased expenses for merchandise and subcontractors, which increased by SEK 31.3 million from SEK 348.4 million in 2016 to SEK 379.7 million in 2017, and which were attributable to the acquisitions that the company made in 2017.

In 2017, the operating profit was burdened by items affecting comparability of SEK 9.1 million, compared with SEK 22.1 million in 2016, primarily attributable to the divestment of the Group's former Stockholm Anläggning district, cancellations of unprofitable contracts, severance pay in connection with employment terminations and cancellations of office leases.

**Significant events after 31 December 2018**

No significant changes have occurred regarding the Group's financial position since 31 December 2018.

B.7 Selected historical financial information, cont.	<b>Definitions of alternative key performance indicators not defined in accordance with IFRS</b>		
<b>Key figures</b>	<b>Definition/calculation</b>	<b>Purpose</b>	
EBITA	Operating profit before amortization and impairment of acquisition-related intangible assets.	EBITA provides an overall picture of profit generated by the operating activities.	
EBITDA	Operating profit before amortization and impairment of acquisition-related intangible assets, depreciation and impairment of property, plant and equipment and amortization and impairment of intangible assets.	Combined with EBITA, EBITDA provides an overall picture of the profit generated by the operating activities.	
EBITA margin	Operating profit before amortization and impairment of acquisition-related intangible assets, as a percentage of sales.	EBITA margin is used to measure operational profitability.	
EBITDA margin	Operating profit before amortization and impairment of acquisition-related intangible assets and depreciation, as well as impairment of property, plant and equipment and amortization and impairment of intangible assets, as a percentage of sales.	EBITDA margin is used to measure operational profitability.	
Adjusted EBITA	EBITA adjusted for items affecting comparability.	Adjusted EBITA increases the comparability of EBITA.	
Adjusted EBITDA	EBITDA adjusted for items affecting comparability.	Adjusted EBITDA increases the comparability of EBITDA.	
Adjusted EBITDA pro forma	EBITDA adjusted for items affecting comparability, including EBITDA in acquired companies for the current year prior to the acquisition date.	To provide a picture of the Group's position in upcoming periods.	
Adjusted EBITA margin	EBITA adjusted for items affecting comparability, as a percentage of sales.	Adjusted EBITA margin excludes the effect of items affecting comparability, enabling a comparison of the underlying operational profitability.	
Adjusted EBITDA margin	EBITDA adjusted for items affecting comparability, as a percentage of sales.	Adjusted EBITDA margin excludes the effect of items affecting comparability, enabling a comparison of the underlying operational profitability.	
items affecting comparability (NRI)	Items that clearly differ from the normal operations and that are non-recurring in nature. For example, the listing on Nasdaq First North in March 2018 or the termination of leases in connection with acquisitions.	To provide a fair picture of underlying profit	
Sales (pro forma)	Consolidated sales for the current period, including sales in acquired companies.	To provide a picture of the Group's position in upcoming periods.	
Order backlog	Refers to amounts for contracts yet to be delivered and optional additional years.	Provides a possibility to assess how the Company will develop.	
Organic growth	Sales increase in legal entities owned throughout the financial year.	To demonstrate how existing operations develop.	
Working capital	Current assets excluding cash and cash equivalents, less current liabilities.	Working capital is used to measure the Company's capacity to meet its non-current capital requirements.	
Adjusted working capital	Working capital excluding accrued interest on shareholder loans.	As for working capital but showing the working capital requirements of the underlying operations.	
Net debt	Interest-bearing liabilities less cash and cash equivalents.	Net debt shows the Company's financial position.	
Net debt in relation to adjusted EBITDA	Net debt as a share of adjusted EBITDA.	Net debt in relation to adjusted EBITDA is stated to show financial risk and because it is a useful measure for monitoring the level of debt in the Company.	

B.8 Select pro forma financial statement	<p>In 2018, Green Landscaping completed the acquisition of the Svensk Markservice Group, a nationwide player in gardening and landscaping services in Sweden. The purpose of the consolidated pro forma information below is to report the hypothetical effect that the acquisition and related loan financing would have had on Green Landscaping's consolidated income statement for the 2018 full-year if the acquisition had taken place on 1 January 2018. No pro forma balance sheet has been prepared since the acquisition is included in the Company's consolidated balance sheet as of 31 December 2018. The pro forma data is provided solely for information purposes and to illustrate facts. By its nature, the pro forma information is intended to describe a hypothetical situation and, accordingly, does not serve to describe Green Landscaping's actual financial position or profits. Furthermore, the pro forma information is not representative of future earnings scenarios. Investors should therefore be cautious about attaching too much importance to the pro forma information. The pro forma accounts should be read alongside other information in the Prospectus.</p>
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**B.8** *Select pro forma financial statement, cont.*

SEK million	In accordance with IFRS		In accordance with K3		In accordance with IFRS	
	Audited	Not audited	Not audited	Not audited	Not audited	Not audited
	Green Landscaping – Group, 2018 (IFRS)	Svensk Markservice – Group, 1 Jan. 2018–30 Nov. 2018 (K3)	Pro forma adjustments	Notes	Pro forma Green Landscaping – Group, 2018 (IFRS)	
Income from customer contracts	1,176.1	737.4	–		1 913.5	
Other operating income	4.0	2.9	–		6.9	
<b>Sales</b>	<b>1 180.1</b>	<b>740.3</b>	<b>–</b>		<b>1 920.4</b>	
<b>Operating expenses</b>						
Cost of goods and services sold	–586.6	–323.1	–		–909.7	
Other external expenses	–124.3	–94.6	–		–218.9	
Employee benefit expenses	–386.3	–284.7	–		–671.0	
Other operating expenses	–27.6	–0.1	13.3	5	–14.5	
Depreciation of property, plant and equipment	–37.4	–22.7	–		–60.1	
Amortization of intangible fixed assets	–14.2	–4.2	–9.6	1.2	–28.0	
<b>Operating profit (loss)</b>	<b>3.7</b>	<b>10.8</b>	<b>3.7</b>		<b>18.1</b>	
<b>Profit (loss) from financial items</b>						
Financial income	0.3	–0.0	–		0.3	
Financial expenses	–16.0	–3.8	–2.7	3.4.6	–22.5	
<b>Total profit (loss) from financial items</b>	<b>–15.7</b>	<b>–3.8</b>	<b>–2.7</b>		<b>–22.2</b>	
<b>Profit (loss) after financial items</b>	<b>–12.0</b>	<b>7.0</b>	<b>1.0</b>		<b>–4.0</b>	
Tax	6.3	–1.5	0.7	2.3.4.5.6	5.6	
<b>Profit (loss) for the year</b>	<b>–5.7</b>	<b>5.6</b>	<b>1.7</b>		<b>1.5</b>	

**Notes to pro forma income statement 1 January 2018 to 31 December 2018**

- Refers to the reversal of goodwill, which is currently reported in the income statement for Svensk Markservice in the amount of SEK 4.2 million. The pro forma adjustment has a lasting effect.
- Refers to depreciation of customer contracts adapted to extend over the entire 12-month period (1 January 2018–30 November 2018) given an estimated depreciation period of three years. Private contracts are included in the balance sheet in the amount of SEK 19.6 million. Public contracts included in the balance sheet with an estimated depreciation period of five years and in an amount of SEK 33.4 million.

Acquired customer contracts, SEK million	Carrying amount	Depreciation per month	Depreciation during the pro forma period
Private customer contracts, 3-year depreciation period	33,4	–0,9	–10,2
Public customer contracts, 5-year depreciation period	19,6	–0,3	–3,6
<b>Total</b>	<b>53,0</b>	<b>–1,3</b>	<b>–13,8</b>

The year's total depreciation of customer contracts in the pro forma income statement amounted to SEK 13.8 million, with an additional tax effect SEK 3.0 million in accordance with the Swedish tax rate. The pro forma adjustment has a lasting effect.

- Refers to the reversal of Svensk Markservice's earlier financing expenses of SEK 2.8 million and related tax effects of a negative SEK 0.6 SEK million in accordance with the Swedish tax rate, given that, in the pro forma account, the financing requirement is dealt with through Green Landscaping's new financing solution. The pro forma adjustment does not have a lasting effect.
- Refers to the reversal of Green Landscaping's earlier financing expenses of SEK 4.3 million and related tax effects of a negative SEK 1.0 SEK million in accordance with the Swedish tax rate, given that, in the pro forma account, the financing requirement is dealt with through Green Landscaping's new financing solution. The pro forma adjustment does not have a lasting effect.
- Refers to transaction expenses related to the acquisition of Svensk Markservice, including fees to, among others, financial and legal advisers and auditors. This adjustment amounts to SEK 13.3 million, with an additional tax effect of a negative SEK 2.9 million in accordance with the Swedish tax rate. The pro forma adjustment does not have a lasting effect.
- Refers to interest expenses for Green Landscaping's new loan financing, which affect the income statement negatively. The bank loan totals SEK 495 million and currently runs at an interest rate of 2.25 percent, given the existing debt. In total, the pro forma interest expenses for the new financing are estimated to amount to SEK 9.9 million for the period 1 January 2018–30 November 2018, with an additional tax effect of SEK 2.2 million in accordance with the Swedish tax rate (see section "Financing of acquisitions"). The pro forma adjustment has a lasting effect.

<b>B.9</b>	<b>Earnings forecast</b>	<i>Not applicable.</i> No earnings forecast or calculation of estimated results is presented in the Prospectus.
<b>B.10</b>	<b>Observations in the audit report</b>	<i>Not applicable.</i> There are no remarks in the audit reports for the period as covered by the historical financial information.
<b>B.11</b>	<b>Insufficient working capital</b>	The board of directors estimates that the working capital is sufficient for the Group's current needs during the next twelve-month period following the date of the Prospectus. Working capital refers here to Green Landscaping's ability to access liquid funds in order to fulfill its payment obligations as they are due to payment.

## SECTION C – SECURITIES

<b>C.1</b>	<b>Offered securities</b>	The Prospectus refers to the admission to trading of the shares in Green Landscaping on Nasdaq Stockholm. ISIN-code is SE0010985028 and the ticker on Nasdaq Stockholm will be GREEN.
<b>C.2</b>	<b>Currency</b>	The ordinary shares are denominated in SEK.
<b>C.3</b>	<b>Total number of shares and quota value</b>	As of the day of the Prospectus, the Company's registered share capital amounts to SEK 2,545,326.073, divided between 35,849,663 shares, with a quota value of approximately SEK 0.071 per share. The shares are issued in accordance with Swedish law and all shares are fully paid.
<b>C.4</b>	<b>Rights attached to the securities</b>	<p>The shares of Green Landscaping have been issued in accordance with the Swedish Companies Act and the rights connected with shares issued by the Company, including rights pursuant to the articles of association, may change only through a change in the articles of association in accordance with the proceedings stated in this act.</p> <p>All shares in the Company entitles the holder to a vote at the general meeting and all shareholder has the right to vote for all its shares held in the Company. All shares in the Company carry equal rights to dividends, share of the Company's assets and any surplus in the event of liquidation.</p> <p>Shareholders normally have pre-emptive rights to subscribe for new shares, warrants or convertible bonds in accordance with the Swedish Companies Act, unless the general meeting or the Board of directors by authorisation of the general meeting resolves on deviation from the shareholders' pre-emptive rights.</p>
<b>C.5</b>	<b>Restrictions on transferability</b>	<i>Not applicable.</i> There are no restrictions on the free transferability of the Company's shares.
<b>C.6</b>	<b>Admission to trading on regulated market</b>	The Company's board of directors has applied for listing of the Company's shares on the regulated market Nasdaq Stockholm. Nasdaq Stockholm has on 11 April 2019 approved the Company's application provided that the customary terms are fulfilled. The last estimated day of trading in the Company's shares on Nasdaq First North is 15 April 2019 and the first estimated day of trading on Nasdaq Stockholm is 16 April 2019. The Company's shares will continue to be traded on Nasdaq Stockholm under the ticker symbol GREEN.
<b>C.7</b>	<b>Dividend policy</b>	The goal is that approximately 40 percent of the period's result shall be distributed as dividends. The dividend proposal will take into account Green Landscaping's long-term development potential, financial position and investment needs. The board of directors has not proposed any dividends in respect to the financial year 2018.

## SECTION D – RISKS

- D.1** *Key risks related to the issuer and the business*
- There are a number of factors that may adversely affect the Company's business, financial position and future results. Some of the risks are related to the Company, while other risks do not have any particular connection with the Company. There may also be risks and uncertainties that the Company is currently unaware of, or assesses as immaterial, that may prove to be material. Disclosed risks are not produced in priority order or in any other special order. The risks below are deemed to include the main known key risks to the Company's future development, and they may all adversely affect the Company's business, financial position and results.
- ▶ Green Landscaping is dependent on senior management and other qualified staff at subsidiary and regional level. There is a risk that the Group will not be able to identify, attract or retain knowledgeable personnel, and especially as regards senior management at both subsidiaries and Group level, which is important for the Company's future success and growth.
  - ▶ The Company's profitability in different projects depends on the amount of work and expenses incurred in relation to remuneration. Risks related to failed calculation, project management and work management including cost management and optimisation in project implementation with risk of lower profitability than calculated, delays and increased costs, as well as shortcomings in the performance of services as a result, with the risk of contractual penalties and warranty liability.
  - ▶ The risk of increased competition in the industry that can lead to price pressure, lower profit margins, reduced market share and increased competition for qualified personnel.
  - ▶ Risks related to competitive and resource-intensive tender processes that do not lead to award of contracts or that awarded contracts are appealed or terminated. Tender requests often take on time and financial resources and there is always a risk that the Company will not be awarded the contract. Furthermore, contracts received after procurement may be appealed or terminated due to actual or alleged procedural errors during the procurement process.
  - ▶ Changed market conditions, economic decline and changed trends, such as the degree of outsourcing of services in the public sector can lead to reduced demand for the Company's services in the future.
  - ▶ Risks related to continued expansion through acquisitions due to the risk of difficulty finding or acquiring appropriate target companies on favourable terms, business and company-specific risks related to acquired companies (for example misjudgements in terms of value and prospects and unexpected costs due to unknown or misjudged risks), reduced liquidity and potential dilution effects for the Company's shareholders in acquisition financing through issues of shares or related instruments and the risk of need for new loans.
  - ▶ Risks for goodwill impairment related to completed acquisitions, inter alia because accounting of impairment include an uncertainty since the Company has to make forward-looking assumptions in calculating the recoverable amount, which are based, inter alia, on assumptions about future cash flow.
  - ▶ Risks related to financing, including the risk of immediate termination of existing financing as a result of non-compliance with financial covenants or other obligations, that funding cannot be obtained or renewed, or can only be obtained or renewed at heavily increased costs.
  - ▶ Risks related to violations of laws and regulations relating to working conditions and environment, as well as resource-intensive disputes.

<b>D.3</b>	<b>Key risks related to the securities</b>	<p>An investment in shares is always associated with risks. Such risks may cause the share price to fall and as a result investors may lose all or part of their investment. Disclosed risks are not produced in priority order or in any other special order. The risks below are deemed to include the known key risks related to the Company's shares.</p> <ul style="list-style-type: none"> <li>▶ The stock market may be subject to considerable price and volume fluctuations and the Company's progress, result and prospects may, from time to time, be lower than expected by analysts and investors and the perception by the stock market in general. These and other factors may cause fluctuation in the market price and demand for the Company's shares, which may limit or prevent investors from quickly selling their shares or in other ways have a negative effect on the liquidity of the Company's shares.</li> <li>▶ The Company have major shareholders that have significant influence in the Company and their interests may differ in whole or in part from the interests of other shareholders. They also have the possibility to prevent or obstruct an acquisition of the Company through a public takeover.</li> <li>▶ Risk of dilution of shareholding and market price impact may occur due to subsequent new issues of shares or equity-related instruments.</li> <li>▶ Future sales of large lots of the Company's shares, in particular sales made by the Company's directors, senior management or major shareholders may have an adverse effect on the share price. Also sales of large quantities of the Company's shares, or the perception that such sales may occur, may lead to a decrease in the price of the Company's shares.</li> <li>▶ Any future payouts of dividends and the size of such dividends depend on factors such as the Company's future earnings, financial position, cash flow, working capital needs and investment needs, including financing of acquisition opportunities. There is a risk of no future dividends or that future dividends are less than expected.</li> </ul>
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## SECTION E – THE OFFERING

<b>E.1</b>	<b>Net proceeds and expenses</b>	<i>Not applicable.</i> The Prospectus does not include an offering to the public for subscription or acquisition of securities.
<b>E.2a</b>	<b>Reasons for the Offering and use of proceeds</b>	<p>No new shares or other securities are issued by the Company in connection to the listing of the Company's share on Nasdaq Stockholm, hence the Company will not receive any issue proceeds.</p> <p>It is the board of director's assessment that the forthcoming change of marketplace to the regulated market Nasdaq Stockholm will contribute to establishing access for the Company to Swedish and international capital markets. As a result, more funding sources will be made available to support Green Landscaping's acquisition strategy and support the Company's ambition to play a central role in the ongoing consolidation of the outdoor environment industry.</p> <p>Overall, the board of Green Landscaping consider the listing of the Company's shares on Nasdaq Stockholm to be a logical and important step in the Company's development and will in the long term increase the awareness of the Company and strengthen its trademark.</p> <p>In light of this, the board of Green Landscaping has applied for listing of the Company's' shares on Nasdaq Stockholm.</p>
<b>E.3</b>	<b>Terms and conditions of the Offering</b>	<i>Not applicable.</i> The Prospectus does not include an offering to the public for subscription or acquisition of securities.
<b>E.4</b>	<b>Interests and conflict of interests</b>	<i>Not applicable.</i> The Prospectus does not include an offering to the public for subscription or acquisition of securities.
<b>E.5</b>	<b>Selling shareholders and lock-up-agreements</b>	<i>Not applicable.</i> The Prospectus does not include an offering to the public for subscription or acquisition of securities.
<b>E.6</b>	<b>Dilution</b>	<i>Not applicable.</i> The Prospectus does not include an offering to the public for subscription or acquisition of securities.
<b>E.7</b>	<b>Expenses imposed on the investors</b>	<i>Not applicable.</i> The Prospectus does not include an offering to the public for subscription or acquisition of securities.

# RISK FACTORS

*An investment in the Company's shares is associated with risks. Green Landscaping's business is affected, and may be affected, by a number of factors which are not possible for the Company to control, either in part or at all. These factors could have an adverse impact on the Company's business, financial position and results in the future, or could lead to a decrease in the share price and, as a result thereof, investors may lose their investment, in part or in full. Some of the risks are related to the Company, while other risks are external factors outside of the Company's control. Any investor considering an investment in the Company's shares should, before deciding on whether to make an investment, carefully analyse the risks factors described below as well as other information in the Prospectus. The risks are not described in any order of priority, and the Company may be subject to other risks than those described. The risks are not intended to be exhaustive; a complete evaluation must contain all information referred to in the Prospectus (including information found outside the Prospectus) as well as general business analysis. Moreover, there may be other risks and uncertainties that the Company is currently not aware of, or deems to be immaterial, that may later prove to be material. The Prospectus contains forward-looking statements which may be affected by future events, risks and uncertainties. The Company's actual results may deviate significantly from what is stated in forward-looking statements due to several factors, including, but not limited to, the risks described below.*

## **RISKS RELATED TO THE BUSINESS AND THE MARKET**

### **Decentralisation and dependence on key employees**

Green Landscaping's business model is based on decentralisation in the sense that the business is conducted within each unit and with only general management at Group level.

The corporate governance of a company with decentralized structure, such as the Company, demands high standards on financial reporting and internal control. Deficiencies in this regard may result in flaws in the reporting. The Company's system for regulatory compliance may be insufficient in assuring that the Company and its employees complies with the Company's contracts, internal guidelines or policy's and internal credit lines. If the Company cannot identify and address problems in time, or is not capable of stopping legal, regulatory or other violations by employees, the Company may become accountable, which could have an material adverse effect on the Company's business, financial position and results.

Green Landscaping is further dependent on senior management and other qualified staff at subsidiary and regional level. The CEO of each unit also has far-reaching own control and conducts the business together with the management team responsible for customers, sales, staff and results. Furthermore, potential private sector contracts are identified at regional management level, a process that depends on local knowledge and good local customer relations. The Company is also dependent on the work of other employees, their respective local customer relationships, as well as the skills and knowledge they have in relation to specific regions. Green Landscaping is also dependent on senior management at Group level. Current Group Management has broad expertise and knowledge in the Group's business sector as well as the Group's operations.

There is a risk that the Group will not be able to identify or attract the right personnel or that they cannot be retained in the future. Key employees may start working with competing companies or launch their own competing businesses. The Company's ability to recruit and retain qualified personnel is crucial to its future success and growth. If the Group is unable to maintain its ability to identify, attract and retain qualified personnel, it could have an adverse effect on the Company's business, financial position and results.

### **Competitive market**

Green Landscaping operates in an industry that is exposed to competition. The Company's future competitive opportunities depend, inter alia, on the Company's ability to anticipate changes and respond to existing and future market needs. Increased competition in the industry can lead to price pressure, lower profit margins, reduced market share and increased competition for qualified personnel. Green Landscaping can also be forced to make costly investments, restructurings or price cuts to adapt to a new competitive situation. Such factors and other consequences of increased competition may have a negative impact on the Company's business, financial position and results.

### **Public tenders**

The Group participates as a bidder in public procurement. By 2018, approximately 65 percent of the Company's net sales originated from customers within the public sector, such as municipalities, state authorities and public property and housing companies. Tender requests often require significant time and financial resources and there is always a risk that the Group will not be awarded the contract. Furthermore, contracts obtained after public procurement may be appealed due to actual or alleged procedural errors during

the procurement process. An appeal may result in a redoing of the procurement or a correction of the contract, usually by a re-evaluation. When dealing with a procurement that has not been preceded by a public offering and competitive bidding (an unlawful direct award) the obtainment of the contract may be appealed, and the contract invalidated. Unsuccessful tender processes may have a material adverse effect on the Company's business, financial position and results.

### **Contracts and projects**

The Company applies a contract-based business model consisting of fixed-revenue service contracts and merchant sales. The profitability of different contracts and projects depends mainly on amount of work performed, cost for materials, subcontractors and the Groups delivery efficiency in relation to remuneration. Estimates of time and cost are often difficult to do and unforeseen or changed conditions can lead to increased costs caused by factors that may be entirely or partially outside the Group's control, which is why when applying a fixed price there is always a risk that the profitability of a project will be lower than calculated. Unforeseen or changed circumstances may also lead to delays in the performance of the Company's services which, in addition, where Green Landscaping carries the risk of changing circumstances may result in contractual penalties.

In addition, the Company is dependent on qualified personnel for the calculation of costs associated with various contracts and projects as well as project management including cost management and optimisation in the completion and implementation. Deficiencies in calculation changed conditions and shortcomings in project management, as well as other factors mentioned may have an adverse effect on the Company's business, financial position and results.

### **Market conditions, growth and continued profitability**

The Company's future growth and profitability is dependent on a number of factors such as geographical expansion and continued demand for the Company's services. Future demand for the Company's services is furthermore dependent on housing construction, as housing construction leads to increased demand for services for parks and outdoor environments. Changes in market conditions, negative macro economic development and changes in trends, for example in terms of outsourcing of public sector services may lead to reduced demand for the Company's services in the future. Furthermore, a protracted low growth or economic recession may adversely affect the demand for the Group's services. The results of the Group may be affected by significant economic disruption and changes in the general market conditions, and there is a risk that the Group will not be able to adapt its business to a change in demand, which could have a material adverse effect on the Company's business, financial position and results.

### **Subcontractors**

Green Landscaping hires from time to time subcontractors as a complement to their own staff. There is a risk that the Company's subcontractors will not deliver on time, which could lead to increased costs and lower profitability. There is also a risk of lacking quality in services performed by sub-contractors, which may adversely affect the Company's relationship with its customers. Furthermore, there is a risk that subcontractors fail to comply with laws and regulations that are applicable to the Company's business, which may lead to the Company being subject to sanctions, penalties and damage liabilities. deficiencies in service performance by current or future subcontractors' may adversely effect the Company's business, financial position and results.

### **Risks related to continued expansion through acquisitions**

Green Landscaping works on the basis of an active acquisition strategy and a large part of Green Landscaping's growth is also in the future expected to consist of both strategic and opportunistic acquisitions, inter alia in, order to expand the business and enter new markets. There is a risk that such a strategy will not have the desired effect. Risks can include difficulties in finding suitable target companies, or if found, that it is not possible to acquire the target company at favorable terms and conditions or at all. There may also be competitors with significant financial resources interested in the same target companies and the risk of such competition could increase in the event that the market is consolidated. Increased competition can also lead to increased costs compared to historical acquisitions. Future acquisitions of companies or businesses can entail both business and company-specific risks, such as misjudgment with respect to value and future prospects and unexpected costs due to unknown obligations. Also risks identified and taken into account prior to each acquisition can, however, be misjudged and have an adverse impact as regards to the value and prospects and cause unexpected costs or omissions in claims for sellers' fulfilment of contractual obligations. There is also a risk of costly or failed integration processes in conjunction with acquisitions. Failed integration in terms of lacking quality in an acquired company may affect the reputation of the whole Group. Any major future acquisitions may also reduce Green Landscaping's liquidity and result in dilutive effects for the Company's shareholders through the issuance of shares or related instruments as well as lead to raising of new loans. If Green Landscaping cannot control its growth in an effective way, this may affect the Company's competitiveness and lead to an adverse effect on the Company's business, financial position and results.

### **Weather and seasonal variation**

Green Landscaping's operations are to some extent dependent on weather and seasonal variations. For example, the Company may suffer from higher costs than estimated if the growing season begins and ends unusually early or late. In addition, hot and humid weather can cause green area maintenance costs to increase. Weather conditions and seasonal

variations that deviate from normal can thus have a negative impact on the Company's operations and results.

**Disruptions in the business due to work stoppage and strikes**

Green Landscaping is active in an industry where many employees are union affiliated and disputes between the social partners occur. The Company may therefore suffer from strikes or other disturbances in the business, or threat of strikes or disturbances in the business. If conflict measures, or threats of such measures, are taken, this could have a negative impact on Green Landscaping's brand, business, financial position and results.

**Financial targets in the Prospectus may deviate significantly from the Company's actual results**

The financial targets, that mainly are described in the section "*Business description*" – "*Financial targets*", constitutes the Company's expectations on medium to long term, including sales growth, EBITA-margin, capital structure and dividend policy. These financial targets are based on a number of assumptions that by their nature are associated with considerable commercial, operative, economic and other risks, that completely or partially may be outside of the Company's control. There is a risk that these assumptions change or not at all are met. Additionally, unforeseen events may significantly affect the Company's result regardless of whether the assumptions are correct or not. The Group's actual result may therefore deviate significantly from these targets and investors should not rely on them to an unjustifiable extent.

**A large part of the Group's assets consist of goodwill**

As a result of the Group's growth through acquisitions, intangible assets in the form of goodwill constitute a large part of the Group's total assets (per 31 December 2018 Green Landscaping reported goodwill in the amount of SEK 418,8 thousand in its balance sheet). Intangible assets arising from previous acquisitions are subject to impairment tests, which can result in higher impairment costs depending on the amount of goodwill reported as part of the transaction and how the acquired company performs in relation to expectations. Reporting impairments includes uncertainty as the Company must make forward-looking assumptions calculating the recoverable amount based inter alia on assumptions about future cash flows. A negative trend in the business activities may force the Company to report impairment equal to all or a part of the booked value and if impairment must be reported, this may have a material adverse effect on the Company's business, financial position and results.

**Liquidity risk**

Liquidity risk is defined as the risk of not being able to access liquid capital or credit to meet payment obligations, including interest payment. Shortage of liquidity to meet large payment obligations may affect the Company's business and financial position. If the Company's access to liquid capital degenerates, it may have an material adverse effect on the Company's business, financial position and results.

**Refinancing risk**

Refinancing risk refers to the risk that financing cannot be obtained or renewed on the expiry of its term, or can only be obtained or renewed at significantly increased costs. The Company primarily finances its operations through equity, raising of loans and the Group's own cash flow. There is a risk that additional capital cannot be obtained, or can only be obtained at unfavourable terms and conditions. Green Landscaping may in the future become in breach of financial covenants and other obligations in the credit and loan agreements that constitute grounds for termination due to the general economic climate or disturbances in the capital and / or credit markets. If the Company fails to obtain necessary financing in the future, or if financing only can be obtained to terms and conditions that are less favourable to the Company, it may have an adverse effect on the Company's business, financial position and results.

**Interest-rate risks**

Interest-rate risks is the risk that changes to market interest rates could affect the Group's net interest income negatively. The interest-rate risk is attributable to the development in current interest rates. The rate at which the changes in interest rate impacts the net interest income is dependent on the length of the fixed interest rate period of the loans. Negative changes in the interest rates for the Group may have an material adverse effect on the Group's business, financial position and results.

**Risks of accidents and claims for compensation**

Green Landscaping's business is subject to laws and regulations regarding safety and work environment and is exposed to the risks that are naturally occurring in the performance of the Company's services. This entails that the Group's employees must comply with strict safety regulations. If the Group, its employees, its subcontractors or other third parties, fails to comply with safety regulations, health and environmental standards, or in any other way fails in the performance of the Company's services, this can cause personal injury, death, damage to property and equipment, business interruption, and similar consequences which in turn can lead to bad publicity, claims for damages and, in extreme cases, criminal liability. These risks and other labour protection-, health- and safety risks entail responsibility exposures and bad publicity that may have an adverse effect on the Company's business, financial position and results.

**Violations of laws, regulations and standards**

Violations of laws, regulations, also including laws regarding corruption and illegal competition, contracts and standards can have long-term impact on Green Landscaping's trademark and its business, financial position and results. Green Landscaping's business is affected by a number of different laws and regulations concerning e.g. working conditions and environment and is subject to various industry standards and commitments. Non-compliance could lead to Green Landscaping being subject to major damage liability or being required to change its operations. Furthermore, additional requirements in the form of new laws, regulations and stand-

ards could increase Green Landscaping's costs, which could have an adverse effect on the Company's business, financial position and results.

#### **Data protection regulation**

The Company manage personal data during the course of its business and is therefore obligated to comply with applicable data protection regulations, amongst others the General Data Protection Regulation ("GDPR"), entered into force on 25 May 2018. The Company mainly manage personal data regarding its employees, but also in regard to its customers, suppliers, shareholders and job applicants. The data protection regulations are extensive and requires, inter alia, the Company to manage its personal data in a protected way and to understand, control and document how personal data is managed. There is a risk that the Company do not comply or will not comply with all requirements established by the data protection regulation, at any given time. If the Company manage personal data in violation with the GDPR, the Group may be subject to administrative sanctions up to 20 MEUR, or up to four percent of the Group's annual global revenue, and indemnity. In addition to these consequences the Company could, if violating applicable data protections regulations, become subject to both civil- and criminal proceedings, and be affected by negative publicity, which could have an material adverse effect on the Company's business, financial position and results.

#### **Disputes and legal proceedings**

Green Landscaping is active in an industry where disputes with both clients and subcontractors occur. The Group may therefore in the context of its continued operations from time be involved in disputes. Such disputes may, for example, imply payment and/or correction of work and other possible consequences in connection with deficiency in providing services. In addition, the Group may be subject to outstanding claims and other situations that may force the Group to take legal action. Such legal or administrative proceedings may turn out to be time consuming, disrupt the regular business and result in considerable costs and thereby have a material adverse effect on the Company's business, financial position and results.

#### **Product liability**

Within the Group, certain sales of green area products are carried out, such as fertilisers, liner paints, spreaders, vehicles and more. Sales of products imply a risk of product liability in case the Company's products cause injury to people or property and claims due to product liability could adversely affect the Company's operations, financial position and results.

#### **Insurance risks**

There is a risk that losses due to damages may arise and claims may be presented going beyond what is covered by current insurance coverage. Even if such a claim is fully covered by the Company's current insurance, the Group's

premiums to the insurance company may increase as a result of insurance claims. Such factors may have an adverse effect on the Company's business, financial position and results.

#### **Currency risks**

The Company's accounting and functional currency is SEK. The Company is planning an expansion to the Norwegian, Danish and/or Finnish markets, which may cause the Company to be exposed to risks from an accounting perspective, related to conversion of foreign subsidiaries' income statements and balance sheets in NOK in Norway, DKK in Denmark and/or EUR in Finland into SEK. Increases and decreases in the Swedish currency in relation to other currencies may thus affect the consolidated financial statements even if the value has not changed in the local currency. The Group has and will continue to enter into agreements that are subject to payment in currencies other than SEK. The Company is consequently subject to risks related to exchange rate fluctuations, such as when the exchange rate changes from the time a contract is entered into until payment under the contract is made. The costs of exchanging currencies may also be significant. The Group does not currently protect itself against risks associated with foreign exchange rates and these risks may, if they arise, have an adverse effect on the Company's business, financial position and results.

#### **The stage of completed contract accounting method may entail a reduction or return of previous incomes or profits**

The Company's incomes from different projects are reported according to the completed contract accounting method according to which the Company reports incomes and profits during the project time in proportion to the grade of completion for when the Group most likely will gain economic returns connected to the assignment and a reliable calculation can be done. There is a risk that estimated incomes and profits are reported with too high amounts and that the costs differ from previous estimates, which may result in adjustments to previously reported incomes and profits. Reductions or returns of incomes and profits already reported may have an adverse effect on the Company's financial position and results.

#### **Changed accounting regulation**

The Group's business is affected by the accounting principles applicable where the Group is operating, including for example IFRS and other international accounting regulations. This implies that the Group's accounting, financial reporting and internal control may be affected by and must be adopted to such accounting regulations in the future. This may entail uncertainty regarding the Group's accounting, financial reporting and internal control and may also affect the Company's net profit, balance sheet and equity, which may have an material adverse effect on the Company's business, financial position and results.

**Other tax related risks**

Green Landscaping conducts its business in accordance with current perception and interpretation of relevant tax legislation and tax treaties and other applicable rules. However, there is a risk that the relevant tax authority does not agree with the Group's perception and interpretation of relevant laws, tax treaties, regulations and tax authorities' precedence. The Company's current tax situation may therefore be negatively changed. Furthermore, the Group can be subject to reappraisal that may imply retroactive adjustments that may have a negative impact on Green Landscaping's previously estimated tax. This may have an adverse effect on the Company's business, financial position and results. It is not possible to predict whether the Company will be subject to any new or changed tax regulations, or if Green Landscaping's perception and interpretation of such new or changed regulations will be correct. Any failure in compliance may, inter alia, lead to the liability for additional taxes and/or fees, which may have an adverse effect on the Company's business, financial position and results.

**Changed tax regulation**

On 1 January 2019 new rules on interest deduction limitations entered into force. The rules imply in short that a company's deduction on net interest costs is limited to 30 percent of the company's taxable EBITDA. The part of the interest costs that is not deducted one fiscal year may be rolled forward maximum five fiscal years. A simplification rule has been established that gives a group the possibility to deduct an amount up to SEK 5 million in net interest costs without applying the EBITDA-rule. The definition of the term interest is stated in the legislation. Considering the current financing of the Group, the Company is aware of that the right to deduct negative net interest may be limited under the new rules, which may have an material adverse effect on the Company's business, financial position and results.

**Changed ownership structure may lead to limited possibilities to utilise tax losses**

The companies in the Group, including the businesses acquired under 2018, had by 31 December 2017 deferred tax assets in the amount of approximately SEK 103 million, of which approximately SEK 21.6 million refers to the Company. Tax legislation contains certain threshold regulations where changes in ownership in companies with deferred tax assets entail a risk that such losses cannot be fully utilised after certain ownership changes. The possibility to utilise deferred tax assets in the future may also be negatively impacted by changes in applicable legislation. Such limitations and changes could have an adverse effect on the Company's business, financial position and result.

**RISKS RELATED TO THE SHARES****The market price of the share**

An investment in the Company's share could both increase and decrease in value and there is a risk that investors will not be able to regain all or even parts of the invested capital. An investment in the Company should therefore be preceded by a thorough analysis of the Company, its competition and environment and general information about the industry. It is uncertain whether there will be active trading in the Company's shares. The exchange rate of the Company's share may inter alia be affected by the Company's progress, result and prospects, analysts and investors expectations and the perception from the stock market. The share price may also be affected by a number of external factors, such as the general economic situation, the state of the market, market interest rates, political uncertainty, market factors and other factors not related to the Company's business progress. The stock market in general may be subject to considerable price and volume fluctuations that often lack connection to, or be disproportional in relation to, the Company's progress, actual result and prospects. Additionally, the Company's progress, result and prospects may, from time to time, be lower than expected by analysts and investors and the perception by the stock market in general. These and other factors may cause fluctuation in the market price and demand for the Company's shares, which may limit or prevent investors from quickly selling their shares or in other ways have a negative effect on the liquidity of the Company's shares.

**Shareholders with significant influence**

Green Landscaping have some major shareholders. These shareholders have, through their shareholding, the possibility to influence issues that are subject to voting at the general meeting, for example issuing more shares or other financial instruments that may cause dilution for the shareholders, or disbursement of future dividend. These shareholders may also influence the Company's board of directors, senior management and business. Major shareholders also have the possibility to prevent or obstruct an acquisition of the Company through a public takeover if the offer as customary is conditioned by 90 percent acceptance. Furthermore, the major shareholder's interests may differ in whole or in part from other shareholders' interests.

**Existing shareholders' sales can affect the share price**

Future sales of large lots of the Company's shares, in particular sales made by the Company's directors, senior management or major shareholders, may have an adverse effect on the share price. Also, sales of large quantities of the Company's shares, or the perception that such sales may occur, may lead to a decrease in the price of the Company's shares.

**Issues of new shares or related instruments may lead to dilution of holdings of shares and affect the market price of the Company's shares**

Green Landscaping may need additional capital to finance the continuing operations or to make additional investments or acquisitions. Such financing may be obtained through issues of new shares, warrants, other share related instruments or convertible bonds, which could lead to dilution of the existing shareholders shares in the Company. There is also a risk that the Company is not able to obtain additional financing on reasonable terms. If the Company do not obtain financing on reasonable terms or if dilution occurs, it may have a material adverse effect on the share market price at any time.

**Differences in currency exchange rates may materially and adversely affect the value of shareholdings or dividends**

The share price will be quoted in SEK only, and any dividends will be paid in SEK. As a result, shareholders resident outside Sweden may experience material adverse effects on the value of their shareholdings and dividends when converted into other currencies if the Swedish krona decreases in value compared to the relevant currency.

**Future dividends**

Dividends are resolved upon by the general meeting and proposed by the board of directors. Any future dividends and the size of such dividends are dependent on a number of factors, such as the Company's future results, financial position, cash flows, needs of working capital and investment,

including financing of acquisition opportunities. The terms of current and future credit agreements may also hinder or prevent that dividend is paid. There is a risk that the Company's shareholders will not resolve on dividends in the future or that the Company will not have enough distributable funds. In addition, the Company's ability to make dividends, being a company whose main assets consist of shares in underlying subsidiaries, is also dependent on payments and dividends from subsidiaries being made, as this represents the Company's cash flow. In the event dividends are not resolved upon, any return to the shareholders is dependent on the positive development of the share price.

**Shareholder in the US or other countries outside Sweden may be excluded from potential future rights issues**

If the Company issues shares in a cash issue, shareholders have a pre-emptive right to shares in relation to the number of shares possessed prior to the rights issue. Shareholders in certain countries may be subject to restrictions that would prevent them from participating in such rights issue, or that would hinder or restrict their participation in some other way. Shareholders in the US, for example, are not permitted to exercise their rights to subscribe for new shares or pre-emptive rights unless registration documents exist in accordance with the Securities Act and if an exemption can be applied from the registration requirements stated in the Securities Act. Shareholders in other jurisdictions outside Sweden may be similarly affected if the subscription rights or the new shares are not registered or approved by the competent authority in these jurisdictions. The Company has no obligation to apply for registration in accordance with the Securities Act or to apply for equivalent approval in accordance with legislation in any other jurisdiction outside Sweden regarding pre-emptive rights and shares, and to do this in the future may be impractical and expensive. To the extent that the Company's shareholders in jurisdictions outside Sweden are not able to exercise their rights to subscribe to new shares in future preferential rights issues, their proportional interests in the Company will be reduced.

# BACKGROUND AND REASONS

## **Change in listing**

Green Landscaping considers itself to be a leading provider of services in the Swedish market for the maintenance of outdoor environments. The primary operations comprise a complete range of maintenance services, such as grounds maintenance, landscaping, sports grounds maintenance and arborist services. Green Landscaping is active in all parts of Sweden with a focus on the metropolitan regions.

The Company began its operations in the spring of 2009 through a consolidation of four existing companies, which together formed the new corporate group Green Landscaping. Since then, the Company has conducted eleven more acquisitions and achieved total operating income pro forma of SEK 1,920.4 million in 2018, including full year sales from the acquired company Svensk Marservice. In 2015, Johan Nordström took office as the CEO of Green Landscaping. The Company has since established a platform for profitable growth through the implementation of multiple operational efficiency enhancements and efficient management processes. These have also contributed to an increase in the Company's margins. The Company intends to expand the Group through both organic growth and acquisitions, and has established a structured acquisition strategy for the upcoming years.

Since 23 March 2018, Green Landscaping's share is traded on the alternative marketplace (MTF) Nasdaq First North. The board of directors' assesses that the forthcoming change of marketplace to the regulated market Nasdaq Stockholm will contribute in giving the Company access to Swedish and international capital markets. More sources of financing will thereby be made available to be able to support Green Landscaping's acquisition strategy and support the Company's ambition to play a central role in the on-going consolidation of the outdoor environment industry.

Overall, the board of Green Landscaping consider the listing of the Company's shares on Nasdaq Stockholm to be a logical and important step in the Company's development and will in the long term increase the awareness of the Company and strengthen its trademark. In light of this, the board of Green Landscaping has applied for listing of the Company's shares on Nasdaq Stockholm Main Market, and on 11 April 2019 Nasdaq Stockholm's Listing Committee decided to admit the shares to trading on customary terms, including that a prospectus is published before the first day of trading. Trading in the Company's shares on Nasdaq Stockholm is expected to commence around 16 April 2019.

For more information please refer to the statements in the Prospectus at hand.

*The board of directors of Green Landscaping is solely responsible for the content of the Prospectus. The board hereby assures that all reasonable cautionary measures have been observed to ensure that the information provided in this Prospectus, insofar as the board is aware, agrees with the actual circumstances and no omissions have been made regarding anything that could alter its meaning.*

Stockholm, 12 April 2019

**Green Landscaping Holding AB (publ)**

*Board of directors*

# MARKET OVERVIEW

The Prospectus contains certain information about the market and sector in which the Group operates and its position in relation to its competitors, which may be based on third party information, as well as on the Company's own estimates based on third party information. Among other things, such third party information consists of a market report produced by Strategy&, an external strategic consulting department within PwC, on the Company's behalf in 2017<sup>1)</sup>. The Company has accurately reproduced such third party information and as far as the Board of Directors of the Company is aware and can ascertain by comparison with other information published by the third party from whom the information was obtained, no facts have been omitted in a way that would render the reproduced information inaccurate or misleading. However, the Company has not independently verified the accuracy or completeness of any third party information, and the Company cannot therefore guarantee its accuracy or completeness.

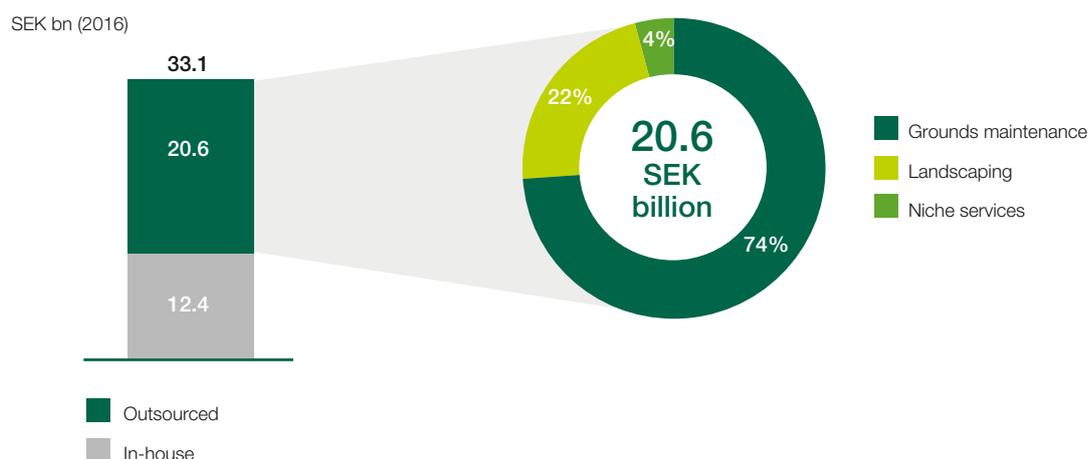
## THE MARKET IN BRIEF

Green Landscaping operates in the Swedish market for maintenance of outdoor environments for companies and the public sector. The market is described here as comprising three areas: gardening, landscaping and specialist services. In 2016, the total market in Sweden was estimated at SEK 33.1 billion. Of the total market, SEK 20.6 billion (62 percent) was outsourced to external suppliers. The market is fragmented and contains about 6,300 companies,<sup>1)</sup> of which the Company views some two or three as competitors at the national level and some four or five as such at the regional level. The market is characterized by long-term contracts in both the private and public sectors. Over time, the market has been non-cyclical, remaining stable in times of recession.

## Addressable market

The outsourced segment of the market represents Green Landscaping's addressable market. Of the addressable market, gardening represented 74 percent, landscaping 22 percent and specialist services 4 percent in 2016. The addressable market is expected to have average annual growth ("CAGR") of 4.7 percent in 2017-2020<sup>1)</sup> Over the same period, the metropolitan areas, in which Green Landscaping operates, are expected to show a CAGR of approximately 6-7 percent<sup>1)</sup> Favourable demographic trends represent a major driving force behind the anticipated positive development in the market.

## SWEDISH MARKET (2016, SEK BILLION)<sup>1)</sup>



1) Strategy& – 2017 Market Report.

MARKET AREAS

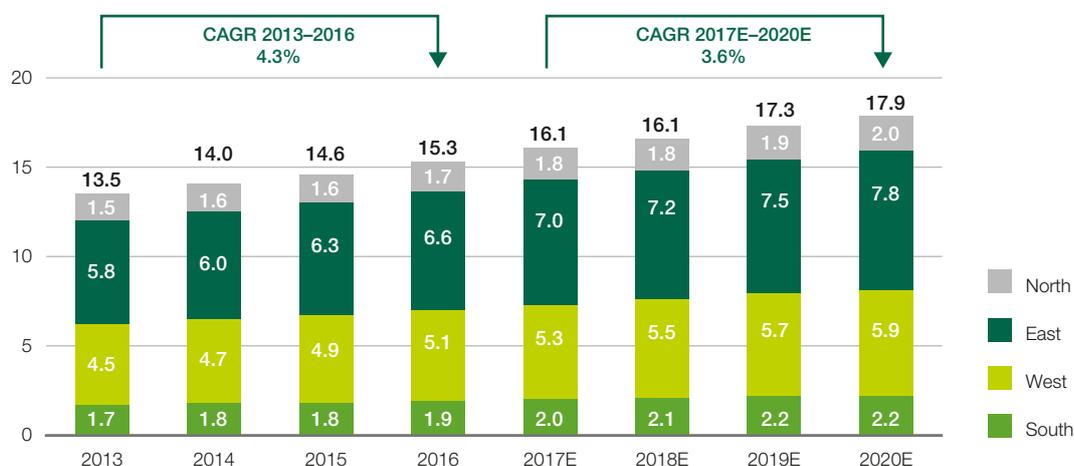


**Gardening**

Gardening consists of maintenance services for land and green areas throughout the seasons. Common services include lawn mowing, weeding, clean-up, renovation, planting, snow removal, as well as minor landscaping and construction work, mainly related to the gardens and outdoor areas being maintained. The market area is characterized by long-term contracts stretching over several years. Gardening has traditionally been performed by municipalities, while companies have engaged external suppliers to be able to focus on the Company's core operations. In 2016, an average of 60percent of this segment was outsourced, and this is expected to hold at similar levels in the future.<sup>1)</sup>

The total scope of the gardening market was estimated at SEK 15.3 billion in 2016 – 74 percent of the total addressable market.<sup>1)</sup> CAGR in the market area is expected to reach 3.6 percent in 2017-2020, while in Stockholm, Gothenburg and Malmö, CAGR is forecast to reach 6.6 percent, 6.1 percent and 6.1 percent respectively over the same period.<sup>1)</sup> In the long term, growth is expected to derive from growth in the metropolitan regions, driven by favourable underlying demographic trends, resulting in increased demand and thus greater wear and tear on existing outdoor environments.<sup>1)</sup>

**ADDRESSABLE MARKET FOR GARDENING BY REGION (2013–2020E, SEK BILLION)**



Source: Strategy& – 2017 Market Report.

1) Strategy& – 2017 Market Report.

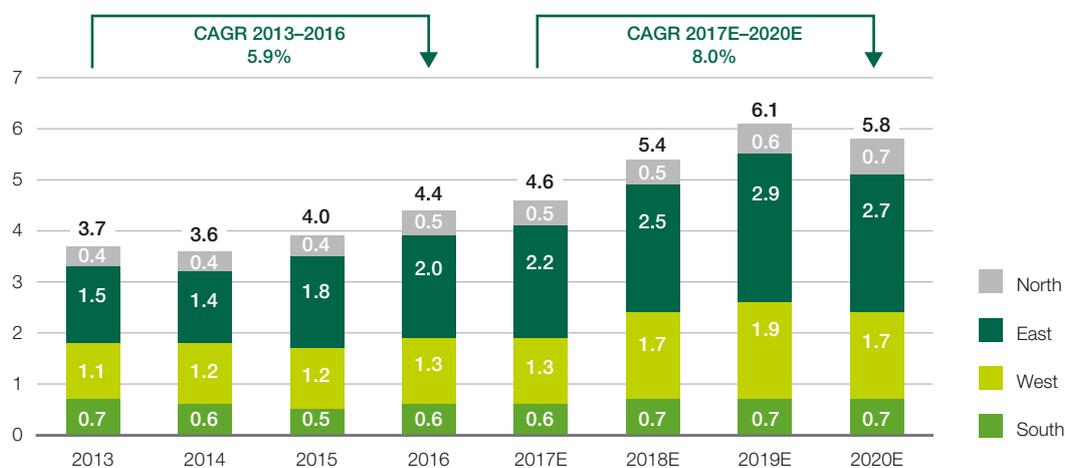


**Landscaping**

Landscaping consists of services for the creation of new gardens and outdoor environments. The landscaping market area is usually limited to work carried out down to a depth of one metre. Common services in the area include planning, earth removal, drainage, surface planning, design and lighting, renovation of parks and green areas, as well as the installation of playgrounds and outdoor gyms. The landscaping market area is characterized by fixed contracts for smaller projects, such as the installation of lighting in a park. The landscaping market area consists of small-scale and local contractors and other local actors.<sup>1)</sup> In 2016, an average of 97 percent of this segment was outsourced, and this is expected to hold at similar levels in the future.<sup>1)</sup>

The total scope of the landscaping market was estimated at SEK 4.4 billion in 2016 – 21 percent of the total addressable market.<sup>1)</sup> CAGR in the market area is expected to reach 8.0 percent in 2017-2020, while in Stockholm, Gothenburg and Malmö, CAGR is forecast to reach 9.6 percent, 10.6 percent and 7.5 percent respectively over the same period.<sup>1)</sup> Growth is primarily expected to be driven by higher quality and safety requirements, combined with increased housing construction. New housing construction often takes place alongside new construction of outdoor environments such as parks, playgrounds and outdoor gyms. Stricter quality and safety requirements are also expected to increase the demand for renovation of playgrounds and outdoor gyms in the future. The landscaping market area is expected to grow up until 2019, followed by a slowdown in the rate of growth.<sup>1)</sup>

**ADDRESSABLE MARKET FOR LANDSCAPING BY REGION (2013–2020E, SEK BILLION)**



Source: Strategy& – 2017 Market Report.

1) Strategy& – 2017 Market Report.

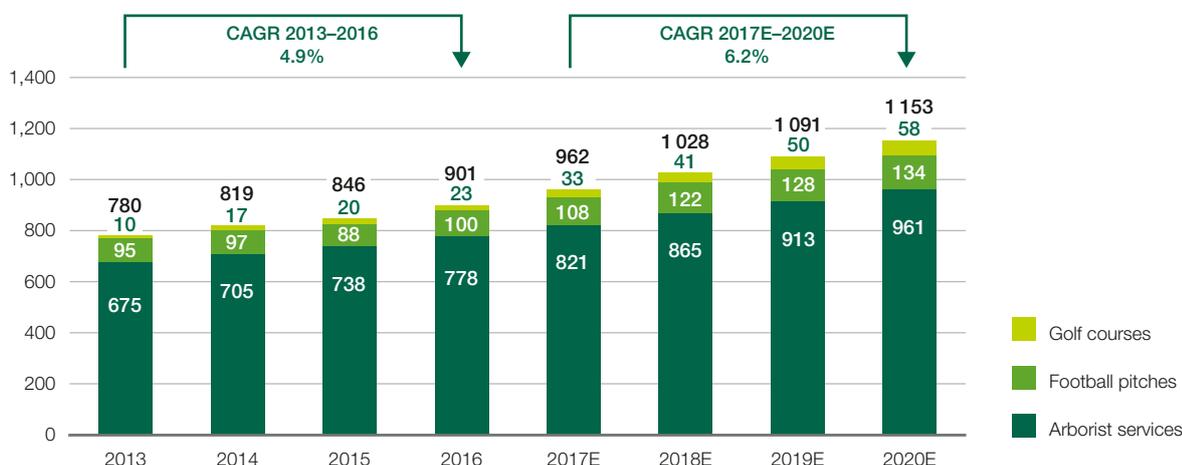


**Specialist services**

Specialist services consists of services in which Green Landscaping currently operates, including sports and leisure facilities, as well as arboriculture and forestry. Specialist services generally require greater skills and training than gardening and landscaping do. Common services include pruning and cutting of trees, as well as grounds care for soccer pitches and golf courses. The proportion of services outsourced varies considerably, with sports and leisure facilities having 57 percent outsources, while arboriculture and forestry have an 8 percent share.<sup>1)</sup> The market area is dominated by specialist companies focusing on alternative service

areas. The specialist services market area includes a mix of both long-term contracts and fixed price projects. Framework agreements are often used for services such as tree pruning while fixed project contracts apply in the construction soccer pitches, for example. In 2016, an average of about 30 percent of the market area was outsourced and this is expected to increase in the future.<sup>1)</sup> The total scope of the specialist services market was estimated at SEK 0.9 billion in 2016 – 4 percent of the total addressable market.<sup>1)</sup> CAGR in the market area is expected to reach 6.2 percent in 2017–2020.<sup>1)</sup>

**ADDRESSABLE MARKET FOR SPECIALIST SERVICES BY AREA (2013–2020E, SEK BILLION)**



Source: Strategy& – 2017 Market Report.

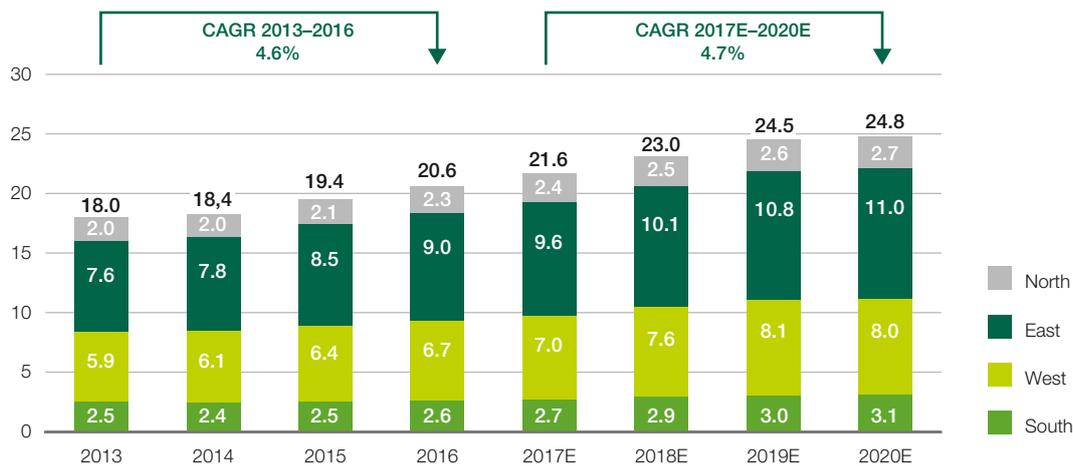
1) Strategy& – 2017 Market Report.

**MARKET BROKEN DOWN BY REGION**

The market for maintenance of outdoor environments in Sweden has been divided into the regions East, South, West and North. All regions have similar characteristics, with the major differences being observed between the smaller towns and cities and the metropolitan regions.<sup>1)</sup> Historically, Sweden's metropolitan municipalities have had a higher rate

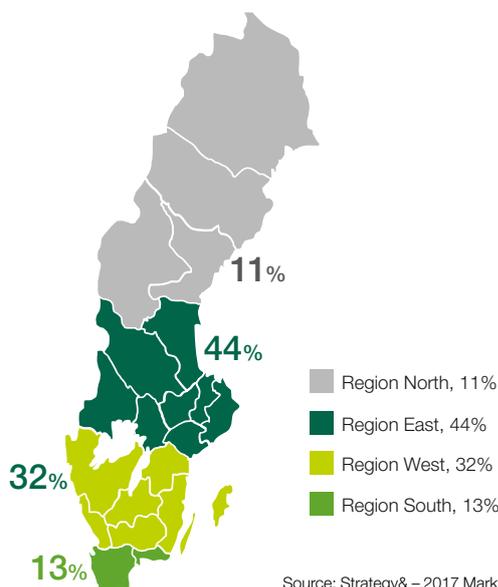
of growth than their surrounding regions, and this is expected to continue in the future. Price levels vary according to region, and generally the price level is 10 percent higher than the national average in the metropolitan regions, while the price level in northern Sweden is 5 percent lower than the national average. Combined, the regions East, South and West account for 89 percent of the total market.<sup>1)</sup>

**ADDRESSABLE MARKET BY REGION (2013–2020E, SEK BILLION)**



Source: Strategy& – 2017 Market Report.

**MARKET SHARE BY REGION**



Source: Strategy& – 2017 Market Report.

**Region East**

Region East includes the following counties: Stockholm, Uppsala, Södermanland, Västmanland, Gävleborg, Dalarna, Örebro and Värmland. Region East accounted for 44 percent of the addressable market in 2016. Within Region East, Green Landscaping operates in Stockholm, Bro, Vallentuna, Norrtälje and Södertälje. The region had a CAGR of 6.0 percent in 2013–2016 and is expected to show a CAGR of 5.1 percent in 2016–2020. The gardening and landscaping market areas are expected to show a CAGR of 4.2 percent

and 7.7 percent respectively in 2016–2020. Price levels in the Region East are 5 percent higher than the average in Sweden.<sup>1)</sup>

**Region West**

Region West includes the following counties: Västra Götaland, Halland, Jönköping, Kronoberg, Östergötland, Kalmar and Gotland. Region West accounted for 32 percent of the addressable market in 2016. Within Region West, Green Landscaping operates in Gothenburg, Sjuhäradsbygden, Borås, Ulricehamn, Linköping, Alingsås, Strömstad, Trollhättan and Tranemo. The region had a CAGR of 4.2 percent in 2013–2016 and is expected to show a CAGR of 4.6 percent in 2016–2020. The gardening and landscaping market areas are expected to show a CAGR of 4.0 percent and 6.5 percent respectively in 2016–2020. Price levels in Region West are at the same level as the average in Sweden.<sup>1)</sup>

**Region South**

Region South includes the counties of Skåne and Blekinge. Region South accounted for 13 percent of the addressable market in 2016. Within Region South, Green Landscaping operates in Malmö, Lund, Vellinge, Staffanstorps, Halmstad, Ystad, Varberg and Helsingborg. The region had a CAGR of 1.6 percent in 2013–2016 and is expected to show a CAGR of 4.2 percent in 2016–2020. The gardening and landscaping market areas are expected to show a CAGR of 3.9 percent and 4.5 percent respectively in 2016–2020. Price levels in Region South are at the same level as the average in Sweden.<sup>1)</sup>

1) Strategy& – 2017 Market Report.

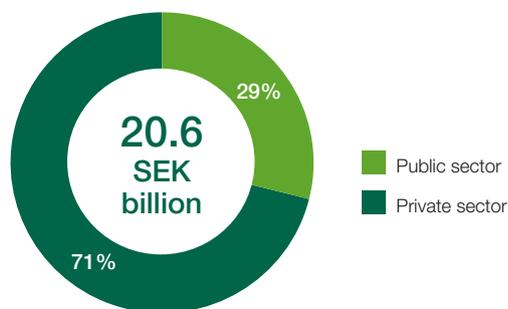
**Region North**

Region North includes the counties of Norrbotten, Västerbotten, Västernorrland and Jämtland. Region North accounted for 13 percent of the addressable market in 2016. Within Region North, Green Landscaping operates in Umeå, Härnösand, Skellefteå, Sundsvall and Örnsköldsvik. The region had a CAGR of 4.4 percent in 2013-2016 and is expected to show a CAGR of 4.6 percent in 2016-2020. The gardening and landscaping market areas are expected to show a CAGR of 3.9 percent and 6.7 percent respectively in 2016-2020. Price levels in the Region North are 5 percent lower than the average in Sweden.<sup>1)</sup>

**CUSTOMER CATEGORIES**

Customers in the market include companies and the public sector. Customers offering major contracts often impose specific essential requirements on companies, providing maintenance of outdoor environments and employ structured procurement processes, creating entry barriers for the smaller companies in the market. These may include requirements for large-scale operations, certifications, financial strength, a wide range of services, language skills, quality assurance, references from earlier projects, as well as the company's capacity to handle a variety of contracts with the same customer. Contract values in the public sector are higher on average than in the private sector.

**PRIVATE AND PUBLIC SECTOR SHARES OF THE ADDRESSABLE MARKET IN SWEDEN IN 2016**



Source: Strategy& – 2017 Market Report.

**Private sector**

The addressable market in the private sector was estimated at SEK 14.6 billion in 2016.<sup>1)</sup> Common customers in the private sector are larger companies that own industrial or commercial properties, sports facilities or tenant-owner housing associations. In the private sector, procurement processes can either be open or closed. Private sector companies focus more on price than the public sector does.<sup>1)</sup>

In the private sector, contracts are usually for one year at a time and are automatic renewed if both parties are satisfied. In the private sector, the proportion of recurring contracts is higher than in the public sector due to the fact that companies often have a relationship with the supplier and because companies can choose to extend the contract without requiring a new bidding process. The mean value of contracts in the private sector is on average lower than in the public sector and shows considerable variation.<sup>1)</sup>

**Public sector**

The addressable market in the public sector was estimated at SEK 6 billion in 2016.<sup>1)</sup> Common customers in the public sector are municipal housing companies and municipal properties, county councils, the Swedish Transport Administration, hospitals, schools and homes for the elderly. Examples of areas of work in the public sector include gardening and detailed planning in parks and green spaces adjacent to residential areas, for example. Services in arboriculture and forestry can also be offered in the form of, for example, tree pruning in parks and along roads and other municipal infrastructure. About 1 percent of a municipality's total annual budget is spent on the maintenance of outdoor environments. The municipal sector generally focuses more on quality and flexibility than price.<sup>1)</sup>

Public sector contracts are generally broader, larger-scale and apply over longer periods. The average value of public sector contracts is around SEK 10–15 million per year. In the public sector, it is common for contracts to extend over three years with an option for an extension, one year at a time, for at most two additional years. The proportion of recurring contracts is lower in the public sector than in the private sector, since contracts are subject to renewed procurement on expiry. Public sector contracts generally exceed SEK 587,000, requiring public procurement under the "Public Procurement Act" (2016:1145) ("LOU") entailing prerequisite requirements and procurement skills.<sup>1)</sup>

**Increased ambitions from municipalities**

A number of municipalities in Sweden have as a target that residents should have green areas at most 300 meters from their homes, driving increased investment in new green areas.<sup>1)</sup> The Company believes that the municipalities will continue to invest in green areas when creating a differentiated cityscape, offering outdoor experiences for city dwellers, reducing the harmful effect of air pollution and providing social meeting places.<sup>2)</sup> Residential areas with green areas are more attracted and this is also reflected in housing prices. Demand has also been growing for advanced playgrounds, outdoor gyms, planters and artificial turf pitches, driving municipal initiatives in this area.<sup>1)</sup>

1) Strategy& – 2017 Market Report.  
 2) Public Health Agency of Sweden

### Increased expenditure on green areas

Municipal spending on green areas showed CAGR of 4.6 percent annually in 2007-2015. The cost index for maintenance of outdoor environments is expected to show a CAGR of 1.6 percent in 2016-2020.<sup>1)</sup> Green areas are highly valued by the public and a reduction in maintenance would quickly become apparent to the people who spend time in these areas, with the risk of incurring negative criticism. For municipalities, gardens are also an important factor in attracting new residents.<sup>2)</sup>

### Urbanization

Sweden is currently one of the countries in Europe with the fastest growing population. In January 2017, Sweden's population passed 10 million inhabitants and by 2025 the population is expected to be 11 million.<sup>3)</sup> In 2018, 40 percent of the country's population resided in Stockholm, Gothenburg or Malmö.<sup>2)</sup> These cities had an average annual population growth rate of 1.6 percent in 2010-2016, compared with 1.0 percent for the whole country over the same period.<sup>3)</sup> Urbanization in Sweden is expected to reach about 90 percent by 2050.<sup>4)</sup> Population growth and increasing urbanization are contributing to greater demand for accessible outdoor environments. The rapidly growing population is also contributing to increased wear and tear on existing parks and outdoor environments, further increasing maintenance needs.

### Active lifestyles increase expectations on urban environments

Green areas are often a high priority among residents and are subject to strong demand in urban environments. Several studies describe the positive health effects of green areas, including reduced stress and encouragement to exercise. Parks, green areas and other natural areas close to where we live are of great importance to opportunities for outdoor physical activity. When children spend a lot of time in green areas, their ability to concentrate is affected positively, they

are more active and stay healthier. A sedentary lifestyle can lead to poor mental health, increased risk of cardiovascular disease and obesity.<sup>4)</sup>

In Sweden, residents have high expectations of green areas and it has grown increasingly important to be able to perform outdoor activities in towns and cities without having to travel substantial distances. According to a survey, approximately 60 percent of the Swedish population is willing to pay more for accommodation to have green areas nearby.<sup>5)</sup>

### Increased demand for security

There is increasing demand for safer outdoor environments where citizens want proper lighting, for example, to feel safer and to reduce the risk of injury during exercise after dusk. Municipalities have also begun to impose stricter demands on playgrounds being safer and meeting specific criteria.<sup>2)</sup>

### Robust and non-cyclical market

Municipalities' spending on park maintenance has had a CAGR of 4.6 percent in 2007-2015. Over time, the market for maintenance of outdoor environments has proven non-cyclical and, in periods of declining GDP, the market has remained stable.<sup>4)</sup> A contract-based market is one of the reasons for this, although neither companies nor municipalities stop maintaining outdoor environments during periods of recession. Public sector contracts have an average duration of three years with an option for an extension of one year at a time for at most two additional years.<sup>4)</sup> The Company is observing similar contract lengths in the private sector. However, contracts are more frequently extended in the private sector, with the effect that customer relationships there are often longer than individual contract periods. In the future, average contract lengths are expected to increase further in both the private and public sectors, which may help improve stability, although the market will offer fewer opportunities to secure new contracts.

1) Strategy& – 2017 Market Report.

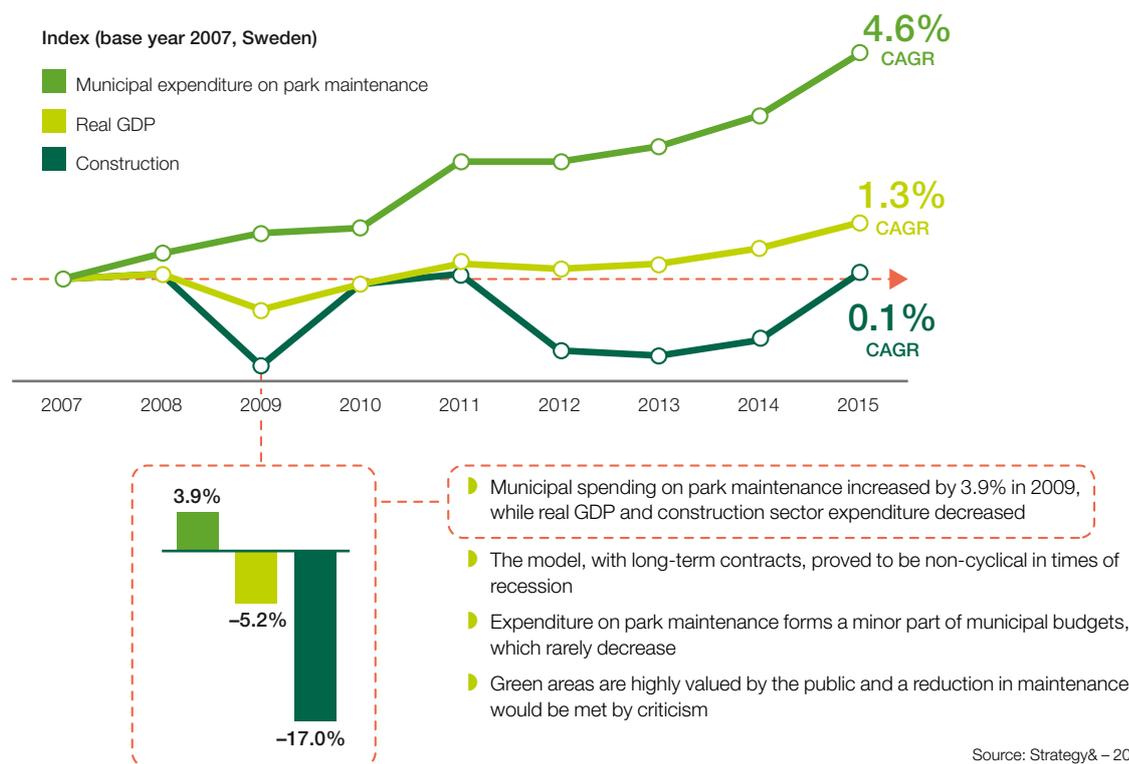
2) The company's own assessment.

3) Statistics Sweden.

4) Husqvarna Global Garden Report 2012.

5) Public Health Agency of Sweden – Grönområden för fler (Green areas for more people), 2009.

DEVELOPMENT OF MUNICIPAL EXPENSES FOR PARK MANAGEMENT COMPARED WITH GDP AND CONSTRUCTION



Source: Strategy& – 2017 Market Report.

ENTRY BARRIERS

For larger contracts in the outdoor environment maintenance market, several factors cause relatively high entry barriers for small and medium-sized players. Examples of such factors are described below.

Stricter requirements for larger contracts

The barriers to entry in the market can be said to increase with the scope of the procurement, since the requirements set in connection with larger procurements are normally also more extensive. The tender process is regulated through the Swedish Public Procurement Act (LOU) and an agreement with a contract value exceeding approximately SEK 587 thousand should, as a rule, be preceded by an advertised procedure and competitive tendering. Prerequisite knowledge and expertise in procurement are of great importance in participating successfully in public procurement.

The increased complexity and administrative burden of participating in public procurement, compared with private bidding processes, poses a greater challenge for smaller companies lacking the economies of scale or the procurement expertise that the major players normally have, entailing advantages for the larger players. Smaller players often lack the knowledge of public procurement necessary, entailing an increased risk of mistakes, which leads to them failing to qualify to a greater extent and their tenders being rejected. The requirements set in connection with public procurement procedures are usually extensive and detailed and may include quality certifications such as ISO, experience of similar assignments, bidders not having unpaid taxes or social security contributions, bidders not being convicted of certain types of crimes, documented staff training, Swedish language skills, financial stability, safety requirements, environmental requirements and review, etc.

**Industry regulations for property management contracting**

Typically, the sector’s own body of regulations, “General Provisions for Property Management and Service Contracts” is applied in procurement.<sup>1)</sup> These regulations are adapted for recurring services, such as operation, maintenance and service, requiring contract-specific documents detailing the specific contract. Often, a detailed description of the scope of the contract is required regarding the execution, materials, personnel, communication and documentation for the contract, as well as a schedule and the supplier’s organization and previous references. In connection with public procurement procedures, there is an increased administrative burden in the form of the “procurement-specific” requirements set in accordance with LOU. This requires bidders participating in public procurement procedures not only needing to understand and follow the regulations applicable to the industry but also to relate to the requirements set by the procuring authorities in accordance with LOU.

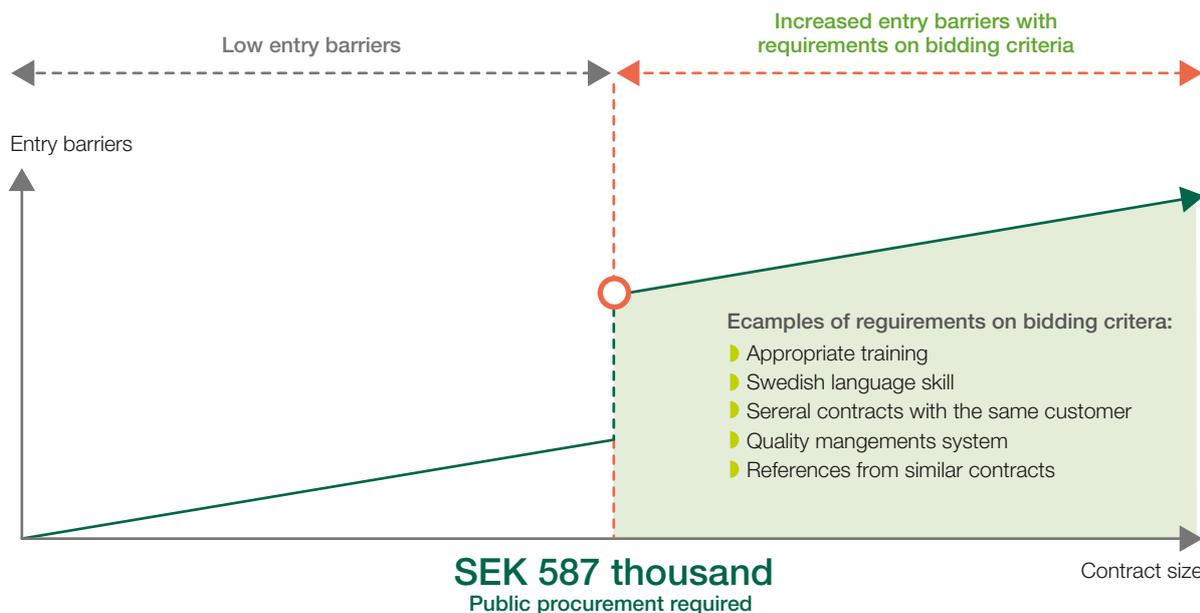
**Economies of scale**

In the Company’s assessment, larger companies, such as Green Landscaping, enjoy economies of scale and can compete with a broader range of services and lower prices compared with many smaller competitors. Generally, larger companies can offer lower prices as they often have better purchasing conditions and cost-effectiveness, and can use available machines and staff for multiple workplaces. Larger companies can also be assumed to be more reliable in terms of contractual delivery as they have a more flexible organization and greater financial resources, increasing their capacity to address unforeseen events.

**Broader service offering**

In Green Landscaping’s perception, the market is seeking a broader range of services, which can be adapted to several areas of operations and the prevailing season. To maintain an organization with a complete service offering, skills are needed within each area – this takes a long time to achieve and is costly.

**STRUCTURAL ENTRY BARRIERS IN THE BIDDING PROCESS (INDICATIVE)**



Source: Strategy& – 2017 Market Report.

1) Aff – Forum for management and service, 2017.

**MARKET PLAYERS**

The players in the Swedish market can be divided into the following categories: pure-play providers, construction companies, cooperatives, property management companies and niche companies. Most of the major players operate at the national level and in all of Green Landscaping’s regions, while most of the smaller players operate at local level.

**Competition overview**

Type (Indicative market share)	Examples of companies	Focus area		
		Gardening	Detailed planning	Niche services
<b>Full-service companies</b> (~50%)	 HTE Produktion    BITE	●	●	●
<b>Construction companies</b> (~35%)	Svevia    Skanska NCC    PEAB	●	●	●
<b>Cooperatives</b> (~5%)	Farmartjänst MR (Sveriges maskinringar – a nationwide network of equipment providers/operators)	●	●	●
<b>Property management companies</b> (~5%)	Coor Service Management Alliance	●	●	●
<b>Specialist companies</b> (~5%)	 	●	●	●

Companies’ segment focus:    Core focus ●    Presence ●    No presence ●

Source: Strategy& – 2017 Market Report.

**Fragmented market with many smaller players**

Green Landscaping competes in a fragmented market that includes both major national players, as well as smaller local players. The Swedish market involves some 6,300 companies. The ten largest companies in the market have a combined market share of 30-35 percent.<sup>1)</sup> The smaller companies often work as subcontractors for larger companies. The management of Green Landscaping believes there to be scope for consolidation in the Swedish market. The other Nordic countries share several similarities with Sweden, with the larger companies holding a limited share of the market and there being many small and medium-sized players. This allows for consolidation in the Nordic market, with scope for players seeking to grow through acquisition.

**ESTIMATED FRAGMENTATION IN THE SWEDISH MARKET**

Sales	Number of companies	Market share
Sole trader	~5,000	10–15%
<10 SEK million	~1,200	20–25%
10-100 SEK million	~100	25–30%
>100 SEK million	~10	30–35%
<b>Total</b>	<b>~6,300</b>	<b>100%</b>

Source: Strategy& – 2017 Market Report.

1) Strategy& – 2017 Market Report.

### Pure-play providers

There are a small number of pure-play providers in the market who are able to present customers a comprehensive offer. In addition to Green Landscaping, other pure-play gardening companies include HTE Produktion and BITE. The pure-play providers hold a market share of about 50 percent.<sup>1)</sup>

### Construction companies

The construction companies' principal focus is on infrastructure and construction projects in which they can utilize their technical skills in heavier contracting but also have a limited presence in gardening and landscaping. Construction companies active in the market include Peab, Skanska, NCC and Svevia. The construction companies hold a market share of about 35 percent.<sup>1)</sup>

### Cooperatives

Cooperative organizations include a large number of companies. Their principal strength is that they are large-scale players with capacity to utilize available equipment depots. Two examples of cooperatives active in the market are Farmartjänst and MR (Sveriges maskinringar). The cooperatives in the Swedish market are primarily active in gardening and landscaping. The cooperatives hold a market share of about 5 percent.<sup>1)</sup>

### Property management companies

Property management companies have a limited presence in the market and pursue more opportunistic gardening activities. Two examples of property management companies active in the Swedish market are Coor Service Management and Alliance. Property management companies hold a market share of about 5 percent.<sup>1)</sup>

### Specialist companies

The specialist companies in the market are small in size and focus on specific areas where they are able to offer specialist services and to pursue more opportunistic activities. Two examples of specialist companies that are active in the Swedish market are Jacksons Trädvård AB ("**Jacksons Trädvård**") and GML Sport AB ("**GML Sport**"). The specialist companies hold a market share of about 5 percent.<sup>1)</sup>



1) Strategy& – 2017 Market Report.



Country	Market size (SEK)	Largest players			Market share
Denmark	SEK 12–14 billion	MALMOS Landskaber	OK Nygaard	HD Hede Denmark	~11%
Norway	SEK 10–12 billion	STEEN & LUND	Braathen Landskapsentreprenør AS	Vaktmester Kompaniet	~9%
Finland	SEK 8–10 billion	JÄÄMESTARIT	TIELUISKA		~4%

Source: Strategy& – 2017 Market Report

### OTHER PARTS OF THE NORDIC MARKET

The addressable market for maintenance of outdoor environments in the rest of the Nordic countries was estimated at SEK 30-36 billion in 2016.<sup>1)</sup> The markets in the other Nordic countries share many similarities with the Swedish market, including culture, maturity, municipal procurement, fragmentation and preferences.<sup>2)</sup>

#### Danish market

The total size of the addressable market in Denmark was estimated at SEK 12-14 billion in 2016.<sup>1)</sup> Denmark has a milder climate, meaning that municipalities and companies alike spend more per capita on maintaining outdoor environments compared with Norway and Finland. The market is expected to show a CAGR of 5-6 percent for 2016–2020, driven by an increased focus on quality. Price levels are 10 percent higher than in Sweden due to there being less of a focus on price and increased interest in partnership agreements, leading to higher profitability in the market compared with Sweden.<sup>1)</sup> The Danish market has reached a certain degree of maturity and has a high proportion of outsourced services in both the private and municipal sectors. The Danish market has only a few larger players and these operate in several market areas. The three largest players in the market hold a market share of about 11 percent. In addition to the major players, there are a large number of companies in the market that have annual sales of SEK 50–100 million. The province of Zealand and the Copenhagen area share considerable similarities with the Stockholm area, with a high proportion of new construction, high housing prices and high demand for attractive outdoor environments.<sup>1)</sup>

#### The market in Norway

The total size of the addressable market in Norway was estimated at SEK 10–12 billion in 2016.<sup>1)</sup> The market is expected to show a CAGR of 4–5 percent in 2016–2020, driven by new construction. Price levels in the market are higher than in Sweden due to the fact that service companies can demand higher compensation for skilled labour, contributing to higher profitability in the market compared with Sweden.<sup>1)</sup> The Norwegian market has reached a certain degree of maturity and has a slightly smaller proportion of outsourced services than the Swedish market. Like Denmark, there are fewer municipal sector properties in Norway than in Sweden and, accordingly, the private sector is of considerable importance. The municipal sector in Norway is characterized by a large number of smaller municipalities, which makes it difficult for them to build up specialist expertise to operate maintenance of outdoor under their own auspices. The market has undergone consolidation in recent years but remains fragmented, with only a few companies with annual sales exceeding SEK 100 million. The 20 largest companies have higher average EBITDA margins and sales growth than in Sweden. The three largest players in the market hold a market share of about 9 percent. To participate in contract procurement, companies must acquire a special service license available only if the company complies with specific criteria, such as working conditions for temporary workers.<sup>1)</sup>

1) Strategy& – 2017 Market Report.

2) The company's own assessment.



### **Finnish market**

The total size of the addressable market in Finland was estimated at SEK 8-10 billion in 2016.<sup>1)</sup> The market is expected to show a CAGR of 2-3 percent in 2016-2020. The weaker growth in the Finnish market is attributable to a lower level of new construction, resulting from weak population growth. Price levels are about 10 percent lower than in Sweden due to lower wages.<sup>1)</sup> In Finland, a larger share of private companies outsource and a smaller share of municipalities outsource compared with Sweden. In the future, the Helsinki area is expected to be the fastest-growing region,

driven by construction and higher demand for outdoor environments compared with other parts of the country. As in Norway, the municipal sector in Finland has a large number of smaller municipalities, making it difficult for them to build up specialist expertise to operate maintenance of outdoor under their own auspices. The Finnish market is fragmented, with no company offering total solutions. The two largest players in the market hold a market share of about 4 percent. The Finnish market is highly immature and consists largely of smaller, local companies.<sup>1)</sup>

1) Strategy& – 2017 Market Report.



**Jacksons**  
**trädvård**

Green Leadership

HL

# BUSINESS DESCRIPTION

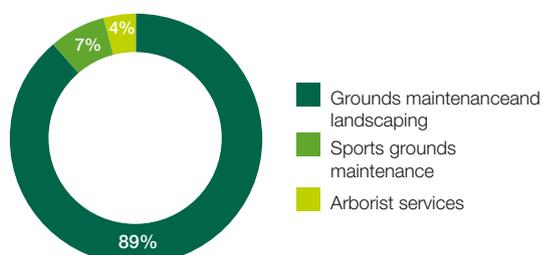
## INTRODUCTION

Green Landscaping considers itself Sweden's leading player in the segment for maintenance and detailed planning of outdoor environments. Green Landscaping's business concept is to improve customers' outdoor environments by offering services focused on a high level of customer benefit and in accordance with the Company's long-term focus on sustainability and quality. The Company was formed in the spring of 2009 by merging four players in the maintenance of outdoor environments. The Board of Directors, management and employees of the Company have been working actively to streamline the Company's operations and have implemented fundamental changes, resulting in improved margins and increased customer satisfaction.

Through its 13 wholly owned subsidiaries, the Company operates throughout Sweden. The operations are divided into the Regions: South, with offices in Malmö; East, with offices in Stockholm; West, with offices in Gothenburg; Central, with offices in Uppsala; and North, with offices in Umeå.

The Company has a decentralized structure with key specialist functions for, e.g. finance, HR, purchasing and IT, to promote a strong local entrepreneurial spirit. With this philosophy, each region retains its local identity while affording individual regional managers considerable freedom and responsibility for local operations and generating business. For the financial year 2018, Green Landscaping's net sales amounted to SEK 1,180 million and pro forma net sales to SEK 1,916 million. Furthermore, the Company's pro forma adjusted EBITDA amounted to SEK 148.3 million, of which SEK 51.1 million is attributable to the acquisition of Svensk Markservice carried out by the Company 2018. In 2018, Green Landscaping's pro forma adjusted EBITDA margin was 7.7 percent.

## PRO FORMA SHARE OF NET SALES BY AREA OF OPERATIONS (2018)<sup>1)</sup>



1) Net sales include pro forma full-year consolidation of acquisitions in 2018. For further information, see "Pro forma financial information" – "Pro forma income statement 1 January 2018 to 31 December 2018" – "Pro forma key performance indicators" and "Definitions of alternative key performance indicators not defined in accordance with IFRS". Pro forma net sales per area of operations are estimates based on unaudited information obtained from Green Landscaping's internal reporting system as per 31 December 2018.

## COMPANY BACKGROUND AND HISTORY

Green Landscaping was formed in 2009 by FSN Capital III through the merger of ISS Landscaping, AB Jungs Trädgård-splanerare Aktiebolag, Mark & Trädgårdsanläggare Sjunneson AB, and Qbikum Mark och Park AB – companies that had conducted operations individually for a long time. In 2010, the Company adopted the name Green Landscaping and Miljöbyggarna Stockholm Aktiebolag was acquired. Since then, the Company has developed into a full-scale supplier in the market for maintenance of outdoor environments. Between 2009 and 2014, the Company's strategy has been to increase its net sales and become a leading player in the market. During the period, companies including Jacksons Trädvård and GML Sport were acquired and sales amounted to SEK 746 million in 2015. The Company recruited Johan Nordström as its new CEO in 2015, thereby commencing the implementation of the Company's new strategy and building a platform for profitable growth while introducing an industrialized management process based on "Policy Deployment". For further information, see the section "Business description" – "internal governance, follow-up and measures". Since 2015, the Company has implemented a series of operational efficiency enhancements to increase profitability and create a platform for profitable growth. Major areas of focus have included increasing the quality of the Company's services, pricing and achieving a reduction in the cost base. A major restructuring process was also carried out between 2015 and 2017, when Stockholm Anläggning, a former district and growth initiative in Region East that had not developed satisfactorily, was closed due to low profitability, which had a negative impact on net sales. In 2015-2016, the Company's net sales decreased by 10 percent, from SEK 751 million in 2015 to SEK 673 million in 2016. The Company has grown fundamentally stronger since 2015 and also had a significant increase in customer satisfaction during the period, with its "Net Promoter Score" rising from a negative 13 percent in 2015 to 34 in 2018. Since 2017, the company has focused on profitable growth, based partly on organic growth, but also on growth through acquisitions. In 2017, the Company made four acquisitions, acquiring the companies Björntreprenad Aktiebolag ("Björntreprenad"), Tranemo Trädgårdstjänst Aktiebolag ("Tranemo Trädgårdstjänst"), J E Eriksson Mark & Anläggningsteknik AB ("J E Mark") and Svensk Jordelit Aktiebolag ("Jordelit"), resulting in a stronger presence in Region East and Region West in Sweden, as well as in the sports facilities niche. In March 2018, the Company listed its shares on Nasdaq First North in Stockholm. In 2018, the Company made three acquisitions, acquiring the compa-

## BUSINESS DESCRIPTION

nies Jacksons Trädvård Sydväst AB (formerly Trädexperterna TPT AB) ("Trädvård Sydväst"), Svensk Markservice Holding AB ("Svensk Markservice") and Mark & Miljö Projekt i Sver-

ige AB ("Mark & Miljö"), as well as the acquisition of the assets of Borås Markentreprenad AB ("Borås Markentreprenad").

Years	Event
2009	Landscape Services Group is established by FSN Capital III, through the merger of Jungs, ISS Landscaping AB, Mark & Trädgårdsanläggare Sjunesson and Qbikum Mark och Park AB.
2010	The Company's brand is changed to Green Landscaping. Miljöbyggarna Stockholm Aktiebolag is acquired.
2011	The Company meets all of the requirements for the quality and environmental standards and is ISO certified in accordance with the ISO 9001 and ISO 14001 management systems.
2012	The Company secures a record-scale agreement with the Municipality of Norrtälje, including maintenance of parks, streets and green areas in Norrtälje and its environs.
2013	The Company acquires Jacksons Trädvård, a specialist in arboriculture, forestry and nature conservation. The Company changes the orientation of Stockholm Anläggning's operations and identifies it as a new growth area.
2014	The Company acquires GML Sport, a specialist company active in sports and leisure facilities.
2015	The Company employs Johan Nordström as its new CEO and the management team is reorganized. This commences the implementation of the Company's new strategy and governance process.
2015	The company resolves to close down Stockholm Anläggning.
2015–2016	The Company shifts its focus towards improved margins, quality, customer satisfaction and productivity.
2016	Since the second half of 2016, the company has again focused on growth. The Company sees a significant improvement in customer satisfaction.
2017	The company makes four acquisitions – Björnentreprenad, Tranemo Trädgårdstjänst, JE Mark and Jordelit.
2018	The Company's shares are listed on Nasdaq First North.
2018	The Company carries out two minor acquisitions – Trädvård Sydväst and Mark & Miljö, as well as acquiring the assets in Borås Markentreprenad.
2018	The Company acquires Svensk Markservice – a nationwide player in gardening and landscaping services.

## STRENGTHS AND COMPETITIVE ADVANTAGES

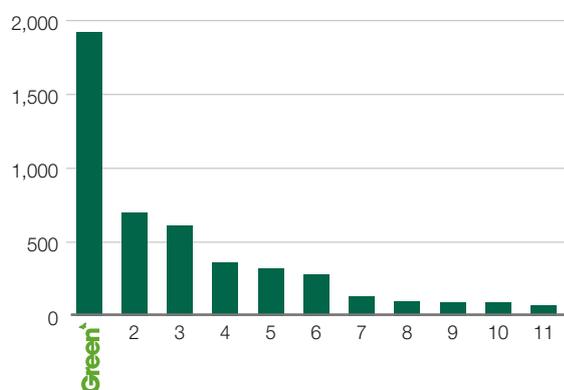
Management believes the Company has a number of strengths and competitive advantages, including:

- ▶ A leading position in an attractive and steadily growing
- ▶ Full-service offering with substantial economies of scale
- ▶ Diversified portfolio with long-term contracts and good visibility
- ▶ Industrialized platform for increased profitability and growth
- ▶ Structured bidding process with a strong local presence
- ▶ Experience of value-generating acquisitions in a fragmented market

### A leading position in an attractive and steadily growing

In Green Landscaping's view, the Company holds a leading position in the market for maintenance of outdoor environments. The Company has grown significantly faster than the underlying market. This is a result of both organic growth, as well as a continued successful acquisition strategy. Organic growth in 2018 amounted to 8 percent. In 2018, the Company significantly strengthened its position through the acquisition of Svensk Markservice, which was previously the Company's foremost competitor. The acquisition of Svensk Markservice is expected to generate significant synergies through improved sourcing, resource optimization and increased efficiency.

## ESTIMATED SALES FOR PLAYERS IN THE OUTDOOR ENVIRONMENT MAINTENANCE MARKET, SEK MILLION (2017)<sup>1)</sup>



Source: KPMG – Market report 2018.<sup>4)</sup>

The sales figures for Green Landscaping are pro forma for 2018. Estimated sales for the ten largest competitors relates to operations in the following counties: Gävleborg, Halland, Skåne, Stockholm, Uppsala, Västra Götaland and Östergötland.

### Full-service offering with substantial economies of scale

Green Landscaping is one of few companies with a full-service offering in the Gardening and Landscaping, Sports Landscaping facilities, as well as the Arboriculture and Forestry areas of operations. Through its wide range of services, Green Landscaping can assume overall responsibility for maintenance of parks and urban areas, thereby increasing customer benefit, while also benefiting from its economies of scale. The Company is able to compete based on its significant economies of scale and wider service offering, as well as lower prices compared with many competitors. This is facilitated by the Company having more efficient management and administrative functions. Green Landscaping has increased its efficiency by reducing costs through coordinated purchasing and use of equipment. Green Landscaping has focused on consolidating the number of workplaces, which has allowed the Company to be able to reduce the number of employees. Green Landscaping has also reduced the number of suppliers and, because the Company is able to place larger orders with existing suppliers, purchasing terms have improved. The process of improving purchasing terms is expected to continue in the future, and is highly prioritized within the organization.

### Diversified portfolio with long-term contracts and good visibility

The Company has a diversified contract portfolio in both the public and private sectors, extending throughout Sweden. The Company has a good overview of future earnings, as its contracts are long-term, usually extending for three to five years, often with an optional extension of a further two to four years. The Company's ten largest contracts comprise about one quarter of the total order book.<sup>1)</sup> For further information, see the section "Business description" – "Customers and contract portfolio".

### Industrialized platform for increased profitability and growth

In recent years, Green Landscaping has introduced a series of initiatives to increase optimization and efficiency in the Company's internal processes, with Kaizen projects<sup>2)</sup> that are carried out on an ongoing basis. Green Landscaping works with internal control systems, including "Policy Deployment" and "LEAN" to streamline operations, resulting in improved margins, which is to a significant extent a result of lower direct costs, including purchasing costs following consolidation of the Company's suppliers. Green Landscaping has managed to reduce the number of suppliers by about 20 percent since 2014. In 2018, the ten largest suppliers accounted for approximately 21 percent of the Company's purchasing costs, compared with about 17 percent in 2014.<sup>3)</sup> For further information, see the section "Business description" – "Internal governance, follow-up and measures".

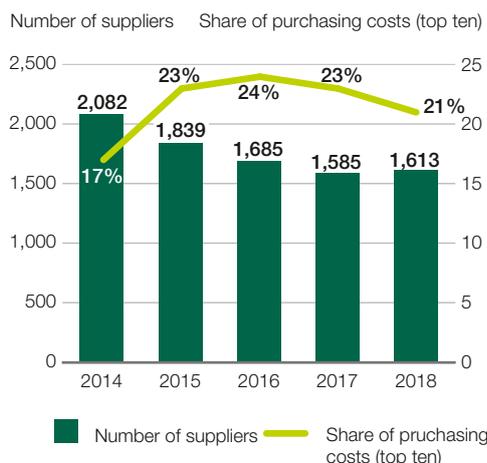
1) Unaudited data obtained from Green Landscaping's internal reporting system regarding contract values as per 31 December 2018, including application of the extension periods and the Company's estimates regarding upsales.

2) Kaizen projects: projects to achieve continuous quality improvements in a company through minor modifications.

3) Number of suppliers of purchasing costs (information based on unaudited information obtained from Green Landscaping AB's internal reporting system).

4) Market Report prepared on the Company's behalf in 2018.

**SHARE OF TOTAL PURCHASING COSTS PER SUPPLIER<sup>1)</sup>**



**Structured bidding process with a strong local presence**

In a market with many small-scale players, Green Landscaping offers competitive advantages through its full-service offering and a structured bidding process, giving improved negotiating power in contract procurement. The Company's highly decentralized structure, with a high level of local expertise, contributes to an efficient division of responsibilities in bidding processes, strong customer relations and a comprehensive knowledge of various types of projects and contracts. Overall, this establishes the conditions for the Company to maintain a strong local market position that, in turn, offers substantial advantages in bidding processes. Green Landscaping often achieves superior results on "soft" criteria, such as documented experience and presentation<sup>2)</sup>, improving the competitive situation. For further information, see the section "Business description" – "Structured bidding process".

**Experience of value-generating acquisitions in a fragmented market**

Green Landscaping has a proven and well-functioning acquisition model with an attractive offering to entrepreneurs. Green Landscaping is viewed as an attractive employer for smaller companies, which, historically, has enabled the Company to acquire small and medium-sized companies at attractive valuations, usually within the range of 2.5–5x EBITDA (without taking synergies and additional purchase considerations into account). According to the Company, growth can be achieved through acquisitions at lower risk than through organic growth, since the Company is able to selectively identify companies with a well-functioning organization that already have staff in place. This means the Company need not secure contracts or break into markets by means of price pressure. For further information, see the section "Business description" – "Acquisitions".

**VISION, BUSINESS CONCEPT AND BUSINESS MODEL**

**Vision**

Green Landscaping's vision is to create a green city for all through enterprise, social responsibility and sustainable business.

**Business concept**

Green Landscaping's business concept is to improve customers' outdoor environments by offering services focused on a high level of customer benefit, long-term sustainability and quality.

**Green model**

Green Landscaping's decentralized organizational structure enables the advantages of both strong local knowledge and shared central functions to be exploited to deliver a full-service offering to customers.



1) Number of suppliers of purchasing costs (information based on unaudited information obtained from Green Landscaping's internal reporting system).  
 2) In accordance with statement by the Company.

***Sustainability and passion for the environment***

Green Landscaping's sustainability work forms an integral and natural part of the Company's operations, and permeates the entire organization. The principal objective of the sustainability work is to support Green Landscaping's operational targets, helping enterprise, social responsibility and sustainable business create a green city for all and build a sustainable society. For further information, see the section "Business description" – "Sustainability".

***Local market leader***

The Company's decentralized structure, with a high level of local expertise within each regional unit, enables Green Landscaping to achieve a strong local market position. The Company has built strong customer relations with favourable references and a concentrated knowledge of various types of projects and contracts, generating substantial value for both the Company and its customers, while also offering advantages in bidding processes. Through the Company's strong local positions and its ability to steer bidding processes towards "soft" criteria, such as expertise and references, an improved competitive environment is created for Green Landscaping.

***Decentralized organization with strong entrepreneurial culture***

Green Landscaping's decentralized organizational structure benefits enterprise and accountability at all levels of the organization. The self-determination that the Company offers its regional managers encourages them to use their knowledge of the local market to deliver strong results while upholding strong ethical standards and business morale. The company encourages cooperation and cross-selling between regional units, allowing Green Landscaping to compete effectively for complex, large-scale projects, such as region-wide service agreements, and to generate increased sales through joint projects and shared customers.

***Cost-efficient business model***

Green Landscaping's organization is pervaded by a high level of cost awareness, governed by close cooperation between the Company's regional units and its central organization. In addition to collaboration, a cost-conscious organization enables strong local leadership combined with well-established, group-wide procedures, such as continuous performance monitoring and analysis of key ratios. The company continuously strives to increase cost-efficiency, through, among other things, supplier consolidation and efficiency enhancements aided by "LEAN".

Green Landscaping works actively with purchasing by coordinating and standardizing purchasing processes within the Group. Historically, the Company has achieved cost synergies by negotiating all purchasing contracts centrally within the organization. In the Company's assessment, there is still potential to reduce purchasing costs by improving existing procurement processes, strengthening systems support and negotiating core framework agreements, thereby benefiting from economies of scale. Improvements in the purchasing process facilitate, in part, customer benefits, as well as greater margins. Coordinated purchasing is also a source of synergies, since Green Landscaping generally enjoys more favourable purchasing terms than the companies acquired.

***Diversified revenue model***

The Company's contract-based business model offers revenue through two different pricing models, consisting of fixed contract fees and upselling, and project-based revenues. The company's revenues are generated through fixed contracts and upsales, where the contract period is usually three to five years, providing predictable revenue. The Company's other revenue stream, project-based revenue, derives from project-based contracts. Project-based revenue generally derives from the Company's existing service contracts. Green Landscaping strives to select contracts with care, avoiding contracts with a high degree of risk and poor profitability. Additionally, through its long-term contracts and a good overview of the order book, the Company has predictable cash flow.

**STRATEGY****Establish local platform**

Green Landscaping builds strong local market positions by establishing local platforms, which is achieved by securing major public contracts. Green Landscaping's complete service offering for maintenance of outdoor environments, capacity to deliver quality services cost-efficiently and a structured bidding process are crucial factors in being assigned large-scale public contracts and differentiating the Company from its competitors. The major public contracts then form the basis for securing smaller contracts, thereby achieving local expansion.

Local references create a strong local brand, providing a competitive position in each market. With an established local platform and local resources in place, economies of scale can be achieved with increased equipment utilization and savings being made in purchasing.

**Expand local presence**

Green Landscaping intends to benefit from anticipated market growth and strengthen its market position in the regions where it operates to continue to grow and strengthen its position in existing markets while also expanding into new geographic markets. Once the Company has secured large-scale public contracts, Green Landscaping's operations can be expanded locally through additional smaller-scale contracts. Local references create a strong local brand, providing a competitive position in the local market. With an established local platform and local resources in place, the Company can achieve economies of scale with equipment being utilized more of the time and savings being made in purchasing.

Once Green Landscaping has truly reinforced its position in a local market, further expansion can take place into adjacent regions. Green Landscaping aims to expand into new market areas in Sweden but also perceives considerable potential in Denmark, Norway and Finland – geographic markets where the Company is not currently present. According to the Company's assessment, these countries show similar characteristics to Sweden in terms of growth, profitability and market attributes, meaning that Green Landscaping's full-service offering would suit them well.

**Safeguard a leading position through increased customer benefit**

Green Landscaping strives to safeguard a leading position in local markets by increasing customer benefit. With locally established contracts, relationships and resources, as well as local market knowledge, Green Landscaping is able to safeguard a leading position and establish barriers to entry for competitors. As the Company strengthens its position in local markets, significant cost synergies can be achieved, as well as improved negotiating power in bidding processes. With an established and leading position, expansion to nearby cities and municipalities is made possible, establishing favourable conditions for continued market consolidation.

**Continued growth through acquisitions**

Acquisitions form a central component in the Company's growth strategy and Green Landscaping is continuously identifying attractive acquisition candidates to strengthen its market position and expand into new geographic markets in Sweden, as well as in Denmark, Norway and Finland. Green Landscaping will continue to identify acquisition candidates with profitable and strategic contract portfolios, enabling synergies and establishing a good platform for a strong market position and continued growth.

**Enhancing efficiency of operations**

In recent years, Green Landscaping has introduced a series of strategic initiatives to optimize and streamline the Company's processes. The company has implemented a decentralized organizational structure, in which responsibility has shifted from central to regional governance, with regional managers who have close contacts with customers and good knowledge of local markets. The Company has also focused on improving existing processes using "LEAN", an internal control system, "Policy Deployment" to continuously improve the Company's operations and focus on activities that generate value for the customer. Efficiency enhancements aided by "LEAN" have entailed consolidation of the supplier base and the introduction of a coordinated purchasing process, improved employee productivity, and the discontinuation of unprofitable contracts with low margins. The initiatives have resulted in significant cost savings and improved profitability for the Company. Green Landscaping continues to focus on increased optimization and efficiency, which will be achieved through industrialization, improvement of existing processes, structured follow-up and, ultimately generate increased customer value.



## SUSTAINABILITY

Green Landscaping strives to contribute to sustainability in society through sustainable entrepreneurship and corporate social responsibility. The Company strives to achieve sustainable development through continuous improvement, long-term customer relations and competent employees. The company presented its Green Steps sustainability initiative in June 2018. Green Steps represents a way of reinforcing opportunities for new arrivals and those suffering long-term unemployment to enter the labour market while, the same time, contributing to a more sustainable society. The Green Steps trainee programme is based on mentorship, combining training and work experience. Participants in the trainee programme are provided with tailored skills development and practical experience, as well as being assigned a supervisor

within the Company. The objective is to develop skills possessed by new arrivals and those suffering long-term unemployment, and to help reduce social exclusion while engendering loyalty and well-being in our operations.

Green Landscaping also offers complete solutions for the installation and care of sedum roofs. Among other things, sedum roofs help reduce noise, purify the air, promote biodiversity and manage rainwater. Sedum roofs bring natural beauty and a sense of the countryside into our urbanized communities. Based on the Company's environmental policy, Green Landscaping shall also work to reduce the Company's climate impact and compensate for carbon dioxide emissions. By focusing on quality, price and cost, Green Landscaping is to achieve sustainable profitability.

### FINANCIAL TARGETS

Presented below are Green Landscaping's medium term financial targets. For further information on key figures, please see sections "Selected historical financial information" and "Definitions of alternative key performance indicators not defined in accordance with IFRS".

#### Sales growth

Sales are to grow by an average of 10 percent annually. Growth is to be achieved both organically and through acquisitions.

#### Profitability

The target is to achieve an EBITA margin of 8 percent.

#### Capital structure

Net debt in relation to EBITDA should not exceed a multiple of 2.5 in the long term.

#### Dividend policy

The target is for about 40 percent of net profit for the year to be distributed in dividends. The dividend proposal should take into account Green Landscaping's long-term development potential, financial position and investment needs.

### REGIONS AND AREAS OF OPERATIONS

#### Regions

The Group is divided into five regions: Region South, Region West, Region East, Region Central and Region North.

#### Region South

Region South comprises the counties of Skåne and Halland with a focus on Malmö, Lund, Vellinge, Staffanstorps, Halmstad, Kävlinge and Helsingborg. The subsidiaries Green Landscaping AB, Svensk Markservice and Mark & Miljö operate in the region. In 2018, Green Landscaping had 115 employees in the region.

#### Region West

Region West includes the counties of Västra Götaland, Jönköping, Kronoberg and Östergötland. The operations are coordinated from the office in Gothenburg and work is also carried out in Alingsås, Strömstad and Linköping. The subsidiaries Green Landscaping AB, Svensk Markservice and Tranemo trädgårdstjänst operate in the region. GML Sport and Svensk Jordelit are based in Gothenburg but have customers throughout Sweden. In 2018, Green Landscaping had 237 employees in the region.

#### Region East

Region East includes the counties of Stockholm and Uppland. The subsidiaries Green Landscaping AB, Svensk Markservice, JE Mark, Björnentreprenad and Jacksons Trädvård operate in the region. In 2018, Green Landscaping had 217 employees in the region.

#### Region Central

Region Central includes Värmland, Örebro, Västmanland, Dalarna, Västmanland, Gävle, Norrtälje and Uppsala. In 2018, Green Landscaping had 12 employees in the region.

#### Region North

Region North includes the counties of Dalarna, Västerbotten and Västernorrland. The operations are coordinated from the office in Umeå and work is also carried out in Härnösand, Skellefteå, Sundsvall and Örnsköldsvik. The subsidiary Svensk Markservice operates in the region. In 2018, Green Landscaping had five employees in the region.

#### Areas of operations

The Company is divided into three areas of operations: Gardening and Landscaping, Sports Landscaping and Arboriculture and Forestry. A description of each area of operations is provided below.

#### Gardening and Landscaping

The Gardening and Landscaping area of operations is Green Landscaping's largest sub-segment and accounted for 89 percent<sup>1)</sup> of the Company's pro forma net sales in 2018.

Within Gardening, a full range of maintenance services for green areas are offered, including such refuse removal, lawn mowing, pruning, planting, leaf removal and road maintenance. During the winter, snow removal and gritting are provided. Gardening is characterized by multi-year, all-season contracts, usually over a period of three to five years with a possible extension of two to four years. For tenant-owner housing associations, contracts are normally for one year at a time, with annual renewal. Since 2015, Gardening has shown stronger sales in the fourth quarter. Customers are primarily county councils, municipalities, property management companies, housing companies and others who own or manage green areas adjacent to urban development.

Gardening and Landscaping are closely linked, with Landscaping often taking the form of upsales in connection with ongoing gardening contracts.

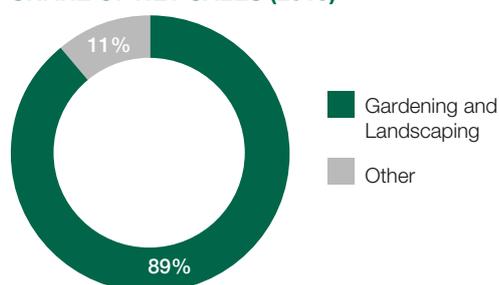
Within Landscaping, a wide range of services offered within planning, detailed planning and renovation of green areas, as well as simpler construction projects in the form of playgrounds, sedum roofs and other outdoor facilities. Landscaping is characterized by a large number of smaller contracts valued at up to SEK 1 million. Contracts generally involves projects that are paid for on completion of the work. Landscaping projects are carried out in smaller stages, entailing reduced project risk, and the largest projects have a contract value of SEK 10-20 million. Landscaping has shown weaker sales in the first quarter as such work is not usually carried out during the winter. Sales have also been weaker during the summer period.

The order backlog within Gardening and Landscaping amounted to SEK 3,686 million on 31 December 2018, corresponding to an increase of 120 percent compared with the preceding year.<sup>1)</sup>

**GARDENING AND LANDSCAPING – QUARTERLY FINANCIAL DEVELOPMENT (2017-2018)<sup>2)</sup>**



**GARDENING AND LANDSCAPING – PRO FORMA SHARE OF NET SALES (2018)<sup>3)</sup>**



**Sports Landscaping**

Within the Sports Landscaping areas of operations, the Company offers, through its subsidiaries GML Sport and Jordelit, advice, products and maintenance for sports and leisure facilities, as well as arenas for both outdoor and indoor sports, including golf courses and soccer pitches. Services are also offered including construction and renovation of natural grass and hybrid grass pitches. The Sports and leisure facilities area of operations accounted for 7.3 percent<sup>2)</sup> of Green Landscaping’s pro forma net sales in 2018.

Several of the services within Sports Landscaping are complex and require a higher level of skill, such as drainage of soccer pitches. In addition to municipalities, customers are commonly golf clubs and soccer associations. Furthermore, the Company cooperates with the Swedish Football Association and the Swedish Greenkeepers Association in the maintenance of arenas and facilities.

GML Sport’s operations are mainly characterized by multi-year contracts, usually over a three-year period with a possible extension of three to four years. Projects that are paid for on completion of the work also occur. In addition, Jordelit’s operations are characterized by advisory services and online sales of products for sports and leisure facilities. The area of operations’ other revenues consist of sales of machinery and equipment. Following the acquisition of Jordelit, the Sports Landscaping area of operations has had stronger sales during the first part of the year when customers need to attend to their green areas again following the winter.

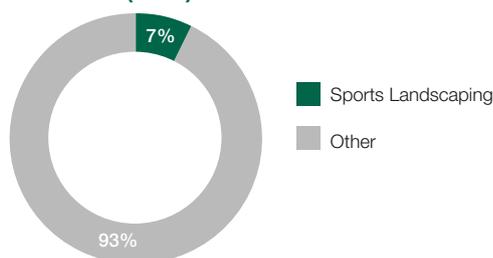
The order backlog within Sports Landscaping amounted to SEK 83 million on 31 December 2018, corresponding to an increase of 19 percent compared with the preceding year.

**SPORTS LANDSCAPING – QUARTERLY FINANCIAL DEVELOPMENT (2017-2018)<sup>2)</sup>**



1) The order book is based on unaudited information obtained from Green Landscaping’s internal reporting system.  
 2) The area of operations’ net sales per quarter for 2017-2018 are based on unaudited information obtained from Green Landscaping’s internal reporting system.  
 3) The area of operations’ pro forma net sales for 2018 are based on unaudited information obtained from Green Landscaping’s internal reporting system. For further information on the area of operations’ pro forma net sales in 2018, see “Pro forma financial information” – “Pro forma income statement 1 January 2018 to 31 December 2018” and “Pro forma key performance indicators”.

**SPORTS LANDSCAPING – PRO FORMA SHARE OF NET SALES (2018)<sup>1)</sup>**



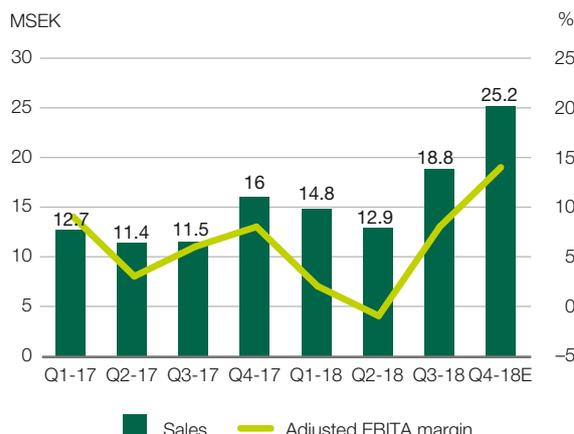
**Arboriculture and Forestry**

Within the Arboriculture and Forestry area of operations, consultation, tree pruning, maintenance of forests close to urban areas and handling of bio-mass are offered. Contracts typically include longer-term framework agreements or smaller assignments at hourly rates. Assignments may include arboriculture to improve the aesthetics of trees in street environments, facilities, parks and gardens, tree pruning to increase safety and accessibility along roads, walkways and cycle paths, as well as felling of risk trees in difficult locations where normal tree felling methods cannot be used. Customers consist of major landowners, such as municipalities and central government authorities, but also property owners, construction companies, tenant-owner housing associations and community associations. Arboriculture and Forestry accounted for 3.7 percent of Green Landscaping’s pro forma net sales in 2018.

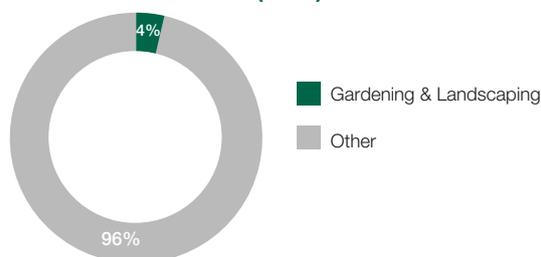
The Arboriculture and Forestry area of operations has shown stronger sales in the latter part of the year.

The order backlog within Arboriculture and Forestry amounted to SEK 112 million on 31 December 2018, corresponding to an increase of 1 percent compared with the preceding year.

**ARBORICULTURE AND FORESTRY – QUARTERLY FINANCIAL DEVELOPMENT (2017-2018)<sup>2)</sup>**



**ARBORICULTURE AND FORESTRY – PRO FORMA SHARE OF NET SALES (2018)<sup>1)</sup>**



1) The area of operations’ pro forma net sales for 2018 are based on unaudited information obtained from Green Landscaping’s internal reporting system. For further information on the area of operations’ pro forma net sales in 2018, see “Pro forma financial information” – “Pro forma income statement 1 January 2018 to 31 December 2018” and “Pro forma key performance indicators”.

2) The area of operations’ net sales per quarter for 2017-2018 are based on unaudited information obtained from Green Landscaping’s internal reporting system.

**STRUCTURED BIDDING PROCESS**

In 2017, Green Landscaping began implementing a standardized and thorough bidding process to implement the Company’s strategy. A central part of the bidding process involves having a good understanding of the customer’s needs, which the Company ensures through communication and cooperation between the Company’s local and central management. Sales are coordinated within the Group through weekly meetings at which optimum execution is discussed. In addition, the Company ensures that the appropriate resources and skills are earmarked to each bidding process.

The potential value of the contract determines which parts of the Company’s management team are involved in procurement. Contracts with a value of less than SEK 0.5 million annually are handled by the Company’s local area managers, supported by regional managers as necessary. Contracts with a value of SEK 0.5 million to SEK 5 million are handled by local area managers together with regional managers. For contracts with a value exceeding SEK 5 million annually, the Company’s central management team is also involved.

**BIDDING PROCESS**



The bidding process starts with identifying potential contracts. Private contracts are identified at the regional level while public contracts are identified through various databases. Private procurement procedures differs from public ones in that private tenders are not disclosed and customers tend to stay with a service provider as long as they are satisfied with that supplier’s delivery. Consequently, local relationships are important in the private sector, and good customer relations are secured by means of the Company’s decentralized organization with regional managers who have local experience and established networks.

The remaining stages follow a similar structure in both private and public bidding processes, with customer meetings to determine the scope and potential of the contract, also offering opportunities for custom solution for the

customer. The Company then makes a more in-depth analysis of resource and procurement requirements to determine the scope and price of the contract. The Company establishes a group of people, skilled in various areas, to calculate the bid using established templates and databases. As a final step in the bidding process, Green Landscaping presents its full-service offer for the customer. According to the Company, Green Landscaping often scores high on “soft” bidding criteria, largely due to documented experience, the skills of the management team and the Company’s professional bidding process. Green Landscaping has a systematic sales and follow-up process with an advanced CRM system. The Company reports on its sales targets and order bookings on a weekly basis, and follows up on its governance documents each month.



**CUSTOMERS AND CONTRACT PORTFOLIO**

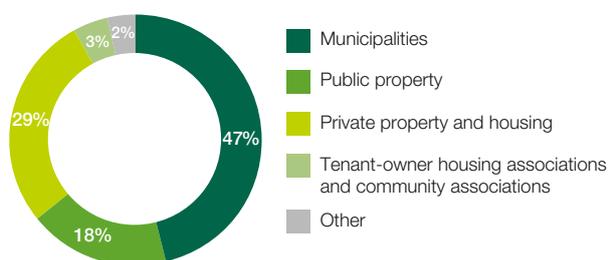
**Customers**

As of 31 December 2018, Green Landscaping had a customer base of approximately 5,000 customers. In 2018, about two thirds of the Company's net sales derived from revenues from public sector customers, such as municipalities, central government authorities and public sector property and housing companies . The remaining third percent of the Company's net sales in 2018 originated from the private sector, such as private property and housing companies, tenant-owner housing associations and other private sector companies.

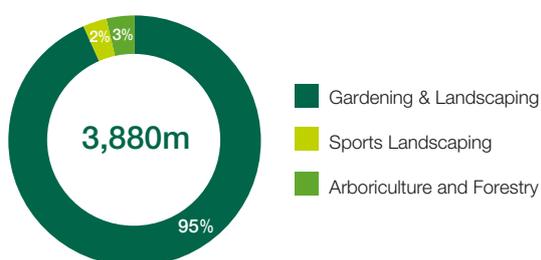
**Diversified contract portfolio**

Green Landscaping has a diversified revenue base that does not depend on any one, individual contract. The company's contracts stem from both the public and private sectors and are also spread across several business areas and geographical regions. Contracts generally extend between three to five years with a possible extension of two to four years. The average duration of contracts is approximately 4 years. At 31 December 2018, the order book amounted to a total of SEK 3,880 million. The ten largest contracts account for approximately 26 percent of the total order book.

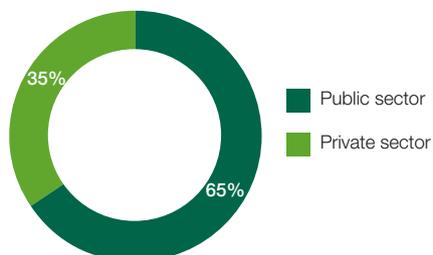
**NET SALES PER CUSTOMER GROUP (2018)<sup>1)</sup>**



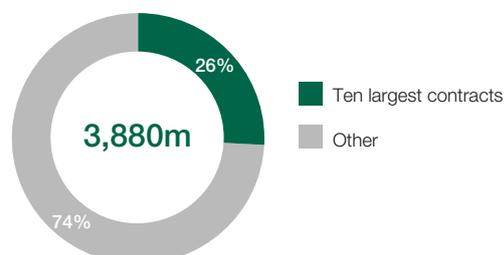
**ORDER BOOK BROKEN DOWN BY TYPE OF SERVICE (AS PER 31 DECEMBER 2018)<sup>2)</sup>**



**NET SALES PER SECTOR (2018)<sup>1)</sup>**



**DISTRIBUTION OF CONTRACTS, BASED ON ORDER BOOK (AS PER 31 DECEMBER 2018)<sup>3)</sup>**



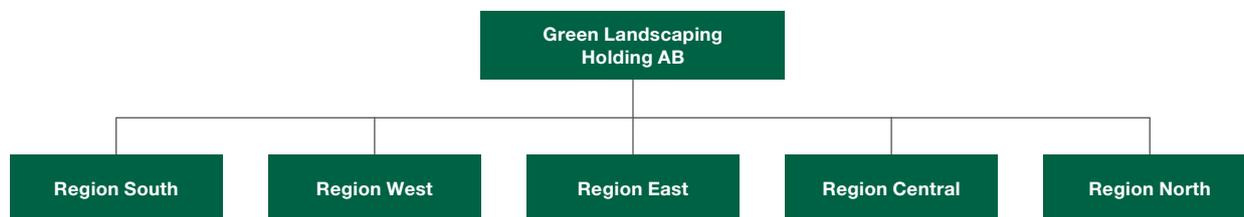
1) Unaudited information obtained from Green Landscaping's internal reporting system as per 31 December 2018.  
 2) Percentage of the Company's order book as per 31 December 2018, including utilization of the extension period and the Company's estimate of upsales. Unaudited information obtained from Green Landscaping's internal reporting system.  
 3) Distribution of contracts as a percentage of the Company's order book as per 31 December 2018, including utilization of the extension period and the Company's estimate of upsales. Unaudited information obtained from Green Landscaping's internal reporting system.



**ORGANIZATION**

The illustration below provides an overview of Green Landscaping’s organizational structure as per the date of this Prospectus. The company has five regional units distributed between 13 of the Company’s wholly owned subsidiaries. The structure is designed to facilitate the implementation of the Company’s strategy with operations that are largely based locally. Green Landscaping’s headquarters are located in Stockholm, Sweden.

**Green Landscaping’s organization**



Green Landscaping operates throughout Sweden through 13 wholly owned subsidiaries. For further information, see the section “Business description” – “Regions and areas of operations”. The operations have strong local roots in the locations in which the Company operates and considerable value is attached to understanding the individual customer’s needs while also conducting work efficiently and offering a wide range of services. The company’s decentralized structure makes it possible to work close to the customer, while, at the same time, the Company can benefit from key specialist functions including finance, HR, purchasing and IT.

Green Landscaping’s broad service offering entails an overall responsibility for the management of facilities, parks and urban areas, thereby enhancing customer benefit and the end-user’s experience.

The management team for Green Landscaping consists of Johan Nordström (CEO), Carl-Fredrik Meijer (CFO), Daniel Linderståhl (Regional Manager South), Hans Lagerström (Regional Manager West), Jan Eriksson (Regional Manager East and Managing Director for JE Mark), Robert Brohmander (Regional Manager Central) and Henrik Sahlin (Regional Manager North). For further information, see the section “Board of Directors, senior executives and auditors”.

**Decentralized distribution of responsibilities**

Green Landscaping’s decentralized structure affords each regional unit a high level of responsibility for its own day-to-day operations, including responsibility for customers, personnel, sales and earnings, with the purpose of maintaining and strengthening local relationships. Each regional unit reports continuously to the Group’s central function. By allocating responsibility to regional units, a cost-efficient support structure is established. Each regional entity is governed by its own president and management team, to maintain customer service and local enterprise. In addition, each regional unit has one or more area managers and a number of project managers who are, in turn, responsible for their employees. Green Landscaping’s central organization provides support for the regional units in areas including

strategic planning and acquisition processes, while each individual unit is able to benefit from shared purchasing and finance functions.

**Internal governance, follow-up and measures**

Green Landscaping’s strategy is implemented through the Company’s decentralized division of responsibility, with close cooperation between the central organization and the regional units, as well as internal control systems, such as “Policy Deployment” and “LEAN”.

**Policy Deployment**

“Policy Deployment” strives to bring together targets, measures, and processes in the areas of quality, delivery, cost and growth. It also builds on individual responsibility, with the Group’s employees challenging one another and creating a winning culture. Prior to implementing “Policy Deployment”, the Company has gained inspiration from Danaher Corporation, a company that has been highly successful in eliminating inefficiencies in processes to then standardize the fine-tuned process in its operations.

**Planning**

Through “Policy Deployment”, the Company’s strategy is broken down into long-term objectives over a three-year period, after which it is further broken down into more short-term targets spread over a year. Both the Group’s long-term and short-term objectives are defined according to their order of priority and where the Company has identified opportunities for improvement.

**Implementation**

Green Landscaping’s overall objective is implemented by means of regional strategies and action plans established by the Company’s regional managers. The Company’s decentralized organizational structure gives the regional managers the responsibility and authority to decide how to implement their action plans according to the organizational and market conditions in their respective regions.

**Documentation and follow-up**

Development is followed up continuously through various governance documents linked to Green Landscaping's annual targets, designed to aid the Company in achieving its long-term objectives. In addition, the Company continuously follows up on, for example, financial key figures, weekly assessments and the Group's monthly reporting, in which the regional units' financial development and capacity to achieve the Group's overarching objectives are assessed. Aided by the Company's internal control systems, any problems can be quickly identified and then broken down, allowing more efficient measures to be taken.

**LEAN**

To achieve its targets and improve and streamline its operations, the Company employs the internal control system "LEAN", which builds on four cornerstones: planning, day-to-day control, continuous improvement and ongoing follow-up. Each regional unit plans its operations to achieve its targets through established action plans. All measures and implementation of process are then documented using control documents to help increase work efficiency, improve processes and reduce costs. The control documents are subsequently followed up in each of the regional units and through the Group's monthly reporting. According to the Company, the implementation of "Policy Deployment" and "LEAN" has been instrumental in building the winning culture that now prevails in Green Landscaping.

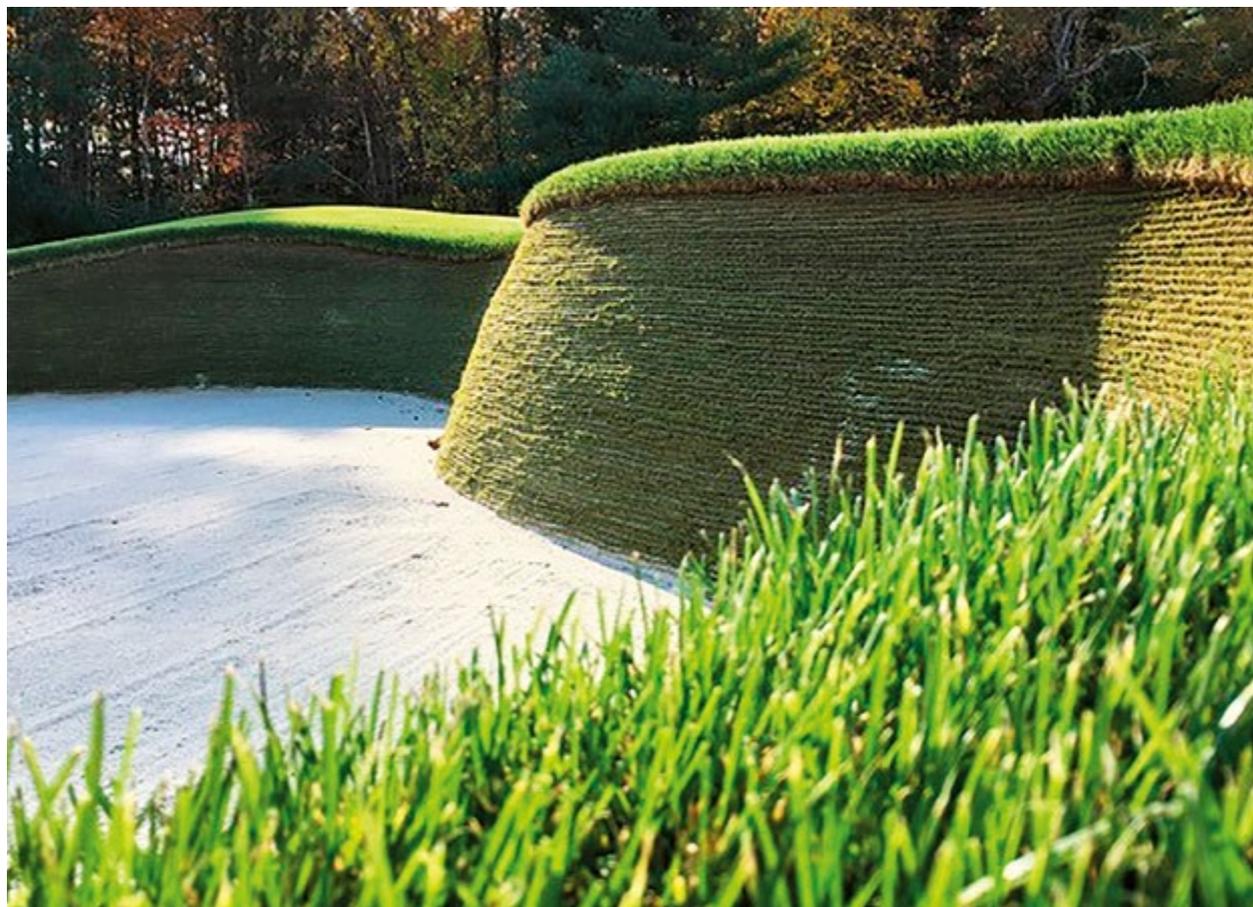
Efficiency enhancements aided by "LEAN" have entailed consolidation of the supplier base and the introduction of a coordinated purchasing process, improved employee productivity, and the discontinuation of unprofitable contracts with low margins.

**ISO certifications**

Most of the companies in the Group are certified in accordance with ISO 9001 (quality) and ISO 14001 (environment). Quality assurance is a requirement in connection with public procurement and, like environmental assurance, forms a natural part of Green Landscaping's operations. The Company works with continuous improvement in all areas, particularly in environmental work, by identifying new solutions that can improve the environment in both the short and long term.

**Employee**

Per the date of publication of the Prospectus, the Group had some 1,200 employees, of whom seven comprised the central management team. With the exception of those employed centrally, recruitment is decentralized and handled within each regional unit. Area managers are responsible for operations across large areas, while project managers are responsible for project personnel and day-to-day management. Green Landscaping also employs seasonal labourers during the period April to November, which is the peak season. In 2018, the Company employed some 170 seasonal labourers (calculated based on the number of hours worked).



**Green Academy**

To remain successful, Green Landscaping is dependent on attracting and retaining motivated employees with appropriate skills, so that the Company can maintain the quality required to maximize customer benefit. In 2016, the Company started the "Green Academy" as a step towards increased skills development among employees, with training being conducted by an appropriate third-party supplier. The Company conducts ongoing discussions with its employees to identify the areas of skill they wish to develop. In addition, Green Landscaping is working to ensure that the Company's employees have the skills required by the Company's own processes, while meeting legal requirements, which is crucial in major public procurement processes, where documented and accurate knowledge among employees is required. All training at Green Academy is evaluated and documented in CV and skills databases. Potential certifications are stored digitally and then communicated to potential customers in conjunction with the Company's bidding processes.

As part of Green Academy, the Company actively pursues training for recent immigrants and people who have been unemployed for a long time, to contribute to social responsibility and reduce exclusion. Education takes place in cooperation with municipalities, who are also the Company's customers. Municipalities present candidates to the Company, which then conduct interviews. These individuals then undergo practical and theoretical education at Green Landscaping for a period of 6-24 months. On completion of training, specific certification may be awarded and the individual may be employed by Green Landscaping. In Green Landscaping's assessment, a large part of the Company's future recruitment will involve training of this type.

**Sustainability**

Green Landscaping's sustainability work forms an integral and natural part of the Company's operations, and permeates the entire organization. The principal objective of the sustainability work is to support Green Landscaping's operational targets, helping enterprise, social responsibility and sustainable business create a green city for all and build a sustainable society. Sustainability work is also characterized by responsibility, openness, ethical behaviour and respect for the Company's stakeholders. The Company strives to achieve sustainable development through continuous improvement, long-term customer relations and competent employees. Sustainability work is governed by the Company's sustainability policy, which describes the Company's principles in the areas of finance, the environment, quality, workplace environment and social commitments. The sustainability policy provides guidance on how Green Landscaping is to generate value, contribute to a sustainable society, mitigate risks in the operations and deal with unforeseen events.

**Customer and employee satisfaction**

The Company conducts annual surveys for employees and customers to monitor trends and, if necessary, implemented targeted measures. Key figures for comparison on, for example, good-health attendance, staff turnover, accidents and employee satisfaction are analyzed to improve how employees enjoy their work. To measure overall satisfaction among employees and customers, the Company uses the "Net Promoter Score" method. When this method was introduced in 2015, it gave negative key figures on both customer and employee satisfaction (see section "*Business description*" – "*Key figures*" below for further information). In order to improve satisfaction among customers and employees, the Company has made several measures, including introducing more structured communication between management and field workers, and increasing customer benefit through "LEAN". To ensure that the Company achieves sustainable and long-term satisfaction among customers and employees, the Company continuously checks that work is conducted according to implemented plans and strategies.

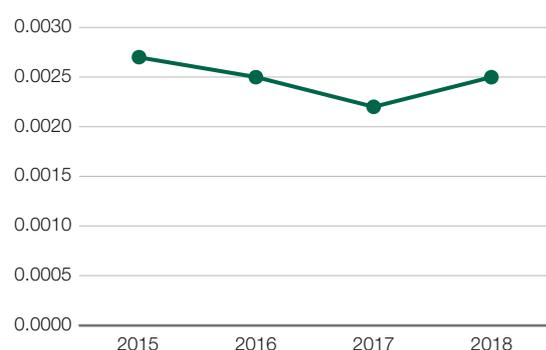
**Corporate social responsibility**

Green Landscaping is working on several social projects together with municipalities and property companies. The Company strives to contribute to a sustainable society while customer benefit is generated through social commitment. Social projects involve, for example, the Company's partnership with one of its private sector customers, through which Green Landscaping organizes soccer tournaments for recent immigrants to support them and help them integrate into society.

**Environment**

To contribute to a sustainable society, Green Landscaping works actively with the Company's climate impact from a long-term and broad perspective. By planting trees, shrubs and sedum, the Company is working to compensate for emissions that occur. In 2018, Green Landscaping planted 760 trees. Fuel consumption, which accounts for 90 percent of Greenland's total emissions, has been the focus of the structured work to reduce climate impact in recent years. The Company has implemented a route planning initiative, resulting in shorter driving distances, lower fuel consumption, cost savings and lower climate impact. This work has resulted in a reduction in Green Landscape's climate impact since 2012. The graph below shows the Company's greenhouse gas emissions in tonnes per sales during the period 2015-2018. Green Landscaping will continue to, inter alia, focus on reducing fuel consumption and rejuvenating its vehicle fleets. The long-term objective is to be a climate-neutral company, which is also a wish from the Company's key customers.

### GREENHOUSE GAS EMISSIONS (TONNES OF CO<sub>2</sub> AS A SHARE OF SALES)



#### Key figures

Below, Green Landscape's sustainability work is presented in figures through a selection of the Group's annual social and environmental key figures for each of the years between 2015-2018.

	2015	2016	2017	2018
Average number of employees within the Group	463	419	589	599
Percentage women	17%	18%	17%	17%
Employee Satisfaction (Net Promoter Score)	-38	-16	-34	-4
Customer satisfaction (Net Promoter Score)	13	3	24	34
Greenhouse gas emissions (tonnes of CO <sub>2</sub> as a share of sales)	0.0027	0.0025	0.0022 <sup>1)</sup>	0.0025 <sup>2)</sup>
Tree planting	735	575	1,438	760

1) Does not include data for the companies JE Mark and Jordelit.

2) Greenhouse gas emissions (tonnes of CO<sub>2</sub> as a share of sales) are for the Group, excluding the acquisitions made in 2018.

#### Code of Conduct

Green Landscaping's Code of Conduct comprises a number of principles describing the Company's common values. These principles apply at an overall level and are complemented by Green Landscaping's Group-wide policies, guidelines and practices in specific areas such as finance, HR and purchasing. The purpose of a Code of Conduct is to convey Green Landscaping's value base and business principles to all of the Company's employees, customers, suppliers, other business partners and owners, as well as providing guidance in the Company's daily work. The Company's Code of Conduct addresses issues related to conflicts of interest, gifts and representation, the environment and the workplace environment, as well as relations with suppliers and subcontractors. The contents of the Code of Conduct are presented and included as a discussion point in the introduction of each new employee. It is of the utmost importance for Green Landscaping that all employees be familiar with and comply with the Code of Conduct.

#### Digitization

The company is working actively to streamline the central IT function and increase the digitization of its operations, including improving accounting systems and implementing e-invoices, enabling better follow-up and ensuring greater user-friendliness. The Company has identified great potential in providing Group employees with mobile devices, such as tablets and smart phones, to streamline the work of receiving and placing orders, performing self-monitoring, and follow-up. In addition, Green Landscaping believes it can increase resource utilization, ensure consistent quality, facilitate documentation and reporting to customers, as well as increase the Company's upsales. The Company also believes that increased digitization can lead to improved competition because smaller players in the market do not have the same opportunities to implement similar solutions. Green Landscaping aims to become a market leader in its sector in terms of digitization in bidding processes.

1) The key figures in the table are for the Green Landscaping Group, excluding the acquisitions made in 2018.

**ACQUISITIONS**

The Swedish market for outdoor care is fragmented with a total of about 6,300 players, of which some 5,000 are run as individual companies and some 1,300 have sales of less than SEK 100 million per year, which creates good opportunities for consolidating the market. Medium-sized players are often strong in each of their local home markets, thus making attractive acquisition candidates for the Company. The Company perceives growth through acquisitions as less risky than a high level of organic growth, since the Company selectively identifies companies with profitable contract portfolios. In addition, there is already personnel, local knowledge and business processes in place, bringing additional benefits compared with organic growth.

**Identifying acquisitions**

Acquisitions form a central part of Green Landscaping’s growth strategy and are divided into smaller and larger acquisitions:

- ▶ Smaller acquisitions
  - Net sales of SEK 30–200 million;
  - Possibility of achieving synergies in delivery and purchasing;
  - Focus on profitable contract portfolios; and
  - Strong local brand.
- ▶ Larger acquisitions
  - Net sales greater than SEK 200 million;
  - Strategic positioning and market entry and;
  - Otherwise, the same criteria as for smaller acquisitions.

When identifying both smaller and larger acquisitions, Green Landscaping looks for companies that meet the following criteria:

- ▶ Well-functioning, stable and profitable companies;
- ▶ Competent company management;
- ▶ Strong local brands;
- ▶ Companies with multi-year customer contracts, primarily in gardening; and
- ▶ Operations in areas where Green Landscaping is active or in adjacent areas.

As of 31 December 2018, Green Landscaping had initiated contact with several potential acquisition candidates in Sweden and other parts of the Nordic region.

**Attractive buyer**

In discussions with potential acquisition candidates, Green Landscaping believes that the Company is perceived as an attractive buyer. According to the Company, this is due largely to Green Landscaping’s strong market position and its history of consolidating the market.

The president of each company retains substantial influence even after their companies have been acquired by Green Landscaping, in selecting employees, projects and customers, which means that the acquired businesses can continue to focus on their core operations, maintaining their local identity and entrepreneurial culture. At the same time, they can benefit from central functions, such as financial organization and joint purchasing agreements, as well as enjoying access to “Policy Deployment” and “LEAN” as tools for developing the acquired unit. The acquired operations and their contractors are given opportunities to reinvest in the Company and to participate in the continued development of the value of Green Landscaping, generating strong incentives to continue delivering robust earnings and to continue working in the Company.

Green Landscaping seeks to establish itself as the preferred acquirer to attract business owners from the contacts initiated by the Company. A proven and well-functioning acquisition model, attractive offer to business owners, combined with Green Landscaping being regarded as an attractive employer for smaller companies, has historically enabled the Company to acquire businesses at attractive values, usually within the range of 2.5–5 x EBITDA (without taking synergies and additional purchase considerations into account). Green Landscaping generally achieves an improved EBITDA margin in connection with acquisitions.

**Acquisition process**

Potential smaller acquisitions are identified by regional managers through their networks in their individual local home markets, while larger acquisition candidates are identified centrally. Regional managers have extensive knowledge of the market and insights into the Company’s competitors and partners, which is often the starting point for a potential acquisition. From the time that the Company presents its bid to the acquisition candidate, the process usually takes two to three months the share transfer agreements are signed and the transaction is completed. According to the Company, the structured acquisition process results in the accurate identification of acquisition candidates, as well as efficient and smooth integration.

**Green Landscaping’s acquisition process**



## Integration

To a large extent, the acquired companies should continue to operate independently, with control regarding customers and staff, to maintain an entrepreneurial culture. When companies are acquired, they are immediately added to the Group's centralized purchasing process and gain access to the Group's purchasing agreements. They are also allowed to make use of the Group's vehicles and equipment, and are afforded opportunities to benefit from, or contribute to, cross-selling of the Group's services. Through this integration, synergies can be generated directly upon acquisition.

Within six months of acquisition, shared processes, such as reporting and follow-up, commence through "Policy Deployment" and "LEAN". The acquired companies are integrated in such a way that they learn from the Group's best practices, improving their processes and making them more efficient. Depending on what is considered most appropriate, the acquired operations may either retain their trademarks or transition to the Green Landscaping brand once that has been established in the local market.

## Significant acquisitions in the past two years 2017

### Tranemo Trädgårdstjänst

Specialist company operating in detailed planning and gardening services in Borås, Tranemo and Ulricehamn. Tranemo Trädgårdstjänst was acquired by Green Landscaping in 2017. Since then, Tranemo Trädgårdstjänst has retained its trademark and operates as a subsidiary of the Company.

### Björntreprenad

Full-service company with operations in maintenance, groundwork, snow removal, construction and other services in northern Stockholm. Björntreprenad was acquired in full by Green Landscaping in 2017. Since then, Björntreprenad has retained its trademark and operates as a subsidiary of the Company.

### J E Mark

Company with operations in the design, construction and maintenance of land in Stockholm County. JE Mark was acquired by Green Landscaping in 2017. Since then, JE Mark has retained its trademark and operates as a subsidiary of the Company. At 31 December 2018, commitments existed to, on certain conditions, pay out supplementary

purchase considerations for JE Mark that may be disbursed during 2019. For further information, see the sections "Legal considerations and supplementary information" – "Acquisitions" and "Capital structure, indebtedness and other financial information" – "Agreement regarding supplemental purchase consideration in connection with acquisitions".

### Jordelit

Specialist company with operations in consultation and supply of maintenance products, primarily in golf and soccer. Jordelit is based in Gothenburg and was acquired by Green Landscaping in 2017. As part of the agreement with the sellers of Jordelit, the part of the operations not encompassed by Green Landscaping's strategy was not acquired. The operations within Jordelit that were not taken over comprised the subsidiary Wheels4U, which sells ATVs, maintenance vehicles for parks and sports facilities, as well as motorcycles and mopeds. Since Jordelit was acquired, it has retained its trademark and operates as a subsidiary of the Company. At 31 December 2018, commitments existed to, on certain conditions, pay out supplementary purchase considerations for Jordelit that may be disbursed during 2019. For further information, please see the sections "Legal considerations and supplementary information" – "Acquisitions" and "Capital structure, indebtedness and other financial information" – "Agreement regarding supplemental purchase consideration in connection with acquisitions".

## 2018

In 2018, Green Landscaping conducted three acquisitions, acquiring the companies Trädexperterna, Svensk Markservice and Mark & Miljö, as well as acquiring the assets in Borås Markentreprenad. Synergies of about SEK 25 million annually are expected from 2020. Contingent purchase considerations that the Group is to pay for future earnings are estimated at approximately SEK 12.1 million, for which provisions have been made (non-discounted amount). The fair value of the contingent consideration is included in level 3 of the fair value hierarchy in accordance with IFRS. The goodwill arising from the acquisitions is not attributable to any specific balance sheet item but pertains to the companies' market positions. For further information regarding supplementary purchase considerations, see "Capital structure, indebtedness and other financial information" – "Agreement regarding supplemental purchase consideration in connection with acquisitions".

## Overview of acquisitions made in 2018<sup>1)</sup>

Company name	Operations	Acquisition date	Acquired holding	Annual sales	Annual operating profit
Svensk Markservice Holding AB	Gardening and landscaping services	1 Dec. 2018	100%	813.4	12.5
Mark & Miljö Projekt i Sverige AB	Detailed planning of outdoor environments	1 Dec. 2018	100%	53.5	7.0
Trädvård Sydväst	Arboriculture and Forestry	1 Jul. 2018	100%	14.5	1.3

1) Sales and operating profit according to the acquired companies' annual reports for 2017.

#### *Trädvård Sydväst*

Specialists in arboriculture, silviculture and conservation. Customers include recurring clients, such as major landowners: including municipalities and government agencies with framework agreements. Acquired by Green Landscaping's subsidiary Jacksons Trädvård in 2018. Since then, Trädvård Sydväst has been integrated into Jacksons Trädvård and the company has changed name from Trädexperterna TPT AB to Jacksons Trädvård Sydväst AB. The merger strengthens Jacksons Trädvård's operations and presence in southwestern Sweden. The acquisition multiple amounted to 2.8 x EBIT, with the possibility of an additional purchase consideration over a three-year period, in line with Green Landscaping's established acquisition methodology. At 31 December 2018, commitments existed to, on certain conditions, pay out supplementary purchase considerations that may be disbursed during 2019-2021. For further information, please see the sections "Legal considerations and supplementary information" – "Acquisitions" and "Capital structure, indebtedness and other financial information" – "Agreement regarding supplemental purchase consideration in connection with acquisitions".

#### *Borås Markentreprenad*

Borås Markentreprenad offers groundwork contracting and construction work for both the private and public sectors. The assets in Borås Markentreprenad were acquired by Tranemo Trädgårdstjänst, a Green Landscaping subsidiary, in 2018. Since then, Borås Markentreprenad has been integrated into Tranemo Trädgårdstjänst. The acquisition is expected to contribute SEK 10 million annually to consolidated sales. Tranemo Trädgårdstjänst is not obligated to pay any additional purchase considerations for the acquisition. For further information, see the sections "Legal considerations and supplementary information" – "Acquisitions" and "Capital structure, indebtedness and other financial information" – "Agreement regarding supplemental purchase consideration in connection with acquisitions".

#### *Svensk Markservice*

Svensk Markservice operates in maintenance, development and construction of outdoor environments. Customers are both public and private property owners. Alongside its regular gardening work, Svensk Markservice offers several specialist services, including tree felling, carpentry and graffiti removal. Svensk Markservice was acquired by Green Landscaping in 2018 to establish a nationwide supplier of gardening and landscaping services. Since then, Svensk Markservice has retained its trademark and operates as a subsidiary of the Company. The purchase consideration amounted to SEK 398 million on a cash and debt-free basis (EV) and was financed entirely with newly raised credit facilities. Green Landscaping is not obligated to pay any additional purchase considerations for the acquisition. For further financial information regarding Svensk Markservice, see the sections "Pro forma financial information" – "Pro forma income statement 1 January 2018 to 31 December 2018" and "Legal considerations and supplementary information" – "Acquisitions".

#### *Mark & Miljö*

Mark & Miljö operates in detailed planning, drafting, construction and maintenance of outdoor environments in residential areas, with its principal operations being located in Malmö. Was acquired by Green Landscaping in 2018. Since then, Mark & Miljö has retained its trademark and operates as a subsidiary of the Company. The acquisition multiple amounted to 4.2 x (EV/EBIT), with the possibility of an additional purchase consideration over a two-year period, in line with Green Landscaping's acquisition methodology. At 31 December 2018, commitments existed to, on certain conditions, pay out supplementary purchase considerations regarding the acquisition that may be disbursed during 2020. For further information, please see the sections "Legal considerations and supplementary information" – "Acquisitions" and "Capital structure, indebtedness and other financial information" – "Agreement regarding supplemental purchase consideration in connection with acquisitions".



# SELECTED HISTORICAL FINANCIAL INFORMATION

The financial information in this section shall be read together with the sections “Operational and financial overview”, “Comments on financial development”, “Pro forma financial information”, “Capital structure, indebtedness and other financial information” and the consolidated financial statements, audited by the Group’s auditor, with associated notes for the financial year ended 31 December 2016, 2017 and 2018, which have been incorporated by reference and accordingly form a part of the Prospectus. The information for the financial year 2018 is taken from the Company’s audited Annual Report for the financial year 2018. The Annual Report for the financial year 2018 has not yet been adopted by the Annual General Meeting. The Annual Report for the financial year 2018 was prepared for the first time in accordance with IFRS as adopted by the EU. For the financial years 2016 and 2017, the Company has applied the Annual Accounts Act and K3. The financial information for the financial years 2016 and 2017 is taken from the audited Annual Reports for the financial years 2016 and 2017. To present financial information consistently and to enable a better comparison between the financial years, in this Prospectus, the Company has also chosen to present unaudited financial information for the financial year 2017 recalculated in accordance with IFRS, which has been taken from the comparative figures in the audited Annual Report for the financial year 2018. Apart from what is indicated in the Audit Reports for the financial years ended 31 December 2016, 2017 and 2018, as well as the auditor’s review of the pro forma accounts presented in the section “Auditor’s report regarding pro forma financial information”, no information in the Prospectus has been audited or reviewed by an auditor. Financial key performance indicators not defined in accordance with applicable accounting regulations have neither been audited nor reviewed by an auditor. Amounts provided in this section have in some cases been rounded off and thereby do not always total correctly.

## CONSOLIDATED INCOME STATEMENT

Income statement, SEK million	In accordance with IFRS		In accordance with K3	
	Audited 2018	Not audited 2017	Audited 2017	Audited 2016
Net sales	1,176.1	796.6	790.9	672.7
Change, work in progress	–	–	11.5	7.6
Other operating income	4.0	2.7	2.7	0.9
<b>Sales</b>	<b>1,180.1</b>	<b>799.3</b>	<b>805.2</b>	<b>681.3</b>
<b>OPERATING EXPENSES</b>				
Cost of goods and services sold	–586.6	–373.9	–379.7	–348.4
Other external expenses	–124.3	–93.1	–87.3	–53.7
Employee benefit expenses	–386.3	–276.4	–276.4	–252.5
Other operating expenses	–27.6	–0.1	–0.1	–0.0
Depreciation/amortization and impairment	–	–	–46.6	–35.6
Depreciation of property, plant and equipment	–37.4	–25.7	–	–
Amortization of intangible assets	–14.2	–4.6	–	–
<b>Total operating expenses</b>	<b>–1,176.4</b>	<b>–773.8</b>	<b>–790.1</b>	<b>–690.1</b>
<b>Operating profit (loss)</b>	<b>3.7</b>	<b>25.5</b>	<b>15.0</b>	<b>–8.9</b>
<b>PROFIT (LOSS) FROM FINANCIAL ITEMS</b>				
Financial income	0.3	2.5	2.5	0.6
Financial expenses	–16.0	–19.7	–18.8	–12.7
<b>Total profit (loss) from financial items</b>	<b>–15.7</b>	<b>–17.2</b>	<b>–16.3</b>	<b>–12.2</b>
<b>Profit (loss) after financial items</b>	<b>–12.0</b>	<b>8.3</b>	<b>–1.2</b>	<b>–21.0</b>
Tax	6.3	–4.1	–4.2	–0.1
Other taxes	–	–	–0.8	–1.2
<b>Profit (loss) for the year</b>	<b>–5.7</b>	<b>4.2</b>	<b>–6.2</b>	<b>–22.3</b>
Other operating profit (loss)	–	–	–	–
<b>Total operating profit (loss) for the year</b>	<b>–5.7</b>	<b>4.2</b>	<b>–6.2</b>	<b>–22.3</b>

## CONSOLIDATED BALANCE SHEET

Balance sheet, SEK million	In accordance with IFRS		In accordance with K3	
	Audited 2018	Not audited 2017	Audited 2017	Audited 2016
<b>ASSETS</b>				
<b>Fixed assets</b>				
<i>Intangible assets</i>				
Goodwill	418.7	138.0	138.4	60.5
Customer relationships	83.5	29.8	–	–
Brands	51.5	8.9	–	–
Other intangible assets	3.6	2.5	2.5	1.0
<b>Total intangible assets</b>	<b>557.4</b>	<b>179.1</b>	<b>140.9</b>	<b>61.4</b>
<b>Property, plant and equipment</b>				
Expenditure for improvement on unowned property	0.8	0.3	0.3	0.5
Machinery and other technical facilities	132.7	64.2	64.2	41.2
Equipment, tools, fixtures and fittings	31.9	17.4	17.4	1.4
<b>Total property, plant and equipment</b>	<b>165.4</b>	<b>81.9</b>	<b>81.8</b>	<b>43.1</b>
<b>Financial assets</b>				
Deferred tax assets	21.3	16.6	16.6	17.3
Other non-current receivables	0.2	0.1	0.1	0.0
<b>Total financial assets</b>	<b>21.5</b>	<b>16.7</b>	<b>16.7</b>	<b>17.4</b>
<b>Total fixed assets</b>	<b>744.2</b>	<b>277.7</b>	<b>239.4</b>	<b>121.8</b>
<b>Current assets</b>				
Inventories	23.7	31.2	31.2	9.6
Accounts receivable	317.2	184.5	184.5	117.1
Current tax assets	5.7	1.5	1.5	0.5
Other current receivables	5.5	2.6	2.5	0.5
Income accrued but not invoiced / contract assets	41.6	35.9	36.0	23.5
Prepaid expenses and accrued income	43.7	24.5	24.5	15.9
Cash and bank balances	96.3	33.7	33.7	6.1
<b>Total current assets</b>	<b>533.7</b>	<b>313.8</b>	<b>314.0</b>	<b>173.2</b>
<b>TOTAL ASSETS</b>	<b>1,277.9</b>	<b>591.6</b>	<b>553.4</b>	<b>295.0</b>

## CONSOLIDATED BALANCE SHEET, CONT.

Balance sheet, SEK million	In accordance with IFRS		In accordance with K3	
	Audited 2018	Not audited 2017	Audited 2017	Audited 2016
<b>EQUITY AND LIABILITIES</b>				
Share capital	2.5	2.2	2.3	1.9
Other contributed capital	391.3	220.2	219.4	191.0
Other equity including profit (loss) for the year	-191.0	-188.0	-216.3	-210.1
<b>Equity attributable to Parent Company's shareholders</b>	<b>202.8</b>	<b>34.4</b>	<b>5.3</b>	<b>-17.2</b>
<b>Provisions</b>				
Deferred tax liability	-	-	5.8	0.1
Other provisions	-	-	2.6	3.4
<b>Total provisions</b>	<b>-</b>	<b>-</b>	<b>8.5</b>	<b>3.5</b>
<b>Non-current liabilities</b>				
Warranty provisions	1.9	1.7	-	-
Deferred tax liability	37.3	14.3	-	-
Convertible loans	-	47.1	47.1	39.1
Liabilities to credit institutions	453.7	51.1	51.1	3.8
Liabilities pertaining to finance leases	112.7	45.9	45.9	38.0
<b>Total non-current liabilities</b>	<b>605.6</b>	<b>160.1</b>	<b>144.1</b>	<b>80.8</b>
<b>Current liabilities</b>				
Warranty provisions	3.1	1.0	-	-
Bank overdraft	17.6	43.5	43.5	30.3
Liabilities to credit institutions	52.8	38.5	38.5	-
Accounts payable	169.6	131.8	131.8	100.9
Current tax liabilities	0.9	3.4	3.4	0.2
Contract liabilities	15.3	16.5	-	-
Other current liabilities	60.0	21.8	21.8	21.0
Income invoiced but not accrued	-	-	16.5	9.5
Accrued expenses and prepaid income	150.3	140.6	140.0	66.1
<b>Total current liabilities</b>	<b>469.6</b>	<b>397.1</b>	<b>395.5</b>	<b>227.9</b>
<b>Total liabilities</b>	<b>1,075.2</b>	<b>557.2</b>	<b>548.0</b>	<b>312.2</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,278.0</b>	<b>591.6</b>	<b>553.4</b>	<b>295.0</b>

## CONSOLIDATED CASH FLOW

Cash flow statement, SEK million	In accordance with IFRS		In accordance with K3	
	Audited 2018	Not audited 2017	Audited 2017	Audited 2016
<b>OPERATING ACTIVITIES</b>				
Operating profit (loss)	3.7	25.5	15.0	-8.9
Reversal of amortization/depreciation	51.6	30.3	-	-
Other non-cash items	-6.4	-1.9	-	-
Adjustment of non-cash items	-	-	41.9	36.1
Interest received and paid	-16.8	-7.4	-6.5	-5.5
Paid income tax	-3.0	-0.4	-1.4	-0.2
<b>Cash flow from operating activities before changes in working capital</b>	<b>29.1</b>	<b>46.1</b>	<b>49.0</b>	<b>21.5</b>
<b>Change in working capital</b>				
Increase (-) / decrease (+) in operating receivables	-6.8	-40.1	-43.3	-5.6
Increase (-) / decrease (+) in operating liabilities	-26.7	19.4	23.3	-13.6
Increase (-) / decrease (+) in inventories	7.8	-8.2	-8.2	0.3
<b>Cash flow from changes in working capital</b>	<b>-25.7</b>	<b>-28.9</b>	<b>-28.2</b>	<b>-18.9</b>
<b>Cash flow from operating activities</b>	<b>3.4</b>	<b>17.2</b>	<b>20.8</b>	<b>2.6</b>
<b>INVESTING ACTIVITIES</b>				
Acquisitions of subsidiaries	-212.8	-75.8	-75.8	-
Acquisitions of tangible and intangible fixed assets	-52.3	-34.2	-26.9	-12.4
Disposals of property, plant and equipment	4.4	3.1	3.1	2.7
<b>Cash flow from investing activities</b>	<b>-260.7</b>	<b>-106.9</b>	<b>-99.6</b>	<b>-9.7</b>
<b>FINANCING ACTIVITIES</b>				
New share issue	72.9	-	-	-
New loans	522.6	115.9	101.6	7.8
Amortization of liabilities	-248.9	-11.7	-8.4	-7.9
Expenses relating to loans raised	-3.4	-	-	-
Net change bank overdraft	-25.9	13.2	13.2	9.4
Options	2.4	-	-	-
Deposits	-	-	-	0.0
Change in bank overdraft	-	-	13.2	9.4
<b>Cash flow from financing activities</b>	<b>319.7</b>	<b>117.4</b>	<b>106.4</b>	<b>9.3</b>
<b>CASH FLOW FOR THE YEAR</b>	<b>62.4</b>	<b>27.7</b>	<b>27.6</b>	<b>2.3</b>
Cash and cash equivalents at the beginning of the period	33.7	6.1	6.1	3.9
<b>Cash and cash equivalents at the end of the period</b>	<b>96.1</b>	<b>33.8</b>	<b>33.7</b>	<b>6.1</b>

**ALTERNATIVE KEY PERFORMANCE INDICATORS  
NOT DEFINED IN ACCORDANCE WITH IFRS**

Guidelines regarding alternative key performance indicators for companies with securities admitted for trading in a regulated market within the EU have been issued by the European Securities and Markets Authority (ESMA). These guidelines serve to make alternatives key performance indicators in financial reports more understandable, reliable and comparable, thus promoting their usefulness. In accordance with these guidelines, alternative key performance indicators are financial measures of historical or future performance, financial position, financial results or cash flows not defined or specified in the applicable financial reporting regulations: IFRS and the Annual Accounts Act.

The following table shows selected alternative key performance indicators not defined or specified in accordance with IFRS unless otherwise stated. Certain descriptions of the key performance indicators present trends in operational and financial key performance indicators not defined in accordance with IFRS. The Company believes that these alternative key performance indicators provide a better understanding of the Company's financial trends and they are, to a large extent, used by the Company's management team, investors, equity analysts and other stakeholders as a complementary measures of the Company's development. Since not all companies calculate financial measures in the same way, they are not always comparable to those used by other companies. Accordingly, these measures should not be viewed as a replacement for measures defined in accordance with IFRS.

Key figures, SEK million	In accordance with IFRS		In accordance with K3	
	Audited 2018	Not audited 2017	Audited 2017	Audited 2016
<b>SALES MEASURES</b>				
Net sales <sup>1)</sup>	1,176.1	796.6	790.9	672.7
Net sales growth, %	47.6	0.7	17.6	–
Organic net sales growth, %	8.5	0.8	3.7	–9.2
Acquired net sales growth, %	39.6	16.5	16.0	–
Order book	3,880.0	1,975.0	962.0	1,437.0
Change in order book, %	96.5	105.3	–33.1	–
<b>PROFITABILITY MEASURES</b>				
EBITDA	55.3	55.8	61.6	26.7
EBITA	17.9	30.1	35.6	9.0
Operating profit (loss) (EBIT) <sup>1)</sup>	3.7	25.5	15.0	–8.9
Adjusted EBITDA	97.2	66.0	70.7	48.8
Adjusted EBITA	59.8	40.3	44.6	31.0
Adjusted EBIT	45.6	35.7	24.1	13.2
<b>MARGIN MEASUREMENTS</b>				
EBITDA margin, %	4.7	7.0	7.8	4.0
EBITA margin, %	1.5	3.8	4.5	1.3
EBIT margin, %	0.3	3.2	1.9	–1.3
Adjusted EBITDA margin, %	8.3	8.3	8.9	7.3
Adjusted EBITA margin, %	5.1	5.1	5.6	4.6
Adjusted EBIT margin, %	3.9	4.5	3.0	2.0
<b>CAPITAL STRUCTURE</b>				
Adjusted working capital	42.2	14.9	–58.4	–46.3
Adjusted working capital in relation to net sales, %	3.6	1.9	–7.4	–6.9
Total net debt	540.5	145.2	192.3	105.0
Total net debt in relation to adjusted EBITDA, multiple	5.6	2.2	2.7	2.2
<b>EMPLOYEES</b>				
Average number of employees	599	589	589	419

1) key performance indicator defined in accordance with IFRS.

**RECONCILIATION TABLES FOR SELECTED ALTERNATIVE KEY PERFORMANCE INDICATORS**

The following section provides reconciliation tables for selected alternative key performance indicators as presented in the section “Alternative key performance indicators not defined in accordance with IFRS”. For descriptions of key performance indicators not defined in accordance with IFRS

and the reasoning for their use, see “Definitions of alternative key performance indicators not defined in accordance with IFRS” below. The key performance indicators below have not been audited or reviewed by the Company’s auditor unless otherwise expressly stated.

**SALES MEASURES**

SEK million	In accordance with IFRS		In accordance with K3	
	Audited 2018	Not audited 2017	Audited 2017	Audited 2016
<b>Net sales</b>	<b>1,176.1</b>	<b>796.6</b>	<b>790.9</b>	<b>672.7</b>
Change in inventories of goods in progress, finished goods and work in progress on behalf of others	–	–	11.5	7.6
Other operating income	4.0	2.7	2.7	0.9
<b>Sales</b>	<b>1,180.1</b>	<b>799.3</b>	<b>805.2</b>	<b>681.3</b>
<b>Net sales, preceding year</b>	<b>796.6</b>	<b>681.5</b>	<b>672.7</b>	<b>750.5</b>
Organic net sales	67.8	5.3	10.6	–77.8
Acquired net sales	315.7	112.5	107.6	–
<b>Sales</b>	<b>1,180.1</b>	<b>799.3</b>	<b>790.9</b>	<b>672.7</b>
Organic net sales growth, %	8.5	0.8	3.7	–9.2
Acquired net sales growth, %	39.6	16.5	16.0	–

**PROFITABILITY AND MARGIN MEASURES**

<b>EBITDA</b>	<b>55.3</b>	<b>55.8</b>	<b>61.6</b>	<b>26.7</b>
Depreciation, property, plant and equipment	–37.4	–25.7	–26.1	–17.8
<b>EBITA</b>	<b>17.9</b>	<b>30.1</b>	<b>35.6</b>	<b>9.0</b>
Amortization, intangible assets	–14.2	–4.6	–20.5	–17.8
<b>Operating profit (loss) (EBIT)</b>	<b>3.7</b>	<b>25.5</b>	<b>15.0</b>	<b>–8.9</b>
EBITDA margin, %	4.7	7.0	7.7	3.9
EBITA margin, %	1.5	3.8	4.4	1.3
EBIT margin, %	0.3	3.2	1.9	–1.3
<b>Adjusted EBITDA</b>				
<b>EBITDA</b>	<b>55.3</b>	<b>55.8</b>	<b>61.6</b>	<b>26.7</b>
Adjustments for exclusion of Stockholm Anläggning	–	6.3	5.1	12.4
Non-recurring items (termination expenses)	–	1.4	1.3	6.5
Non-recurring items (relocation expenses)	–	1.5	1.0	2.0
Non-recurring expenses (other)	–	–	1.7	1.2
Non-recurring expenses (listing and change of list)	16.7	1.0	–	–
Non-recurring expenses (acquisition expenses)	13.3	–	–	–
Non-recurring expenses (integration expenses)	11.9	–	–	–
<b>Items affecting comparability</b>	<b>41.9</b>	<b>10.2</b>	<b>9.1</b>	<b>22.1</b>
<b>Adjusted EBITDA</b>	<b>97.2</b>	<b>66.0</b>	<b>70.7</b>	<b>48.8</b>
Adjusted EBITDA margin, %	8.2	8.3	8.8	7.2
<b>Adjusted EBITA</b>				
<b>EBITDA</b>	<b>55.3</b>	<b>55.8</b>	<b>61.6</b>	<b>26.7</b>
Items affecting comparability	41.9	10.2	9.1	22.1
Depreciation, property, plant and equipment	–37.4	–25.7	–26.1	–17.8
<b>Adjusted EBITA</b>	<b>59.8</b>	<b>40.3</b>	<b>44.6</b>	<b>31.0</b>
Adjusted EBITA margin, %	5.1	5.0	5.5	4.6
<b>Adjusted EBIT</b>				
<b>EBITDA</b>	<b>55.3</b>	<b>55.8</b>	<b>61.6</b>	<b>26.7</b>
Items affecting comparability	41.9	10.2	9.1	22.1
Depreciation, property, plant and equipment	–37.4	–25.7	–26.1	–17.8
Amortization, intangible assets	–14.2	–4.6	–20.5	–17.8
<b>Adjusted EBIT</b>	<b>45.6</b>	<b>35.7</b>	<b>24.1</b>	<b>13.2</b>
Adjusted EBIT margin, %	3.9	4.5	3.0	1.9

## CAPITAL STRUCTURE MEASURES

SEK million	In accordance with IFRS		In accordance with K3	
	Audited 2018	Not audited 2017	Audited 2017	Audited 2016
<b>Adjusted working capital</b>				
Inventories	23.7	31.2	31.2	9.6
Current receivables	413.7	249.0	220.5	140.6
Accounts payable	-169.6	-131.8	-131.8	-100.9
Other liabilities	-60.0	-21.8	-38.3	-30.5
Contract liabilities	-15.3	-16.5	-	-
Accrued expenses	-150.3	-140.6	-140.0	-66.1
Interest, convertible loan	-	45.4	-	1.0
<b>Total adjusted working capital</b>	<b>42.2</b>	<b>14.9</b>	<b>-58.4</b>	<b>-46.3</b>
<b>Net debt</b>				
Bank overdraft	-17.6	-43.5	-43.5	-30.3
Liabilities to credit institutions (non-current)	-453.7	-51.1	-98.2	-42.9
Liabilities regarding financial leasing	-112.7	-45.9	-45.9	-38.0
Liabilities to credit institutions (current)	-52.8	-38.5	-38.5	-
Cash and cash equivalents	96.3	33.8	33.7	6.1
<b>Total net debt</b>	<b>-540.5</b>	<b>-145.2</b>	<b>-192.3</b>	<b>-105.0</b>
<b>Adjusted EBITDA/net debt</b>				
Adjusted EBITDA	97.2	66.0	70.7	48.8
Total net debt	-540.5	-145.2	-192.3	-105.0
<b>Total net debt/adjusted EBITDA</b>	<b>5.6</b>	<b>2.2</b>	<b>2.7</b>	<b>2.2</b>

**Description of expenses affecting comparability****Adjustments for exclusion of Stockholm Anläggning**

Items affecting comparability are attributable to expenses for the phasing-out of Stockholm Anläggning.

**Termination expenses**

Items affecting comparability are attributable to expenses for the termination of unprofitable contracts, expenses for the termination of employees and expenses for the termination of office leases.

**Relocation expenses**

Items affecting comparability are attributable to expenses for relocation of operations.

**Other**

Items affecting comparability are attributable to other expenses.

**Listing and change of list**

Items affecting comparability are attributable to expenses for the listing of the Company's shares on Nasdaq First North in March 2018 and the change of list to Nasdaq Stockholm.

**Acquisition expenses**

Items affecting comparability are attributable to expenses in connection with the acquisition of Svensk Markservice.

**Integration expenses**

Items affecting comparability are attributable to expenses for the integration of Svensk Markservice and previously acquired companies.

**DEFINITIONS OF ALTERNATIVE KEY PERFORMANCE INDICATORS NOT DEFINED IN ACCORDANCE WITH IFRS**

Key figures	Definition/calculation	Purpose
<b>EBITA</b>	Operating profit before amortization and impairment of acquisition-related intangible assets.	EBITA provides an overall picture of profit generated by the operating activities.
<b>EBITDA</b>	Operating profit before amortization and impairment of acquisition-related intangible assets, depreciation and impairment of property, plant and equipment and amortization and impairment of intangible assets.	Combined with EBITA, EBITDA provides an overall picture of the profit generated by the operating activities.
<b>EBITA margin</b>	Operating profit before amortization and impairment of acquisition-related intangible assets, as a percentage of sales.	EBITA margin is used to measure operational profitability.
<b>EBITDA margin</b>	Operating profit before amortization and impairment of acquisition-related intangible assets and depreciation, as well as impairment of property, plant and equipment and amortization and impairment of intangible assets, as a percentage of sales.	EBITDA margin is used to measure operational profitability.
<b>Adjusted EBITA</b>	EBITA adjusted for items affecting comparability.	Adjusted EBITA increases the comparability of EBITA.
<b>Adjusted EBITDA</b>	EBITDA adjusted for items affecting comparability.	Adjusted EBITDA increases the comparability of EBITDA.
<b>Adjusted EBITDA pro forma</b>	EBITDA adjusted for items affecting comparability, including EBITDA in acquired companies for the current year prior to the acquisition date.	To provide a picture of the Group's position in upcoming periods.
<b>Adjusted EBITA margin</b>	EBITA adjusted for items affecting comparability, as a percentage of sales.	Adjusted EBITA margin excludes the effect of items affecting comparability, enabling a comparison of the underlying operational profitability.
<b>Adjusted EBITDA margin</b>	EBITDA adjusted for items affecting comparability, as a percentage of sales.	Adjusted EBITDA margin excludes the effect of items affecting comparability, enabling a comparison of the underlying operational profitability.
<b>Items affecting comparability (NRI)</b>	Items that clearly differ from the normal operations and that are non-recurring in nature. For example, the listing on Nasdaq First North in March 2018 or the termination of leases in connection with acquisitions.	To provide a fair picture of underlying profit
<b>Sales (pro forma)</b>	Consolidated sales for the current period, including sales in acquired companies.	To provide a picture of the Group's position in upcoming periods.
<b>Order backlog</b>	Refers to amounts for contracts yet to be delivered and optional additional years.	Provides a possibility to assess how the Company will develop.
<b>Organic growth</b>	Sales increase in legal entities owned throughout the financial year.	To demonstrate how existing operations develop.
<b>Working capital</b>	Current assets excluding cash and cash equivalents, less current liabilities.	Working capital is used to measure the Company's capacity to meet its non-current capital requirements.
<b>Adjusted working capital</b>	Working capital excluding accrued interest on shareholder loans.	As for working capital but showing the working capital requirements of the underlying operations.
<b>Net debt</b>	Interest-bearing liabilities less cash and cash equivalents.	Net debt shows the Company's financial position.
<b>Net debt in relation to adjusted EBITDA</b>	Net debt as a share of adjusted EBITDA.	Net debt in relation to adjusted EBITDA is stated to show financial risk and because it is a useful measure for monitoring the level of debt in the Company.

## SELECTED HISTORICAL FINANCIAL INFORMATION FOR SVENSK MARKSERVICE HOLDING AB

For the financial years 2016 and 2017, Svensk Markservice applied the Annual Accounts Act and K3. The financial information for the financial years 2016 and 2017 is taken from the audited Annual Reports of the Group for the financial years 2016 and 2017. Svensk Markservice's Annual Reports for the financial years 2016 and 2017 have been incorporated by reference, thus forming part of this Prospectus.

### Summary consolidated income statement

Income statement, SEK million	In accordance with K3	
	Audited 2017	Audited 2016
Net sales	827.1	800.2
Other operating income	7.1	12.9
<b>Sales</b>	<b>834.2</b>	<b>813.1</b>
<b>OPERATING EXPENSES</b>		
Merchandise	-386.5	-370.9
Other external expenses	-97.1	-97.8
Employee benefit expenses	-306.7	-315.7
Depreciation/amortization and impairment	-36.0	-40.7
<b>Total operating expenses</b>	<b>-826.4</b>	<b>-825.1</b>
<b>Operating profit (loss)</b>	<b>7.8</b>	<b>-12.0</b>
<b>PROFIT (LOSS) FROM FINANCIAL ITEMS</b>		
Other interest income and similar income items	0.1	0.1
Interest expenses and similar income items	-4.5	-5.0
<b>Total profit (loss) from financial items</b>	<b>-4.5</b>	<b>-4.9</b>
<b>Profit (loss) after financial items</b>	<b>3.3</b>	<b>-16.9</b>
Tax on profit (loss) for the year	-2.4	-0.5
<b>Profit (loss) for the year</b>	<b>0.9</b>	<b>-17.4</b>
Equity attributable to		
Parent Company's shareholders	0.9	-17.4
Minority interest	-0.0	0.0

### Summary consolidated balance sheet

Balance sheet, SEK million	In accordance with K3	
	Audited 2017	Audited 2016
<b>ASSETS</b>		
<b>Fixed assets</b>		
<i>Intangible assets</i>		
Licenses	1.5	1.4
Goodwill	41.0	51.4
<b>Total intangible assets</b>	<b>42.5</b>	<b>52.8</b>
<b>Property, plant and equipment</b>		
Machinery and vehicles	60.3	66.8
Equipment, tools, fixtures and fittings	5.8	5.7
Expenditure for improvement on unowned property	0.5	0.6
<b>Total property, plant and equipment</b>	<b>66.5</b>	<b>73.0</b>
<b>Financial assets</b>		
Other non-current receivables	0.0	0.0
<b>Total financial assets</b>	<b>0.0</b>	<b>0.0</b>
<b>Total fixed assets</b>	<b>109.0</b>	<b>125.9</b>
<b>Current assets</b>		
Inventories	0.4	0.4
Accounts receivable	147.9	150.2
Receivables from Group companies	0.0	0.6
Current tax assets	1.1	1.2
Other current receivables	0.8	0.8
Income accrued but not invoiced	5.5	0.0
Prepaid expenses and accrued income	19.3	15.5
Cash and bank balances	1.6	0.1
<b>Total current assets</b>	<b>176.7</b>	<b>168.8</b>
<b>TOTAL ASSETS</b>	<b>285.7</b>	<b>294.6</b>

## Summary consolidated balance sheet, cont.

Balance sheet, SEK million	In accordance with K3	
	Audited 2017	Audited 2016
<b>EQUITY AND LIABILITIES</b>		
Share capital	0.1	0.1
Other contributed capital	0.1	0.1
Other equity	-64.2	-46.9
Profit (loss) for the year	0.9	-17.4
<b>Equity attributable to the Parent Company</b>	<b>-63.2</b>	<b>-64.1</b>
Minority interest	0.0	0.0
<b>Total equity</b>	<b>-63.2</b>	<b>-64.1</b>
<b>Provisions</b>		
Deferred tax liability	2.2	2.1
<b>Total provisions</b>	<b>2.2</b>	<b>2.1</b>
<b>Non-current liabilities</b>		
Liabilities to credit institutions	50.6	61.6
Liabilities to Group companies	58.9	72.6
Liabilities pertaining to finance leases	37.4	37.5
<b>Total non-current liabilities</b>	<b>147.0</b>	<b>171.7</b>
<b>Current liabilities</b>		
Bank overdraft	0.0	1.3
Liabilities to credit institutions	11.0	11.9
Accounts payable	87.5	86.0
Liabilities to Group companies	0.0	0.0
Current tax liabilities	0.0	0.1
Liabilities pertaining to finance leases	13.6	13.2
Other liabilities	34.6	32.9
Income invoiced but not accrued	0.0	0.2
Accrued expenses and prepaid income	53.0	39.3
<b>Total current liabilities</b>	<b>199.7</b>	<b>184.9</b>
<b>Total liabilities</b>	<b>348.8</b>	<b>358.7</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>285.7</b>	<b>294.6</b>

## Summary consolidated cash flow statement

Cash flow statement, SEK million	In accordance with K3	
	Audited 2017	Audited 2016
<b>OPERATING ACTIVITIES</b>		
Profit (loss) before net financial items	7.8	-12.0
Adjustment of non-cash items	35.5	38.7
Interest received	0.1	0.1
Interest paid	-3.1	-3.4
Paid income tax	-2.4	-0.7
<b>Cash flow from operating activities before changes in working capital</b>	<b>37.9</b>	<b>22.7</b>
<b>Change in working capital</b>		
Increase (-) / decrease (+) in inventories	0.0	0.0
Increase (+) / decrease (-) in operating receivables	-6.5	-19.0
Increase (-) / decrease (+) in operating liabilities	16.7	17.5
<b>Cash flow from change in working capital</b>	<b>10.2</b>	<b>-1.5</b>
<b>INVESTING ACTIVITIES</b>		
Acquisitions of property, plant and equipment	-0.6	-1.4
Acquisitions of intangible assets	-21.5	-21.5
Disposals of property, plant and equipment	3.6	17.3
<b>Cash flow from investing activities</b>	<b>-18.6</b>	<b>-5.7</b>
<b>FINANCING ACTIVITIES</b>		
Warrants	0.0	0.1
Net change bank overdraft	-1.3	-4.4
New loans	28.2	32.0
Amortization of liabilities	-54.9	-43.3
<b>Cash flow from financing activities</b>	<b>-28.0</b>	<b>-15.6</b>
<b>CASH FLOW FOR THE YEAR</b>	<b>1.5</b>	<b>-0.1</b>
Cash and cash equivalents at the beginning of the period	0.1	0.2
<b>Cash and cash equivalents at the end of the period</b>	<b>1.6</b>	<b>0.1</b>

# OPERATIONAL AND FINANCIAL OVERVIEW

The information below shall be read together with the sections “Selected historical financial information”, “Pro forma financial information”, “Capital structure, indebtedness and other financial information” and the audited consolidated financial statements with associated notes for the financial year ended 31 December 2016, 2017 and 2018, which have been incorporated by reference and accordingly form a part of the Prospectus. Amounts provided in this section have in some cases been rounded off and thereby do not always total correctly. The annual accounts for the financial year ending 31 December 2018 have been prepared in accordance with IFRS as adopted by the European Union and the annual accounts for the financial years ending 31 December 2016 and 2017 have been prepared in accordance with K3. This section may contain prospective statements that reflect the Group’s current view of future events and financial and operational results. Such prospective statements are associated with both known and unknown risks and circumstances outside the Group’s control. See the section “Risk factors” for a description of some, but not all, factors that may lead to the Group’s future earnings and development deviating significantly from those expressed or implied in any prospective statement.

## SIGNIFICANT FACTORS THAT AFFECT GREEN LANDSCAPING’S EARNINGS

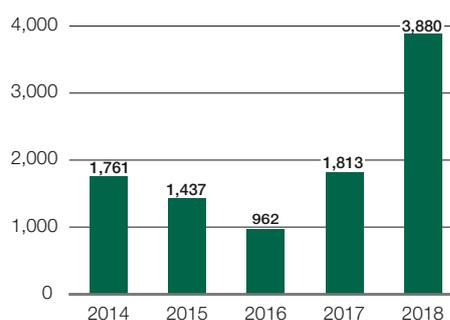
Green Landscaping’s earnings have been affected, and may also in continuation be affected, by certain important factors, particularly the ability over time to secure contracts and optimize the contract portfolio, the ability to streamline the operations, the Company’s capacity for effective management of capital and cash flow and seasonal variations. All of these factors are described below.

### The ability over time to secure contracts and optimize the contract portfolio

Green Landscaping’s ability to continue to grow and create profitability presupposes that the Company succeeds in securing and maintaining a portfolio with profitable contracts by preserving a disciplined method for the tenders and focusing an active optimization of the tender procedures and contracts. Maintaining a structured method for procurements is central to securing contracts over time and for the operations to be profitable, mainly with regard to the long-term nature of the contracts. For more information on Green Landscaping’s method for procurements, also refer to “Business description” – “Structured tendering process”.

Contracts with a value in excess of around SEK 587 thousand are covered by a competitive procurement procedure and are generally limited in time, with the possibility of an extension, usually of two to four years. For more information on Green Landscaping’s winning tenders, also refer to “Business description” – “Customers and contract portfolio”. The image “Order book (SEK million)” below shows the development in value of Green Landscaping’s order book annually over the period 2014–2018. In light of the Company’s success in terms of winning tender processes, Green Landscaping is of the opinion that the Company is well positioned to continue winning contracts. The long-term perspective in Green Landscaping’s contract portfolio and the Company’s ability to win new contracts provides a good visibility over the revenues and stable results.

## ORDER BOOK (SEK MILLION)<sup>1)</sup>



In addition, Green Landscaping’s operations are dependent on costs for the Company’s contracts being correctly calculated and controlled so that the costs stay within what is estimated at contract signing. Upon incorrect calculations or estimates, or deficient control, profitability can be lower than expected. Oppositely, a well-supported contract estimate and an efficient performance of the contract may also result in the profitability being higher than expected. Since 2015, the Company has discontinued unprofitable contracts to optimize the contract portfolio, which combined with a careful control over the operations has contributed to Green Landscaping’s positive earnings and margin development over the period 2014–2018.

### Ability to streamline the operations

In recent years, the Company has introduced a number of initiatives to improve Green Landscaping’s operational efficiency and profitability. Operational efficiency in the business refers to the Company’s ability to act cost-effectively and optimize the investments in working capital and fixed assets to generate an attractive gross margin. In 2018, the cost of goods and services sold accounted for 49.9 percent and expenses for personnel benefits for 32.8 percent of total consolidated expenses. Green Landscaping works with central framework agreements and coordination of the

1) Unaudited data obtained from Green Landscaping’s internal reporting system regarding contract values as per 31 December 2018, including application of the extension periods and the Company’s estimates regarding upsales.

purchasing process in the Group to achieve economies of scale. The Company deems that there is continued potential to improve the purchasing process through standardization and coordination. For more information on Green Landscaping's purchasing process, refer to the section "*Business description*" – "*Business model*".

Green Landscaping has focus on "LEAN" and "Policy Deployment" to improve profitability and productivity in the Company. Green Landscaping has managed to reduce the number of suppliers by about 20 percent since 2014. The 10 largest suppliers accounted for approximately 21 percent of the Company's purchasing costs, compared with 17 percent below 2014.<sup>1)</sup> Consolidation of suppliers has resulted in lower purchasing costs, which in turn has had a positive impact on the Company's profitability. For more information on Green Landscaping's methods for efficiency enhancement of the operations, refer to the section "*Business description*" – "*Internal governance, follow-up and actions*".

### **Effective management of capital and cash flow**

Green Landscaping is a service company with a focus on care and detailed planning of outdoor environments, which contributes to limited investment needs in capital-intensive equipment. The Company uses subcontractors with the right expertise and equipment in projects that require large machinery and the Company only has a few leased heavy machines and other capital-intensive equipment on its own balance sheet.

### **Seasonal variations**

Green Landscaping's first quarter (1 January to 31 March) generally generates lower sales and earnings due to the climate and restraint from actors in the public and private sector from spending large parts of the budget at the beginning of the year. Sales and earnings are also positively impacted by months with a greater need for maintenance of green areas, which generally occur in the months of June and September. Green Landscaping's fourth quarter (1 October to 31 December) usually generates the highest sales and earnings due to actors spending the remaining value of the budget. The impact from these seasonal variations can be influenced, however. For the operations in snow clearance, Green Landscaping strives to use subcontractors with transparent agreements to transfer weather risk to its subcontractors to the furthest possible extent. In addition, the Company uses seasonal workers and subcontractors during the high season.

## **COMMENTS ON FINANCIAL DEVELOPMENT**

### **Financial year 2018 compared with financial year 2017**

To avoid effects impacting comparability in connection with changes of accounting principles, comparison figures for 2017-2018 are reported in accordance with IFRS.

### **Net sales**

Consolidated net sales rose by SEK 379.5 million, or 48 percent, from SEK 796.6 million in 2017 to SEK 1,176.1 million in 2018. The increase in the Company's net sales was primarily attributable to the acquisitions made in 2017 of the companies Tranemo Trädgårdstjänst, Björntreprenad, J E Mark and Jordelit. The acquisition of Svensk Markservice, which was consolidated on 1 December 2018, also had a material impact. The Company's acquisition-driven growth amounted to 40 percent and organic growth was 8 percent in 2018.

### **Operating profit (loss)**

The Company's operating profit decreased by SEK 21.8 million, from SEK 25.5 million in 2017 to SEK 3.7 million in 2018. The decline in operating profit was mainly attributable to the acquisitions that Green Landscaping made in 2018. The decrease was partly attributable to higher costs for goods and services sold, which rose by SEK 212.7 million, from SEK 373.9 million in 2017 to SEK 586.6 million in 2018, which was attributable, in turn, to an increase in expenses through the acquisitions made by the Company in 2018. In addition, consolidated operating profit was offset by expenses for personnel benefits, which rose by SEK 109.9 million, from SEK 276.4 million in 2017 to SEK 386.3 million in 2018, attributable to an increase in the number of employees through the acquisitions made by the Company in 2018.

In 2018, operating profit was burdened by items affecting comparability, which were mainly attributable to expenses related to the listing and change of list, and acquisition and integration expenses.

### **Financial income**

Consolidated financial income decreased by SEK 2.2 million, or 88 percent, from SEK 2.5 million in 2017 to SEK 0.3 million in 2018. The Group's financial income was comprised of interest on deposited funds.

### **Financial expenses**

Consolidated financial expenses decreased by SEK 3.7 million, or 19 percent, from SEK 19.7 million in 2017 to SEK 16.0 million in 2018.

### **Profit before and after tax**

Consolidated profit before tax decreased by SEK 20.3 thousand, or 245 percent, from SEK 8.3 million in 2017 to a loss of SEK 12.0 million in 2018. Consolidated profit after tax decreased by SEK 9.9 million, or 4.2 percent in 2017 to a loss of SEK 5.7 million in 2018.

### **Tax**

Consolidated tax expenses decreased by SEK 10.4 million, or 254 percent, from SEK 4.1 million in 2017 to a tax receivable of SEK 6.3 million in 2018. The decrease was mainly attributable to the company utilizing previously deferred tax assets.

1) Number of suppliers of purchasing costs (information based on unaudited information obtained from Green Landscaping AB's internal reporting system).

**Cash flow****Cash flow from operating activities**

Cash flow from operating activities decreased by SEK 17.0 million, or 37 percent, from SEK 46.1 million in 2017 to SEK 29.1 million in 2018. The increase was mainly attributable to changes in working capital as per below.

Cash flow from changes in working capital was negative in the amount of SEK 25.7 million in 2018, compared with SEK 28.9 million in 2017. The positive change in working capital was primarily attributable to the change in operating liabilities, which decreased by SEK 46.1 million. The decrease was partly offset by an increase in operating receivables of SEK 33.3 million, and an increase of SEK 16.0 million in inventories.

**Cash flow from investing activities**

Cash flow from investing activities decreased by SEK 153.8 million, or 144 percent, from a negative SEK 106.9 million in 2017 to a negative SEK 260.7 million in 2018. The decrease was mainly attributable to acquisitions of subsidiaries, which increased by SEK 137 million in 2018, and increased investments in property, plant, and equipment by SEK 18.1 million, or 53 percent, from SEK 34.2 million in 2017 to SEK 52.3 million in 2018.

**Cash flow from financing activities**

Cash flow from financing activities increased by SEK 202.4 million, or 172 percent, from SEK 117.4 million in 2017 to SEK 319.8 million in 2018. The increase was mainly attributable to loans raised in connection with acquisitions of subsidiaries, which increased by SEK 406.7 million, or 351 percent, from SEK 115.9 million in 2017 to SEK 522.6 million in 2018.

**Liquidity and financial position**

Consolidated equity increased by SEK 168.4 million from SEK 34.4 million in 2017 to SEK 202.8 million in 2018. The increase was mainly attributable to an increase in other contributed capital of SEK 171.1 million.

Consolidated interest-bearing net debt increased by SEK 395.3 million, or 272 percent, from SEK 145.2 million in 2017 to SEK 540.5 million in 2018.

Consolidated liabilities increased by SEK 518.0 million, or 93 percent, from SEK 571.2 million in 2017 to SEK 1,075.2 million in 2018. The increase was mainly attributable to an increase in liabilities to credit institutions.

Consolidated cash and cash equivalents increased by SEK 62.4 million, or 185 percent, from SEK 33.8 million in 2017 to SEK 96.2 million in 2018.

**Financial year 2017 compared with financial year 2016**

To avoid effects impacting comparability in connection with changes of accounting principles, comparison figures for 2016 and 2017 are reported in accordance with K3. For more information on changes in accounting principles, please see the introduction to the section "Selected historical financial information".

**Net sales**

Consolidated net sales rose by SEK 118.2 million, or 17.6 percent, from SEK 672.7 million in 2016 to SEK 790.9 million in 2017. The increase in net sales was primarily attributable to the four acquisitions carried out in 2017 and contributed to acquisition-driven growth in net sales of 16 percent. Net sales increased organically by 1.6 percent in 2017.

**Operating profit (loss)**

The Company's operating profit increased by SEK 23.9 million, from a loss of SEK 8.8 million in 2016 to SEK 15.0 million in 2017. The increased operating profit was primarily attributable to the acquisitions that Green Landscaping made in 2017. The increase was partly offset by higher expenses for personnel benefits, which increased by SEK 24.0 million, from SEK 252.5 million in 2016 to SEK 276.4 million in 2017, which was attributable to an increase in the number of employees through the acquisitions that the Company made in 2017. The improved consolidated operating profit was also offset by increased expenses for merchandise and subcontractors, which increased by SEK 31.3 million from SEK 348.4 million in 2016 to SEK 379.7 million in 2017, and which were attributable to the acquisitions that the company made in 2017.

In 2017, the operating profit was burdened by items affecting comparability of SEK 9.1 million, compared with SEK 22.1 million in 2016, primarily attributable to the divestment of the Group's former Stockholm Anläggning district, cancellations of unprofitable contracts, severance pay in connection with employment terminations and cancellations of office leases.

**Financial income**

Consolidated financial income increased by SEK 2.0 million, or 348 percent, from SEK 0.6 million in 2016 to SEK 2.5 million in 2017. The Group's financial income was comprised of interest on deposited funds.

**Financial expenses**

Consolidated financial expenses increased by SEK 6.0 million, or 46 percent, from SEK 12.7 million in 2016 to SEK 18.8 million in 2017.

**Profit before and after tax**

The consolidated loss before tax decreased by SEK 19.8 million, from SEK 21.0 million in 2016 to SEK 1.2 million in 2017. The consolidated loss after tax decreased by SEK 16.0 million, from SEK 22.3 million in 2016 to SEK 6.2 million in 2017.

**Tax**

Consolidated tax expenses increased by SEK 3.3 million, or 293 percent, from SEK 1.3 million in 2016 to SEK 5.0 million in 2017. The increase was mainly attributable to improved operating profit.

**Cash flow****Cash flow from operating activities**

Cash flow from operating activities increased by SEK 18.2 million, or 698 percent, from SEK 2.6 million in 2016 to SEK 20.8 million in 2017. The increase was mainly attributable to changes in working capital as per below.

Cash flow from changes in working capital was negative in the amount of SEK 28.2 million in 2017, compared with SEK 18.9 million in 2016. The negative change in working capital was primarily attributable to the change in operating receivables, which decreased by SEK 43.3 million and a decrease of SEK 8.2 million in inventories. The decrease was partly offset by increased operating liabilities of SEK 23.3 million.

**Cash flow from investing activities**

Cash flow from investing activities decreased by SEK 89.9 million, or 927 percent, from a negative SEK 9.7 million in 2016 to SEK 99.6 million in 2017. The decrease was mainly attributable to acquisitions of subsidiaries, which increased by SEK 75.8 million in 2017, and increased investments in property, plant, and equipment by SEK 12.8 million, or 104 percent, from SEK 12.4 million in 2016 to SEK 25.2 million in 2017.

**Cash flow from financing activities**

Cash flow from financing activities increased by SEK 97.1 million, or 1,042 percent, from SEK 9.3 million in 2016 to SEK 106.4 million in 2017. The increase was mainly attributable to loans raised in connection with acquisitions of subsidiaries, which increased by SEK 98.8 million, or 1,210 percent, from SEK 7.8 million in 2016 to SEK 101.6 million in 2017.

**Liquidity and financial position**

Consolidated equity increased by SEK 22.5 million from a negative SEK 17.2 million in 2016 to a positive SEK 5.3 million in 2017. The increase was mainly attributable to an increase in other contributed capital of SEK 28.4 million. Consolidated interest-bearing net debt increased by SEK 87.4 million, or 83 percent, from SEK 105.0 million in 2016 to SEK 192.3 million in 2017. Consolidated liabilities increased by SEK 235.8 million, or 76 percent, from SEK 312.2 million in 2016 to SEK 548.0 million in 2017. The increase was mainly attributable to an increase in accrued expenses and prepaid income of SEK 73.9 million, as well as an increase in liabilities to credit institutions SEK 85.8 million. Consolidated cash and cash equivalents increased by SEK 27.6 million, or 452 percent, from SEK 6.1 million in 2016 to SEK 33.7 million in 2017.

**CAPITAL RESOURCES****Intangible assets**

At 31 December 2018, Green Landscaping's intangible assets amounted to SEK 557.4 million. The majority of the Group's intangible assets consisted of goodwill, which arose through the acquisition of subsidiaries.

**Property, plant and equipment**

At 31 December 2018, Green Landscaping's property, plant and equipment amounted to SEK 165.5 million and primarily consisted of machinery and vehicles, such as cars, light trucks and lawn mowers, financed through leasing.

**Finance and operating leases**

Green Landscaping has both finance and operating leases. Finance leases relate to machinery, cars, light trucks and lawn mowers, undertakings that amounted to SEK 112.7 million at 31 December 2018. Green Landscaping is a lessee for premises through operating leases. At 31 December 2018, the Group's commitments for operating leases amounted to a total of SEK 137.8 million.

**Investments****Investments made**

Green Landscaping's primary investments are comprised of acquisitions. In 2018, the Company acquired 100 percent of the shares in Trädexperterna, Svensk Markservice and Mark & Miljö, as well as the assets in Borås Markentreprenad. The total purchase consideration for the companies acquired in 2018 amounted to SEK 249 million. In 2017, the total purchase consideration for companies acquired during the year amounted to SEK 115 million and in 2016 no acquisitions were made. The Company deems that the Group has a good financial position for a continued expansion through acquisitions financed by self-generated cash flows and third-party financing.

Green Landscaping's operating investments mainly consist of investments in property, plant and equipment in the form of machinery and vehicles. In addition, the Group also conducted some minor investments in development of IT and digitization of processes. Ongoing investments in property, plant, and equipment amounted to SEK 12.4 million in 2016, SEK 25.2 million in 2017 and SEK 18.1 million in 2018, financed through cash flows from operating activities and leasing. The Company deems that there is potential for greater utilization of existing machinery in the future, which reduces the need for further investments. The Company accordingly deems that future investment levels for operating investments in property, plant and equipment will be of the same level as in the preceding year.

**Ongoing and approved investments**

The Group has no significant investments in progress at the time of this Prospectus. Nor have any clear commitments been made at the time of this Prospectus regarding individual, material investments for the foreseeable future.

**IFRS 16**

IFRS 16 Leases came into effect on 1 January 2019, and the Group will apply the simplified transition method, meaning that the comparative figures will not be recalculated. The Group has chosen to apply the relief rule, reporting the asset at the same value as the liability. For the leases entered into by the Group, the rights of use amounted to SEK 235.6 million as of 1 January 2019 and the lease liabilities to SEK 235.6 million. If these had been included in net debt at the end of 2018, net debt would have increased from SEK 540 million to SEK 776 million.

**SIGNIFICANT EVENTS AFTER 31 DECEMBER 2018**

No significant changes have occurred regarding the Group's financial position since 31 December 2018.

# PRO FORMA FINANCIAL INFORMATION

## PURPOSE OF THE PRO FORMA FINANCIAL INFORMATION

In 2018, Green Landscaping completed the acquisition of the Svensk Markservice Group, a nationwide player in gardening and landscaping services in Sweden. The purpose of the consolidated pro forma information below is to report the hypothetical effect that the acquisition and related loan financing would have had on Green Landscaping's consolidated income statement for the 2018 full-year if the acquisition had taken place on 1 January 2018. No pro forma balance sheet has been prepared since the acquisition is included in the Company's consolidated balance sheet as of 31 December 2018. The pro forma data is provided solely for information purposes and to illustrate facts. By its nature, the pro forma information is intended to describe a hypothetical situation and, accordingly, does not serve to describe Green Landscaping's actual financial position or profits. Furthermore, the pro forma information is not representative of future earnings scenarios. Investors should therefore be cautious about attaching too much importance to the pro forma information. The pro forma accounts should be read alongside other information in the Prospectus.

## BACKGROUND

Green Landscaping works on the basis of an active acquisition strategy and a large part of Green Landscaping's growth is expected to continue being derived from strategic acquisitions, serving, among other purposes, to expand the operations and enter new markets.

On 29 November 2018, the Company acquired all of the shares in Svensk Markservice. The acquisition of Svensk Markservice was conducted to facilitate a strengthened market position in gardening and landscaping through an increased local presence, higher productivity and a wider range of services. The acquisition also provides further scope for consolidation in a fragmented market.

## FOUNDATIONS FOR PRO FORMA FINANCIAL INFORMATION

### Accounting principles

The pro forma information has been based on IFRS issued by the International Financial Accounting Standards Board (IASB) and the interpretative statements of the International Financial Reporting Interpretations Committee (IFRIC) as described in the Company's 2018 Annual Report.

The acquired company's unaudited income statement has been based on the respective company's internal reports as at 1 January 2018 to the date the respective company was consolidated in the consolidated financial statements. The pro forma income statement is accordingly prepared as if all companies had been acquired and included as of 1 January 2018.

The internal reports for Svensk Markservice, forming the basis of the pro forma accounts have been prepared in accordance with the Annual Accounts Act and K3. No pro forma adjustments have been taken into account regarding synergies or integration expenses.

### Basis

The pro forma information for 2018 has been prepared on the basis of Green Landscaping's audited Annual Report and Svensk Markservice's unaudited internal accounts for the period 1 January – 30 November 2018.

## PRO FORMA ADJUSTMENTS

The pro forma adjustments are described in detail below and in the notes to the pro forma accounts. Unless otherwise stated, the adjustments are recurring.

### Adjustment of accounting principles

A significant difference in accounting principles has been identified between Green Landscaping and Svensk Markservice. In its accounts, Svensk Markservice has recognized impairment in goodwill, as is customary under K3, and this has been adjusted in connection with the pro forma accounts.

### Financing of acquisitions

Pro forma adjustments have been made in the income statement to reflect the impact of the changed financing. As a result of the acquisition of Svensk Markservice, Green Landscaping's total borrowing has further increased. Financing has involved redemption of older loan financing in Green Landscaping, replacing this with a new bank loan for SEK 495 million. As an effect of this, financing expenses for the first 11 months have also been reversed in the pro forma accounts. The previous loan financing in Svensk Markservice has also been reversed for the same reason. Interest expenses incurred on the new borrowing impact the income statement adversely. According to the agreement, the new interest rate on the bank loan is 2.25 percent given the existing debt and, in accordance with the loan agreement, amortizations are to be made quarterly in the amount of SEK 12.5 million. Green Landscaping has not used any cash or cash equivalents of its own to implement the acquisition.

### Transaction expenses

Expenses associated with the acquisition of Svensk Markservice consist of transaction expenses, including fees to financial and legal advisers and auditors. Adjustments have been made for this in the pro forma income statement, since these expenses were recognized during the 2018 financial year under "other operating expenses" although they are assumed to have been incurred earlier.

**Tax effects on adjustments**

Tax effects have been taken into account in all adjustments deemed tax deductible or taxable in the pro forma accounts irrespective of whether the company to which the adjustment relates has a taxable status. No tax calculation has been made for the period prior to the acquisitions, and the tax

effect in the pro forma accounts has instead been calculated in a standardized manner based on the Swedish tax rate of 22 percent of profit before tax. Actual tax may deviate from this.

**PRO FORMA INCOME STATEMENT 1 JANUARY 2018 TO 31 DECEMBER 2018**

The consolidated pro forma accounts are based on Green Landscaping's unaudited accounts for the financial year 2018 and Svensk Markservice's unaudited accounts for the period from 1 January 2018 to 30 November 2018.

SEK million	In accordance with IFRS		In accordance with IFRS	
	Audited	In accordance with K3	Not audited	Not audited
	Green Landscaping – Group, 2018 (IFRS)	Svensk Markservice – Group, 1 Jan. 2018–30 Nov. 2018 (K3)	Pro forma adjustments	Notes
Income from customer contracts	1,176.1	737.4	–	
Other operating income	4.0	2.9	–	
<b>Sales</b>	<b>1,180.1</b>	<b>740.3</b>	<b>–</b>	
<b>Operating expenses</b>				
Cost of goods and services sold	–586.6	–323.1	–	
Other external expenses	–124.3	–94.6	–	
Employee benefit expenses	–386.3	–284.7	–	
Other operating expenses	–27.6	–0.1	13.3	5
Depreciation of property, plant and equipment	–37.4	–22.7	–	
Amortization of intangible fixed assets	–14.2	–4.2	–9.6	1.2
<b>Operating profit (loss)</b>	<b>3.7</b>	<b>10.8</b>	<b>3.7</b>	
<b>Profit (loss) from financial items</b>				
Financial income	0.3	–0.0	–	
Financial expenses	–16.0	–3.8	–2.7	3,4,6
<b>Total profit (loss) from financial items</b>	<b>–15.7</b>	<b>–3.8</b>	<b>–2.7</b>	
<b>Profit (loss) after financial items</b>	<b>–12.0</b>	<b>7.0</b>	<b>1.0</b>	
Tax	6.3	–1.5	0.7	2,3,4,5,6
<b>Profit (loss) for the year</b>	<b>–5.7</b>	<b>5.6</b>	<b>1.7</b>	

**Notes to pro forma income statement 1 January 2018 to 31 December 2018**

- 1) Refers to the reversal of goodwill, which is currently reported in the income statement for Svensk Markservice in the amount of SEK 4.2 million. The pro forma adjustment has a lasting effect.
- 2) Refers to depreciation of customer contracts adapted to extend over the entire 12-month period (1 January 2018–30 November 2018) given an estimated depreciation period of three years. Private contracts are included in the balance sheet in the amount of SEK 19.6 million. Public contracts included in the balance sheet with an estimated depreciation period of five years and in an amount of SEK 33.4 million.

Acquired customer contracts, SEK million	Carrying amount	Depreciation per month	Depreciation during the pro forma period
Private customer contracts, 3-year depreciation period	33.4	–0.9	–10.2
Public customer contracts, 5-year depreciation period	19.6	–0.3	–3.6
<b>Total</b>	<b>53.0</b>	<b>–1.3</b>	<b>–13.8</b>

The year's total depreciation of customer contracts in the pro forma income statement amounted to SEK 13.8 million, with an additional tax effect SEK 3.0 million in accordance with the Swedish tax rate. The pro forma adjustment has a lasting effect.

- 3) Refers to the reversal of Svensk Markservice's earlier financing expenses of SEK 2.8 million and related tax effects of a negative SEK 0.6 SEK million in accordance with the Swedish tax rate, given that, in the pro forma account, the financing requirement is dealt with through Green Landscaping's new financing solution. The pro forma adjustment does not have a lasting effect.
- 4) Refers to the reversal of Green Landscaping's earlier financing expenses of SEK 4.3 million and related tax effects of a negative SEK 1.0 SEK million in accordance with the Swedish tax rate, given that, in the pro forma account, the financing requirement is dealt with through Green Landscaping's new financing solution. The pro forma adjustment does not have a lasting effect.
- 5) Refers to transaction expenses related to the acquisition of Svensk Markservice, including fees to, among others, financial and legal advisers and auditors. This adjustment amounts to SEK 13.3 million, with an additional tax effect of a negative SEK 2.9 million in accordance with the Swedish tax rate. The pro forma adjustment does not have a lasting effect.
- 6) Refers to interest expenses for Green Landscaping's new loan financing, which affect the income statement negatively. The bank loan totals SEK 495 million and currently runs at an interest rate of 2.25 percent, given the existing debt. In total, the pro forma interest expenses for the new financing are estimated to amount to SEK 9.9 million for the period 1 January 2018 – 30 November 2018, with an additional tax effect of SEK 2.2 million in accordance with the Swedish tax rate (see section "Financing of acquisitions"). The pro forma adjustment has a lasting effect.

**Supplementary disclosures to the pro forma income statement by business area as per 1 January 2018 to 31 December 2018**

Green Landscaping monitors its operations in three market areas. The pro forma figures have been broken down by market area to show what total income from customer agreements and other operating income would have looked like if Svensk Markservice had been acquired and come under the Group's control on 1 January 2018. The underlying figures are taken from Green Landscaping's audited Annual Report and from Svensk Markservice's unaudited internal reports.

<b>Pro forma by business area, SEK million</b>	<b>2018</b>
Gardening and Landscaping	1,721.2
Sports Landscaping	141.1
Arboriculture and Forestry	71.6
Group-wide sales	-13.6
<b>Sales</b>	<b>1,920.4</b>

**PRO FORMA KEY PERFORMANCE INDICATORS**

The tables below show pro forma key performance indicators with adjustments for non-recurring items.

<b>Pro forma key performance indicators</b>	<b>2018</b>
Pro forma sales	1,920.4
Pro forma EBITDA	106.3
<i>Pro forma EBITDA margin, %</i>	<i>5.6</i>
Pro forma adjusted EBITDA	147.7
Pro forma adjusted EBITDA margin, %	7.7
Pro forma EBITA	46.1
<i>Pro forma EBITA margin, %</i>	<i>2.4</i>
Pro forma adjusted EBITA	87.6
<i>Pro forma adjusted EBITA margin, %</i>	<i>4.6</i>

**ALTERNATIVE PRO FORMA KEY PERFORMANCE INDICATORS NOT CALCULATED IN ACCORDANCE WITH IFRS**

The tables below show the reconciliation of EBITDA, EBITA, non-recurring items, adjusted EBITDA, adjusted EBITA, EBITDA margin, EBITA margin, adjusted EBITDA margin and adjusted EBITA margin for Green Landscaping. For a description of the calculation of non-IFRS measures and the reasoning behind their use, see the section "Selected historical financial information" – "alternative key performance indicators not defined in accordance with IFRS". For a description of items affecting comparability, see the section "Description of expenses affecting comparability".

<b>Pro forma reconciliation tables, SEK million</b>	<b>2018</b>
Net sales	1,913.5
Other operating income	6.9
<b>Sales</b>	<b>1,920.4</b>
Operating profit (loss) (EBIT)	18.1
Amortization of intangible assets	28.0
<b>EBITA</b>	<b>46.1</b>

<b>Pro forma reconciliation tables, cont., SEK million</b>	<b>2018</b>
Operating profit (loss) (EBIT)	18.1
Depreciation and impairment of property, plant and equipment and amortization and impairment of intangible assets and acquisition-related intangible assets	88.1
<b>EBITDA</b>	<b>106.3</b>
<b>Items affecting comparability</b>	
Non-recurring expenses (listing and change of list)	16.7
Non-recurring expenses (Svensk Markservice – prior to acquisition)	12.9
Non-recurring expenses (integration expenses)	11.8
<b>Total adjustments</b>	<b>41.4</b>
<b>Adjusted EBITDA</b>	<b>147.7</b>
<b>Adjusted EBITA</b>	<b>87.6</b>
<i>EBITDA margin, %</i>	<i>5.6</i>
<i>Adjusted EBITDA margin, %</i>	<i>7.7</i>
<i>EBITA margin, %</i>	<i>2.4</i>
<i>Adjusted EBITA margin, %</i>	<i>4.6</i>

**DESCRIPTION OF ITEMS AFFECTING COMPARABILITY**

<b>Items affecting comparability (SEK million)</b>	<b>2018</b>
<b>Non-recurring expenses (listing and change of list)</b>	
Expenses for the previous listing and the change of list currently in progress	16.7
<b>Total items affecting comparability</b>	<b>16.7</b>
<b>Non-recurring expenses (Svensk Markservice – prior to acquisition)</b>	
Closure of operations (operating segments North and South)	7.8
Restructuring of operations (already in progress)	2.1
GDPR study	0.3
Selling expenses	2.7
<b>Total items affecting comparability</b>	<b>12.9</b>
<b>Non-recurring expenses (integration expenses)</b>	
Closure of operating segment North (Svensk Markservice)	5.0
Termination expenses (Svensk Markservice)	1.7
Selling expenses (Svensk Markservice)	0.6
Termination of premises (Svensk Markservice)	1.0
Restructuring of operations (Svensk Markservice)	0.1
Integration expenses (Svensk Markservice)	0.8
Restructuring expenses for Stockholm Anläggning	1.8
Consultancy expenses for restructuring	0.8
<b>Total items affecting comparability</b>	<b>11.8</b>

# AUDITORS' REPORT CONCERNING THE PRO FORMA FINANCIAL INFORMATION

To the board of Green Landscaping Holding AB, org. no. 556771-3465

## **Auditors' report concerning the pro forma financial information**

We have performed an audit of the pro forma financial information shown on pages 70-72 in Green Landscaping Holding AB's (publ) prospectus dated 12 April 2019.

The pro forma accounts have been prepared solely for the purpose of providing information regarding how the acquisition of the Svensk Markservice Group would have been able to affect the consolidated income statement for Green Landscaping AB (publ) for the 2018 full-year.

### *Responsibility of the Board of Directors*

It is the responsibility of the Board of Directors to prepare pro forma financial information in accordance with the requirements set out in Commission regulation (EC) No. 809/2004 regarding the information contained in prospectuses.

### *Responsibility of the auditors*

It is our responsibility to submit a statement in accordance with Appendix II, page 7 in the Commission regulation (EC) No. 809/2004 regarding the information contained in prospectuses. We are not obliged to submit any other statement on the pro forma accounts or any of their constituent parts. We do not assume any responsibility for financial information used in the compilation of the pro forma accounts beyond the responsibility we have for the auditors' reports regarding historical financial information that we have previously provided.

### *Work performed*

We have performed our work in accordance with FAR's recommendation RevR 5 Review of financial information in a prospectus. This means that we comply with FAR's ethical rules and have planned and conducted the audit to ensure with a reasonable degree of assurance that the financial reports do not contain any material misstatements. The auditing firm applies ISQC 1 (International Standard on Quality Control) and accordingly applies a comprehensive system for quality control, including documented guidelines and procedures regarding compliance with professional ethical requirements, standards for professional practice and applicable requirements in laws and regulations.

We are independent of Green Landscaping Holding AB (publ) in accordance with generally accepted auditing practices in Sweden and have otherwise fulfilled our professional ethical responsibilities in accordance with these requirements.

Our work, which did not include an independent review of underlying financial information, has mainly consisted of comparing the unadjusted financial information with source documentation, assessing the basis for the pro forma adjustments and discussing the pro forma accounts with the company's management.

We have planned and performed our work to obtain the information and the explanations we have deemed necessary to ensure, with a reasonable degree of assurance, that the pro forma accounts have been compiled in accordance with the grounds stated on page 71 and that these grounds are consistent with the accounting principles applied by the company.

### *Statement*

In our opinion, the pro forma accounts have been compiled correctly and in accordance with the grounds stated on page 71 and these bases are consistent with the accounting principles applied by the company.

Stockholm, 12 April 2019

Ernst & Young AB

Alexander Hagberg  
Authorized Public Accountant

# CAPITAL STRUCTURE, INDEBTEDNESS AND OTHER FINANCIAL INFORMATION

## CAPITAL STRUCTURE AND INDEBTEDNESS

The tables in this section describe Green Landscaping's capital structure and indebtedness at a group level as at 31 January 2019. The information in this section should be read together with the section "Selected historical financial information" – "Comments on financial development" and Green Landscaping's financial statements with associated notes.

Capital structure SEK million	31 Jan. 2019
<b>Short-term interest-bearing liabilities</b>	
Towards warranty or guarantee	–
Towards collateral <sup>1)</sup>	2.4
Without warranty/guarantee or collateral	85.6
<b>Total current interest-bearing liabilities</b>	<b>88.0</b>
<b>Non-current interest-bearing liabilities</b>	
Towards warranty or guarantee	–
Towards collateral	–
Without warranty/guarantee or collateral	558.2
<b>Total non-current interest-bearing liabilities</b>	<b>558.2</b>
<b>Equity</b>	
Share capital	2.5
Other contributed capital	391.3
Other equity including profit (loss) for the year <sup>2)</sup>	–208.5
<b>Total equity</b>	<b>185.3</b>

1) Pertains to blocked funds for bank guarantees issued.

2) Profit (loss) for the year and equity per 31 Dec. 2018.

Net debt SEK million	31 Jan. 2019
(A) Cash and bank balances	121.4
(B) Other cash and cash equivalents	–
(C) Readily saleable securities	–
<b>Total cash and cash equivalents (A) + (B) + (C)</b>	<b>121.4</b>
(E) Current financial receivables	–
(F) Current interest-bearing bank loans	34.3
Current part of interest-bearing non-current	
(G) liabilities	53.7
(H) Other current financial liabilities	–
<b>Total current financial liabilities (E) + (F) + (G) + (H)</b>	<b>88.0</b>
<b>Net current financial indebtedness (I) = (F) + (G) + (H) – (E)</b>	<b>–33.4</b>
(K) Non-current interest-bearing bank loans	456.0
(L) Issued bonds	–
(M) Other interest-bearing non-current loans	102.2
<b>(N) Long-term financial liabilities (K) + (L) + (M)</b>	<b>558.2</b>
<b>(O) Financial net debt (J) + (N)</b>	<b>524.8</b>

## PLEDGED ASSETS

As of 31 January 2019, Green Landscaping had no significant pledged collateral. At 31 January 2019, no indirect indebtedness or contingent liabilities existed.

## AGREEMENT REGARDING SUPPLEMENTAL PURCHASE CONSIDERATION IN CONNECTION WITH ACQUISITIONS

At 31 December 2018, commitments existed to, on certain conditions, pay out supplementary purchase considerations totalling a maximum of approximately SEK 33.5 in 2019, 2020 and 2021. According to the company's preliminary assessment, supplementary purchase considerations of about SEK 12.1 million are to be paid during 2019 (following these payments, a maximum SEK 8.44 million in supplementary purchase considerations remain). After 31 December 2018, no acquisitions have been made with an agreed supplementary purchase consideration. For more information on agreed supplementary purchase considerations, refer to the section "Legal considerations and supplementary information" – "Acquisitions".

## FINANCING ARRANGEMENTS

On 27 November 2018, in connection with the acquisition of Svensk Markservice, the company entered into a credit facility agreement with Skandinaviska Enskilda Banken AB (publ) ("SEB"). On entering the credit facility agreement with SEB, previous financing agreements were repaid. The credit facility agreement with SEB consists of (i) a loan facility amounting to SEK 370 million, and (ii) a revolving credit facility of SEK 125 million. The loan facility has a term of four years and is to be repaid in the amount of SEK 12.5 million per quarter. The interest rate is based on internal bank interest rates for the relevant currency, plus a margin. The company also has the opportunity to increase the total loans within the facility by SEK 125 million pending SEB's approval.

The credit facility agreement includes customary terms for the type of facilities in question, including financial covenants linked to net debt, adjusted EBITDA and grounds for termination. The credit facility also contains provisions on termination and premature repayment in the event of certain changes in the ownership of the Company, for example, and restrictions on raising loans from another creditor above a certain level.

In connection with the loan agreement, the Company also entered into a lease agreement with a lease framework of SEK 50 million, as well as a lease agreement with lease framework of up to SEK 50 million for Green Landscaping and up to SEK 55 million for Svensk Markservice, with SEB as the lender. As of 31 January 2019, SEK 27.3 million of the account credit agreement had been utilized and the leasing framework had not been utilized.

### SENSITIVITY ANALYSIS

Green Landscaping's profits are affected by a number of external factors. The table below shows how changes in significant factors would have affected profit before tax in 2018.

Variable	Change, %	Profit effect, SEK million
Price change	+/-1	+/-11.8
Cost of goods sold	+/-1	+/-5.9
Salary expenses	+/-1	+/-3.9

### WORKING CAPITAL STATEMENT

The Board of Directors of the Company deems that the working capital is enough for the Group's current needs during the upcoming 12-month period after the date of the Prospectus. Here, working capital refers to Green Landscaping's opportunities to access cash and cash equivalents to meet its payment obligations as they fall due for payment.

### TRENDS

Favourable demographic trends are a driving force behind the market's anticipated positive development. Growth is expected to be driven by urbanization, increased ambitions among municipalities, with increased expenditure on green areas and higher quality and safety requirements in combination with increased housing construction. New housing construction often takes place alongside new construction of outdoor environments such as parks, playgrounds and outdoor gyms. Stricter quality and safety requirements are also expected to increase the demand for renovation of playgrounds and outdoor gyms in the future. In addition, the market is also affected by the proportion of services that are outsourced to external suppliers.

Besides that stated in the Prospectus, there are, insofar as the Board is aware, no known tendencies, uncertainty factors, potential claims or other demands, commitments or events that can be expected to have a significant effect on the Company's future prospects.

Nor does Green Landscaping have any knowledge of any public, financial, tax policy, monetary policy or other policy measures that, directly or indirectly, materially impacted or could materially impact the Company's operations. The Company's operations are associated with risks, however. The section "Risk factors" presents a number of overall risk factors that are deemed to be able to be significant to Green Landscaping's operations, financial position and future prospects.

### GOODWILL AND OTHER INTANGIBLE ASSETS WITH AN INDETERMINATE LIFETIME

The Group's goodwill amounts to SEK 418.8 million and is attributable to acquisitions of subsidiaries. Goodwill is tested for impairment annually if there is no prior indication that testing is necessary. Impairment testing is performed at the segment level. Impairment testing involves assessing whether the recoverable amount of the unit is higher than the carrying amount. The recoverable amount is calculated based on the unit's value in use, representing the present value of the unit's expected future cash flows, without regard to any future expansion and restructuring of the operations. The same material assumptions have been made for all segments. The cash flows have been based on financial forecasts for a five-year period and are based on a sustainable growth rate of 2 percent. The discount rate before tax applied in the present value calculation amounts to 8.0 percent. The impairment tests that have been performed have not indicated any need for impairment.

For the Gardening and Landscaping segments, a change in the discount rate by +/- 2 percent would entail the value in use decreasing or increasing by SEK 470 million or SEK 930 million respectively. A change in sales of +/- 2.5 percent would entail the value in use decreasing or increasing by SEK 205 million or SEK 227 million respectively. A change in EBITDA of +/- 2 percent would entail the value in use decreasing or increasing by SEK 498 million respectively.

For the Sports Landscaping segment, a change in the discount rate by +/- 2 percent would entail the value in use decreasing or increasing by SEK 27 million or SEK 53 million respectively. A change in sales of +/- 2.5 percent would entail the value in use decreasing or increasing by SEK 10 million or SEK 11 million respectively. A change in EBITDA of +/- 2 percent would entail the value in use decreasing or increasing by SEK 42 million respectively.

For the Arboriculture and Forestry segment, a change in the discount rate by +/- 2 percent would entail the value in use decreasing or increasing by SEK 20 million or SEK 41 million respectively. A change in sales of +/- 2.5 percent would entail the value in use decreasing or increasing by SEK 9 million or SEK 11 million respectively. A change in EBITDA of +/- 2 percent would entail the value in use decreasing or increasing by SEK 19 million or SEK 19 million respectively.



# SHARE CAPITAL AND OWNERSHIP STRUCTURE

## GENERAL INFORMATION

According to the Company's articles of association the registered share capital may not be less than SEK 1,122,000, and not more than SEK 4,488,000 and the number of shares may not be fewer than 10,000,000 and not more than 40,000,000. As of the day of Prospectus the Company's registered share capital amounts to SEK 2,545,326.073, divided on a total of 35,849,663 shares. The shares are denominated in the currency SEK and all shares have a quota (par) value of SEK 0.0071. The ISIN-code for the shares is SE0010985028.

The Company's shares have been issued in accordance with Swedish law, are fully paid and freely transferable. The shares are not subject to any mandatory takeover bids, redemption right or redemption obligation. The shares have not been subject to any public takeover bids during the current or the preceding financial year.

## CERTAIN RIGHTS ASSOCIATED WITH THE SHARES

The shares of Green Landscaping have been issued in accordance with the Swedish Companies Act and the rights connected with shares issued by the Company, including rights pursuant to the articles of association, may change only through a change in the articles of association in accordance with the proceedings stated in this act. There are no restrictions regarding the transferability of the shares.

### Voting rights

Every share in the Company entitles the holder to a vote at the general meeting and every shareholder has the right to vote for all its shares held in the Company.

### Pre-emptive rights to new shares etc.

If the Company issues new shares, warrants or convertible bonds in a cash issue or issue by payment via offset the shareholders in general have a pre-emptive right to subscribe to these securities in relation to the number of shares held before the share issue. However, there are no provisions in the articles of association restricting the possibility to, in accordance with the Swedish Companies Act, issue new shares, warrants or convertible bonds with deviation from the shareholders pre-emptive rights.

### Right to dividends and balance in case of liquidation

All shares in the Company carry equal rights to dividends, share of the Company's assets and any surplus in the event of liquidation. Resolutions on dividend is made by the general meeting. The right to dividend accrues shareholders' registered in Euroclear Sweden AB's ("Euroclear") central securities register on the record date. The dividends are normally paid to shareholders in cash per share but may also be made in other forms than cash payments (distribution in kind). If a shareholder cannot be contacted through Euroclear, the shareholder will have a claim for payment of the equivalent amount against the Company and is restricted in time by the statutory limitation of ten year. At the end of the statutory of limitation the dividend is forfeited to the Company.

There are no restrictions regarding dividend rights of shareholders domiciled outside of Sweden. Subject to any restrictions imposed by banks or clearing systems in the relevant jurisdiction, payments to such shareholders are made in the same manner as for shareholders in Sweden. Shareholders that don't have their fiscal domicile in Sweden are normally subject to Swedish withholding tax. For information on taxes on the payment of dividends, please refer to section "*Tax considerations in Sweden*".

## SHARE CAPITAL DEVELOPMENT

The table below describes the share capital of the Company during the time of the historical financial information in the Prospectus.

Date of decision	Event	Change in shares (SEK)	Change in number of shares	Change in number of shares (PREF)	Total number of shares	Quota (par) (SEK)	Total share capital (SEK)
30 June 2017	Issue of new shares (against payment by set-off <sup>1)</sup> )	109,360	2,188	8,748 <sup>2)</sup>	202,015	10	2,020,150
7 July 2017	Issue of new shares (against payment by set-off)	109,360	2,188	8,748 <sup>2)</sup>	212,951	10	2,129,510
17 November 2017	Issue of new shares (against payment by set-off <sup>3)</sup> )	46,890	938	3,751 <sup>2)</sup>	217,640	10	2,176,400
24 November 2017	Issue of new shares (against payment by set-off)	78,160	1,563	6,253 <sup>4)</sup>	225,456	10	2,254,560
7 February 2018	Division of shares (split)	–	7,217,709	26,375,235	33,818,400	0.067	2,254,560
15 March 2018	Exchange of convertibles	19,937.333334	43,905	255,155 <sup>5)</sup>	34,117,460	0.067	2,274,497.333334
15 March 2018	Exchange of convertibles	93,454.533334	–	1,401,818 <sup>1)</sup>	35,519,278	0.067	2,367,951.866668
15 March 2018	Exchange of convertibles	9,755.800000	12,857	133,480 <sup>6)</sup>	35,665,615	0.067	2,377,707.666668
19 March 2018	Issue of new shares (against payment by set-off <sup>7)</sup> )	324,395.466667	4,865,932	–	40,531,547	0.067	2,702,103.133335
19 March 2018	Issue of new shares (against payment by cash <sup>8)</sup> )	238,095.266667	3,571,429	–	44,102,976	0.067	2,940,198.400002
19 March 2018	Capital reduction through cancellation of shares	–573,604.466667	–	–8,604,067 <sup>9)</sup>	35,498,909	0.067	2,366,593.933335
19 March 2018	Bonus issue (non-restricted equity)	153,828.605665	–	–	35,498,909	0.071	2,520,422.539
19 March 2018	Conversion PREF to share	–	19,738,636	–19,738,636	35,498,909	0.071	2,520,422.539
14 December 2018	Issue of new shares (against payment in kind <sup>10)</sup> )	24,903.534000	350,754	–	35,849,663	0.071	2,545,326.073

1) Subscription price in the issue was SEK 572.20 / ordinary share and SEK 1,000 / preference share series F (before split resolved at extraordinary general meeting 7 February 2018.)

2) PREF F.

3) Subscription price in the issue was 2,398 SEK / ordinary share and 1,000 SEK / preference share series F (before split resolved at extraordinary general meeting 7 February 2018.)

4) PREF F.

5) PREF H.

6) PREF G.

7) Subscription price in the issue was approximately 16.83 SEK / ordinary share.

8) Subscription price in the issue was approximately 0.066667 SEK / ordinary share

9) The capital reduction was carried out for the purpose of the Company having only one share series before the listing on First North. Hence a cancellation was made of 4,010,916 PREF B, 69,955 PREF C, 239,646 PREF F, 3,976 PREF H and 2,656 PREF Z.

10) Subscription price in the issue was approximately 28.495 SEK / ordinary share

## OWNERSHIP STRUCTURE

Based on information gathered from Euroclear, the table below show the Company's ten largest shareholders as of 29 March 2019, with changes known to the Company. As of the day of this Prospectus there are, to the Company's knowledge, no natural or legal person that holds more than five percent of the total number of shares and votes in the Company in addition to what is stated below. As of 29 March 2019, the number of shareholders amounted to approximately 900.

### Shareholding on the day of the Prospectus

Shareholders	Number of shares	Percent of share capital and votes (%)
Byggmästare Anders J Ahlström Holding AB	7,385,599	20.6
Staffan Salén med familj genom bolag	6,745,839	18.8
Johan Nordström genom bolag	3,746,738	10.5
AFA Försäkring	2,261,000	6.3
Per Sjöstrand genom bolag	1,668,886	4.7
Tredje AP-fonden	1,651,000	4.6
Peter Lindell genom bolag	1,113,447	3.1
Tranemo Förvaltning AB	781,727	2.2
Toppstjärnan AB	699,718	2.0
Nordnet Pensionsförsäkring	583,190	1.6
<b>Total of the ten largest shareholders</b>	<b>26,637,144</b>	<b>74.3</b>
Other shareholders	9,212,519	25.7
<b>Total</b>	<b>35,849,663</b>	<b>100</b>

### SHAREHOLDERS' AGREEMENT

As far as the Company's board of directors are aware of there are no shareholders' agreements regarding joint influence over the Company. The Company's board of directors are not aware of any shareholders' agreements or similar agreements which may result in a change of control of the Company.

### SHARE RELATED INCENTIVE PROGRAMS

At an extraordinary general meeting held on 19 March 2018, the shareholders resolved upon establishing an incentive program (Warrants Series 2018/2021) for senior management and other key employees within the Group. In total, approximately 50 employees were offered the opportunity to participate in the program, which includes a total of no more than 1,672,723 warrants. For each subscribed warrant were paid a premium of SEK 1.53, based on a market evaluation calculated in accordance with the Black & Scholes model. Each warrant entitles the holder to subscribe for one (1) share in the Company for a subscription price of SEK 27.30. The subscription of new shares by the exercise of warrants may take place during the period from 31 March 2021 to 30 June 2021. If all outstanding warrants are exercised the total number of shares in the Company will increase by 1,672,723 shares and the registered share capital by SEK 118,763.333. If all outstanding warrants are exercised the dilution effect will be approximately 4.5 percent of the registered share capital and votes in the Company in relation to the total number of shares issued as of the day of the publishing of this Prospectus.

The board of directors has proposed that the annual general meeting, to be held on 15 May 2019, resolves upon establishing a new incentive program of a total number of 730,000 warrants. Each warrant is proposed to entitle the holder to subscribe for one new share in the Company during the period May-June 2022.

### AUTHORISATION

The general meeting held on 14 May 2018 resolved to authorise the board of directors until the next ordinary general meeting, at one or more occasions, with or without deviation from the shareholders pre-emptive right, to decide on the issue of rights and/or convertible bonds that imply the issuing or conversion to a total of maximum 3,550,000 shares.

The purpose of the authorisation and the reason for a potential deviation from the shareholders pre-emptive rights is to enable a rights issue to be done time efficiently to finance business acquisitions or investments in new or existing businesses. Rights issue of shares or convertible bonds by authorisation shall, in case of deviation from the shareholders pre-emptive rights, be made at a subscription price corresponding to the market price based on the market terms at the time of the new issue of shares and/or convertible bonds. The payment of the subscribed shares and/or convertible bonds may be done in cash, in kind or by offset.

In connection with the acquisition of Mark & Miljö, the board of directors resolved, with authorisation from the annual general meeting held on 14 May 2018, to issue a total of 350,754 shares as a part of the consideration. Hence, the board of directors remaining authorisation comprises 3,199,246 shares until the general meeting 2019.

Furthermore, the board of directors has proposed that the annual general meeting 2019, to be held on 15 May 2019, resolves on an equivalent authorisation as was resolved at the annual general meeting 2018. In addition, the board of directors has proposed that the annual general meeting 2019 resolves on the customary authorisation for the board of directors to acquire treasury shares.

### DIVIDEND POLICY

The Company's goal is to distribute approximately 40 percent of net profits as dividends. The dividend proposal shall take the Company's long-term development potential, financial position and investment needs into account. It has not been resolved on any dividends to the shareholders of the Company during the period of time covered by the historical financial information. The board of directors has not proposed any dividends in respect to the financial year 2018.

### CENTRAL SECURITIES DEPOSIT

The Company's shares are registered in a CSD register in accordance with the Central Securities Depositories and Financial Instruments Accounts Act (*Sw. lagen (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*). This register is held by Euroclear, Box 190, 101 23 Stockholm, that register the shares. No share certificates are issued for the Company's shares. The ISIN-code for the shares is SE0010985028.

### APPLICATION FOR LISTING ON NASDAQ STOCKHOLM

The Company's shares are, since 23 March 2018 traded on Nasdaq First North with the ISIN-code SE0010985028 and under the ticker symbol GREEN. The Company's board of directors has applied for listing of the Company's shares on the regulated market Nasdaq Stockholm. Nasdaq Stockholm has on 11 April 2019 approved the Company's application provided that the regular terms are fulfilled. The last estimated day of trading in the Company's share on Nasdaq First North is 15 April 2019 and the first estimated day of trading on Nasdaq Stockholm is 16 April 2019. The Company's shares will continue to be traded under the ticker symbol GREEN.

# BOARD OF DIRECTORS, SENIOR MANAGEMENT AND AUDITORS

*This section contains selected information regarding the board of directors, senior management and auditors. As far as the board of directors is aware, there have been no arrangements or understandings with major shareholders, customers, suppliers or others pursuant to which a board member, member of the senior management or auditor have been appointed or elected.*

## BOARD OF DIRECTORS

The board of directors is situated in Stockholm. According to Green Landscaping's articles of association, the board of directors shall consist of at least three (3) and not more than ten (10) ordinary members without deputy members. Currently, the board of directors consists of six (6) ordinary

members, elected until the general meeting 2019. The table below sets forth the board members, their position, the year they were appointed and their independence in relation to Green Landscaping, senior management and major shareholders as of the day of the Prospectus.

Name	Position	Member since	Independent in relation to:	
			The Company and senior management	Major shareholders as of today
Per Sjöstrand	Chairman of the board	2012	Yes	Yes
Staffan Salén	Board member	2018	Yes	No
Johan Nordström	Board member and CEO	2018	No	No
Åsa Källenius	Board member	2018	Yes	Yes
Monica Trolle	Board member	2018	Yes	Yes
Andreas Bruzelius	Board member	2014	Yes	Yes

Below is further information on the board members' age, position, current assignments, prior assignments during the past five years, other relevant experience, independence and ownership of shares and related instruments in Green Landscaping. Assignments in subsidiaries within the Group have been excluded.



### PER SJÖSTRAND

(Chairman of the board)

Born: 1958.

**Position:** Chairman of the board in the Company since 2012. Other current assignments: External CEO in Instalco Intressenter AB. Chairman of the board in Instalco Holding AB (and assignments in subsidiaries), Kullastrand Kök & Interiör AB, Voltage AB and Ohmslag AB. Board member in Markona AB (and assignments in subsidiaries) and deputy member in Installationsgruppen Service I Sverige AB and Inkom Sverige AB.

**Prior assignments (last five years):** Chairman of the board in Arkösunds Hotell AB, Sista versen 21222 AB, Slutplattan EZPIR 99171 AB, Västra Värmlands Rörinstallationer AB, Ehlslag AB and Hansson & Jakobsson Storkök Aktiebolag. Per has also been board member in Kanenas 16 AB.

**Other experience:** Per has 20 years of experience as CEO in companies such as PEAB Nord, Midroc Electro Aktiebolag and NEA Gruppen AB and is currently CEO in Instalco Intressenter AB, that is listed in Nasdaq Stockholm. Per has also worked as director at Stora Projekt at the Swedish Transport Administration. M.Sc. in civil engineering at Chalmers University of Technology in Gothenburg.

**Independent of Green Landscaping and the senior management:** Yes.

**Independent of major shareholders (as of today):** Yes.

**Holdings in Green Landscaping:** Per holds as of the day of the Prospectus totally 1,668,886 shares (through companies).



### ANDREAS BRUZELIUS

(Board member)

Born: 1979.

**Position:** Member of the board since 2014, before then deputy member since 2009.

**Other current assignments:** Board member in Skyrock Capital Sweden AB and Skyrock Capital Sweden II AB.

**Prior assignments (last five years):** Board member in Instalco Intressenter AB (and assignments in subsidiaries) and in Velcora Holding AB (and assignments in subsidiaries). Deputy member in Hansson & Jakobsson Storkök Aktiebolag. Also CEO in Velcora Holding AB. Deputy member in Sista Versen 21222 AB and Slutplattan EZPIR 99171 AB.

**Other experience:** Andreas is employed by FSN Capital Partners AB and has long experience from corporate development and the financial sector. Previously engaged at the M&A advisory team of Deutsche Bank in London and at Carnegie Investment Bank in Stockholm. M.Sc. in Economics and Business Administration at Stockholm School of Economics and exchange studies at Stephen M Ross School of Business, University of Michigan.

**Independent of Green Landscaping and the senior management:** Yes.

**Independent of major shareholders (as of today):** Yes.

**Holdings in Green Landscaping:** -



### JOHAN NORDSTRÖM

(Board member and CEO)

Born: 1965.

**Position:** CEO since 2015 and board member since 2018.

**Other current assignments:** Board member in Johan Nordstrom Invest AB, CapNorth AB, CapNorth Invest AB and several of the Company's subsidiaries and board member and CEO in Whitestoke AB.

**Prior assignments (last five years):** Chairman of the board and CEO in Car-O-Liner Group AB (and assignments in subsidiaries), board member in Alignment Systems International AB, Truck Tech China AB and CEO in Car-O-Liner Holding AB.

**Other experience:** Economy studies at University of Lund and University of Gothenburg, MBA from Copenhagen Business School.

**Independent of Green Landscaping and the senior management:** No.

**Independent of major shareholders (as of today):** No

**Holdings in Green Landscaping:** Johan holds as of the day of the Prospectus totally 3,746,738 (through companies) and 334,544 warrants.



**ÅSA KÄLLENIOUS**

*(Board member)*

Born: 1967.

Position: Member of the board since February 2018.

Other current assignments: CFO in Mekonomen AB (and board assignments in subsidiaries), CEO, CFO and deputy member in Källenius Invest AB and deputy member in KAAX Investment AB (and subsidiaries) and ANNMAKA AB.

Prior assignments (last five years): CFO at Tele2 Sweden AB (and board assignments in subsidiaries). Board member in MTG Radio Megahertz AB. Deputy member in 4T Sverige AB.

Other experience: Åsa has long experience as CFO from different companies, industries and owner constellations. Åsa holds a MBA from Stockholm University. Also undergone Executive Management Program, Stockholm School of Economics, Novare Management Program and Michael Berglund Board Value. Mentor on Amazing Women, Novare and Womenator.

Independent of Green Landscaping and the senior management: Yes.

Independent of major shareholders (as of today): Yes.

Holdings in Green Landscaping: Åsa holds as of the day of the Prospectus totally 53,472 shares.



**MONICA TROLLE**

*(Board member)*

Born: 1965.

Position: Member of the board since 2018.

Other current assignments: Manager FM & Workplace Management at AB Tetra Pak.

Prior assignments (last five years): -

Other experience: Monica has many years of experience in Facility Management in senior positions in companies such as WM-data Utilities AB/ CGI Sverige AB and AB Tetra Pak, as consultant at Resources Global Professionals AB and board assignments for IFMA Sverige. In addition, she acts as CFO and Administration manager in EF Educational Tours, Sydkraft AB and WM-data Utilities AB and as regional director of Resources Global Professionals AB. Monica has also undergone the Executive Leadership Program at Stockholm School of Economics and studies in Business administration at Lund University.

Independent of Green Landscaping and the senior management: Yes.

Independent of major shareholders (as of today): Yes.

Holdings in Green Landscaping: Monica holds as of the day of the Prospectus totally 28,472 shares.



**STAFFAN SALÉN**

*(Board member)*

Born: 1967.

Position: Member of the board since 2018.

Other current assignments: Chairman of the board in AB Sagax, eWork Scandinavia AB, Westindia AB (and assignments in subsidiaries), Coviz AB and Investment AB Jamaica and CEO and deputy member in Sven Salén Aktiebolag (and subsidiaries). Board member in Strand Kapitalförvaltning AB, Investment AB Antigua, Investment AB Pålhamn, Landauer Ltd and Merim AB and deputy member in Aktiebolaget Gudolphin. Staffan is also CEO in Salénia AB.

Prior assignments (last five years): Chairman of the board in Fredells Trävaru Aktiebolag and board member in SNS (Studieförbundets Näringsliv och Samhälles serviceaktiebolag).

Other experience: Previous vice-CEO and communications director at FöreningsSparbanken AB, managing editor at Finanstidningen and financial analyst at Procter & Gamble. Staffan holds a degree of Master of Science in Business and Economics from Stockholm University.

Independent of Green Landscaping and the senior management: Yes.

Independent of major shareholders (as of today): No.

Holdings in Green Landscaping: Staffan holds as of the day of the Prospectus totally 6,745,839 shares (with family and through companies).

**SENIOR MANAGEMENT**

Below is further information on the senior managements' age, position, current assignments, prior assignments during the past five years, other relevant experience and ownership of shares and related instruments in Green Landscaping. Assignments in subsidiaries within the Group have been excluded.

**JOHAN NORDSTRÖM**

*(Board member and CEO)*

See "Board of directors" above.

**CARL-FREDRIK MEIJER**

*(CFO and IR Manager)*

Born: 1980.

Position: CFO since 2015 and IR manager since 2018.

**Other current assignments:** Board member in Långvik Invest AB and deputy member in Altrax AB, TargetOne AB and Sourcing Advisory Group AB.

**Prior assignments (last five years):** –

**Other experience:** Carl-Fredrik has approximately 14 years of experience in positions in strategy and business development, both in Sweden and abroad. Carl-Fredrik has for instance worked at PwC London and Coor Service Management. Carl-Fredrik holds a BA in Corporate Finance from Lund University and an MSc in Technology Management from Lund University.

**Holdings in Green Landscaping:** Carl-Fredrik holds as of the day of the Prospectus totally 226,002 shares (partly through companies) and 145,814 warrants (partly through companies).

**ROBERT BROHMANDER**

*(Region manager – Region Middle)*

Born: 1970.

Position: Manager of region Middle since 2019.

**Other current assignments:** –

**Prior assignments (last five years):** –

**Other experience:** Robert has over 18 years of experience from managing positions in service and aftermarket from several different industrial companies. Robert started his employment as a district manager for Svensk Markservice AB during 2017.

**Holdings in Green Landscaping:** Robert holds as of the day of the Prospectus 330 shares.

**JAN ERIKSSON**

*(Region manager – Region East)*

Born: 1950.

Position: Manager of region East since 2019.

**Other current assignments:** CEO and deputy member in J E Eriksson Mark och Anläggningsteknik AB, board member in JE Mark & fastigheter I Vallentuna AB and Frans Holding AB, deputy member in Björmentreprenad.

**Prior assignments (last five years):** Previous chairman of the board in J E Eriksson Mark och Anläggningsteknik AB.

**Other experience:** Jan founded J E Eriksson Mark och Anläggningsteknik AB and JE Mark & fastigheter I Vallentuna AB and has combined more than twenty years of experience from positions within the land- and construction industry.

**Holdings in Green Landscaping:** Jan holds as of the day of the Prospectus totally 222,966 shares.



**HENRIK SAHLÉN**

*(Region manager – Region North)*

Born: 1969.

Position: Manager of region North since 2019.

Other current assignments: Henrik is active in forest management and manages a individual company as a consultant in construction and civil engineering.

Prior assignments (last five years): Board member in FällforsånNetwork ekonomisk förening.

Other experience: Henrik has several years of experience from managing positions within Svensk Markservice AB and started his employment 2011 as a site manager and later advanced to production coordinator and district manager. Henrik holds a degree in mechanical engineering from Umeå University.

Holdings in Green Landscaping: Henrik holds as of the day of the Prospectus 300 shares.



**DANIEL LINDERSTÅHL**

*(Region manager – Region South)*

Born: 1976.

Position: Manager of region South since 2019.

Other current assignments: Deputy member in Södertörns Optik Aktiebolag.

Prior assignments (last five years): –

Other experience: Daniel has combined over ten years of experience from managing positions, latest from Svensk Markservice AB. Daniel has many years of experience from the armed forces and is a trained professional officer and captain at the Military Academy.

Holdings in Green Landscaping: Daniel holds as of the day of the Prospectus totally 7,949 shares.



**HANS LAGERSTRÖM**

*(Region manager – Region West)*

Born: 1964.

Position: Manager of region West since 2015.

Other current assignments: –

Prior assignments (last five years): –

Other experience: Hans has over twenty years of experience from managing positions, whereof ten years in Green Landscaping AB as a district manager and later region manager. Hans holds a degree from The Armed Forces Technical School in Skövde.

Holdings in Green Landscaping: Hans holds as of the day of the Prospectus totally 93,675 shares.

**OTHER INFORMATION REGARDING THE BOARD MEMBERS AND SENIOR MANAGEMENT**

All board members and the senior management are available through the Company's head office at Klarabergsviadukten 70, 111 64 Stockholm.

There are no family ties between board members or senior management in the Company. No board member or member of senior management has been sentenced in any fraud-related case over the last five years. No board member or member of senior management have been involved in any bankruptcy, bankruptcy or liquidation (other than voluntary liquidation) in the past five years as a member of management, management or supervisory bodies or other senior management.

No accusation and / or sanction has been issued by law or regulation authorising authorities (including approved professional associations) against any board member or member of senior management in the past five years. No board member or member of senior management have been banned by court during the past five years as a member of a company's management, management or control body or from having a leading or overall function at a company.

As stated above, some board members and members of senior management have private interests in the Company through their shareholdings. Board members and members of the senior management of the Company may be board members or managers of other companies and hold shares in other companies, and in case such company includes business relationships with the Company, board members or

senior management in the Company may have a conflict of interest which is handled by the person concerned is not involved in handling the case on behalf of the Company. Besides what is stated, no board member or senior management have any private interests that may conflict with the Company's interests.

### AUDITORS

According to Green Landscaping's articles of association, the Company shall have at least one (1) and no more than two (2) auditors with no more than two (2) deputy auditors. The auditor and any deputy auditor must be an authorised auditor or a registered audit firm. The current auditor of the Company is Ernst & Young Aktiebolag. Auditor in charge is Alexander Hagberg, authorised auditor and member of FAR (professional institute for auditing consultants, auditors and advisors in Sweden). The same auditor has been the Company's auditor during the financial years covered by the historical financial information in the Prospectus and the auditor has not resigned, been allocated or not re-elected during the period. The Company's chief accountant, Alexander Hagberg, has also been the chief accountant in the financial years covered by the historical financial information in the Prospectus. The auditor does not hold any shares or share related instruments in the Company.

# CORPORATE GOVERNANCE

## CORPORATE GOVERNANCE IN GREEN LANDSCAPING

Green Landscaping is a Swedish public limited liability company. The corporate governance is based on Swedish legislation, the Company's articles of association, internal governance documents and the First North Rule Book for Issuers. After the change of list to Nasdaq Stockholm, the Company's corporate governance will comply with Nasdaq Stockholm Rule Book for Issuers instead of First North Rule Book for Issuers. The Company has voluntarily complied with Swedish Code of Corporate Governance (the "Code") since the listing on Nasdaq First North. The Code is applicable on all Swedish companies with shares admitted to trading on a regulated market in Sweden. The Company is not obligated to follow every rule in the Code at every time but have the option to choose alternative solutions that the Company considers to be better suited for the Company's circumstances. This provides that the Company accounts for every deviation from the Code in the yearly corporate governance report (in accordance with the principle "follow or explain"). As of the day of the Prospectus the Company has not identified any deviations from the Code. Any future deviations from the Code will be accounted for in the Company's corporate governance report.

## GENERAL MEETINGS

The shareholders' influence in the Green Landscaping is exercised at general meetings, which, in accordance with the Swedish Companies Act, is the Company's highest decision-making body. As the Company's highest decision-making body, the general meeting may resolve upon every matter for the Company, not specifically reserved for another corporate body's exclusive competence. Thus, the general meeting has a sovereign role in relation to the Company's board of directors and CEO.

At ordinary (annual) general meetings, which according to the Swedish Companies Act shall be held within six months from the end of each financial year, resolutions must be passed on adoption of the profit and loss account and balance sheet, allocation of the Company's profit or loss, discharge from liability for the board of directors and the CEO, elections of members of the board of directors and auditor and on remuneration for the board of directors and the auditor. At general meetings, the shareholders also resolve on other key matters in the Company, such as amending of the articles of association, any issue of new shares etc. If the board of directors considers there is reason to hold a general meeting before the next ordinary general meeting, or if an auditor of the Company or owners of at least one-tenth of all shares in the Company so demand in writing, the board of directors must issue a notice to convene an extraordinary general meeting.

Notice to attend a general meeting shall, in accordance with the Company's articles of association, be made by announcement in the Swedish Official Gazette (Sw. *Post och*

*Inrikes Tidningar*) and by making the notice available on the Company's website ([www.greenlandscapinggroup.se](http://www.greenlandscapinggroup.se)). At the same time as notice is made, it shall be announced in Dagens industri that a notice has been made. Notice of a annual general meeting must be issued no earlier than six weeks and no later than four weeks before the meeting. Notice of an extraordinary general meeting where question regarding change to the articles of association is to be dealt with must be issued no earlier than six weeks and no later than four weeks before the meeting, while notice to any other extraordinary general meeting must be issued no earlier than six weeks and no later than three weeks before the meeting.

To attend and vote at general meetings, either in person or through a proxy, shareholders must be registered in the Company's share register, kept by Euroclear, five weekdays prior to the general meeting (i.e. on the record date) and notify the Company of their intention to attend the general meeting no later than on the date specified in the notice of the meeting. A shareholder may be accompanied by assistants at general meetings upon notification. Each shareholder of the Company submitting a matter with sufficient foresight has the right to have the matter addressed at the general meeting.

To be able to determine who is entitled to participate and vote at general meetings, Euroclear shall, upon the request of the Company, supply the Company with a list of all holders of shares on the record date in connection with each general meeting. Shareholders who have their shares nominee-registered need to instruct the nominee to register the shares temporarily in the name of the shareholder in order to be entitled to attend and vote for their shares at general meetings (voting rights registration). Such registration must be completed no later than on the applicable record date and ceases to be in force once the record date has passed. Shareholders who have their shares directly registered on an account in the Euroclear system will automatically be included in the list of shareholders.

Notices, minutes and communiqués from general meetings will be made available on the Company's website.

Green Landscaping's general meeting 2019 will take place on 15 May 2019.

## NOMINATION COMMITTEE

Provisions regarding the establishment of a nomination committee are found in the Code. The Nomination Committee is a body of the general meeting, with the sole task of preparing the general meeting's decisions in election and remuneration matters and, when appropriate, procedural questions for the next nomination committee. At an extraordinary general meeting on 11 March 2018 it was decided to adopt an instruction for the appointment of a nomination committee until otherwise is resolved by the general meeting. According to the instructions, the nomination committee shall, as a rule, consist of the chairman of the board and three members appointed by the three largest shareholders,

by number of votes, in the Company on the last banking day in September. If any of these shareholders choose to waive their right to appoint a member, the right to appoint a member will go to the fourth largest shareholder, and so on. The name of the nomination committee members and the name of the shareholders who have appointed the members shall be published no later than six months before the annual general meeting. The nomination committee elects a chairman for the committee. The chairman of the board shall not be the chairman of the nomination committee. If a member leaves the Nomination Committee before its task is completed and the Nomination Committee considers it there is a need to replace the member, a substitute shall be appointed by the same shareholder who appointed the resigning member. If the shareholder that appointed the resigning member no longer holds the qualifying number of votes, the right to nominate a new member shall pass on to the next shareholder that does. If a shareholder that nominated a certain member have substantially reduced their holdings in the Company and the nomination committee does not consider it inappropriate in the light of the need for continuity for the forthcoming annual general meeting, the member shall resign from the nomination committee. The nomination committee shall then offer the largest shareholder, in number of votes, who has not appointed a member of the nomination committee to appoint a new member. The nomination committee's term of office extends until a new election committee has been appointed. In addition, the nomination committee shall have the composition and fulfill the requirements that at any time follow from The Code.

The nomination committee for the forthcoming annual general meeting 2019 consists of:

- ▶ Marcus Trummer, chairman of the nomination committee (appointed by Byggmästare Anders J Ahlström Holding AB)
- ▶ Erik Salén (appointed by Westindia Aktiebolag)
- ▶ Anders Thomasson (appointed by Johan Nordstrom Invest AB och CapNorth AB)
- ▶ Per Sjöstrand (chairman of the board)

## BOARD OF DIRECTORS

After the general meeting, the board of directors is the Company's highest decision-making body. The board of directors is, according to the Swedish Companies Act, responsible for the Company's organisation and the management of the Company's affairs and shall, on a continuous basis, assess the Company's and the Group's financial position and ensure that the Company's organisation is designed in a manner that ensures that the accounts, the management of funds and the Company's other financial conditions are controlled in a prudent manner. The chairman of the board of directors has a certain responsibility to lead the board of directors' work and to ensure that the board fulfils its statutory duties. The board of directors also appoint the Company's CEO.

According to the Company's articles of association, the board of directors shall consist of at least three (3) and no more than ten (10) ordinary members without deputy members. Board members are elected at the annual general meeting until the end of the next annual general meeting.

There is no limitation in time for a board member to be on the board of directors. Currently, the board of directors consists of six (6) ordinary members. Further information on the board members, can be found above under section "*Board of directors, senior management and auditors*".

The responsibilities of the board of directors include e.g. to set the Company's overall goals and strategies, oversee major investments, ensure that there is a satisfactory process for monitoring the Company's compliance with laws and other regulations relevant to the Company's operations, as well as the compliance with internal guidelines. The responsibilities of the board of directors also include ensuring that the Company's disclosure to the market and investors is transparent, correct, relevant and reliable as well as to appoint, evaluate and, if necessary, dismiss the Company's CEO. According to The Code, the chairman of the Board shall be appointed by the annual general meeting and have a particular responsibility to manage the Board's work and to ensure that the Board's work is well-organised and conducted in a efficient way.

The board of directors has, in accordance with the Swedish Companies Act, adopted written rules of procedure for its work, which shall be evaluated, updated and re-adopted annually. The board of directors meets regularly in accordance with a programme set out in the rules of procedure containing certain permanent items and certain items when necessary.

The board of directors may establish committees to prepare certain matters and may also delegate decision making to such a committee, but the board of directors cannot disclaim responsibility for decisions made on this basis. If the board of directors decides to set up committees, the rules of procedure for the board of directors shall specify the duties and decision making powers that the board of directors has delegated to the committees, as well as how the committees are to report to the board of directors.

The board has established an audit committee in accordance with the Swedish Companies Act and a remuneration committee in accordance with The Code. Further description of the committees' current compositions and tasks is presented below.

## Audit committee

The board of directors has established an audit committee consisting of three members: Per Sjöstrand, Andreas Bruzelius and Åsa Källenius. Åsa Källenius is the chairman of the committee. The audit committee shall, without any impact on the other responsibilities and tasks of the board of directors, e.g. monitor the Company's financial reporting, monitor the efficiency of the Company's internal controls, internal audits (if such function is established in the future), and risk management, keep itself informed of the audit of the annual report and consolidated financial statements as well as the conclusions of the Supervisory Board of Public Accountant's (Sw. *Revisorsnämndens*) quality controls. The audit committee shall also review and monitor the impartiality and independence of the auditor and, in conjunction therewith, pay special attention to whether the auditor provides the Company with services other than auditing services. The audit committee shall also assist in conjunction with preparation of proposals to the general meeting.

### Remuneration committee

The board of directors has established a remuneration committee consisting of three members: Per Sjöstrand, Andreas Bruzelius and Staffan Salén. Per Sjöstrand is the chairman of the committee. The remuneration committee's main tasks are to (i) prepare the board of directors' decisions on matters regarding principles for remuneration, remunerations and other terms of employment for the executive management, (ii) monitor and evaluate programmes for variable remuneration, both ongoing and those that have ended during the year, for the executive management, and (iii) monitor and evaluate the application of the guidelines for remuneration of the board and executive management established by the annual general meeting, as well as the current remuneration structures and levels.

### CEO AND SENIOR MANAGEMENT

The CEO is subordinated to the board of directors and responsible for the day-to-day management of the Company. The allocation of duties between the board of directors and the CEO is established by the rules of procedure for the board of directors and the instructions for the CEO. The CEO is also responsible for producing reports and compiling information from the management before the board meetings.

The CEO is, according to the instructions for financial reporting, responsible for the financial reporting in the Company and shall consequently ensure that the board of directors receive enough information for the board of directors to continuously be able to evaluate the Company's financial position.

For the evaluation of the Company's and the Group's financial position, the reporting to the board of directors shall be constituted to give a basis for following up business plans, budgets, economic development etc., and for the board of directors to otherwise fulfil the reporting obligation regarding financial conditions. The reporting must thereby reflect, inter alia the Company's and the Group's (i) financing conditions, (ii) liquidity, (iii) certain risks and (iv) other circumstances of importance.

Further information regarding the CEO and other senior management can be found under section "Board of directors, senior management and auditors" above.

### REMUNERATION TO BOARD MEMBERS, CEO AND SENIOR MANAGEMENT

#### Remuneration to board members

Remuneration to the board of directors is decided by the annual general meeting. At the general meeting held on 14 May 2018, it was resolved to remunerate the chairman SEK 250,000 and other board members SEK 125,000 with

the exemption of the Company's CEO Johan Nordström and Andres Bruzelius, that due to his roles as employee of FSN Capital Partners AB (Investment Advisor to FSN Capital III, the Company's former Principal Shareholder) has waived the right to board member remuneration. Furthermore, the chairman of the audit committee obtains a remuneration of SEK 75,000, no remuneration is allotted to the other members of the board's committees.

The Company's board members are not entitled to any benefits after they resigned as board members.

#### Remuneration to the CEO and senior management Guidelines regarding remuneration to senior management

At the annual general meeting held on 14 May 2018, it was resolved to adopt guidelines for remuneration to the CEO and senior management in accordance with the following. The basic principle is that remuneration and other terms of employment must be marketable and competitive in order to ensure that the Group can attract and retain competent senior management to the Company at a reasonable cost. The total remuneration to the senior management shall consist of fixed remuneration, variable remuneration, pension and other benefits. Variable remuneration shall be paid in cash and be based on the outcome in relation to goals within the individual area of responsibility (group or business area) and coincide with the interests of the shareholders. Variable remuneration shall correspond to a maximum of 50 percent of the fixed annual salary for the CEO and a maximum of 35 percent of the fixed annual salary for other members of the Group's management. Variable remuneration shall be pensionable unless otherwise agreed. The board of directors shall, in specific cases, be entitled to deviate from the guidelines under special circumstances.

The board of directors has proposed that the annual general meeting, to be held on 15 May 2019, resolves on guidelines regarding remuneration to senior management in large parts equivalent to the guidelines resolved upon on the general meeting 2018.

#### Remuneration during financial year 2018

Remuneration to an employed senior manager may consist of fixed remuneration, variable remuneration, pension and other benefits. The table below show the remuneration to the CEO and senior management for the financial year 2018. During the financial year 2018 the management consisted of five persons, namely the CEO, CFO, COO and the previous senior managers for Strategy- and purchase and Business development. Before the financial year 2019, the management team changed, see further under section "Board of directors, senior management and auditors" above.

Person, SEK thousand	Fixed remuneration	Variable remuneration	Pension	Other benefits <sup>1)</sup>	Total
Johan Nordström (CEO)	2.8	0.7	0.6	–	3.4
Other senior managers <sup>2)</sup>	3.7	0.6	1.2	0.1	5.0
<b>Total</b>	<b>6.5</b>	<b>1.3</b>	<b>1.8</b>	<b>0.1</b>	<b>8.4</b>

1) Refers to car benefits and health insurance.

2) Refers to CFO, COO and the previous senior management for Strategy- and purchase and Business development (four persons).

### Terms of employment for CEO and senior management

Basic salaries and other employee benefits to senior executives are deemed to be in accordance with market practice and are based on competence requirements, importance and experience as well as performance. All senior executives, with exemption for the CEO, are covered by a result- and turnover based bonus program. The CEO is covered by an individual bonus program.

The CEO has a twelve months period of notice if terminated by the Company, and a six months period of notice if the CEO terminates voluntarily. The CFO has a six months mutual period of notice. The period of notice for other senior managers is individual and regulated in respective employment agreement. Green Landscaping pays monthly pension premium by an occupational pension insurance. The CEO's employment agreement contains specific non-disclosure and competition prohibitions.

The Company provides remuneration after termination of employment only through defined pension plans, which means that the Company pays fixed fees to other legal persons regarding multiple insurances for individual employees. The Company has no obligation to pay any fees in addition to the established fees that are recognised as an expense during the period in which the relevant employment is performed.

Except for what is mentioned above in this section, the Group has not entered into any agreement with a member of the administrative, management or control body which entitles such member to retirement or similar benefits after termination of employment. The Group has no assigned or accrued amounts for pensions or similar benefits after termination of employment or assignments.

### AUDIT

The auditor shall review the Company's and the Group's annual reports and accounts as well as the management by its board of directors and CEO. Following each financial year the auditor shall submit an auditors' report and an auditors' report for the group to the general meeting.

According to Green Landscaping's articles of association, the Company shall have at least one (1) and no more than two (2) auditors with no more than two (2) deputy auditors. Auditor and any deputy auditor should be an authorised auditor or a registered audit firm. The current auditor of the Company is Ernst & Young Aktiebolag. Auditor in charge is Alexander Hagberg, authorised auditor and member of FAR (professional institute for auditing consultants, auditors and advisors in Sweden). The auditor hold no shares or related instruments in the Green Landscaping. Further information about the auditor, including information on remuneration to the auditor, can be found under section "Board of directors, senior management and auditors" above.

Remuneration to the Company's auditor is paid on a continuous basis. The remuneration to the auditor during the financial year 2018 was in total SEK 4.7 million, whereof SEK 1.2 million related to audit services. Other remuneration of SEK 3.5 million mostly related to remuneration for advice in connection to the acquisition of Svensk Markservice, the listing on First North and some tax advice.

### THE BOARD OF DIRECTOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The board of directors' responsibility for internal control is regulated in the Swedish Companies Act, the Annual Accounts Act and the Swedish Code of Corporate Governance. Among other things, the board of directors' shall ensure that Green Landscaping has good internal control and formalized procedures that ensure that established principles for financial reporting and internal control are complied with, and that there are appropriate systems for monitoring and controlling the Company's operations and the risks associated with the Company and its operations.

The Company has not established any special function for internal control. Instead, the board of Directors as a whole performs that task. Internal control includes control of the Company's organization, procedures and measures. The purpose is to ensure that reliable and accurate financial reporting takes place, that the Company's and the Group's financial reporting is prepared in accordance with law and applicable accounting standards and that other requirements are complied with. The internal control system also aims to monitor compliance with the Company's policies, guidelines and principles. In addition, the Company's assets are monitored and the Company's resources are used in a cost-effective and appropriate manner. Furthermore, internal control takes place through follow-up in IT and ERP systems and through continuous analysis of risks.

The control environment provides the basis for the internal control, which also includes risk assessment, control activities, information & communication and follow-up.

### Control environment

The board of directors has overall responsibility for the internal controls concerning financial reporting. In order to create and maintain a functioning control environment, the board of directors has adopted a number of policies and governance documents that regulate the financial reporting. These mainly consist of the board of directors' rules of procedure, instructions for the CEO, instructions for committees established by the board of directors and instructions for financial reporting. The board of directors has also adopted a special authorization/approval hierarchy and a finance policy. Furthermore, the Company has an accounting and finance handbook containing principles, guidelines and descriptions of the processes for accounting and financial reporting. The board of directors' has also set up an Audit Committee which has the main task of monitoring Green Landscaping's financial reporting, monitoring the effectiveness of the Company's internal control, internal audit (to the extent such function is established) and risk management, as well as reviewing and monitoring the auditor's impartiality and independence.

The CEO is responsible for the day-to-day work of maintaining the control environment, and reports on an ongoing basis to the board of directors' in accordance with established instructions.

Each local unit is organized as a subsidiary with its own board of directors and CEO that has responsibility for managing the local operations according to guidelines and instructions from the Group level. Some of the local units have their own administration team responsible for the day-to-day accounting and financial reporting, while others

use the Group's Shared Service Center. The local units report primarily to the Company's CEO and CFO.

In addition to the internal follow-up and reporting, the Company's external auditors report to the CEO and board of directors during the financial year. The auditors' reporting provides the board of directors with a good understanding and a reliable basis for the financial reporting in the annual report.

#### **Risk assessment and control activities**

Risk assessment involves identifying and evaluating the risk of a material misstatement in the financial statements and reporting at the Group and subsidiary levels. Risk assessment is carried out on an ongoing basis and according to established guidelines with focus on individual projects. Within the board of directors, the Audit Committee is primarily responsible for continuously evaluating the Company's risk situation, after which the board of directors carries out its own annual review of the same.

Control activities are aimed at identifying and limiting risks. The board of directors is responsible for internal control and follow-up of the Company management. This is done through both internal and external control activities, as well as through review and follow-up of the Company's policies and governance documents. The Group-wide guidelines for internal control are followed up during the year by all operating companies.

Uniform accounting and reporting instructions are applied by all units within the Group. The financial performance of the local units is continuously monitored through monthly reporting, which primarily focuses on sales, earnings trends and order backlog, but also includes legal and operational follow-up with a focus on the status of individual projects. All units prepare an internal control report on a quarterly basis. Other important components of the internal control are the annual business planning process and forecasting processes. Forecasts are followed up in the Group's monthly reporting.

Via ongoing Lean projects, a framework has been created for pursuing continual improvement at the Group, which consists of basic processes on internal control.

#### **Information and communication**

The Company has information and communication paths aimed at promoting correct financial reporting and enabling reporting and feedback from operations to the board of directors and management, for example by issuing governing documents in the form of internal policies, guidelines and instructions on financial reporting and which have been made available and understood by the employees concerned. Financial reporting takes place in a Group-wide system with predefined report templates.

As a listed company, Green Landscaping must comply with EU Regulation 596/2014 on Market Abuse ("MAR"). MAR dictates, for example, how inside information may be published, under which conditions the publication may be postponed, and how the Company shall keep a register of persons who have access to inside information about the Company. The Company uses a digital tool for ensuring that its management of inside information meets the requirements stated in both MAR and its own policy on inside information. Only authorized individuals in the Company have access to the tool.

The Company's financial reporting complies with the laws and regulations that apply in Sweden. The Company's information to the shareholders and other stakeholders is made available through the annual report and via interim reports and press releases.

#### **Follow up**

The compliance and efficiency in the internal controls are followed up continuously. The CEO sees to that the board of directors is provided with reports on the progress of Green Landscaping's operations, amongst other the progress of the Company's result and position and information on important events, as the progress in individual projects. The CEO is also reporting on these questions at every board meeting. The board of directors and the audit committee goes through the annual report and the interim reports and conducts financial assessments in accordance with established plan. The audit committee follows up the financial reporting and other adjacent issues and regularly discusses these issues with the external auditors.

#### **THE NOMINATION COMMITTEE'S PROPOSAL TO THE GENERAL MEETING 2019**

The annual general meeting 2019, to be held on 15 May 2019, the nomination committee has proposed that the number of board members shall amount to six ordinary board members. The nomination committee has proposed a re-election of the board members Per Sjöstrand, Johan Nordström, Monica Trolle, Staffan Salén and Åsa Källenius, and election of Stefan Dahlbo, as a new board member until the end of next annual general meeting. The nomination committee has also proposed that Per Sjöstrand is re-elected as the chairman of the board.

Stefan Dahlbo has a long experience as a CEO and board member from listed companies. Stefan's background in these roles originate inter alia from related industries or industries relevant for the business of the Company, as real estate companies, service companies and companies with an active acquisition strategy. Furthermore, Stefan has competence from corporate management and business development that may benefit the Company.

In accordance with the audit committee's recommendation, the nomination committee has proposed the general meeting to re-elect Ernst & Young Aktiebolag as audit company, for the coming year, who has notified their intention of appointing Alexander Hagberg as auditor in charge.

The nomination committee has proposed that the board of director's remuneration until the next general meeting shall amount to a total of SEK 750.000, in which SEK 250.000 shall be paid to the chairman of the board and SEK 125.000 to the other permanent board members not employed by the Company. To the chairman of the audit committee a remuneration of SEK 75.000 is proposed. No remuneration is proposed to the other members of the board's committees. Furthermore, the nomination committee has proposed that the remuneration to the Company's auditor is paid on continuous, approved basis.

Lastly, the nomination committee has proposed the annual general meeting to adopt instructions and principles for appointing the nomination committee that corresponds with the principles adopted by the annual general meeting 2018.

# LEGAL CONSIDERATIONS AND SUPPLEMENTARY INFORMATION

## INCORPORATION AND LEGAL FORM AS WELL AS OBJECT OF THE COMPANY'S BUSINESS

The Company is a Swedish public limited liability company incorporated on 12 November 2008 registered with the Swedish Companies Registration Office on 2 December 2008. The Company's corporate registration number is 556771-3465 and the board of directors has its registered office in Stockholm. The Company conducts its business under Swedish law the form of association is governed by the Swedish Companies Act. The Company's trade name is Green Landscaping.

According to the Company's articles of association (§ 3) the object of the Company's business is directly or indirectly to, independently or through subsidiary companies, pursue land and real estate engineering operations, management

and contract work and any other activities compatible therewith and to own and manage real estate and chattels. Please refer to the complete articles of association under section "Articles of association" for more information.

The board of directors have proposed that the general meeting, held on 15 May 2019, resolves to change the Company's name from Green Landscaping Holding AB (publ) to Green Landscaping Group AB (publ).

## GROUP STRUCTURE

The Company is the parent company of the Group which, as of the date of the Prospectus, consists of 13 directly and indirectly owned subsidiaries, all of which are Swedish private limited liability companies and one Norwegian branch as set out in the table below.<sup>1)</sup>

Company, corporate registration number, registered office	Number of shares/ ownership interests	Holdings in %
Green Landscaping Incentive AB, 559148-3242	50,000	100
Björntreprenad Aktiebolag, 556379-0723	1,000	100
<b>GML Sport AB, 556369-3372</b>	1,000	100
GML Sport Anläggning AB, 559092-8601	50,000	100
GML Sport Firma i Norge, NUF (filial)	–	–
Green Landscaping AB, 556773-4800	100,000	100
<b>Jacksons Trädvård AB, 556591-9858</b>	1,000	100
Jacksons Trädvård Sydväst AB, 556846-9919	500	100
J E Eriksson Mark & Anläggningsteknik AB, 556558-6079	1,750	100
Mark & Miljö Projekt i Sverige AB, 556756-6533	11,000	100
Tranemo Trädgårdstjänst Aktiebolag, 556177-8472	2,000	100
Svensk Jordelit Aktiebolag, 556207-6660	1,000	100
<b>Svensk Markservice Holding AB, 556812-8002</b>	1,000	100
Svensk Markservice Aktiebolag, 556420-4823	1,200	100

## SIGNIFICANT AGREEMENTS

Below is a summary of the material agreements entered into by the Group during the past two years, as well as other agreements entered into by the Group containing rights or obligations of material importance for the Group (apart from agreements entered into as part of the continuing operations). For information on financial agreements, please refer to section "Capital structure, indebtedness and other financial information" – "Financing arrangements".

### Acquisitions

Green Landscaping works on the basis of an active acquisition strategy and since the incorporation the Group has acquired several companies and businesses. During 2017 the Company acquired Tranemo Trädgårdstjänst, Björntreprenad, J E Mark och Jordelit and during 2018 the Company acquired Trädvård Sydväst, Svensk Markservice och Mark & Miljö and the assets of Borås Markentreprenad. The terms for

the acquisitions are described in the summary below. For further information about the respective companies acquired and their activities, please refer to the section "Business description" – "Significant acquisitions the past two years".

All acquisitions have been made against a fixed cash purchase price that have been paid at the time of the acquisition. At the acquisitions of Mark & Miljö the payment was partly done with 350,754 own shares (in kind). At the acquisitions of Tranemo Trädgårdstjänst, Björntreprenad, J E Mark och Jordelit the sellers have re-invested a part of the agreed purchasing price by a offset issue in the Company. All acquisitions, except Svensk Markservice and Borås Markentreprenad, have also included the obligation to pay supplementary purchase consideration under certain conditions. Supplementary purchase consideration regarding Tranemo Trädgårdstjänst and Björntreprenad has been finally settled. Regarding other acquired companies there are

1) Subsidiaries marked in bold has subsidiaries that have been sorted directly under the respective subsidiary with indents.

still outstanding obligations to pay supplementary purchase consideration at the day of the Prospectus. For further information about the potential payment of earnout, please refer to the section “*Capital structure, indebtedness and other financial information*” – “*Agreement regarding supplementary purchase consideration*”.

#### **Customer and supplier agreements**

Green Landscaping operates in various business areas in several geographical regions, and customer and supplier agreements are entered into in the ongoing business. The Company’s customers are mainly active in the public sector and comprise municipalities, state authorities and public property- and housing companies, but the Company also has a large proportion of private sector customers, such as private property- and housing companies and tenant-owner associations. The Company’s income is spread over a large number of customer agreements and the Company does not consider itself dependent on any individual customer or supplier agreement.

For additional description, please refer to section “*Business description*”.

#### **INTELLECTUAL PROPERTY RIGHTS**

The Group has several registered domain names. Furthermore, the Group has a number of registered trademarks. The Group is however not dependent on any patents, licenses, trademarks or other registered intellectual property rights.

#### **INSURANCES**

The Group has customary insurance coverage, including property insurance, interruptions insurance, liability insurance, vehicle- and accident insurance. The Company’s subsidiary has insurance policies tailored to their respective activities. Furthermore, the Company has a liability insurance for the CEO and board members.

It is the board’s assessment that the current insurance coverage, including the level and terms and conditions of such insurance, gives an adequate level of protection with regard to insurance premiums and the potential risks of the business.

#### **LEGAL AND ARBITRATION PROCEEDINGS**

The Group may become involved in disputes within the framework of its ongoing operations. However, the Company is not, nor has been, part of any legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the previous twelve months that may have, or have had, a material effect on the Company’s financial position or results.

#### **TRANSACTIONS WITH RELATED PARTIES**

Presented below are transactions with related parties during the period covered by the financial information in the Prospectus including the day of this Prospectus, all of which have been conducted at marketable terms.

In 2010, the Company raised a bridge loan of a total of SEK 23 million from the Company’s previous main shareholder FSN Capital III. The loan ran at an annual interest rate of eight percent that is capitalised. Most of the bridge loan has been settled through a new issue of shares against set-off, resolved upon on 4 August 2010, whereafter an amount of SEK 1.8 million remained. The remaining bridge loan amount totalling SEK 3.2 million including accrued interest was repaid to the FSN Capital III on 31 January 2018.

On November 23, 2017, the Company raised a loan of a total of SEK 8 million from the Company’s previous main shareholder for temporary financing of the acquisition of Jordelit. The loan ran at an annual interest rate of 5 percent and has been fully repaid (SEK 5.66 million through set-off in exchange for convertible bonds issued on November 23, 2017 and SEK 2.34 million by cash repayment).

Before the listing on First North, the Company resolved on converting outstanding convertible bonds to common shares and preference shares. The Company’s CEO, Johan Nordström, held convertible bonds through companies to an amount of approximately SEK 9.3 million, plus accrued interest. The Company’s board of directors resolved on 15 March 2018, after request by the holders of the convertible bonds, to convert the convertible bonds to 1.401.818 preference shares in accordance with the terms of the convertible bonds. The preference shares was then converted to common shares in connection with the listing on First North. FSN Capital III, the Company’s previous main shareholder, held convertible bonds of a total amount of approximately SEK 82 million, including accrued interest. The extraordinary general meeting held on 19 March 2018 resolved to offset FNS Capitals convertible bonds claim with 4.865.932 common shares through a directed share issue.

J E Mark has entered into a rental agreement for storage (approximately 5,000 square meters) with the landlord J E Mark & Fastigheter i Vallentuna AB, owned by Jan Eriksson, senior manager in the Company. The rental period initially expires on 31 May 2019 with a notice period of nine months. If notice of termination is not given, the agreement is extended by one year at a time. Rental payments of approximately SEK 360 thousand have been paid during 2018.

In connection with the acquisition of J E Mark, reversals of unpaid profits have been issued from J E Mark to the sellers, that inter alia included Jan Eriksson who is a senior manager in the Company. The total amounted to approximately SEK 2.3 million and was repaid in its entirety in 2017. In addition there is an outstanding obligation on a maximum earnout of SEK 8.5 million for the acquisition. It is the board’s preliminary assessment that the maximum supplementary purchase consideration of SEK 8.5 million will be paid during 2019.

Besides the transactions stated above, Green Landscaping has not been conducting any related party transactions of essential importance during the period covered by the financial information in the Prospectus and up until the day of the Prospectus.

## ENVIRONMENTAL CONSIDERATIONS AND OPERATIONS REQUIRING PERMISSION

The Company strive to ensure that all environmental impact is as small as possible. The Company does not conduct any operations requiring application or permission according to the environmental assessment regulation (Sw. *Miljöprövningsförförordning (2013:251)*).

## ADVISORS

Cirio Advokatbyrå AB acts as legal adviser and Pareto Securities provide financial advice in conjunction with the listing on Nasdaq Stockholm.

## POSSIBLE CONFLICTS OF INTERESTS

None of the advisers own shares in the Company and have, except for previously agreed fees for their services, no other financial interests in the Company.

## DOCUMENTS INCORPORATED BY REFERENCE AND DOCUMENTS AVAILABLE FOR INSPECTION

The following information is incorporated by reference and constitute part of the Prospectus and shall be read as a part hereof. The parts of the following documents not referred to are either not relevant for an investor or reproduced elsewhere in the Prospectus.

- (i) The Group's financial information including notes and the auditor's report for the financial year 2016 (profit and loss account on page 5, balance sheet on pages 6–7, cash flow analysis on page 9, accounting principles and notes on pages 19–29 and auditors' report on page 30).
- (ii) The Group's financial information including notes and the auditor's report for the financial year 2017 (profit and loss account on page 8, balance sheet on pages 9–10, cash flow analysis on page 12, accounting principles and notes on pages 18–32 and auditors' report on page 33–34).
- (iii) The Group's financial information including notes and the auditor's report for the financial year 2018 (profit and loss account on page 28, balance sheet on pages 29–30, cash flow analysis on page 32, accounting principles and notes on pages 38–64 and auditors' report on page 66–68).
- (iv) Svensk Markservice financial information including notes and the auditor's report for the financial year 2016 (profit and loss account on page 4, balance sheet on pages 4–6, cash flow analysis on page 8, accounting principles and notes on pages 14–24 and auditors' report on pages 25–26).
- (v) Svensk Markservice financial information including notes and the auditor's report for the financial year 2017 (profit and loss account on page 4, balance sheet on pages 5–6, cash flow analysis on page 8, accounting principles and notes on pages 14–24 and auditors' report on pages 25–26).

Historical financial information incorporated by reference as above has been audited by the Company's auditor and the auditor's report is appended to each annual report. Documents incorporated by reference are available in electronic form at the Company's website ([www.greenlandscaping-group.se](http://www.greenlandscaping-group.se)) during the validity period of the Prospectus.

The below documents are available for inspection during the validity period of the Prospectus during normal business hours on weekdays at the Company's offices (Klarabergsviadukten 70, 111 64 Stockholm), as well as, except for the Company's subsidiaries' annual reports, in electronic form at the Company's website ([www.greenlandscapinggroup.se](http://www.greenlandscapinggroup.se)).

- (i) The Prospectus.
- (ii) The Company's articles of association.
- (iii) Documents incorporated by reference.
- (iv) The Company's subsidiaries' audited annual reports and consolidated financial statements for the years 2016–2018 (to applicable extent), including auditor's reports.
- (v) Other information published by the Company referred to in this Prospectus.

Except when expressly stated, no information in the Prospectus has been reviewed or audited by the Company's auditor.

# ARTICLES OF ASSOCIATION

The Articles of Association has been adopted at an extraordinary general meeting held on 19 March 2018.

## 1 § Name

The company's name is Green Landscaping Holding AB (publ).

## 2 § Registered office

The company's registered office shall be situated in Stockholm.

## 3 § Object of the company's business

The object of the company's business is directly or indirectly to, independently or through subsidiary companies, pursue land and real estate engineering operations, management and contract work and any other activities compatible therewith and to own and manage real estate and chattels.

## 4 § Share capital

The share capital shall be not less than SEK 1,122,000 and no more than SEK 4,488,000, The number of shares shall be not less than 10,000,000 not more than 40,000,000.

## 5 § Financial year

The company's financial year shall be the calendar year.

## 6 § Board of directors

The board of directors elected by the shareholders' meeting shall consist of not less than three (3) members and not more than ten (10) members, without deputy members.

## 7 § Auditor

The company shall have not less than one (1) and not more than two (2) auditors and not more than two (2) deputy auditors. As auditor and, where applicable, deputy auditor, shall an authorised public accountant or a registered public accounting firm be elected.

## 8 § Notice of shareholders meeting

Notices of general meetings shall be made by announcement in the Swedish Official Gazette (*Sw. Post och Inrikes Tidningar*) and by making the notice available on the company's website. At the same time as notice is given it shall be announced in Dagens Industri that a notice has been made.

Shareholders wishing to participate in general meetings must be listed as shareholder in a printout or other presentation of the entire share register reflecting the circumstances five weekdays before the general meeting and notify the company no later than the date specified in the notice of the general meeting. The last mentioned date may not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and may not occur earlier than the fifth weekday before the general meeting. A shareholder may be accompanied by advisors at a general meeting only if he or she notifies the company of the number of advisors in accordance with the procedure prescribed for in respect of notice of attendance to be made by a shareholder.

## 9 § Business at annual shareholders' meetings

The following business shall be addressed at annual shareholders' meetings:

1. election of a chairman of the meeting;
2. preparation and approval of the voting list;
3. approval of the agenda;
4. election of one or two persons who shall approve the minutes of the meeting;
5. determination of whether the meeting was duly convened;
6. submission of the annual report and the auditors' report and, where applicable, the consolidated financial statements and the auditors' report for the group;
7. resolutions regarding the adoption of the income statement and the balance sheet and, when applicable, the consolidated income statement and the consolidated balance sheet;
8. resolutions regarding allocation of the company's profits or losses in accordance with the adopted balance sheet;
9. resolutions regarding discharge of the members of the board of directors and, where applicable, the managing director from liability;
10. determination of the number of members, and deputy members, of the board of directors and, where applicable, the number of auditors and deputy auditors;
11. determination offers for members of the board of directors and auditors;
12. election of the members of the board of directors and, where applicable, auditors and deputy auditors;
13. other matters which are set out in the Swedish Companies Act or the company's articles of association.

## 10 § CSD clause

The shares of the company shall be registered in a CSD register in accordance with the Central Securities Depositories and Financial Instruments Accounts Act (*Sw. lagen (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*).

# TAX CONSIDERATIONS IN SWEDEN

*The following is a summary of certain tax regulations for individuals and limited companies (Sw. aktiebolag) that are unlimitedly taxable in Sweden, unless otherwise is stated. The summary is based on legislation currently in force and is intended as general information only. The summary does not address securities held by partnerships or held as current assets in business operations. Neither does it include the specific rules on taxexempt capital gains (including nondeductibility of capital losses) and dividends in the corporate sector that may apply when shares are considered to be held for business purposes (Sw. näringsbetingade andelar) by the shareholder. Neither does it include the specific rules that may apply to holdings in companies that are or have previously has been closed corporations (Sw. Fåmansbolag) or to shares that are acquired on the basis of so-called qualified shares in such businesses. The summary neither adress shares that are held in an investment savings account (Sw. investeringssparkonto) that are subject to special rules on flatrate taxation. Special tax rules apply to certain categories of taxpayers, e.g., investment companies and insurance companies. The tax treatment of each individual shareholder depends on the investor's particular circumstances. Each holder of shares should therefore consult a tax adviser for information on the specific implications that may arise in an individual case, including the applicability and effect of foreign rules and tax treaties.*

## RESIDENT SHAREHOLDERS

### Individuals

#### Capital gains taxation

A taxable capital gain or deductible capital loss may arise on the sale or other disposition of listed shares. Capital gain or loss is normally calculated as the difference between the sales proceeds, after deducting sales costs, and the tax base. The tax base of all shares of the same class and type are added together and computed collectively using the average method (Sw. *genomsnittsmetoden*). Upon the sale of listed shares, the tax basis may alternatively be determined as 20 percent of the sales proceeds after deducting sales costs under the flat-rate method (Sw. *schablonmetoden*).

Capital gains are taxed as income from capital at a rate of 30 percent. Capital losses on listed shares are fully deductible against taxable capital gains arising on the same taxation year from shares or other listed equity-related securities with the exception of units in mutual funds that consist exclusively of Swedish receivables (Sw. *räntefonder*). Up to 70 percent of capital losses on shares or other equity-related securities that cannot be set off in this way are deductible against other capital income.

If there is a net loss in the capital income category, a tax reduction is allowed against municipal and national income tax, as well as against property tax and municipal property charges. A tax reduction of 30 percent is allowed on net loss not exceeding SEK 100,000 and 21 percent of any remaining loss. Such net loss cannot be carried forward to future income years.

#### Dividend taxation

For individuals, dividends from listed shares are taxed as income from capital at a rate of 30 percent. A withholding tax of 30 percent is generally levied on dividends paid to individuals resident in Sweden. The tax is normally withheld by Euroclear Sweden or, regarding nominee-registered shares, by the Swedish nominee.

### Limited liability companies

#### Capital gains and dividends taxation

For a limited liability company, all income, including taxable capital gains and dividends, is taxed as business income at a rate of 21.4 percent for the financial year starting 1 January 2019. The corporate tax rate is thereafter decreased to 20.6 percent for the financial year starting 1 January 2021. Capital gains and capital losses are calculated in the same manner as for individuals.

Deductible capital losses on shares and other equity related securities may only be deducted against taxable capital gains on such securities. If certain conditions are fulfilled, such capital losses may also be offset against such capital gains in another company within the same group, provided that the requirements for exchanging group contributions (Sw. *koncernbidrag*) are met. A capital loss that cannot be utilised during a given year may be carried forward and be offset against taxable capital gains on shares and other equity-related securities during subsequent income years without any limitation in time.

## NON RESIDENT SHAREHOLDERS

### Withholding tax

Non-resident shareholders who receive dividends from a Swedish limited liability company are normally subject to Swedish withholding tax at a rate of 30 percent. However, the tax rate is often reduced by tax treaties for the avoidance of double taxation between Sweden and other countries. The majority of Sweden's tax treaties enable a reduction of the Swedish tax to the tax rate stipulated in the treaty directly when dividends are paid, provided that necessary information is available in relation to the person entitled to dividends. In Sweden, Euroclear Sweden or, for nominee-registered shares, the nominee normally withholds the tax.

If a 30 percent withholding tax is deducted from a payment to a person entitled to be taxed at a lower rate, or if too much withholding tax has otherwise been withheld, a refund can be requested from the Swedish Tax Agency before the end of the fifth calendar year following the dividend distribution.

### Capital gains taxation

A non-resident shareholder is generally not liable for Swedish capital gains tax on the disposal of shares, provided that the shareholder does not carry out business activities from a permanent establishment in Sweden to which the shares are connected. Shareholders can however be taxed in their domicile country. Under a specific tax rule, private individuals that are not resident in Sweden may be subject to tax in Sweden on the sale of shares if they have been resident or lived permanently in Sweden at any time during the year of such disposal or under any of the ten preceding calendar years. The application of this rule may be limited by tax treaties between Sweden and other countries.

# DEFINITIONS

<b>The “Company” or “Green Landscaping” or “Group”</b>	Depending on context, Green Landscaping Holding AB (publ), reg. No. 556771-3465, the group in which Green Landscaping Holding AB (publ) is parent company or a subsidiary in the group.
<b>“Borås Markentreprenad”</b>	Borås Markentreprenad AB.
<b>“Björntreprenad”</b>	Björntreprenad Aktiebolag.
<b>“CAGR”</b>	Compound annual growth rate.
<b>“CRM-system”</b>	Customer-relationship management-system.
<b>“Euroclear”</b>	Euroclear Sweden AB.
<b>“GML Sport”</b>	GML Sport AB.
<b>“IFRS”</b>	International Financial Reporting Standards.
<b>“ISO”</b>	International Organization for Standardization.
<b>“Jacksons Trädvård”</b>	Jacksons Trädvård AB.
<b>“J E Mark”</b>	J E Eriksson Mark & Anläggningsteknik AB.
<b>“Jordelit”</b>	Svensk Jordelit AB.
<b>“The Code”</b>	The Swedish Code of Corporate Governance.
<b>“K3”</b>	The Swedish Accounting Standards Board’s standard for annual reports and consolidated statements (BFNAR 2012:1).
<b>“LEAN”</b>	Internal control system based on four cornerstones; planning, daily management, continuous improvement and continuous follow-up.
<b>“LOU”</b>	The Public Procurement Act (2016:1145).
<b>“MAR”</b>	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.
<b>“Mark &amp; Miljö”</b>	Mark & Miljö Projekt I Sverige AB.
<b>“Prospectus Directive”</b>	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003.
<b>The “Prospectus”</b>	This Prospectus which has been prepared for the Offering and admission of the Company’s shares to trading.
<b>“GDPR”</b>	General Data Protection Regulation.
<b>“SEB”</b>	Skandinaviska Enskilda Banken AB (publ).
<b>“Securities Act”</b>	United States Securities Act of 1933.
<b>“SEK”</b>	Swedish krona.
<b>“Svensk Marservice”</b>	Svensk Markservice Holding AB.
<b>“Tranemo Trädgårdstjänst”</b>	Tranemo Trädgårdstjänst AB.
<b>“Trädvård Sydväst”</b>	Jacksons Trädvård Sydväst AB.

# ADDRESSES

## **THE COMPANY**

### **Green Landscaping Holding AB (publ)**

Stenåldersgatan 11  
213 76 Malmö  
[www.greenlandscapinggroup.se](http://www.greenlandscapinggroup.se)

## **GLFINANCIAL ADVISOR**

### **Pareto Securities AB**

Berzelii Park 9  
103 91 Stockholm

## **LEGAL ADVISOR**

### **Cirio Advokatbyrå AB**

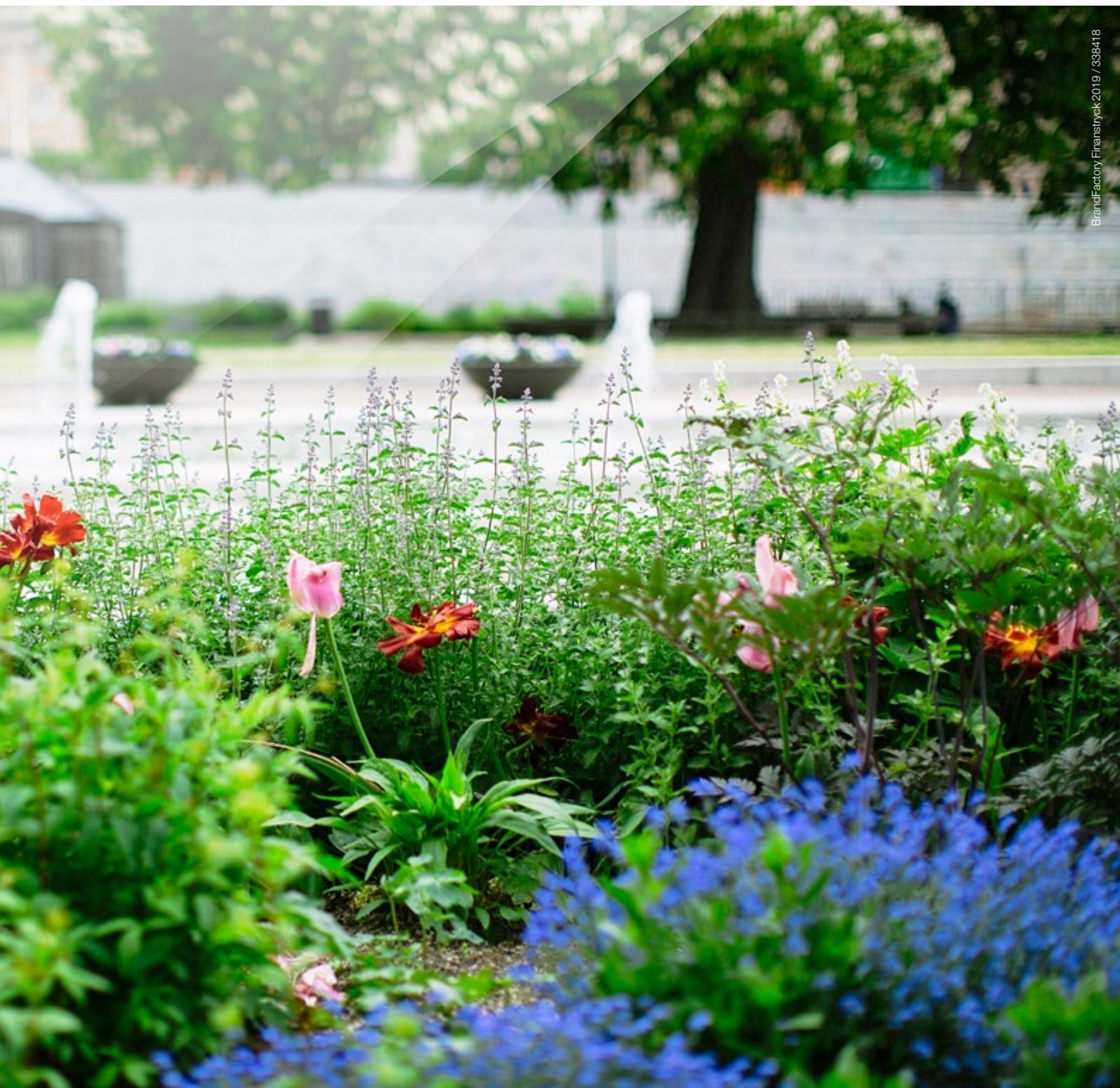
Mäster Samuelsgatan 20  
Box 3294  
103 65 Stockholm

## **AUDITOR**

### **Ernst & Young Aktiebolag**

Jakobsbergsgatan 24  
Box 7850  
103 99 Stockholm

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**Green Landscaping Holding AB (publ)**  
Stenåldersgatan 11, 213 76 Malmö  
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