

## Interim Report January – December 2019

### “Continued growth despite lack of winter activities”

#### October – December 2019

- Sales for the fourth quarter amounted to SEK 507.0 (375.0) million, which is an increase of 35.2 percent and of which -6.5 percent is organic.
- EBITA amounted to SEK 15.1 (-2.2) million. It corresponds to an increase of 17.3 million.
- EBITA margin amounted to SEK 3.0 (-0.1) percent.
- Adjusted EBITA amounted to SEK 25.2 (23.0) million. It corresponds to an increase of 9.6 percent.
- Adjusted EBITA margin amounted to SEK 5.0 (6.1) percent.
- Cash flow from operating activities amounted to SEK 21.9 (25.1) million. There was a positive impact on cash flow from operating activities of SEK 0.1 million from the implementation of IFRS 16.
- Earnings per share were SEK 0.05 (-0.42). Diluted earnings per share were SEK 0.05 (-0.42).
- Nonrecurring items amounted to SEK 10.1 (25.2) million and they are primarily attributable to the integration of Svensk Markservice.
- The impact of IFRS 16 on EBITA amounted to SEK 2.7 million. There was zero impact on net cash flow.
- Significant events after the end of the quarter were the acquisition of GAST in Norway, which is Green Landscaping's first acquisition outside Sweden, as well as the acquisition of Park i Syd, which is located in Skåne.
- The Board intends to propose a preferential new share issue of SEK 150 million to finance future acquisitions.

#### January – December 2019

- Sales amounted to SEK 1,992.6 (1,180.1) million, which is an increase of 68.9 percent, of which 1.6 percent was organic.
- EBITA amounted to SEK 57.2 (17.9) million. It corresponds to an increase of 219.6 percent.
- Adjusted EBITA margin amounted to SEK 2.9 (1.5) percent.
- Adjusted EBITA amounted to SEK 90.1 (59.8) million. It corresponds to an increase of 50.7 percent.
- Adjusted EBITA margin amounted to SEK 4.5 (5.1) percent.
- Cash flow from operating activities amounted to SEK 98.3 (3.5) million. There was a positive impact on cash flow from operating activities of SEK 35.3 million from the implementation of IFRS 16.
- Earnings per share were SEK 0.20 (-0.19). Diluted earnings per share were SEK 0.20 (-0.19).
- Nonrecurring items amounted to SEK 32.9 (41.9) million and they are primarily attributable to issue costs and the integration of Svensk Markservice.
- In April, Green Landscaping changed its marketplace to the main market listing, Nasdaq Stockholm.
- The impact of IFRS 16 on EBITA amounted to SEK 2.9 million. There was zero impact on net cash flow.

#### Key performance indicators

| SEK m                                     | Oct-Dec 2019 | Oct-Dec 2018 | Jan-Dec 2019 | Jan-Dec 2018 |
|-------------------------------------------|--------------|--------------|--------------|--------------|
| Sales                                     | 507.0        | 375.0        | 1,992.6      | 1,108.1      |
| EBITA                                     | 15.1         | -2.2         | 57.2         | 17.9         |
| EBITA margin, %                           | 3.0          | -0.1         | 2.9          | 1.5          |
| EBT                                       | 2.5          | -13.3        | 9.4          | -12.0        |
| Nonrecurring items <sup>1)</sup>          | 10.1         | 25.2         | 32.9         | 41.9         |
| Adjusted EBITA                            | 25.2         | 23.0         | 90.1         | 59.8         |
| Adjusted EBITA margin, %                  | 5.0          | 6.1          | 4.5          | 5.1          |
| Cash flow from operating activities       | 21.9         | 25.1         | 98.3         | 3.5          |
| Order backlog                             | 3,565        | 3,880        | 3,565        | 3,880        |
| Basic earnings per share, SEK             | 0.05         | -0.42        | 0.20         | -0.19        |
| Diluted earnings per share, SEK           | 0.05         | -0.42        | 0.20         | -0.19        |
| Adjusted earnings per share, SEK          | 0.33         | 0.29         | 1.12         | 1.23         |
| Average number of shares, before dilution | 36,011,057   | 35,567,535   | 35,917,758   | 29,482,905   |

1) See Note 4 for details

Green Landscaping Group is Sweden's leading provider for care and surface planning of outdoor environments. Our business concept is to improve the customer's outdoor environment by offering services that focus on high customer value, long-term sustainability and quality.

## CEO comments

Sales during the quarter amounted to SEK 507.0 (375.0) million, which is an increase of 35.2 percent. Adjusted EBITA amounted to SEK 25.2 (23.0) million, which is an increase of 5.0 (6.1) percent. There was a negative impact on growth in the fourth quarter due to the mild winter and lack of winter operations for snow and ice removal. In conjunction with this year-end report, we also announced the acquisition of our first company outside Sweden. Our intention, going forward, is to continue pursuing our acquisition agenda.

### Integration of Svensk Markservice

The efforts to integrate Svensk Markservice during the year have been intense and comprehensive. During the fourth quarter, we carried out additional integration activities, which also involved higher costs. These activities are beneficial to the company and helping us complete the integration effort earlier, such that we can then put our entire focus on developing the business of our “new” and larger Green Landscaping Group.

For our ground maintenance operations in Region East, we have implemented a variety of measures that are starting to show results. We appointed an experienced senior management team that has changed the structure and work methodology, which has resulted in a more stable organization. We will continue pursuing our set path in 2020 with the aim of creating even more stability and over time, higher profitability in the region.

### Confidence in us as a supplier grows

I'm pleased to report that our order backlog grew during the quarter. Our existing customers continue putting their confidence in us, signing 5-10 year contracts for our services. There has also been a steady stream of new customers in all regions.

Good service is important to us and it should be reflected in a high level of customer satisfaction. Satisfied customers translates into repeat business and a strong market position. I'm happy to report that the results from our most recent customer survey show that the level of satisfaction has risen, despite the challenges associated with our integration efforts. We will continue striving to raise it even higher going forward.

### First acquisition outside Sweden

Our growth and position in the market is improving and solidifying via the acquisitions we've made. We made the following two acquisitions in 2019:

Mark & Trädgård Skottorp, which offers maintenance and



outdoor environment services in Halland and Skåne, as well as HD Landscape's ground maintenance activities in Skåne.

We're off to a great start in 2020 as well, having already made two additional acquisitions. One is Park i Syd, with main operations in planning and landscaping in Skåne. The other is Gast Entreprenör AS in the Oslo region with operations in landscaping. The latter is our first acquisition outside Sweden. Expansion beyond the borders of Sweden is in line with our prior communicated strategy of, over time, consolidating the Nordic market. We have an excellent platform for making additional, complementary acquisitions in the region and later on, expanding to other markets as well.

### Future outlook is good

The demand for sustainable outdoor environments in our cities continues to rise and as such, there are many exciting business opportunities for us to pursue during the year that can contribute to our lasting, stable growth and profitability.

Efforts to decentralize the business even more are progressing by creating additional profit centers in an effort to motivate and boost the local company culture.

Simultaneous to that, we are pursuing an active acquisition agenda. Our intention is to keep growing by acquiring successful, entrepreneurial companies that can enhance the Group's performance and growth in all of the regions where we operate. With that in mind, the Board of Directors announced its intention today of carrying out a preferential new share issue of approximately SEK 150 million.

2019 was a year where a great deal of our focus was on the integration of Svensk Markservice. With that now behind us, we optimistically set our sights on 2020, during which our focus will be on delivering high value to customers, stability and quality as we pursue our journey as the Nordic region's leading player in outdoor environments.

Johan Nordström  
CEO

## The Group's performance

### Sales and earnings in the fourth quarter

Sales for the fourth quarter amounted to SEK 507.0 (375.0) million, which is an increase of 35.2 percent.

EBITA for October – December was SEK 15.1 (-2.2) million. Adjusted EBITA for October – December was SEK 25.2 (23.0) million. Net financial items amounted to SEK -4.8 (-5.9) million. The interest expense on our external loans was SEK -3.2 (-4.1) million. Profit for the period amounted to SEK 1.7 (-14.9) million, which corresponds to basic earnings per share of SEK 0.05 (-0.42). Tax expense for the quarter was SEK -0.8 (-1.6) million.

Since Q1 2019, the Group consists of the following five segments:

Region South, Region West, Region East, Region Middle and Region North. In total, there are 19 profit centers across these regions.

### Sales and earnings, January – December

Sales for the full year amounted to SEK 1,992.6 (1,180.1) million, which is an increase of 68.9 percent.

EBITA for the full year was SEK 57.2 (17.9) million. Adjusted EBITA for the full year was SEK 90.1 (59.8) million. Net financial items amounted to SEK -19.2 (-15.7) million. The interest expense on our external loans was SEK -12.7

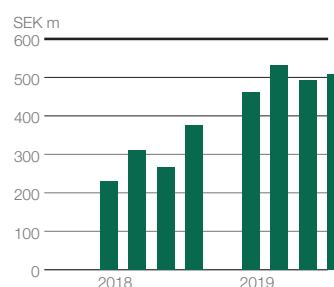
(-10.9) million. Profit for the period amounted to SEK 7.2 (-5.7) million, which corresponds to basic earnings per share of SEK 0.20 (-0.19). Tax for the full year was SEK -2.2 (6.3) million.

### Order backlog

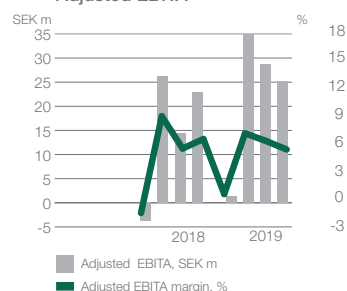
At the end of the fourth quarter, order backlog amounted to SEK 3,565 (3,880) million, which is an increase of 8.1 percent compared to last year. As of 2019-09-30, the order backlog was SEK 3,122 million. During the fourth quarter, the order backlog increased by SEK 443 million.

Over time, there is a correlation between the size of order backlog and sales. But this is not necessarily the case over the short term. The reason is that large, long-term contracts are procured with intervals of 5-10 years. When customers renew their contracts with Green Landscaping, it has a significant impact on the order backlog.

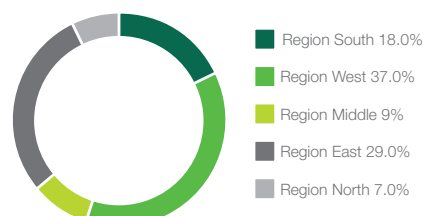
Sales per quarter



Adjusted EBITA



Sales per segment, %  
January – December





## Segment

As of 31 December 2019, Green Landscaping has a total of 19 profit centers working with ground maintenance and landscaping, sports and leisure facilities and arborist services. The Group is gathered under five geographic segments. As of 2019, sales and adjusted EBITA are reported by segment.

Analysis of the segment reporting is not comparable with the results from 2018 due to the fact that Svensk Markservice was consolidated and reported as part the Group as of December 2018. Beyond that, analysis of adjusted EBITA margin between 2019 and 2018 (full-year and the respective quarters) has been affected by a variety of factors. In 2019, Green Landscaping started fully allocating the costs of our Group-wide support services. This has been done on an ongoing basis, throughout the entire financial year. In 2018, a corresponding allocation of costs was carried out, in full, during the fourth quarter. Comments on the performance of each specific segment are provided below.

### Region South

Sales for the period January – December amount to SEK 371.1 (195.0) million, with adjusted EBITA of SEK 25.6 (8.6) million and an adjusted EBITA margin of 6.9 (4.4)%. The mild winter has had a negative impact on our winter operations and earnings. Nevertheless, it has been beneficial to our landscaping business. An acquisition of the assets and liabilities of HD Landscape was carried out in the fourth quarter, which has strengthened Green Landscaping's presence in southern and western Skåne. Major contracts that were signed during the period were maintenance agreements with Staffanstorp and Vellinge Municipalities.

### Region West

Sales for the period January – December amount to SEK 752.9 (548.3) million, with adjusted EBITA of SEK 39.9 (24.9) million. It corresponds to an adjusted EBITA margin of 5.3 (4.5)%. The mild winter has had a negative impact on winter operations and earnings. Major contracts were won during the period for surface planning with Bostadsbolaget AB in the City of Gothenburg, as well as with Förbo (property management company). Other new business was a maintenance agreement signed with the City of Gothenburg.

### Region East

Sales for the period January – December amount to SEK 593.9 (372.6) million, with adjusted EBITA of SEK -0.5 (12.4) million. It corresponds to an adjusted EBITA margin of -0.1

(3.3)%. There was a rather significant negative impact on the fourth quarter due to the mild winter and lack of any winter operations for snow and ice removal. During 2019, some of our profit centers (Ground Maintenance North, Ground Maintenance City and Ground Maintenance South) have struggled with turnover of key employees in production. Because of this, they haven't been able to sell as much additional service, where the margins tend to be higher. Delivery efficiency was also lower. As of August, new management is in place, which means that the resources exist for developing and improving operations. Major contracts won during the period were maintenance agreements with both the Kungsholmen and Östermalm Urban Planning Departments, as well as Fastighets AB Balder.



### Region Middle

Sales for the period January – December amount to SEK 189.4 (71.6) million, with adjusted EBITA of SEK 10.1 (7.0) million. It corresponds to an adjusted EBITA margin of 5.3 (9.8)%. A lower margin is primarily attributable to that Region Middle, which serves Dalarna, Värmland, Uppsala and Roslagen, was negatively impacted by the mild winter. During the fourth quarter, a minor acquisition of assets and liabilities was made. It resulted in new maintenance agreements, including agreements for winter road maintenance.

### Region North

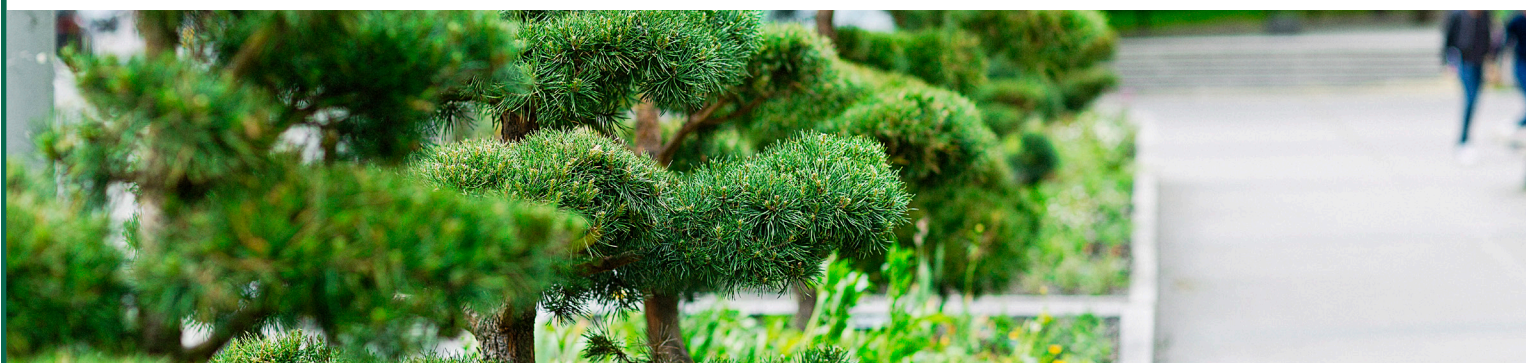
Sales for the period January – December amount to SEK 134.8 (10.3) million, with adjusted EBITA of SEK 14.6 (1.8) million and an adjusted EBITA margin of 10.8 (17.5)%. Region North is a profit center within Svensk Markservice. Activities in the fourth quarter primarily consisted of additional services and snow removal, where the margins tend to be high. Major contracts that were signed in 2019 include Sundsvall Municipality and extension of the contract with Rikshem in Umeå.

The Group consists of a small staff office and shared services for Green Landscaping, Svensk Markservice, and a number of subsidiaries for IT, salary administration and accounting. Sales consist of internal invoicing. For the period January – December 2019, sales were SEK -49.5 (-17.7) million. The increase is attributable to the fact that the internal services of Svensk Markservice are included as of December 2018. Adjusted EBITA for the period January – December amounts to SEK 0.4 (5.1) million, which reflects a better balance in invoiced costs to the Group.

### Group

#### Segment reporting

| SEK m         | Sales        |              |                |                | Adjusted EBITA |              |              |              |
|---------------|--------------|--------------|----------------|----------------|----------------|--------------|--------------|--------------|
|               | Oct-Dec 2019 | Oct-Dec 2018 | Jan-Dec 2019   | Jan-Dec 2018   | Oct-Dec 2019   | Oct-Dec 2018 | Jan-Dec 2019 | Jan-Dec 2018 |
| Region South  | 121.9        | 65.5         | 371.1          | 195.0          | 13.2           | 0.1          | 25.6         | 8.6          |
| Region West   | 178.2        | 137.5        | 752.9          | 548.3          | 8.3            | -12.1        | 39.9         | 24.9         |
| Region East   | 143.5        | 138.4        | 593.9          | 372.6          | -6.9           | 2.7          | -0.5         | 12.4         |
| Region Middle | 50.5         | 26.2         | 189.4          | 71.6           | 1.6            | 0.9          | 10.1         | 7.0          |
| Region North  | 32.3         | 10.3         | 134.8          | 10.3           | 4.0            | 1.8          | 14.6         | 1.8          |
| Group         | -19.4        | -2.9         | -49.5          | -17.7          | 5.0            | 29.6         | 0.4          | 5.1          |
| <b>Total</b>  | <b>507.0</b> | <b>375.0</b> | <b>1,992.6</b> | <b>1,180.1</b> | <b>25.2</b>    | <b>23.0</b>  | <b>90.1</b>  | <b>59.8</b>  |



## OTHER FINANCIAL INFORMATION

### Financial position for the quarter

Consolidated equity amounted to SEK 219.3 (202.8) million, which corresponds to an increase of SEK 16.5 million compared to 2018-12-31.

Available liquidity amounts to SEK 75.2 (106.0) million. Consists of cash and cash equivalents, along with unutilized bank overdraft.

Net debt through adjusted EBITDA pro-forma RTM, as defined in the current loan facility agreement, amounted to 3.3 (3.5) times, which meets the requirements of the agreement.

### Cash flow, investments and depreciation/amortization

Consolidated cash flow from operating activities for the quarter was SEK 21.9 (25.1) million. Cash flow from changes in working capital amounted to SEK 1.8 (23.6) million.

Net investments during the period (Q4) amounted to SEK -12.9 (-12.3) million. Investments financed via leasing amounted to SEK 30.5 (6.0) million.

Depreciation of property, plant and equipment during the period was SEK -26.4 (-10.2) million. The amount has been impacted by SEK -8.4 million due to the transition to IFRS 16.

Amortization of intangible assets during the period was SEK -7.8 (-5.3) million.

### Employees

The average number of employees during the quarter was 1,245, compared to 742 employees during the same period last year.

### Risks and uncertainties

#### Operational risks

Operating activities involve several risk factors that could impact the company's business and financial position. The risks are primarily associated with operating activities such as quality of supply, tendering, and delivery efficiency. Weather is another external risk that could impact earnings. To counter such risks, the company strives to have a mix of agreements with fixed and variable remuneration. It also strives to share the risks with customers and subcontractors.

### Financial risks

Through its operations, the Group is exposed to a variety of financial risks, such as credit risk, market risks (interest rate risk and other price risks) and liquidity risk. The Group's overall risk management is focused on unpredictability in the financial markets and efforts are aimed at minimizing the potential negative effects on the Group's financial results. The Group's financial transactions and risks are managed by the CFO and the company's other senior executives, along with the board of directors. The Group's overall goal for financial risks is to minimize the negative effects on the Group's earnings due to market changes or other changes in the surrounding world.

### Significant events after the end of the period

Two companies were acquired subsequent to the end of the reporting period and the Board also announced its intention to carry out a new share issue for the purpose of financing Green Landscaping's efforts to further consolidate the market.

### Transactions with related parties

There were no significant transactions with related parties during the quarter besides ordinary salaries and remuneration to the Board of Directors and senior executives.

### Parent Company

The Parent Company's net sales for the period amounted to SEK 4.5 (17.0) million. Operating profit (loss) amounted to SEK 1.3 (-8.8) million. The change is primarily attributable to the fact that, as of 2019, the Parent Company regularly invoices for management fees.

### Accounting policies

The interim report was prepared in accordance with International Financial Reporting Standards (IFRS). This interim report for the Group has been prepared in accordance with IAS 34 Interim

Financial Reporting and the Annual Accounts Act. Disclosures in accordance with IAS 34.16A are provided in the financial statements, notes and other parts of the interim report. For both the Group and Parent Company, the same accounting policies and calculation methods have been applied as in the 2018 annual report. The only exception is that as of 1 January 2019, the Group applies IFRS 16 Leasing (see Note 5 for more information). The Parent Company does not apply IFRS 16, which is in accordance with the exception stated in RFR 2.



### Seasonality

Operations are affected by seasonal variations. The service offering also varies with each season. During summer, the company offers a complete range of ground maintenance services, including cleaning, lawn mowing, pruning, planting, harvesting and road maintenance. During winter, there is a high volume of snow and ice removal services. Sales and earnings in any given quarter are affected by the season. For Green Landscaping's operations, the first quarter of the year is low season. Sales are lower then, which has a negative impact on earnings. The level of activity increases starting in April and through to the end of the year. The highest sales and earnings are typically generated in the fourth quarter, because that is when the year's projects are wrapped up.

### Share information

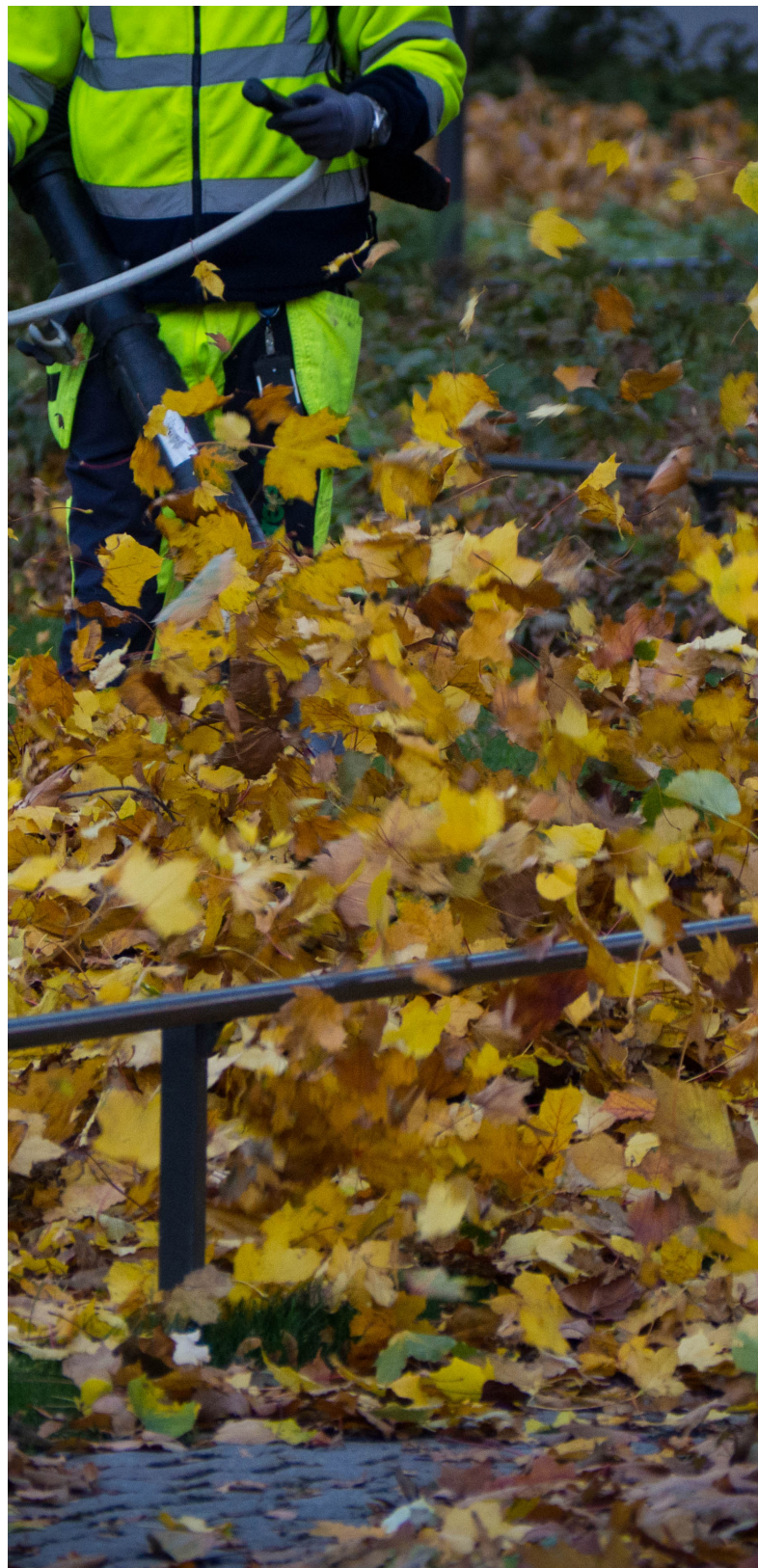
Green Landscaping's shares became listed for trading on Nasdaq Stockholm on 16 April 2019.

### Share-based incentive program

The company has two incentive programs for key employees of the Group.

The first incentive program was set up in 2018. With full utilization of that incentive program, a total of 1,672,723 shares will be issued, which would have a maximum dilutive effect of approximately 4.5 percent. The subscription price for shares that are subscribed to via the warrants is SEK 27.30 per share. The premium per warrant, which has been calculated in accordance with the Black & Scholes model amounted to SEK 1.53. Subscription of shares may occur during the period 31 March 2021 through 30 June 2021. With full utilization of the warrants, the company's share capital will increase by SEK 118,763.

The second incentive program was set up in 2019. With full utilization of that incentive program, a total of 730,000 shares will be issued, which would have a maximum dilutive effect of approximately 2 percent. The subscription price for shares that are subscribed to via the warrants is SEK 40.7 per share. The premium per warrant, which has been calculated in accordance with the Black & Scholes model amounted to SEK 5.19. Subscription of shares may occur during the period 16 March 2022 through 7 June 2022. With full utilization of the warrants, the company's share capital will increase by SEK 51,830.



## Consolidated statement of comprehensive income, in summary

| SEK m                                            | Note | Oct-Dec<br>2019         | Oct-Dec<br>2018         | Jan-Dec<br>2019         | Jan-Dec<br>2018         |
|--------------------------------------------------|------|-------------------------|-------------------------|-------------------------|-------------------------|
| Net sales                                        | 1.2  | 499.1                   | 373.3                   | 1,973.1                 | 1,176.1                 |
| Other operating income                           |      | 7.9                     | 1.7                     | 19.5                    | 4.0                     |
| <b>Sales</b>                                     |      | <b>507.0</b>            | <b>375.0</b>            | <b>1,992.6</b>          | <b>1,180.1</b>          |
| Operating costs                                  |      |                         |                         |                         |                         |
| Cost of goods and services sold                  |      | -220.7                  | -189.8                  | -850.5                  | -586.6                  |
| Other external costs                             |      | -45.1                   | -42.1                   | -175.9                  | -124.3                  |
| Employee benefit expenses                        |      | -181.1                  | -122.6                  | -714.2                  | -386.3                  |
| Other operating expenses                         |      | -18.6                   | -12.4                   | -88.1                   | -27.6                   |
| Depreciation of PPE                              |      | -26.4                   | -10.2                   | -106.6                  | -37.4                   |
| Amortization of intangible assets                |      | -7.8                    | -5.3                    | -28.6                   | -14.2                   |
| <b>Operating profit (loss)</b>                   |      | <b>7.3</b>              | <b>-7.5</b>             | <b>28.6</b>             | <b>3.7</b>              |
| Profit (loss) from financial items               |      |                         |                         |                         |                         |
| Financial income                                 |      | 0.1                     | 0.2                     | 0.2                     | 0.3                     |
| Financial expenses                               |      | -4.9                    | -6.0                    | -19.4                   | -16.0                   |
| <b>Total income from financial items</b>         |      | <b>-4.8</b>             | <b>-5.9</b>             | <b>-19.2</b>            | <b>-15.7</b>            |
| <b>Profit (loss) after financial items</b>       |      | <b>2.5</b>              | <b>-13.3</b>            | <b>9.4</b>              | <b>-12.0</b>            |
| <b>Tax</b>                                       |      | <b>-0.8</b>             | <b>-1.6</b>             | <b>-2.3</b>             | <b>6.3</b>              |
| <b>PROFIT (LOSS) FOR THE PERIOD</b>              |      | <b>1.7</b>              | <b>-14.9</b>            | <b>7.2</b>              | <b>-5.7</b>             |
| <b>Other comprehensive income</b>                |      | <b>-</b>                | <b>-</b>                | <b>-</b>                | <b>-</b>                |
| <b>Total comprehensive income for the period</b> |      | <b>1.7</b>              | <b>-14.9</b>            | <b>7.2</b>              | <b>-5.7</b>             |
|                                                  |      | <b>Oct-Dec<br/>2019</b> | <b>Oct-Dec<br/>2018</b> | <b>Jan-Dec<br/>2019</b> | <b>Jan-Dec<br/>2018</b> |
| <b>Earnings per share</b>                        |      |                         |                         |                         |                         |
| Basic earnings per share, SEK                    |      | <b>0.05</b>             | -0.42                   | <b>0.20</b>             | -0.19                   |
| Diluted earnings per share, SEK                  |      | <b>0.05</b>             | -0.42                   | <b>0.20</b>             | -0.19                   |

All net profit and comprehensive income for the period is attributable to the Parent Company's shareholders.



## Consolidated statement of financial position, in summary

| SEK m                               | Note | 31 Dec<br>2019 | 31 Dec<br>2018 |
|-------------------------------------|------|----------------|----------------|
| <b>Assets</b>                       |      |                |                |
| Intangible assets                   | 3    | 566.5          | 557.4          |
| Property, plant and equipment       |      | 291.5          | 165.5          |
| Financial assets                    |      | 18.1           | 21.5           |
|                                     |      |                |                |
| Inventories                         |      | 26.4           | 23.7           |
| Contract assets                     |      | 70.7           | 41.6           |
| Current receivables                 |      | 346.9          | 372.1          |
| Cash and cash equivalents           |      | 44.5           | 96.3           |
| <b>TOTAL ASSETS</b>                 |      | <b>1,364.6</b> | <b>1,278.1</b> |
|                                     |      |                |                |
| <b>Equity and liabilities</b>       |      |                |                |
| Equity                              |      | 219.3          | 202.8          |
| Non-current liabilities             |      | 647.4          | 605.7          |
| Contract liabilities                |      | 22.1           | 15.3           |
| Current liabilities                 |      | 475.8          | 454.3          |
| <b>TOTAL EQUITY AND LIABILITIES</b> |      | <b>1,364.6</b> | <b>1,278.1</b> |

## Consolidated statement of changes in equity

| SEK m                                      | Share capital | Other contributed capital | Retained earnings including profit/loss for the year | Total        |
|--------------------------------------------|---------------|---------------------------|------------------------------------------------------|--------------|
| <b>Opening balance 2018-01-01</b>          | <b>2.2</b>    | <b>220.2</b>              | <b>-188.0</b>                                        | <b>34.4</b>  |
| Profit (loss) for the period               | –             | –                         | -5.7                                                 | -5.7         |
| Other comprehensive income                 | –             | –                         | –                                                    | –            |
| <b>Comprehensive income for the period</b> | <b>2.2</b>    | <b>220.2</b>              | <b>-193.7</b>                                        | <b>28.7</b>  |
| Transactions with owners                   |               |                           |                                                      |              |
| New issues                                 | 0.3           | 84.7                      | –                                                    | 85.0         |
| Issue costs                                | –             | -2.1                      | –                                                    | -2.1         |
| Set-off issue                              | 0.4           | 88.4                      | –                                                    | 88.8         |
| Withdrawal of shares                       | -0.6          | –                         | 0.6                                                  | 0.0          |
| Bonus issue                                | 0.2           | –                         | -0.2                                                 | 0.0          |
| Premiums for warrants                      | –             | –                         | 2.4                                                  | 2.4          |
| <b>Closing balance 2018-12-31</b>          | <b>2.5</b>    | <b>391.3</b>              | <b>-191.0</b>                                        | <b>202.8</b> |
| <b>Opening balance 2019-01-01</b>          | <b>2.5</b>    | <b>391.3</b>              | <b>-191.0</b>                                        | <b>202.8</b> |
| Profit (loss) for the period               | –             | –                         | 7.2                                                  | 7.2          |
| Other comprehensive income                 | –             | –                         | –                                                    | –            |
| <b>Comprehensive income for the period</b> | <b>2.5</b>    | <b>391.3</b>              | <b>-183.8</b>                                        | <b>210.0</b> |
| Transactions with owners                   |               |                           |                                                      |              |
| New share issue                            | 0.1           | 5.6                       | –                                                    | 5.7          |
| Repurchase of own shares                   |               |                           | -2.5                                                 | -2.5         |
| Premiums for warrants                      | –             | –                         | 2.8                                                  | 2.8          |
| Effect of changed accounting policy        | –             | –                         | 3.5                                                  | 3.5          |
| <b>Closing balance 2019-12-31</b>          | <b>2.6</b>    | <b>396.9</b>              | <b>-180.1</b>                                        | <b>219.3</b> |

All equity is attributable to the parent company's shareholders

## Consolidated cash flow statement, in summary

| SEK m                                                                        | Oct-Dec<br>2019 | Oct-Dec<br>2018 | Jan-Dec<br>2019 | Jan-Dec<br>2018 |
|------------------------------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|
| Operating profit (loss)                                                      | 7.3             | -7.5            | 28.7            | 3.8             |
| Adjustment for depreciation/amortization                                     | 35.4            | 15.7            | 136.3           | 51.6            |
| Capital gain (loss)                                                          | -2.2            | -5.4            | -5.0            | -6.4            |
| Other non-cash items                                                         | –               | –               | –               | –               |
| Interest received                                                            | 0.1             | 0.2             | 0.2             | 0.3             |
| Interest paid                                                                | -4.9            | -6.9            | -19.4           | -17.1           |
| Paid income tax                                                              | -15.6           | 5.4             | -11.2           | -3.0            |
| <b>Cash flow from operating activities before changes in working capital</b> | <b>20.1</b>     | <b>1.5</b>      | <b>129.6</b>    | <b>29.2</b>     |
| Change in inventory                                                          | 2.9             | 2.4             | -2.6            | 7.8             |
| Change in receivables                                                        | -0.1            | -9.9            | 15.5            | -6.8            |
| Change in current liabilities                                                | -1.0            | 31.1            | -44.2           | -26.7           |
| <b>Cash flow from operating activities</b>                                   | <b>21.9</b>     | <b>25.1</b>     | <b>98.3</b>     | <b>3.5</b>      |
| Acquisition of subsidiaries and operations                                   | –               | -211.1          | -15.2           | -212.8          |
| Acquisition of PPE                                                           | -10.7           | -14.2           | -24.6           | -49.4           |
| Acquisition of intangible assets                                             | -5.2            | -2.5            | -6.8            | -2.9            |
| Sale of non-current assets                                                   | 3.0             | 1.9             | 8.6             | 4.4             |
| <b>Cash flow from investing activities</b>                                   | <b>-12.9</b>    | <b>-225.9</b>   | <b>-38.0</b>    | <b>-260.7</b>   |
| New share issue                                                              | –               | –               | –               | 72.9            |
| New loans                                                                    | 7.4             | 492.0           | 27.8            | 522.6           |
| Net change in bank overdraft                                                 | 17.8            | -32.8           | 1.7             | -25.9           |
| Loan amortization                                                            | -14.1           | -187.4          | -55.0           | -248.9          |
| Amortization of lease liability                                              | -22.1           | –               | -87.0           | –               |
| Fees on new loans                                                            | –               | -3.4            | –               | -3.4            |
| Repurchase of own shares                                                     | -2.5            | –               | -2.5            | –               |
| Options                                                                      | –               | –               | 2.9             | 2.4             |
| <b>Cash flow from financing activities</b>                                   | <b>-13.5</b>    | <b>268.4</b>    | <b>-112.1</b>   | <b>319.8</b>    |
| <b>Cash flow for the period</b>                                              | <b>-4.5</b>     | <b>67.6</b>     | <b>-51.8</b>    | <b>62.6</b>     |
| Cash and cash equivalents at the beginning of the period                     | 49.0            | 28.7            | 96.3            | 33.7            |
| Cash and cash equivalents at the end of the period                           | 44.5            | 96.3            | 44.5            | 96.3            |



## Parent Company income statement, in summary

| SEK m                                                                               | Oct-Dec<br>2019 | Oct-Dec<br>2018 | Jan-Dec<br>2019 | Jan-Dec<br>2018 |
|-------------------------------------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|
| Net sales                                                                           | 4.5             | 17.0            | 24.9            | 18.3            |
| Operating costs                                                                     |                 |                 |                 |                 |
| Other external costs                                                                | -3.1            | -23.4           | -19.4           | -41.4           |
| Employee benefit expenses                                                           | -4.1            | -2.4            | -12.7           | -5.9            |
| Depreciation of property, plant and equipment and amortization of intangible assets | -0.0            | 0.0             | –               | 0.0             |
| <b>Operating profit (loss)</b>                                                      | <b>-2.7</b>     | <b>-8.8</b>     | <b>-7.2</b>     | <b>-29.0</b>    |
| Financial items                                                                     | 9.7             | -2.5            | -1.1            | -11.1           |
| Group contribution received                                                         | 33.6            | 27.1            | 33.6            | 27.1            |
| Tax                                                                                 | -3.1            | 4.2             | -7.6            | 4.2             |
| <b>Profit (loss) for the year</b>                                                   | <b>37.5</b>     | <b>19.9</b>     | <b>17.7</b>     | <b>-8.8</b>     |
| <b>Other comprehensive income</b>                                                   | <b>–</b>        | <b>–</b>        | <b>–</b>        | <b>–</b>        |
| <b>Total comprehensive income for the period</b>                                    | <b>37.5</b>     | <b>19.9</b>     | <b>17.7</b>     | <b>-8.8</b>     |

## Parent Company balance sheet, in summary

| SEK m                               | 31 Dec<br>2019 | 31 Dec<br>2018 |
|-------------------------------------|----------------|----------------|
| Assets                              |                |                |
| Intangible assets                   | 0.6            | 0.5            |
| Financial assets                    | 806.9          | 781.9          |
| <b>Total non-current assets</b>     | <b>807.5</b>   | <b>782.4</b>   |
| Current receivables                 | 80.3           | 62.4           |
| Cash and bank                       | 0.0            | 0.0            |
| <b>Total current assets</b>         | <b>80.3</b>    | <b>62.4</b>    |
| <b>TOTAL ASSETS</b>                 | <b>887.8</b>   | <b>844.8</b>   |
| Equity                              | 308.8          | 285.1          |
| Non-current liabilities             | 423.3          | 444.7          |
| Current liabilities                 | 155.7          | 115.0          |
| <b>TOTAL EQUITY AND LIABILITIES</b> | <b>887.8</b>   | <b>844.8</b>   |

## KPIs for the Group

|                                                | Q4<br>2019 | Q3<br>2019 | Q2<br>2019 | Q1<br>2019 | Q4<br>2018 | Q3<br>2018 | Q2<br>2018 | Q1<br>2018 |
|------------------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Sales, SEK m                                   | 507.0      | 492.0      | 532.3      | 461.2      | 375.0      | 267.1      | 309.3      | 228.8      |
| Adjusted EBITA, SEK m                          | 25.2       | 28.8       | 34.9       | 1.3        | 23.0       | 14.4       | 26.3       | -3.8       |
| Adjusted EBITA margin, %                       | 5.0        | 5.9        | 6.7        | 0.3        | 6.1        | 5.1        | 8.3        | -1.7       |
| Working capital, SEK m                         | 70.2       | 55.9       | 22.8       | 23.2       | 42.2       | 63.2       | 13.1       | -6.7       |
| Nonrecurring items, SEK m <sup>1)</sup>        | 10.1       | 0.0        | 8.7        | 14.1       | 25.2       | 0.0        | 0.4        | 16.3       |
| Equity, SEK m                                  | 219.3      | 220.2      | 195.5      | 180.9      | 202.8      | 207.6      | 191.1      | 171.1      |
| Interest-bearing net debt, SEK m <sup>2)</sup> | -690.3     | -665.6     | -652.9     | -663.2     | -540.5     | -126.6     | -73.8      | -75.5      |
| Average no. of employees                       | 1,245      | 1,421      | 1,233      | 965        | 742        | 584        | 605        | 463        |

1) See Note 4

2) Net debt as of 31 March 2019 has been impacted by application of IFRS 16 by SEK -126.5 million (with application of the prior accounting policy, net debt amounted to SEK -536.7 million)

Net debt as of 30 June 2019 has been impacted by application of IFRS 16 by SEK -115.1 million (with application of the prior accounting policy, net debt amounted to SEK -537.8 million)

Net debt as of 30 September 2019 has been impacted by application of IFRS 16 by SEK -109.5 million (with application of the prior accounting policy, net debt amounted to SEK -556.1 million)

Net debt as of 31 December 2019 has been impacted by application of IFRS 16 by SEK -114.3 million (with application of the prior accounting policy, net debt amounted to SEK -576.0 million)

## Reconciliation of KPIs not defined in accordance with IFRS

The company presents certain financial measures in its interim report that are not defined in accordance with IFRS. The company feels that these measures provide valuable, supplementary information to investors and company management. Accordingly, the measures should be regarded as a supplement, rather than a replacement for measures defined in accordance with IFRS. Because Green Landscaping's definitions of these measures might differ from other companies' definitions of the same concepts, an explanation of how they are calculated is provided below. For more information on the purpose of each measure, please see "Definitions and explanations" on page 20.

| EBITA                                            | Q4<br>2019  | Q3<br>2019  | Q2<br>2019  | Q1<br>2019   | Q4<br>2018  | Q3<br>2018  | Q2<br>2018  | Q1<br>2018   |
|--------------------------------------------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|--------------|
| Operating profit (loss)                          | 7.3         | 21.2        | 20.6        | -20.4        | -7.5        | 11.2        | 23.0        | -23.0        |
| Amortization and impairment of intangible assets | 7.8         | 7.6         | 5.6         | 7.6          | 5.3         | 3.2         | 2.9         | 3.0          |
| <b>Total EBITA</b>                               | <b>15.1</b> | <b>28.8</b> | <b>26.2</b> | <b>-12.8</b> | <b>-2.2</b> | <b>14.4</b> | <b>25.9</b> | <b>-20.0</b> |

| Adjusted EBITA              | Q4<br>2019  | Q3<br>2019  | Q2<br>2019  | Q1<br>2019 | Q4<br>2018  | Q3<br>2018  | Q2<br>2018  | Q1<br>2018  |
|-----------------------------|-------------|-------------|-------------|------------|-------------|-------------|-------------|-------------|
| EBITA                       | 15.1        | 28.8        | 26.2        | -12.8      | -2.2        | 14.4        | 25.9        | -20.0       |
| Nonrecurring items          | 10.1        | 0.0         | 8.7         | 14.1       | 25.2        | 0.0         | 0.4         | 16.3        |
| <b>Total Adjusted EBITA</b> | <b>25.2</b> | <b>28.8</b> | <b>34.9</b> | <b>1.3</b> | <b>23.0</b> | <b>14.4</b> | <b>26.3</b> | <b>-3.8</b> |

Adjusted EBITA margin is calculated as Adjusted EBITA in relation to sales.

|                              | Q4<br>2019  | Q3<br>2019  | Q2<br>2019  | Q1<br>2019  | Q4<br>2018  | Q3<br>2018  | Q2<br>2018  | Q1<br>2018  |
|------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Working capital              |             |             |             |             |             |             |             |             |
| Inventories                  | 26.4        | 29.3        | 33.4        | 37.0        | 23.7        | 25.8        | 25.2        | 33.5        |
| Contract assets              | 70.7        | 99.3        | 70.2        | 55.5        | 41.6        | 62.4        | 77.3        | 51.5        |
| Current receivables          | 346.9       | 302.1       | 315.7       | 340.3       | 372.1       | 191.6       | 168.7       | 172.0       |
| Accounts payable - trade     | -161.2      | -140.4      | -134.7      | -156.1      | -169.6      | -81.2       | -107.2      | -108.8      |
| Other liabilities            | -53.9       | -42.7       | -42.1       | -46.3       | -60.0       | -15.1       | -18.8       | -13.3       |
| Contract liabilities         | -22.1       | -43.4       | -61.3       | -79.0       | -15.3       | -17.0       | -29.3       | -33.2       |
| Accrued expenses             | -136.6      | -148.3      | -158.4      | -128.2      | -150.3      | -103.3      | -102.8      | -108.4      |
| <b>Total working capital</b> | <b>70.2</b> | <b>55.9</b> | <b>22.8</b> | <b>23.2</b> | <b>42.2</b> | <b>63.2</b> | <b>13.1</b> | <b>-6.7</b> |

|                                                           | Q4<br>2019    | Q3<br>2019    | Q2<br>2019    | Q1<br>2019    | Q4<br>2018    | Q3<br>2018    | Q2<br>2018   | Q1<br>2018   |
|-----------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|--------------|
| Net debt                                                  |               |               |               |               |               |               |              |              |
| Bank overdraft                                            | -19.3         | -1.5          | 0.0           | -31.2         | -17.6         | -50.4         | -9.3         | -43.7        |
| Liabilities to credit institutions (non-current)          | -429.5        | -435.8        | -426.3        | -442.8        | -453.7        | -42.3         | -41.6        | -37.6        |
| Liabilities from finance leases (non-current and current) | -232.5        | -223.4        | -241.4        | -228.3        | -112.7        | -56.1         | -45.1        | -45.8        |
| Liabilities to credit institutions (current)              | -53.5         | -53.9         | -53.9         | -53.6         | -52.8         | -6.4          | -8.9         | -36.3        |
| Cash and cash equivalents                                 | 44.5          | 49.0          | 68.7          | 92.7          | 96.3          | 28.7          | 31.2         | 88.0         |
| <b>Total Net debt</b>                                     | <b>-690.3</b> | <b>-665.6</b> | <b>-652.9</b> | <b>-663.2</b> | <b>-540.5</b> | <b>-126.6</b> | <b>-73.8</b> | <b>-75.5</b> |

Net debt as of 31 March 2019 has been impacted by application of IFRS 16 by SEK -126.5 million (with application of the prior accounting policy, net debt amounted to SEK -536.7). Net debt as of 30 June 2019 has been impacted by application of IFRS 16 by SEK -115.1 million (with application of the prior accounting policy, net debt amounted to SEK -537.8 million) There has been an impact on net debt as of 30 September 2019 from the application of IFRS 16 equal to SEK -109.5 million (with application of the prior accounting policy, net debt amounted to SEK -556.1 million) There has been an impact on net debt as of 31 December 2019 from the application of IFRS 16 equal to SEK -114.3 million (with application of the prior accounting policy, net debt amounted to SEK -576.0 million)

|                                 | Q4<br>2019  | Q3<br>2019  | Q2<br>2019  | Q1<br>2019  | Q4<br>2018  | Q3<br>2018  | Q2<br>2018  | Q1<br>2018  |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Adjusted EBITA                  |             |             |             |             |             |             |             |             |
| Adjusted EBITA for the quarter  | 25.2        | 28.8        | 34.9        | 1.3         | 23.0        | 14.4        | 26.3        | -3.8        |
| Total, last 4 quarters          | 90.1        | 88.0        | 73.6        | 65.0        | 59.9        | 47.7        | 49.9        | 40.5        |
| <b>Total Adjusted EBITA RTM</b> | <b>90.1</b> | <b>88.0</b> | <b>73.6</b> | <b>65.0</b> | <b>59.9</b> | <b>47.7</b> | <b>49.9</b> | <b>40.5</b> |

|                                         | Q4<br>2019  | Q3<br>2019  | Q2<br>2019  | Q1<br>2019   | Q4<br>2018  | Q3<br>2018  | Q2<br>2018  | Q1<br>2018   |
|-----------------------------------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|--------------|
| Adjusted earnings per share             |             |             |             |              |             |             |             |              |
| Profit (loss) for the period            | 1.7         | 16.5        | 14.4        | -25.5        | -14.9       | 16.6        | 19.9        | -27.2        |
| Nonrecurring items (NRI)                | 10.1        | 0.0         | 8.7         | 14.1         | 25.2        | 0           | 0.4         | 16.3         |
| Adjusted earnings                       | 11.8        | 16.5        | 23.1        | -11.4        | 10.3        | 16.6        | 20.3        | -10.9        |
| Average number of shares                | 36,011,057  | 35,958,429  | 35,849,663  | 35,849,663   | 35,567,535  | 35,498,909  | 35,498,909  | 11,030,518   |
| <b>Adjusted earnings per share, SEK</b> | <b>0.33</b> | <b>0.46</b> | <b>0.65</b> | <b>-0.32</b> | <b>0.29</b> | <b>0.47</b> | <b>0.57</b> | <b>-0.99</b> |



## Note 1 Revenue from contracts with customers

| SEK m                                                | Oct-Dec<br>2019 | Oct-Dec<br>2018 | Jan-Dec<br>2019 | Jan-Dec<br>2018 |
|------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|
| <b>Services transferred over time</b>                |                 |                 |                 |                 |
| Region South                                         | 121.9           | 65.5            | 371.1           | 195.0           |
| Region West                                          | 169.0           | 123.1           | 646.2           | 451.8           |
| Region East                                          | 143.5           | 138.4           | 593.9           | 372.6           |
| Region Middle                                        | 50.5            | 26.2            | 189.4           | 71.6            |
| Region North                                         | 32.5            | 10.3            | 134.8           | 10.3            |
| <b>Total</b>                                         | <b>517.4</b>    | <b>363.5</b>    | <b>1,935.4</b>  | <b>1,101.3</b>  |
| <b>Goods transferred at a specific point in time</b> |                 |                 |                 |                 |
| Region West                                          | 9.2             | 14.4            | 106.7           | 96.5            |
| <b>Total</b>                                         | <b>9.2</b>      | <b>14.4</b>     | <b>106.7</b>    | <b>96.5</b>     |
| <b>Total revenue from contracts with customers</b>   | <b>526.6</b>    | <b>377.9</b>    | <b>2,042.1</b>  | <b>1,197.8</b>  |

All revenue is attributable to the Swedish market.

## Note 2 Segment reporting

The figures reported below are what is monitored at the segment level.

| SEK m                                              | Oct-Dec<br>2019 | Oct-Dec<br>2018 | Jan-Dec<br>2019 | Jan-Dec<br>2018 |
|----------------------------------------------------|-----------------|-----------------|-----------------|-----------------|
| Region South                                       | 121.9           | 65.5            | 371.1           | 195.0           |
| Region West                                        | 178.2           | 137.5           | 752.9           | 548.3           |
| Region East                                        | 143.5           | 138.4           | 593.9           | 372.6           |
| Region Middle                                      | 50.5            | 26.2            | 189.4           | 71.6            |
| Region North                                       | 32.3            | 10.3            | 134.8           | 10.3            |
| Intra-Group sales and other non-allocated sales    | -19.4           | -2.9            | -49.5           | -17.7           |
| <b>Total revenue from contracts with customers</b> | <b>507.0</b>    | <b>375.0</b>    | <b>1,992.6</b>  | <b>1,180.1</b>  |
| Region South                                       | 13.2            | 0.1             | 25.6            | 8.6             |
| Region West                                        | 8.3             | -12.1           | 39.9            | 24.9            |
| Region East                                        | -6.9            | 2.7             | -0.5            | 12.4            |
| Region Middle                                      | 1.6             | 0.9             | 10.1            | 7.0             |
| Region North                                       | 4.0             | 1.8             | 14.6            | 1.8             |
| Group-wide expenses                                | 5.0             | 29.6            | 0.4             | 5.1             |
| <b>Total Adjusted EBITA</b>                        | <b>25.2</b>     | <b>23.0</b>     | <b>90.1</b>     | <b>59.8</b>     |

### Note 3 Segment reporting

Green Landscaping Group made one acquisition during the 2019 financial year, which was Mark & Trädgård Skottorp AB. During the 2018 calendar year, the following three acquisitions were made: Svensk Markservice Holding AB, Mark & Miljö Projekt i Sverige AB and Jackson Trädvård Syd-väst AB. The acquisitions in 2018 resulted in recognition of goodwill for SEK 279.6 million. Synergy effects are expected to amount to approximately SEK 25 million per year by 2020. The acquisition in 2019 resulted in recognition of goodwill for SEK 18.0 million.

Contingent consideration to be paid by the Group based on the future results of these acquired entities is a maximum of SEK 14.4 million. Of the companies listed below, the only acquisition analysis that is preliminary is for Mark & Trädgård Skottorp. Additional consideration is based on the terms in the purchase agreement, the company's knowledge of operations and how the current economic climate is expected to impact them. The fair value of contingent consideration is at Level 3 of the fair value hierarchy in accordance with IFRS.

Goodwill that has arisen in the company via acquisitions represents future economic benefits that are neither individually identified, nor separately reported.

Goodwill is allocated to segments when assessing any impairment need. Allocation is to the cash-generating units that are expected to benefit from the business combination that gave rise to the goodwill.

Impairment testing on goodwill involves assessing whether the unit's recoverable amount is higher than the carrying amount. The recoverable amount has been calculated on the basis of the unit's value-in-use, which is comprised of the present value of the unit's expected future cash flows, without taking into consideration any future plans to expand or restructure the business. The same significant assumptions have been made for all segments. The cash flows have been based on financial forecasts covering 5 years and on a constant rate of growth.

The discount rate before tax used for the present value calculation was 8.1 (8.0) percent. Impairment testing has not indicated that there is a need to record any impairment losses. No reasonably possible changes in important assumptions would lead to a write-down requirement.

| Company name                      | Operations                               | Acquisition date | Acquired ownership share | Sales during the holding period | Operating profit during the holding period | Full-year sales | Full-year operating profit |
|-----------------------------------|------------------------------------------|------------------|--------------------------|---------------------------------|--------------------------------------------|-----------------|----------------------------|
| Svensk Markservice Holding AB     | Ground Maintenance & Landscaping         | November 2018    | 100%                     | 73.1                            | -2.3                                       | 813.4           | 12.5                       |
| Mark & Miljö Projekt i Sverige AB | Surface planning of outdoor environments | December 2018    | 100%                     | 3.9                             | 0.2                                        | 53.5            | 7.0                        |
| Jackson Trädvård Sydväst AB       | Arborist services                        | June 2018        | 100%                     | 8.4                             | 1.1                                        | 14.6            | 1.3                        |
| Mark & Trädgård Skottorp AB       | Maintenance of outdoor environments      | July 2019        | 100%                     | 25.1                            | 3.6                                        | 41.5            | 6.9                        |

| Additional consideration       | 2019-12-31  | 2018-12-31  |
|--------------------------------|-------------|-------------|
| Opening amount                 | 24.0        | 36.4        |
| Change for the year            | -7.7        | -5.6        |
| Added additional consideration | 6.0         | 12.5        |
| Paid additional consideration  | -7.9        | -19.3       |
| <b>Closing amount</b>          | <b>14.4</b> | <b>24.0</b> |

|                                                                                               | 2019-12-31  | 2018-12-31   |
|-----------------------------------------------------------------------------------------------|-------------|--------------|
| <b>The assets and liabilities recognized in conjunction with acquisitions are as follows:</b> |             |              |
| Cash and cash equivalents                                                                     | 16.4        | 35.7         |
| Cash and cash equivalents (liability)                                                         | -0.8        | -12.5        |
| <b>Total</b>                                                                                  | <b>15.6</b> | <b>23.2</b>  |
| Non-current assets                                                                            | 1.5         | 74.3         |
| Brands                                                                                        | 1.0         | 42.7         |
| Customer relations/contracts                                                                  | 12.2        | 67.2         |
| Net operating assets                                                                          | -2.2        | 13.3         |
| Deferred tax liability                                                                        | -3.7        | -24.0        |
| <b>Total identifiable assets</b>                                                              | <b>9.0</b>  | <b>173.5</b> |
| <b>Goodwill</b>                                                                               | <b>18.0</b> | <b>279.6</b> |

|                                                                                                                     | 2019-12-31   | 2018-12-31    |
|---------------------------------------------------------------------------------------------------------------------|--------------|---------------|
| Cash consideration (included in cash flow from investing activities)                                                | -31.6        | -264.9        |
| Cash equivalents from company acquisitions (included in cash flow from investing activities)                        | 16.4         | 35.3          |
| Acquisition costs attributable to the acquisition of subsidiaries (included in cash flow from operating activities) | 0.7          | 13.6          |
| <b>Total</b>                                                                                                        | <b>-14.5</b> | <b>-216.0</b> |



#### Note 4 Nonrecurring items

Green Landscaping specifies its nonrecurring items in order to give its stakeholders insight into the underlying profitability without the one-off costs. The impact of nonrecurring items on cash flow is approximately the same amount.

| Item                                                                       | Oct-Dec<br>2019 | Oct-Dec<br>2018 | Jan-Dec<br>2019 | Jan-Dec<br>2018 |
|----------------------------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|
| IPO and listing change                                                     | –               | 0.8             | 7.8             | 16.7            |
| Restructuring of the business                                              | –               | 13.3            | –               | 13.3            |
| Integration costs for Svensk Markservice and previously acquired companies | 10.1            | 11.1            | 25.1            | 11.9            |
| <b>Total</b>                                                               | <b>10.1</b>     | <b>25.2</b>     | <b>32.9</b>     | <b>41.9</b>     |

The integration costs presented above consist primarily of the costs for moving to shared premises, IT integration, consultants, salary costs for redundant staff and discontinuation of some of the landscaping operations in Region East.

#### Note 5 Revised accounting policies

As of 1 January 2019, the Group applies IFRS 16 Leasing. IFRS 16 has replaced the prior standard, IAS 17, for reporting of lease agreements. With the new standard, operating leases for machinery, cars and rental agreements (previously reported as an operating expense) are now reported as a right-of-use asset and a lease liability. The lease payments are allocated between depreciation and interest on the lease liability.

The right-of-use asset is depreciated on a straight line basis over the lease period. The Group has applied the simplified approach, which is why comparison figures have not been restated. The Group will apply the transition rule of reporting the asset at the same amount as the liability. The change in right-of-use assets has had an impact on equity of SEK 3.5 million. The difference in value between the asset and liability is otherwise attributable to prepaid lease expenses. Leases that are shorter than 12 months or which terminate within 12 months from the date of acquisition are classified as short-term contracts and are therefore not included in the reported liabilities or among right-of-use assets.

The Group has not opted to apply the exemption option whereby leases with a low value are not included in the reported amounts for assets and liabilities.

The table below shows the effect that the transition to IFRS 16 has had on the company's financial statements.

|                               | Closing bal-<br>ance<br>2018-12-31 | Reclassification | Opening<br>balance<br>2019-01-01 |
|-------------------------------|------------------------------------|------------------|----------------------------------|
| Property, plant and equipment | 102.2                              | 142.9            | 245.1                            |
| Lease liability, non-current  | 112.7                              | 51.6             | 164.3                            |
| Lease liability, current      | –                                  | 71.2             | 71.2                             |

The carrying amount of leased assets is attributable to the following asset classes.

| Property, plant and equipment | 2019-01-01   | 2019-12-31   |
|-------------------------------|--------------|--------------|
| Premises                      | 119.3        | 112.1        |
| Machinery                     | 53.5         | 64.4         |
| Cars and equipment            | 72.3         | 59.3         |
| <b>Total</b>                  | <b>245.1</b> | <b>235.8</b> |

The change in lease liability is attributable to:

| Lease liability                                 | 2019-12-31   |
|-------------------------------------------------|--------------|
| Opening balance Lease liability as per IFRS 16  | 235.5        |
| New agreements                                  | 84.2         |
| Accrued interest                                | 6.3          |
| Depreciation                                    | -93.5        |
| <b>Lease liability at the end of the period</b> | <b>232.5</b> |

The effect in the income statement of the transition to IFRS 16 for the period January-December 2019 is EBITDA +35.3 and EBITA +2.9 SEK m. The impact on cash flow from operating activities was SEK +35.3 million and the impact on cash flow from financing activities was SEK -35.3 million.

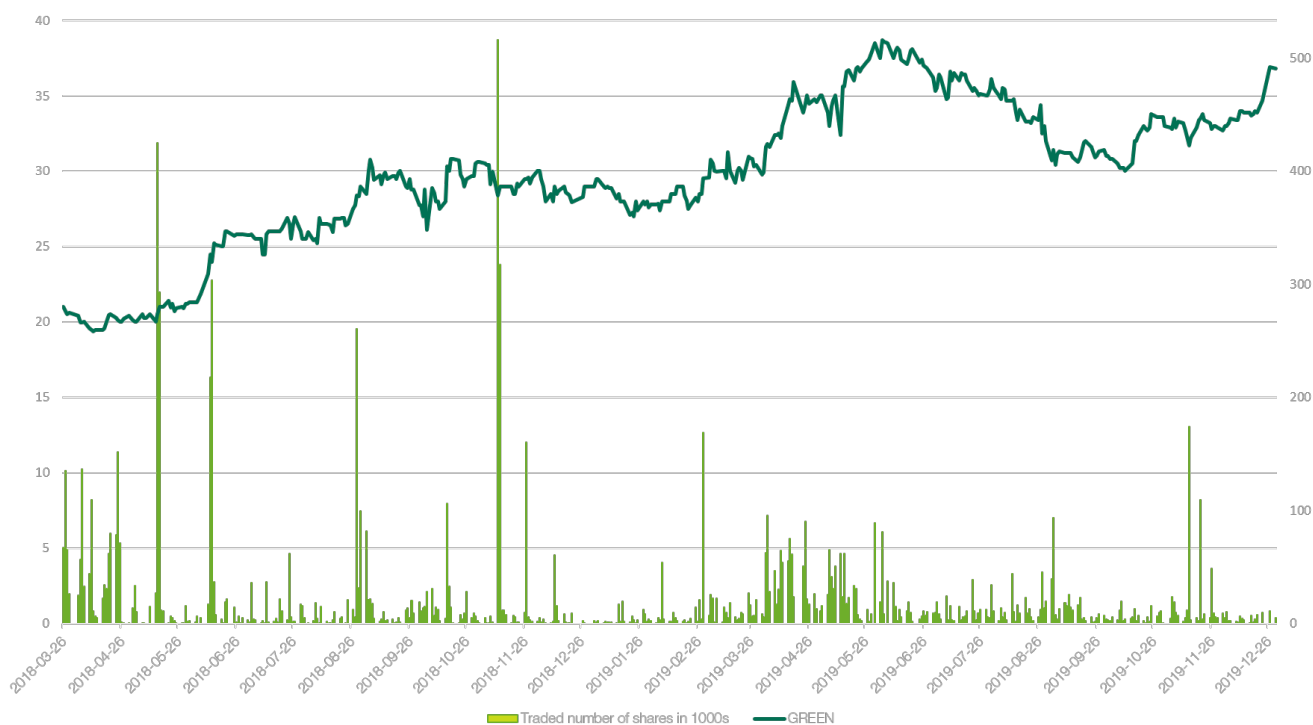
## SHARE AND SHAREHOLDERS

Green Landscaping had 1,492 known shareholders as of 31 December 2019. The company has a series of ordinary shares listed on Nasdaq Stockholm.

As of 31 December 2019 there were 36,011,057 registered shares. Market Cap as of 31 December 2019 was SEK 1,325 million compared to SEK 1,131 million on 30 September 2019.

| Largest shareholders as of 31 December 2019 | No. of shares     | % of equity  |
|---------------------------------------------|-------------------|--------------|
| Byggmästare Anders J Ahlström Holding AB    | 7,632,099         | 21.2%        |
| Salén family via company                    | 6,745,839         | 18.7%        |
| Johan Nordström via company                 | 3,746,738         | 10.4%        |
| AFA Försäkring                              | 2,261,000         | 6.3%         |
| Per Sjöstrand via company                   | 1,668,886         | 4.6%         |
| AP3, Third Swedish National Pension Fund    | 1,650,670         | 4.6%         |
| Peter Lindell via company                   | 998,856           | 2.8%         |
| Coeli                                       | 936,727           | 2.6%         |
| Roger Carlsson via company                  | 781,727           | 2.2%         |
| Jan and Jenny Petterson via company         | 699,718           | 1.9%         |
| <b>Total, 10 largest shareholders</b>       | <b>27,122,260</b> | <b>75.3%</b> |
| Other shareholders                          | 8,888,797         | 24.7%        |
| <b>Total</b>                                | <b>36,011,057</b> | <b>100%</b>  |

### Green Landscaping 26 March 2018 - 31 December 2019



On 8 June 2018, a total of 9,580,531 shares were sold

## Signatures

The report has not been subject to review by the company's auditors.

The information was made available for publication by the contact person set out below on 21 February 2020 at 08.00 CET.

### **Presentation of the report**

Green Landscaping's CEO Johan Nordström and CFO Carl-Fredrik Meijer present the report in a teleconference/audiocast on 21 November at 10.30 CET.

Participants dial in with the following number: +46 8 50558366

Webcast: <https://tv.streamfabriken.com/green-landscaping-group-q4-2019>.

Stockholm, 21 February 2020

### **More information**

Johan Nordström, CEO, [johan.nordstrom@greenlandscaping.se](mailto:johan.nordstrom@greenlandscaping.se), +46 (0)708-38 58 12

Carl-Fredrik Meijer, CFO, [carl-fredrik.meijer@greenlandscaping.se](mailto:carl-fredrik.meijer@greenlandscaping.se), +46 (0)701-08 70 19

## Definitions and explanations

| <b>General</b>                    | All amounts shown in tables are in SEK million, unless otherwise stated. All values in parentheses () are comparison figures for the same period last year, unless otherwise stated.                                                                    |                                                                                                                                                         |
|-----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Key performance indicators</b> | <b>Definition/calculation</b>                                                                                                                                                                                                                           | <b>Purpose</b>                                                                                                                                          |
| EBITA                             | Operating profit/loss before depreciation, amortization and impairment of property, plant and equipment and intangible assets                                                                                                                           | EBITA is used to gauge the company's operating profitability.                                                                                           |
| EBITDA                            | Operating profit/loss before amortization and impairment of acquisition-related intangible assets along with depreciation, amortization and impairment of property, plant and equipment and intangible assets.                                          | EBITDA and EBITA are used together to gauge the company's operating profitability.                                                                      |
| EBITA margin                      | Operating profit/loss before depreciation, amortization and impairment of acquisition-related intangible assets as a percentage of sales.                                                                                                               | EBITA margin is a measure of operating profitability.                                                                                                   |
| EBITDA margin                     | Operating profit/loss before amortization and impairment of acquisition-related intangible assets along with depreciation, amortization and impairment of property, plant and equipment and intangible assets, as a percentage of sales.                | EBITDA margin is a measure of operating profitability.                                                                                                  |
| EBT                               | Earnings before tax.                                                                                                                                                                                                                                    | Earnings before tax provides an overall indication of the profit that was generated before tax.                                                         |
| Nonrecurring items (NRI)          | Items that significantly deviate from ordinary business activities and which are limited to a single time (one-off). Examples are the listing on Nasdaq First North in March 2018 and termination of lease agreements in conjunction with acquisitions. | It provides a truer view of the underlying earnings.                                                                                                    |
| Adjusted EBITA                    | EBITA adjusted for items affecting profitability.                                                                                                                                                                                                       | Adjusted EBITA increases the comparability of EBITA.                                                                                                    |
| Adjusted EBITDA pro forma         | EBITDA adjusted for items affecting comparability including EBITDA of acquired companies for the current year prior to the acquisition date.                                                                                                            | It provides an indication of the Group's position in future periods.                                                                                    |
| Adjusted EBITA margin             | EBITA adjusted for items affecting comparability, as a percentage of sales.                                                                                                                                                                             | Adjusted EBITA margin excluding the effect of items affecting comparability, which makes it possible to compare the underlying operating profitability. |
| Order backlog                     | This is the amount of contracts not yet delivered and potential add-on years.                                                                                                                                                                           | It provides an indication of the company's future performance.                                                                                          |
| Organic growth                    | Sales increase of legal entities owned for the entire financial year.                                                                                                                                                                                   | It shows how current operations are performing.                                                                                                         |
| Working capital                   | Current assets not including cash and cash equivalents, less current liabilities.                                                                                                                                                                       | Working capital is used to measure the company's ability to meet short-term capital requirements.                                                       |





### Green Landscaping in brief

Through its 19 profit centers/subsidiaries, Green Landscaping Group offers the market's most comprehensive service portfolio that aims to make cities more beautiful and also safer. The goal is to add real value by creating environments where people can thrive. The business is divided into the following five regions: South, West, East, Middle and North.

We are professional in everything we do. At the center of it all is our skilled, experienced employees who inspire our customers, helping them realize their dreams of creating beautiful, functional outdoor environments. We also offer care and maintenance services that maximize the lifespan of these outdoor environments. We have approximately 1,300 employees and annual sales of just over SEK 2 billion.

### Our history

Green Landscaping Group is Sweden's leading provider for care and surface planning of outdoor environments. Our business concept is to improve the customer's outdoor environment by offering services that focus on high customer value, long-term sustainability and quality. Green Landscaping was established in 2009 via a merger of four companies working with care of outdoor environments. Since then, the company has expanded through both organic growth and acquisitions.

### Contact information

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CIN  
556771-3465

### Future reporting dates

|                                          |                  |
|------------------------------------------|------------------|
| <b>2020</b>                              |                  |
| Annual report 2019                       | 2 April 2020     |
| Q1 Interim report for January-March 2020 | 6 May 2020       |
| Annual General Meeting                   | 14 May 2020      |
| Q2 Interim report for January-June 2020  | 26 August 2020   |
| Q3 Interim report for January-September  | 11 November 2020 |
| <b>2021</b>                              |                  |
| Year-end report January-December 2020    | 17 February 2021 |