

A close-up photograph of several small green seedlings with two leaves each, growing in a dark brown, textured soil tray. The seedlings are arranged in rows, and the background is a soft, out-of-focus green.

# Annual Report and Sustainability Report for 2022

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Green Landscaping Group AB (publ)



## GREEN LANDSCAPING GROUP IN BRIEF

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# A home for entrepreneurs

Green Landscaping Group is a home for entrepreneurs. The service areas it is involved in are landscaping and construction, ground maintenance and snow & ice removal.

It is becoming multi-national, with the spirit of small company entrepreneurship by acquiring successful companies with these qualities: skilled in their trade and professionally run, sound values and a track record of high profitability. Entrepreneurial spirit is a central theme in the Green Landscaping family. Once acquired, companies run their business as before, yet with the benefits of a larger group and access to a network of colleagues working in the same field, along with more opportunities to develop on a professional level. They become part of an environment with access to the larger company's resources. As the Group grows and develops, benefits flow to customers, employees and owners alike.

The Group has a long-term perspective and the companies that belong to it have a home here.







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**This annual report covers the operations of Green Landscaping Group AB (publ), CIN 556771- 3465**

### **Language**

In case of any discrepancies or deviations between the English and Swedish versions of this report, the Swedish shall prevail.

### **Totals and rounding**

The totals shown in the tables and calculations are not always exact sum of the various parts due rounding differences. The goal is that each figure should correspond to the source, which is why rounding differences could arise.





# Events in 2022

## Q1

- Acquisition of the Swedish companies, Markbygg Anläggning Väst AB and Hallandsåsens Utemiljö AB were completed.
- The Norwegian company, Glenn Syvertsen AS was acquired.
- The Finnish company, Rainset Oy was acquired.
- There was a repurchase of shares for approximately SEK 24 million, to be used as part of the consideration for future acquisitions and thus limit the dilutive effect for existing shareholders.
- Russia invaded Ukraine, which impacted the entire world in the form of rising inflation and interest rates.

## Q2

- The Norwegian company, Aktiv Veidrift AS was acquired.
- A total of 772,185 shares were subscribed for as part of the 2019-2022 incentive program, which generated SEK 29 million in capital.

## Q3

- The Norwegian company, Braathen Landskapsentreprenør AS was acquired.
- The Swedish company, Sorex Entreprenad AB was acquired.

## Q4

- The Norwegian companies, H&K Sandnes AS and H.T. Vike AS were acquired.
- The Finnish company, Taimisto Huutokoski Oy was acquired.
- The company called UAB Stebule was acquired, which was the Group's first step into the Lithuanian market.
- The Group's existing credit facilities were extended for yet another year until 2025.

## Key performance indicators

SEK m	JANUARY - DECEMBER		
	Jan-Dec 2022	Jan-Dec 2021	change
Net sales	4,810	3,139	53%
EBITA	407	232	76%
EBITA margin, %	8.5	7.4	1.1
Operating profit (loss) (EBIT)	308	155	98%
EBIT margin, %	6.4	5.0	1.4
Earnings before tax (EBT)	251	122	106%
Cash flow from operating activities	431	174	148%
Net debt	1,800	1,036	74%
Net debt / EBITDA pro-forma, RTM	2.4 times	2.4 times	0
Order backlog	7,762	5,125	51%
Basic earnings per share, SEK	3.41	1.84	85%
Diluted earnings per share, SEK	3.39	1.81	87%
Average number of shares, before dilution	53,873,101	49,978,855	8%

See pages 117-119 for KPIs and definitions.



## CEO's comments

Nothing turned out like we thought it would in the world around us, which had become far more uncertain than we expected. Things hadn't yet returned to normal after the pandemic when Russia invaded Ukraine, an event that significantly impacted the rest of the year, which meant new and very difficult challenges for Europe. We live in a complex world, where crises and challenges occur on many levels and simultaneously, including ones that are political, economic and climate-related. The level of uncertainty that we expect over the next few years is significant indeed. Nevertheless, there are stabilizing factors in our industry which we benefit from and the company's performance this year was very strong. Difficult times really test your abilities. For us, it means being well-positioned, making right choices and implementing them with discipline and dedication. These are also the cornerstones of our strategic direction, which served us well during the year. We shall continue to follow it and let it guide us, in good times as well as times of greater uncertainty.

### High growth and a profit margin that exceeded our financial target

Net sales for the full year 2022 increased by 53 percent and amounted to SEK 4,810 million, which far exceeded our financial target of a 10 percent growth rate. As in prior years, growth was primarily driven by acquisitions, while organic growth contributed 7 percent. Exchange rate differences contributed 2 percent and rising inflation primarily impacted growth during the second half of the year.

The trend of rising profitability continued in 2022 and for the first time ever, we exceeded the Group's profitability target of 8 percent for the EBITA margin. It is a very positive trend that is primarily attributable to two factors. First, is the fact that many of the companies with lower profitability have gradually improved thanks to long-term, methodical efforts. I am very pleased and would like to heartily thank our employees who have worked so hard to achieve that, along with our LEAN team, which was frequently involved in these efforts. Through the sustainability work that has gone on in many of our companies, the prerequisites are in place for additional improvements in profitability as well. The second contributing factor is our strategy of acquiring the best





companies, with the best entrepreneurs, in our industry, which has a positive impact on the profit margin.

Cash flow from operating activities increased by 148 percent and amounted to SEK 431 (174) million. A strong cash flow offers us the freedom of being able to regulate our debt/equity level, which is certainly advantageous when financial conditions tighten up as they have now, and with elevated interest rates.

#### **Sustainable cities and communities**

For our cities, climate change means increased risks of high temperatures and floods. Greenery, nature and proximity to water can help to regulate the temperature. Structures for runoff, capture and storage of water can be constructed to manage floods. Through our core business, we contribute to countering the effects of climate change, while also being good business for us. In addition to this, we are gradually restructuring our operations to become increasingly carbon neutral.

#### **A home for the industry's best entrepreneurs**

We welcomed 11 new companies during the year. Our expansion in Norway was substantial, having acquired five new companies there. We continued to build on the foundation we've established by making two new acquisitions. In Sweden, we welcomed three new companies to the Group. Towards the end of the year, we also took our first step into a market outside the Nordic region with the acquisition of UAB Stebule in Lithuania. All of our acquired companies are run by skilled entrepreneurs with excellent knowledge of the conditions in their local market. They also share the same business culture that we value so highly. Several of the acquisitions are active in landscaping and construction, which has increased the balance between the service areas where we operate.

Several years have now passed since we set the strategy for Green Landscaping Group. It is based on the concept that independent companies, with a local leadership that knows their market and the company's conditions, have the best prerequisites for success. It has proven to be true in the past and it still held true in 2022. By joining a larger

"We welcomed 11 new companies during the year. All of our acquired companies are run by skilled entrepreneurs with excellent knowledge of the conditions in their local market".

organization, they gain access to new expertise, new development and collaboration opportunities, joint purchasing and supplier agreements, new tools and opportunities for cross-selling. These acquisition and integration priorities have proven to be successful. Local entrepreneurs want to become part of the Green Landscaping Group because it injects new energy, expertise and abilities, without limiting their authority to make own decisions. Our strategy has proven to be successful and we intend to continue developing it further.

#### **We are established in an attractive market**

The market where we do business is a fragmented market and we are one of the few larger players. It is characterized by stable, sustained growth. Closer analysis shows that the share of customers' total operating costs spent on outdoor environments is very small and has essentially been unaffected by fluctuations in the economy over the last 15-year period. We now have several years of successful improvement efforts behind us, and, in my opinion, a well-deserved good reputation for acquisitions in the market. We are strongly positioned in an attractive market and have reason for being optimistic over both the short and long term. Put simply, we are well prepared for the years ahead.

In conclusion, I would like to heartily thank all of our employees for their hard work during this challenging year.

Stockholm April 2023

**Johan Nordström**

President and CEO





## CFO's comments

A turbulent year has come to an end. Russia's invasion of Ukraine in February 2022 had ripple effects throughout the entire world, with enormous human suffering as a consequence and putting strains on the economy the likes of which we've not seen since the financial crisis. Rising prices for energy and raw materials pushed inflation to levels we have not seen in decades. Interest rates sharply rose as well, from the historically low levels they had stabilized at for several years.

Summing up the year financially for Green Landscaping Group however, the turbulence in the world around us has hardly left a mark. Our performance was very strong in essentially all areas. Both net sales and earnings reached record levels, as did the cash flow from operating activities. Diluted earnings per share increased by an impressive 87 percent and amounted to SEK 3.39 (1.81). The high rate of inflation primarily impacted us during the second and third quarters in the form of rising costs, which temporarily dampened the profit margin somewhat. In most of our customer agreements, indexation of prices based on inflation is done. The content of contracts regulates when indexation may occur, typically, on an annual basis. This is why there is a delay between when costs rise and prices are adjusted. However, the profit margin once again rose towards the end of the year, in part due to the impact of the price increases we had implemented. Our strong earnings and cash flow enable us to essentially control our own destiny in terms of both what we do and when we do it. High interest rates meant higher costs of course, but did not affect our business decisions. Net debt in relation to EBITDA was 2.4 (2.4) times as of 31 December 2022, which means that we achieved our target of 2.5 times.

### High degree of freedom with responsibility gives results

The profit trend continued in the right direction in terms of both absolute and relative numbers. Operating profit nearly doubled and amounted to SEK 308 (155) million. The EBITA margin amounted to 8.5 (7.4) percent, which corresponds to an increase of 1.1 percentage points compared to 2021. We have had a positive margin trend since 2018 as well, which has enabled us to achieve our financial target of an EBITA margin of 8.0 percent. Each quarter, we send out a ranking list within the group of the EBITA contribution in both absolute numbers and expressed as profit margin. All of our subsidiaries are included and our experience has been that it encourages healthy competition among them. As in prior years, the span of profitability is large. The good news, however, is that the companies at the bottom of the list improved



significantly during the year. The spread indicates that there is still room for improvement of course, but we are all helping each other to improve.

The profitability-improvement initiative of converting business units into independent companies started back in 2020 and was completed in 2021. In total, 12 subsidiaries have been created from Green Landscaping AB and Svensk Markservice AB. The last one was in place as of 1 January 2022. Having independent companies, rather than business units, creates better conditions for fostering a strong, local culture, clearer mandates to develop the business and better opportunities for communication (e.g. via websites and social media) with customers and employees.

#### **Our acquisition strategy is value-creating.**

As a rule, the return on total capital from acquisitions is around 20 percent. With that in mind, allocating capital to acquisitions is value-creating and it contributes to a higher earnings per share.

#### **Growth before dividends**

Our goal is to distribute up to 40 percent of net profit as dividends and our financial position enables us to do that. During the year, we repurchased shares for SEK 48 million, which was used as payment for acquisitions. As in previous years, we concluded that we can generate more shareholder value by allocating capital to acquisitions than we can by distributing dividends.

#### **Ownership**

Among the Group's largest shareholders are some of our own employees, with a combined shareholding of around 20 percent. It is an important part of our model and culture. Over the past year, there were sharp declines in most of the world's leading stock exchanges. Our stock fell as well, but our favorable financial performance likely dampened it and the decline of 28 percent in our share price was on a par with the stock market at large. We noted a higher interest from many stakeholders in the financial market and welcome all the new owners to Green Landscaping.

#### **Carl-Fredrik Meijer**

CFO



# Financial targets

TARGET	RESULT	COMMENTS										
<b>NET SALES GROWTH</b>												
<p><b>10%</b></p> <table border="1"> <caption>Net Sales Growth Data</caption> <thead> <tr> <th>Year</th> <th>Net Sales Growth (%)</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>70</td> </tr> <tr> <td>2020</td> <td>10</td> </tr> <tr> <td>2021</td> <td>50</td> </tr> <tr> <td>2022</td> <td>53</td> </tr> </tbody> </table>	Year	Net Sales Growth (%)	2019	70	2020	10	2021	50	2022	53	<p><b>53%</b></p>	<p>Net sales shall, on average, grow by 10 percent per year (organically and via acquisitions).</p> <p><b>Results in 2022:</b> 53 percent, of which 7 percent was organic.</p>
Year	Net Sales Growth (%)											
2019	70											
2020	10											
2021	50											
2022	53											
<b>PROFITABILITY</b>												
<p><b>8%</b></p> <table border="1"> <caption>Profitability Data</caption> <thead> <tr> <th>Year</th> <th>Profitability (%)</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>3</td> </tr> <tr> <td>2020</td> <td>5</td> </tr> <tr> <td>2021</td> <td>7.5</td> </tr> <tr> <td>2022</td> <td>8.5</td> </tr> </tbody> </table>	Year	Profitability (%)	2019	3	2020	5	2021	7.5	2022	8.5	<p><b>8.5%</b></p>	<p>EBITA margin shall amount to 8 percent.</p> <p><b>Results in 2022:</b> 8.5 percent. The margin improved due to higher profitability in existing companies and additional profitable companies having joined the Group.</p>
Year	Profitability (%)											
2019	3											
2020	5											
2021	7.5											
2022	8.5											
<b>FINANCIAL STRUCTURE</b>												
<p><b>2.5 times</b></p> <table border="1"> <caption>Financial Structure Data</caption> <thead> <tr> <th>Year</th> <th>Financial Structure (times)</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>3.3</td> </tr> <tr> <td>2020</td> <td>2.8</td> </tr> <tr> <td>2021</td> <td>2.4</td> </tr> <tr> <td>2022</td> <td>2.4</td> </tr> </tbody> </table>	Year	Financial Structure (times)	2019	3.3	2020	2.8	2021	2.4	2022	2.4	<p><b>2.4 times</b></p>	<p>Net debt in relation to EBITDA (financial leverage) shall over the long term, not exceed 2.5 times.</p> <p><b>Results in 2022:</b> 2.4 times.</p>
Year	Financial Structure (times)											
2019	3.3											
2020	2.8											
2021	2.4											
2022	2.4											
<b>DIVIDEND POLICY</b>												
<p><b>40%</b></p>	<p><b>0%</b></p>	<p>Approximately 40% of profit for the year shall be distributed as dividends to shareholders. The dividend proposal shall take into account Green Landscaping Group's long-term growth potential, financial position and investment requirements.</p> <p><b>Results in 2022:</b> The Board proposes that no dividends shall be paid for the year.</p>										



# Strategy

## Business concept

Green Landscaping Group is a home for entrepreneurs. The service areas it is involved in are landscaping and construction, ground maintenance and snow & ice removal.

It is becoming multi-national, with the spirit of small company entrepreneurship by acquiring successful, smaller companies with these qualities: skilled in their trade and professionally run, sound values and a track record of high profitability. Entrepreneurial spirit is a central theme in the Green Landscaping family. Once acquired, companies run their business as before, yet with the benefits of a larger group and access to a network of colleagues working in the same field, along with more opportunities to develop on a professional level. They become part of an industrial environment with access to greater resources. As the Group grows and develops, benefits flow to customers, employees and owners alike.

## Business model

### Operational model

The market for outdoor environments is fragmented and locally anchored, with long-term customer relationships and a high level of recurring business. Companies typically have very strong ties in the communities where they do business and have established working methods and structures over a long period of time, giving them a strong identity. Retaining and continuing to nurture that is thus a key element of Green Landscaping's decentralized operational model and subsidiaries have full commercial responsibility and great freedom to run the business under their own brand. The model is based

on a high level of trust and freedom with responsibility. The Group and region levels exist primarily to support the individual companies. Collaboration between companies in the Group is encouraged, although it happens at their own initiative. Where synergies have been identified, it is also up to the companies themselves whether or not to act on them, if they feel the commercial prerequisites exist.

### Financial model

Green Landscaping Group actively pursues acquisitions. A portion of the consideration for acquisitions is in the form of shares in Green Landscaping Group, which creates a shared interest between the company founders of the acquired companies and the rest of the Group. The level of indebtedness must always be such that it does not put the Group's financial position or growth opportunities at risk. It must also enable a good return on equity. This is regulated through the Group's financial targets, which stipulate that net debt in relation to EBITDA should not, over the long term, exceed 2.5 times. Cash flow is typically reinvested in activities aimed at generating organic growth and to fund acquisitions.

### Sustainability platform

Large parts of Green Landscaping Group's core business aim to make cities and communities more sustainable. This means that the group has particularly good opportunities to contribute to a more sustainable world, in addition to efforts to improve sustainability within its own operations. The maintenance and construction of green spaces is carried out with the intention of creating safe and inclusive environments that are accessible to everyone, regardless of age, gender, ethnicity and functional ability.

## Group structure

### SUBSIDIARIES

Subsidiaries have full commercial responsibility and great freedom to run their business independently of each other and the Group. As a rule, they have strong local ties and run the business under their own brand.

Percentage of the number of employees: 99 percent

### GROUP FUNCTIONS

The Group level provides the support and control functions, including the Lean and M&A teams. It also provides access to capital. Regional managers facilitate and encourage contact between subsidiaries. The organization is very streamlined, since individual companies retain business responsibility themselves, which includes a significant portion of the financial control and corporate governance, regulatory compliance, HR and communication.

Percentage of the number of employees: 1 percent





## Profitable growth

### Organic growth

Market growth has varied between four and six percent over the last 15-year period in the portion of the market for outdoor environments where the Group does business. Given that there has been low or no inflation during this time, growth has primarily been volume-driven, which means as a consequence of continuously rising demand. For a smaller company serving the local market, it has provided a safe and predictable foundation for operations. There are thus strong incentives for them to strive for sustainable organic growth. In an environment where many of the major contracts are won in tendering processes, it can be enticing to increase the number of bids submitted in order to accelerate growth. Smaller companies can have trouble maintaining profitability when rapid organic growth requires a corresponding rapid increase in delivery capacity.

### Growth via acquisitions

The market where Green Landscaping Group does business is large, yet with strong local ties. It is fragmented and companies typically have strong, long-term relationships with their customers and knowledge of the local conditions. It is a prerequisite for both customer satisfaction and profitability. Therefore, setting up a new business, rather than acquiring an existing one, is typically more challenging. Green Landscaping Group thus actively strives to acquire companies with these characteristics:

- Strong local ties and identity
- Long-term customer relationships and contracts
- A track record of stability and profitability
- Competent management teams and satisfied employees
- Skilled entrepreneurs who have fostered a health organizational culture

Green Landscaping Group strives to set up clusters of three to four companies in a limited geographic area to facilitate collaboration and add value.



Jakob Körner  
Head of M&A

*Our acquisition strategy, simply put, is to offer a home for entrepreneurs. Gathering a handful of companies in the same geographic area enables their entrepreneurs to exchange knowledge and to develop. And when they interact, it spurs innovation and opens up more sales opportunities. But above all, it gives them something they had previously lacked, namely, colleagues and a wider network. We frequently hear that this is what they value the most. They get to interact on their own terms, retaining the freedom to run the business as they see fit.*

*For the full-year 2022, we made eleven acquisitions with combined annual sales of more than SEK 1.4 billion. We continued our expansion in Norway and Finland, along with entering a new market in Lithuania when we acquired UAB Stebule. Our model works and we are planning for further expansion in 2023.*



### Profitability improvement via Lean

The Green Landscaping Group uses the internal control system, Lean, as a means of improving and streamlining its operations. It is based on four cornerstones: planning, daily control, continuous improvement and ongoing follow-up. The point of departure is creating value for the customer and eliminating activities that do not generate value. Each subsidiary that chooses to work with Lean plans its own operations in order to reach their goals via established action plans. After that, activities and process implementations are documented with the help of control documents in order to facilitate higher work efficiency, improved processes and reduced costs. The control documents are then regularly monitored by each company via the Group's monthly reporting procedures.

Green Landscaping Group has gathered its senior resources centrally in a Lean team. It is available as needed to the Group's companies, their Boards of Directors and regional managers. The team serves as a catalyst for spreading best practice between companies. They are also responsible for building up knowledge on how digitalization can improve the business and promoting the digitalization of processes.

### Digitalization

Green Landscaping Group can benefit greatly from increased digitalization. The operations of companies within the Group are similar enough that they can, with limited own efforts, benefit from the digital tools developed within the Group. There are thus good conditions for promoting digitalization with central resources and then working in collaboration with subsidiaries to explore and implement digital tools and working methods. The areas where the greatest shared benefits are deemed to exist are: smart connected products (sensors and software), digital maps and route optimization with GPS and systems for improved administration and control.



Pierre Kubalski  
Head of Lean

*I reflect on 2022 and our efforts as both intensive and overwhelmingly successful. It is encouraging to see that many of the companies we have been working with for quite some time have, slowly but surely, improved their profitability and stability. It warms a Lean heart like mine!*

*In addition to that, we have support knowledge-exchange in the areas of calculation, production monitoring and invoicing. We've also taken on greater responsibility for the on-boarding process at new companies. As in prior years, members of the Lean team stepped in as temporary CEOs in cases where there was a need to fill a gap when a CEO had resigned and before a new one could take over.*





Green Landscaping Group made the following acquisitions during the period January-December 2022

Consolidated as of	Acquisitions	Segment	Assessed annual sales	Number of employees
January	Markbygg Anläggning Väst AB	Region Mid	280	60
January	Rainset Oy	Region Finland and other	40	13
February	Hallandsåsens Utemiljö AB	Region South	30	18
February	Glenn Syvertsen AS	Region Norway	35	14
May	Aktiv Veidrift AS and Aktiv Veidrift Utleie AS	Region Norway	252	100
September	Braathen Landskapsentreprenør AS	Region Norway	313	19
September	Sorex Entreprenad AB	Region Stockholm	70	3
November	H&K Sandnes AS and No Dig Vestfold AS	Region Norway	148	50
November	UAB Stebule	Region Finland and other	142	330
November	Taimisto Huutokoski Oy	Region Finland and other	38	30
December	H.T. Vike AS	Region Norway	63	3

### Markbygg Anläggning Väst AB

located in Uddevalla, it is a landscaping and construction company serving Västra Götaland. For nearly two decades, it has worked on projects for municipalities, other public entities and private companies.

### Rainset Oy

located in Helsinki, it has specialized in landscaping architecture and stone work since its inception.

### Hallandsåsens Utemiljö AB

located in Laholm, it offers maintenance of outdoor environments.

### Glenn Syvertsen AS

located in Oslo, it works with landscaping projects, primarily for construction companies.

### Aktiv Veidrift AS

located in Drammen, it is a land construction company, specializing in water & sewage, roads and maintenance.

### Braathen Landskapsentreprenør AS

located in Ytre Enebakk, it has a full-range offering of services in landscaping, infrastructure and maintenance of outdoor environments

### Sorex Entreprenad AB

located in Malmö, it has a full-range offering of services in landscaping, infrastructure and measurement technology, serving customers in central Sweden.

### H&K Sandnes AS

located in Larvik, it offers services in the areas of construction, water & sewage and landscaping.

### UAB Stebule

located in Vilnius, it offers services in the areas of road maintenance, ground maintenance, arborist/gardening/flower beds, park & cemetery maintenance.

### Taimisto Huutokoski Oy

It is a garden center that offers a full range of plants and trees to contractors and municipalities throughout Finland. The company's main focus is delivery of trees for street environments.

### H.T. Vike AS

located in Sandefjord, it offers groundwork for fuel stations and vehicle washing facilities.

# Market overview

## Market

### The market in brief

Green Landscaping Group operates in the Swedish, Norwegian, Finnish and Lithuanian markets for landscaping and construction, maintenance and snow & ice removal. The total size of the market is estimated at around SEK 325 billion, of which the addressable market amounts to around SEK 105 billion.

It is also a stable market with sustainable growth and very little variation from one year to the next. The public sector accounts for a significant portion of demand. The percentage of public sector customers' total operating costs spent on outdoor environments is small and it has essentially been unaffected by fluctuations in the economy over the last 15-year period. Because this work is often contract-based, the demand is relatively stable from one year to the next. Both municipalities and private companies also tend to prioritize the maintenance of their outdoor environments, even when there is a downturn in the economy.

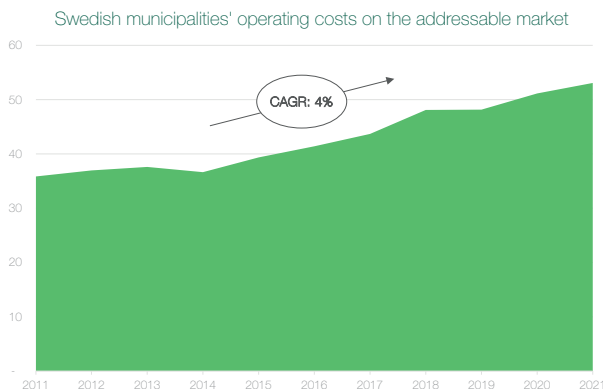
The market is positively affected by macro trends such as

urbanization, population growth and a general increase in demand for better outdoor environments with a focus on sustainability.

The market is fragmented and it consists of around 18,000 companies, most of which are small, serving the local market. Green Landscaping Group is one of the few larger players. In both the private and public sectors, long contracts and customer relations stretching over many years is common.

As of a few years ago, Green Landscaping Group also started working with road maintenance and the installation of water and sewage systems. The Group has many years of experience and expertise in maintaining streets, foot paths and biking paths for our customers as part of our offering for maintenance of parks and outdoor environments. Green Landscaping Group has, for example, been offering road maintenance services to customers such as the Swedish Transport Administration and Oslo municipality over the last few years.

Since 2021, Green Landscaping Group is also active in the Finnish market and since 2022 in Lithuania.



Source: Statistics Sweden - spending of municipalities, national totals, based on summary financial statements for the years 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021.

Note: Total expenditure includes the total gross amount of operating expenditure by municipalities, along with their annual investments in roads, parks and housing activities.



## Addressable market

Green Landscaping Group is active in a large, robust market valued at approximately SEK 325 billion, of which the addressable market amounts to around SEK 105 billion. The addressable market in Sweden is estimated to have a value of approximately SEK 40 billion, SEK 44 billion in Norway and SEK 16 billion in Finland and around SEK 6 billion in Lithuania. It includes the areas of landscaping and construction, maintenance, snow & ice removal, as well as water & sewage, with around 18,000 companies serving the market. The addressable market is expected to have average annual growth of approximately 4-6 percent over the next few years. This is based on Green’s own analyses, along with external market analyses. An important driving force is the favorable demographic trends.

## Customer categories

Customers in the market are in both the private and public sectors. Customers that offer major contracts often put specific requirements on suppliers and they use structured tendering processes, which creates barriers to entry for smaller companies in the market. These can be, for example, requirements on the size of operations, certifications, financial strength, a wide range of services, language skills, quality assurance, references from prior projects and also that the company is able to manage several different contracts with the same customer.

Customers are primarily county councils, municipalities, property managers, property companies and others who own or manage green areas associated with urban development.

### Key market characteristics



#### Recurring revenue

Long customer relationships and predictable, long-term maintenance contracts



#### Public customers

Stable, low-risk customer base



#### Robust growth

Stable market, with countercyclical elements



#### Supported by megatrends

Urbanization & focus on outdoor areas



#### Delayed maintenance

Solid pipeline of work that must be conducted

Source: Market data has been collected from OECD Data, SSB.no, SCB.se, National Transport Plan 2018-2029 (NOR), National Transport Plan 2018-2029 (SWE), National Transport System plan (FIN)

# Green Landscaping Group’s position

## Market drivers

### Population growth and urbanization

During the last 10 years, there has been positive population growth in Sweden, Norway, Finland and Lithuania, which is expected to continue. Growth has primarily occurred in densely populated areas, which has fueled the urbanization trend and is expected to continue. During the COVID-19 pandemic, the rate of urbanization slowed down somewhat in some places. It is a temporary phenomenon that is not expected to impact the rising trend that we’ve seen for several decades.

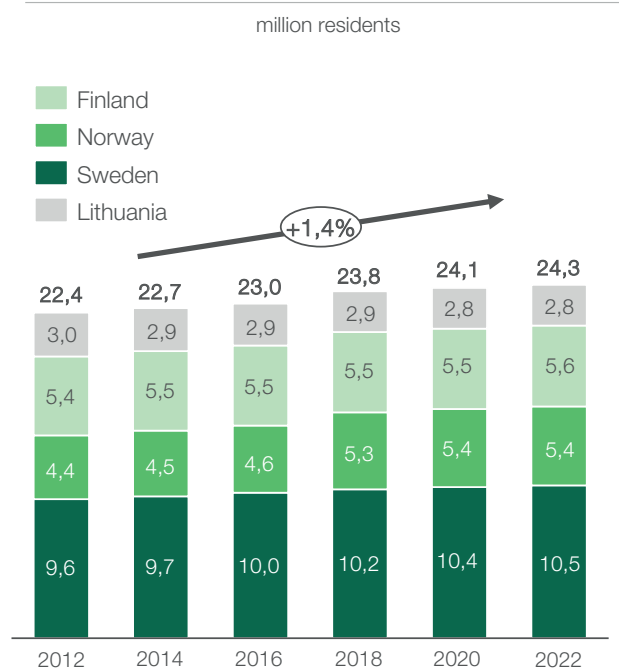
Population growth, and a higher level of urbanization result in a greater demand for available and safe outdoor environments. The growing population also contributes to more wear-and-tear on existing parks and outdoor environments, which further increases the need for maintenance.

### Expectations on green urban areas

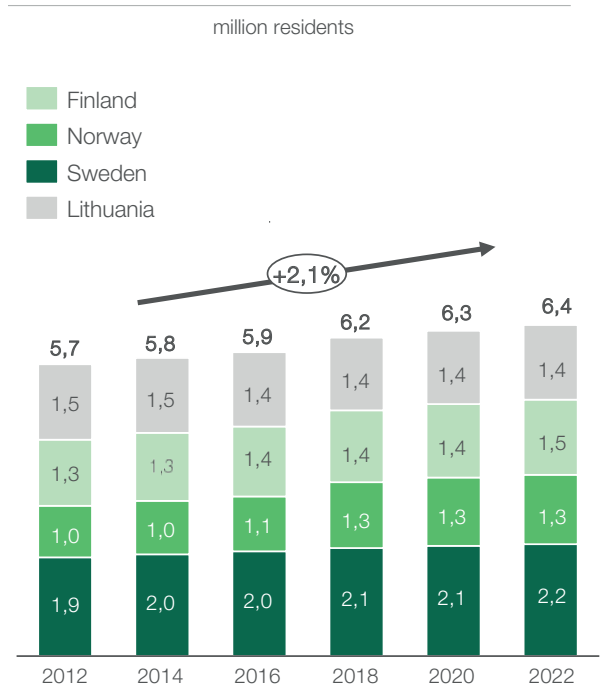
Residents of a city tend to highly value the urban environment. They show much interest and engagement in issues having to do with the design and maintenance of the surrounding area. Several studies have been published documenting the positive health effects from green areas, such as lower stress and motivating people to exercise. Parks, green areas and other easily accessible nature areas greatly impact opportunities for outdoor physical activity. If children spend more time in green areas, it has a positive effect on their ability to concentrate. They also become more active and are healthier. An inactive lifestyle can lead to mental illness, a higher risk of heart disease and obesity. People living in Europe have high expectations when it comes to green areas and the ability to engage in outdoor activities in cities, without having to travel long distances. This has become increasingly important. A rising percentage of the population is willing to pay more to live close to green areas.

Green Landscaping Group has concluded that cities and municipalities will continue investing in green areas for a variety of reasons. Green areas help add variety to the cityscape. They also provide residents with access to nature and serve as social venues. Furthermore, they promote biodiversity and help reduce the harmful effects of air pollution and climate change. There is also a higher demand on such things as advanced playgrounds, outdoor gyms, landscaping and artificial turf playing fields, which is driving municipalities to make investments there.

### Population growth



### Urban growth



Source: For population growth: Market data was collected from OECD Data, SSB.no, SCB.se, StatFin, Statistics Lithuania. For urban growth: Market data was collected from OECD Data, SSB.no, SCB.se, StatFin, Statistics Lithuania. For infrastructure: Market data was collected from OECD Data, SSB.no, SCB.se, National Transport Plan 2018-2029 (NOR), National Transport Plan 2018-2029 (SWE), National Transport System plan (FIN)



An analysis model for greener and healthier cities that has become widespread is the 3-30-300 rule. It stands for a way of thinking about green areas and urban planning and means that 3 trees must be visible from all homes, 30 percent tree canopy coverage must be present in all residential areas, and that no one must have more than 300 meters to the nearest park or green area.

### High demand for safety and security

There is an increasing demand for safer outdoor environments. Residents would, for example, like to have areas lit up better so that they feel safer and to reduce the risk of hurting themselves when they exercise outdoors after dark. Clearing up and creating more open areas is a part of creating safer environments. Municipalities stipulate high requirements that playgrounds should be safer and meet specific criteria.

### Consequences of climate change

In recent years, European cities have experienced the negative consequences of climate change in the form of poorer air quality and an increase in the occurrence of both heat waves and floods. Asphalt, concrete, and other building materials contribute to cities becoming "heat islands" compared to the countryside, and to poorer stormwater management and air quality. Green

outdoor environments play a crucial role in counteracting these negative effects. Besides helping to reduce urban heat island effects and stormwater runoff, trees and other vegetation serve as carbon sinks and air purifiers of urban emissions. Rain gardens, also referred to as bioretention facilities, are another method for increasing the reabsorption of rain runoff into the soil. They also help treat contaminated stormwater.





# Service areas



## Landscaping and construction

Design and construction of green outdoor environments



## Ground maintenance

Renovation and maintenance of grounds and green areas



## Road maintenance and snow & ice removal

Road maintenance and snow & ice removal services

## Landscaping and construction

Green Landscaping Group has a team of landscape architects, landscape engineers and gardeners. It offers a full range of services, from design and planning to implementation of outdoor environments.

The Group has extensive expertise and experience in several project areas associated with landscaping, such as landscaping architecture, ground design, plant technology, project management, inspection and construction.

Being involved in all phases of a project creates the best conditions for lower operating costs, less maintenance and a longer lifespan for outdoor environments. Marketplaces, residential outdoor environments, parks, churchyards, playgrounds and recreation sites are just some examples of project areas.

Landscaping jobs are typically procured as own contracts, with municipalities, municipal companies or construction companies. For landscaping projects, payment is typically upon completion of the work, or, for larger projects, in accordance with a payment plan linked to various stages of completion. Landscaping projects are divided into smaller steps, which lowers the project risk. The contract value of these project is typically in the range of SEK 1–20 million. The area of operations accounted for approximately 30 percent of Green Landscaping Group's net sales in 2022.





## Ground maintenance

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Ground Maintenance is Green Landscaping Group's largest service area and it accounted for around 50 percent of the Group's net sales in 2022.

In the area of Ground Maintenance, the company offers a wide range of green area maintenance services, including cleaning, lawn mowing, pruning, planting, harvesting and road maintenance. During winter, the company offers snow and ice removal services. For ground maintenance, contracts typically stretch over several years covering all seasons. They typically run for three to five years, with the option to extend for an additional two to four years. For housing cooperatives, contracts are typically one year, with annual renewal. Customers are primarily county councils, municipalities, property managers, property companies and others who own or manage green areas associated with urban development. The business requires good knowledge of the local conditions, planning skills and efficient execution.

Landscaping and construction is closely associated with ground maintenance and it is common for there to be upselling of these services within the scope of ground maintenance contracts.



## Road maintenance and snow & ice removal

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For winter activities, it is necessary to have both management resources and drivers on hand, as needed. Preparation for these activities typically begins in September or October, depending on the location and contracts and they run through the end of April or early May.

As needed, snow and ice removal services are offered on roads, streets, park areas, marketplaces and the grounds surrounding properties. For the vast majority of these contracts, there is a fixed price for having these resources on hand, but remuneration for the actual snow and ice removal is per occasion. Snow removal on major roads is done using plows, but on smaller road networks, streets and marketplaces, smaller tractors, wheeled loading shovels and trucks are used. Essentially all snow removal also involves de-icing, where salt is used on major road networks. In other places salt/sand/gravel mixtures are used or only sand and gravel. Snow and ice removal is done manually at school playgrounds, entryways and on stairs. Once winter is over, sweepers are used to collect the sand and gravel. Sand removal services are typically at a fixed price. Most winter road maintenance is carried out in collaboration with a large number of subcontractors/machine owners. Road maintenance and snow & ice removal accounted for around 20 percent of Green Landscaping's net sales in 2022.



# Region South

Region South is comprised of the counties of Skåne and Halland, with particular emphasis on the cities of Malmö, Lund, Vellinge, Staffanstorp, Halmstad, Kävlinge and Helsingborg. The service offering in the region consists of design and planning, ground maintenance and landscaping. For 2022, Region South reported net sales of SEK 622 (539) million and EBITA of 59 (38) million. There were 347 (290) employees. Performance of the companies from the merger of Green Landscaping AB and Svensk Markservice 2020 was particularly good and it accounted for the majority of the region's profit improvement.

During 2022, the region's focus continued to be on increasing the earnings capacity of the business units that had been turned into independent companies in 2020, and continuing the positive development of the other companies. Hallandsåsens Utemiljö AB in Laholm was acquired during the year. It creates and maintains outdoor environments.

## SHARE OF THE GROUP'S NET SALES



## NET SALES

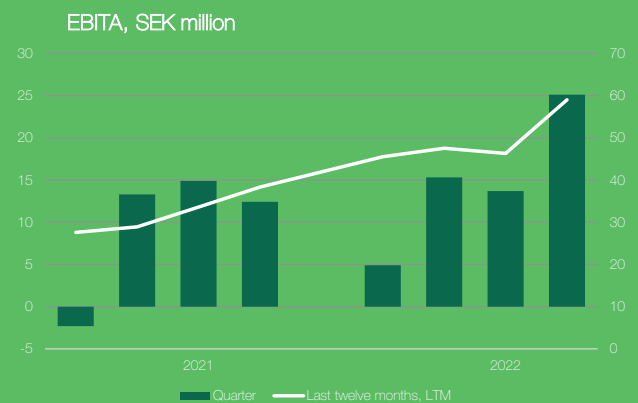
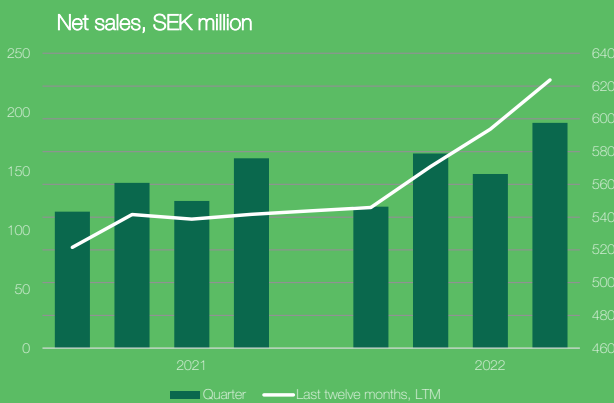
**SEK 622 million**

## EBITA

**SEK 59 million**

## EMPLOYEES

**347**



## Subsidiaries Region South



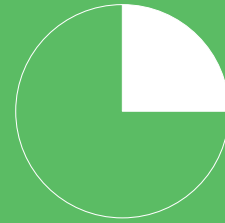


# Region Mid

Region Mid consists of Västra Götaland, Jönköping, Kronoberg and Östergötland with particular focus on the cities of Gothenburg, Alingsås, Uddevalla, Tranemo, Borås, Strömstad and Linköping. The service offering in the region consists of ground maintenance, landscaping, construction, water & sewage, as well as sports landscaping and maintenance. For 2022, Region Mid reported sales of SEK 1,226 (907) million and EBITA of 67 (27) million. There were 519 (493) employees in the region. The higher sales and earnings are primarily attributable to acquisitions, while the existing operations were stable.

Markbygg Anläggning Väst AB in Uddevalla was acquired during the year.

## SHARE OF THE GROUP'S NET SALES



## NET SALES

**SEK 1,226 million**

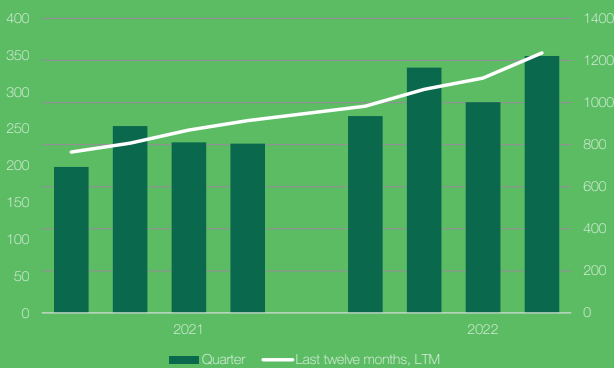
## EBITA

**SEK 67 million**

## EMPLOYEES

**519**

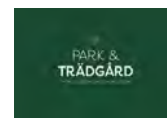
Net sales, SEK million



EBITA, SEK million



## Subsidiaries Region Mid



# Region Stockholm

Region Stockholm is comprised of the counties of Stockholm and parts of Uppland. The service offering in the region consists of ground maintenance, landscaping and arborist services. For 2022, Region Stockholm reported sales of SEK 577 (572) million and EBITA of 29 (-1) million. There were 261 (293) of employees. There was a negative impact on net sales from the discontinuation of the Stockholm North profit unit. However, organic growth compensated for this to a large extent, as did acquisitions, to a smaller extent. The earnings improvement is attributable to discontinuation of the Stockholm North profit unit, which was running at a loss, and a general improvement for many of the companies in the region.

Sorex Entreprenad AB in Malmköping was acquired during the year. It works with landscaping, construction, infrastructure and measurement technology.

## SHARE OF THE GROUP'S NET SALES



## NET SALES

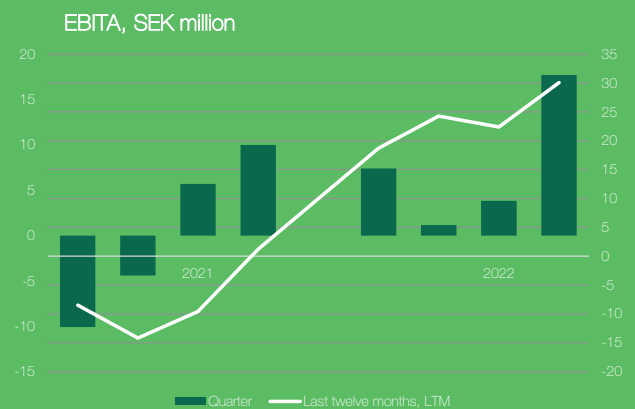
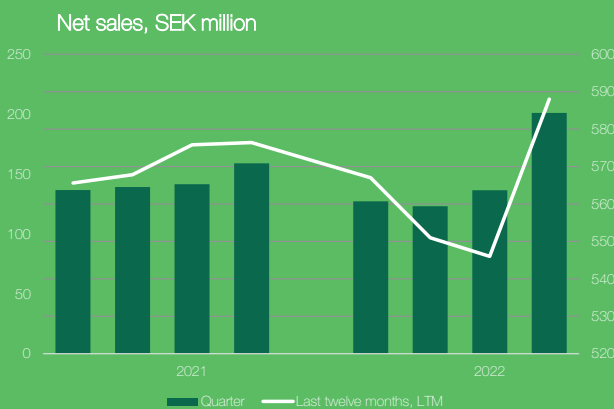
**SEK 577 million**

## EBITA

**SEK 29 million**

## EMPLOYEES

**261**



## Subsidiaries Region Stockholm





# Region North

Region North covers northern Sweden, from the counties of Värmland, Örebro and Uppsala and northwards. The service offering in the region consists of ground maintenance, road operations and landscaping. For 2022, Region North reported net sales of SEK 381 (348) million and EBITA of 34 (31) million. There were 252 (223) employees.

One of the reasons for the higher net sales was an increase in upselling. The earnings improvement during the first half of the year is attributable to upselling and higher efficiency in the business. Earnings were dampened during the second half of the year by rising costs due to inflation, which could not immediately be compensated for via price increases.

No acquisitions were made during the year.

## SHARE OF THE GROUP'S NET SALES



## NET SALES

**SEK 381 million**

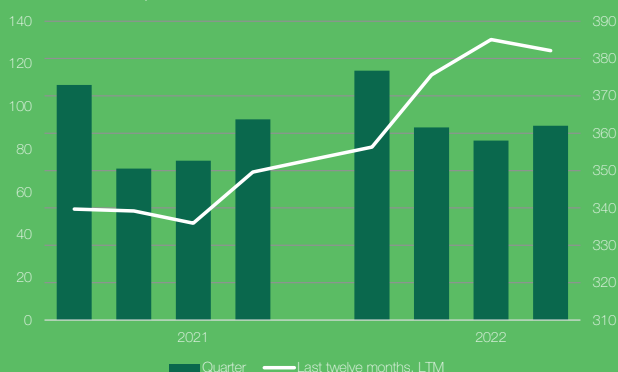
## EBITA

**SEK 34 million**

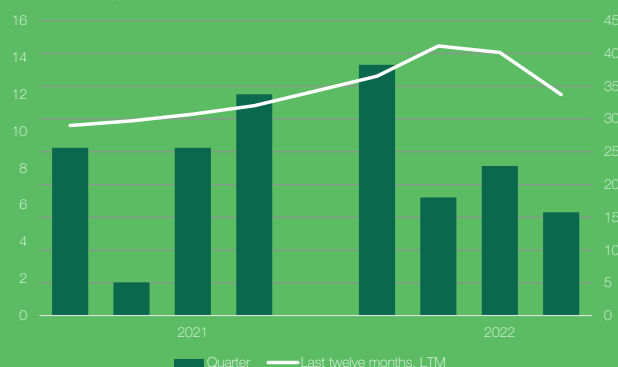
## EMPLOYEES

**252**

Net sales, SEK million



EBITA, SEK million



## Subsidiaries Region North



# Region Norway

Operations in Norway are primarily concentrated in the Oslo region. All of Green Landscaping Group's service areas are represented and offered. During the year, the region reported sales of SEK 1,945 (892) million and EBITA of 246 (145) million. There were 615 (272) employees.

The strong growth is attributable to the favorable performance of existing companies along with five acquisitions that were made during the year, which were: Glenn Syvertsen AS in Oslo (landscaping), Aktiv Veidrift AS in Drammen (land construction specializing in water & sewage, roads and maintenance), Braathen Landskapsentreprenør AS in Ytre Enebakk (wide range of services), H&K Sandnes AS in Larvik (land construction, water & sewage) and H.T. Vike AS in Sandefjord (groundwork for fuel stations and vehicle washing facilities).

## SHARE OF THE GROUP'S NET SALES



## NET SALES

**SEK 1,945 million**

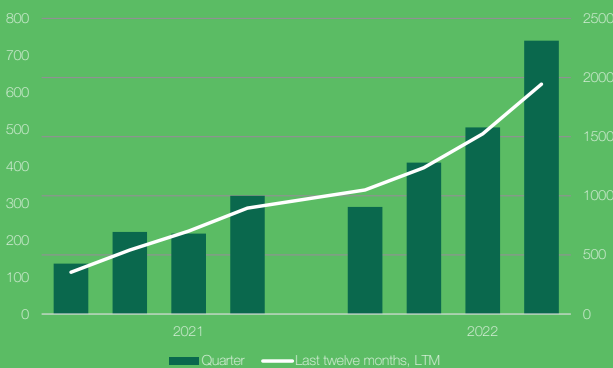
## EBITA

**SEK 246 million**

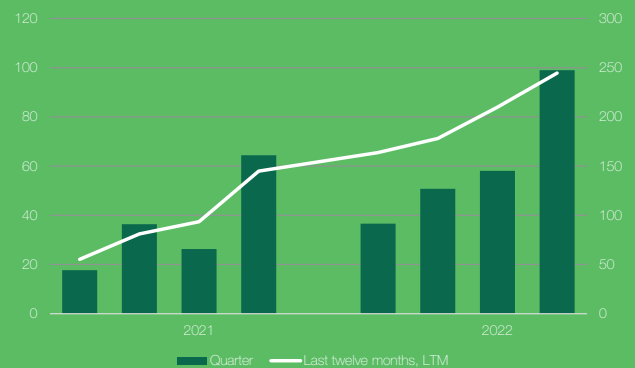
## EMPLOYEES

**615**

Net sales, SEK million



EBITA, SEK million



## Subsidiaries Region Norway





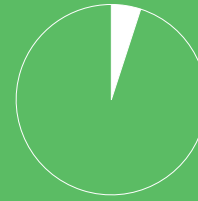
# Region Finland and other

The region was expanded at the end of the year to include operations in both Finland and Lithuania, serving primarily greater Helsinki and Vilnius. For 2022, the region reported sales of SEK 229 (65) million and EBITA of 23 (10) million. There were 131 (30) employees. The acquisition of UAB Stebulė, see below, impacted the average number of employees as of the acquisition date.

Taimisto Huutokoski Oy was acquired during the latter part of the year. It is a garden center that offers a full range of plants and trees to contractors and municipalities throughout Finland. It is located about 300 km northwest of Helsinki.

UAB Stebulė in Vilnius, Lithuania was acquired during towards the end of the year as well. It offers services in the areas of road maintenance, ground maintenance, arborist/gardening/flower beds, park & cemetery maintenance. It was Green Landscaping Group's first acquisition in Lithuania.

## SHARE OF THE GROUP'S NET SALES



## NET SALES

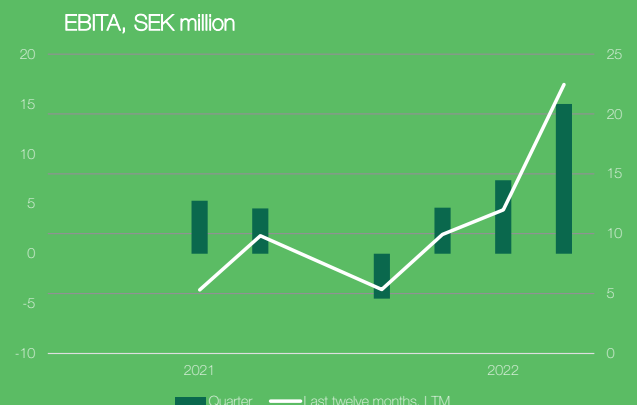
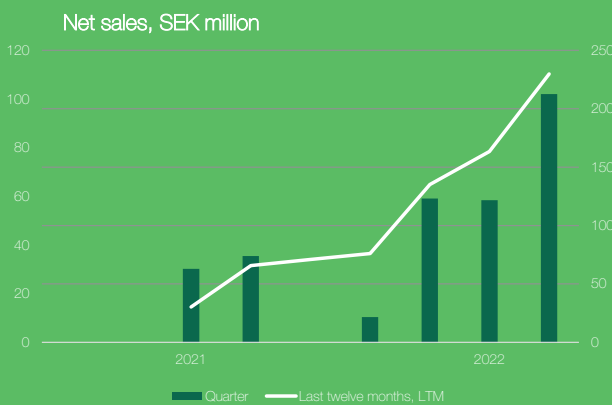
**SEK 229 million**

## EBITA

**SEK 23 million**

## EMPLOYEES

**131**



## Subsidiaries in Region Finland and other













## SUSTAINABILITY REPORT

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# Sustainable ground maintenance for people and the environment

For maintenance and landscaping of outdoor environments, the fundamental point of departure is responsibility for people and the environment. Upon the foundation of a safe, secure and stimulating work environment, Green Landscaping Group supplies safe, functional and beautiful outdoor environments for residents and users in residential areas and cities.

The population is rising and an increasing number of people are moving to cities and central locations. This increases the need for urban green areas and that is where Green Landscaping Group's operations can add the most value. The Group shall contribute with economic, social, environmental and climate-related sustainable investments and initiatives that create a healthy society and thriving entrepreneurship.



# Sustainability platform

A sustainability platform based on the 17 Sustainable Development Goals of the UN has been established in order to develop and improve the Group’s sustainability efforts in an effective and structured way.

A materiality analysis has been carried out, which gave insight and structure for prioritizing the Group’s efforts. The sustainability platform consists of three focus areas: 1. Climate-adapted production, 2. Safe, stimulating and inclusive workplace, 3. Sound business relations and stable financial development. There are strategic sustainability targets and KPIs for each focus area.

It was decided during the year to discontinue Green Steps as a group-wide program to be run instead in local recruitment initiatives. The sustainability efforts of the companies are continuously monitored to ensure that they are aligned with the Group’s sustainability platform, which is consistent with Green Landscaping Groups decentralized organizational structure. Against that background the projects for increased biological diversity are not monitored as a group-wide strategic sustainability goal.

The 2022 report covers 38 companies, compared to 27 in 2021. The larger scope also affects some of the KPIs.



Climate adapted production

**1**

Safe, stimulating and inclusive workplace

**2**

Sound business relations for stable financial development

**3**



## Strategic Sustainability Goals

Reduce CO2 emissions equivalents of 5% annually from 2021

Annually reduce the number of workplace accidents

Zero tolerance for corruption

# Governance and materiality

## Strategic sustainability goals

Green Landscaping Group has, based on our priority focus areas, decided to govern sustainability efforts based on five strategic sustainability goals:

# 1

Lowering emissions of CO<sub>2</sub> equivalents by 5 percent each year (base year 2021)

# 2

Lower the number of workplace accidents each year

# 3

Zero tolerance for corruption

## Sustainability governance

The Board of Directors and CEO have ultimate responsibility for sustainability efforts within the Group. However, they have delegated some of that responsibility to the various subsidiaries.

Sustainability efforts are based on Green Landscaping Group's values and regulated via the Group's policies, where the Code of Conduct and Sustainability Policy serve as the foundation for this work. These policy documents provide us with guidance on how the Group shall create value, contribute to a sustainable society, prevent risks in our operations and manage unexpected events.

The sustainability platform and follow-up on it is presented regularly to the Board.

Sustainability efforts are characterized by responsibility, openness, ethical behavior and respect for our stakeholders. Sustainable development shall be achieved via our work with continual improvements, long-term customer relationships, skilled employees and planning of our operations.

For 2022, two prior strategic goals were delegated to the company level. A clearer strategic goal was also added to the companies' internal sustainability plans.

## Follow-up of sustainability efforts

Follow-up and evaluation of sustainability efforts is on a regular basis that occurs at the business level in conjunction other goal monitoring. It is also aggregated at the Group level. Results are discussed and action plans are implemented whenever there are deviations. Once per year, a more thorough evaluation is carried out of the current performance indicators and ongoing activities. It means that the criteria are validated and measured. For 2022, the performance indicators were updated. Updates were also made in 2022 to help facilitate compliance with the EU Taxonomy Regulation.



## UN Sustainable Development Goals most relevant to Green Landscaping Group

Green Landscaping Group has studied its own operations to identify the SDGs where it can make the most significant contribution. This occurred during winter 2020/2021 and for 2022, no change was made to this. Few changes are made to the measurement methods so that there is comparability over time. Green Landscaping Group has identified SDGs 8, 9, 11, 12 and 15 as the primary goals for guiding its sustainability efforts and striving for continuity in those efforts.

### 8 DECENT WORK AND ECONOMIC GROWTH



#### SDG 8 Decent work and economic growth

In its role as employer, client of subcontractors and owner of subsidiaries, Green Landscaping Group is responsible for ensuring that individuals involved in operations work in an environment that is safe, secure, stimulating and non-discriminatory. By running a well-founded and financially sound business, Green Landscaping Group can also contribute to economic growth for individuals and society.

### 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



#### SDG 9 Sustainable industry, innovations and infrastructure

A significant portion of Green Landscaping Group's business contributes to sustainable infrastructure. This occurs primarily through maintenance and construction of parks and green areas, along with maintenance and snow & ice removal of roads. In order to be relevant in these areas, innovation is an integral part of the company's business model. Green Landscaping Group strives to, at all times, develop more efficient and sustainable methods in order to meet the requirements and expectations of its clients.

### 11 SUSTAINABLE CITIES AND COMMUNITIES



#### SDG 11 Sustainable cities and societies

In many ways, this is the Group's core business. Green Landscaping Group maintains and constructs green areas with the intention of creating environments that are safe, inclusive and accessible to all, regardless of age, gender, ethnicity and functional ability.

### 12 RESPONSIBLE CONSUMPTION AND PRODUCTION



#### SDG 12 Sustainable consumption and production

Through responsible waste management activities and essentially no use of chemicals in operations, Green Landscaping Group works in a focused way to contribute to sustainable consumption and production within the area of ground maintenance. Diesel-fueled vehicles and petrol-powered tools are also being phased out and replaced by electric vehicles and tools. Digitalization also offers new opportunities in ground maintenance for making production even more resource efficient.

### 15 LIFE ON LAND



**SDG 15 Ecosystems and biodiversity** When Green Landscaping Group is involved in a project, it typically involves considering, protecting and developing biodiversity by, for example, establishing meadows and fighting invasive species. Resource-efficient water use is another important area in which the company also takes many measures, for example by using water sacks for tree watering and by participating in projects to utilize stormwater in new construction and renovations.

## Stakeholder engagement

Stakeholder engagement is based on interviews with employees, customers, owners, suppliers and investors. Other stakeholders, such as government authorities, trade unions, industry associations and specialist networks, also have influence and expectations on the company's sustainability work, but we did not specifically gather the perspectives of these stakeholder groups on this occasion. Feedback from these interviews served as the basis for the materiality analysis and it has influenced the selection of our focus areas. These perspectives influence the decisions we will make in the years ahead as well.

## Plan for engagement

The intention is for there to be decentralized decision-making and activities at the subsidiary level. It is important that customer communication occurs at the local level. Besides these in-depth interviews, Green Landscaping Group regularly collects various stakeholders' perspectives on the company's operations. An overall description of how this works is provided below.

Stakeholder groups	Plan for engagement
Employees	Annual employee surveys, site meetings, performance appraisals, collaboration with unions
Customers	Regular meetings with customers, evaluation meetings and annual customer satisfaction surveys
Suppliers	Recurring contacts, procurements, requests for quotations, follow-up meetings, planning and coordination meetings.
Shareholders and investors	Interim reports, Annual Report and Sustainability Report, AGM, meetings and engagement.
Interest groups	Membership and participation in various industry organizations and interest groups.
Society	Contact with government authorities, legislators and municipalities and meetings to discuss current matters, as needed

## Materiality analysis

The point of departure for preparing the materiality analysis is Green Landscaping Group's business, the SDGs that the Group has decided to prioritize, along with feedback collected from engagement with stakeholders and perspectives of the Group's other stakeholders on what to prioritize in the work with sustainability.

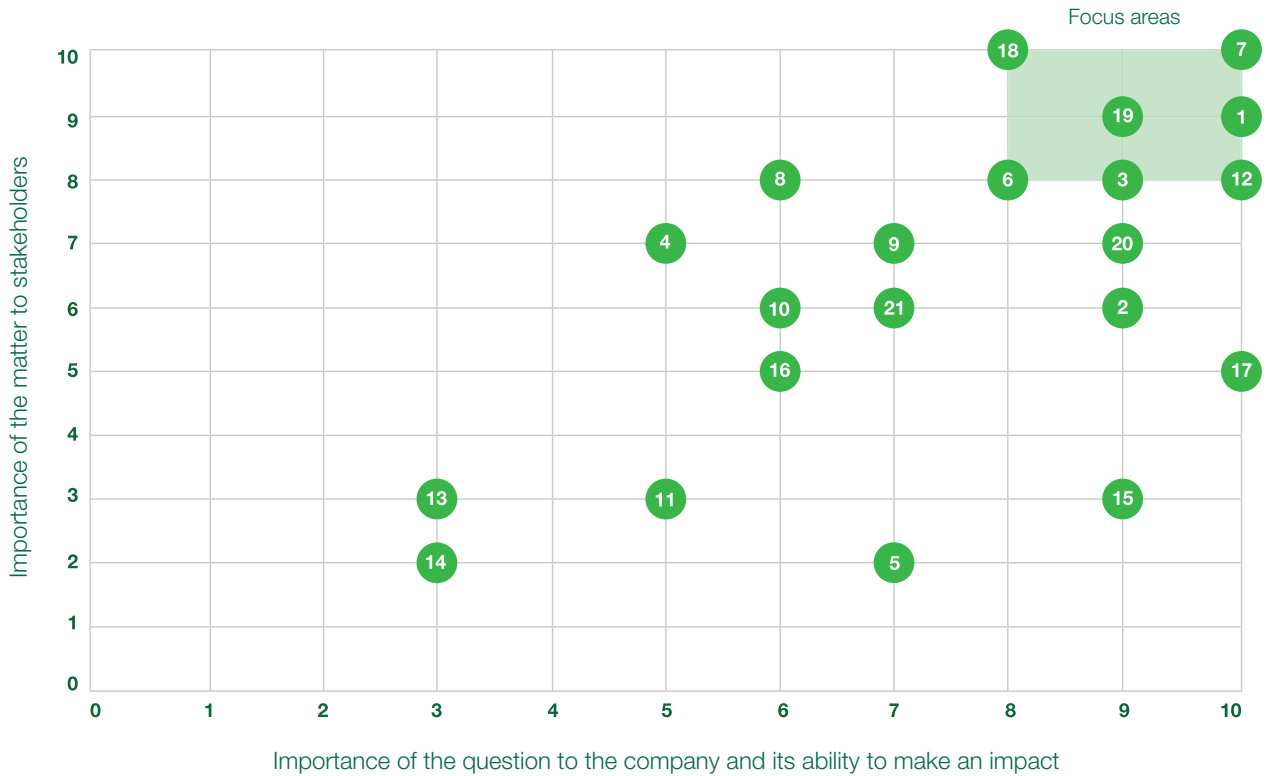
The interviews carried out as part of the stakeholder engagement process focused on the sustainability issues that Green Landscaping Group has determined it can contribute the most to, or those most relevant to the Group's operations.

Stakeholder engagement was an important contributing factor in the assessment of which issues were most central, weighed against the Group's ability to deliver concrete results. The results uncovered the issues that are most relevant to the Group's operations and thus the areas that the Group should focus on when pursuing its sustainability work.

Green Landscaping Group has decided to summarize these issues into three focus areas:

- 1** | Climate-adapted production
- 2** | Safe, stimulating and inclusive workplace
- 3** | Sound business relations for stable financial development





**ENVIRONMENTAL SUSTAINABILITY**

- 1. On a scale of 1-10, how important do you feel that it is for Green to be working to lower the negative climate impact of its operations?
- 2. On a scale of 1-10, how important do you feel that it is for Green to be working to lower energy consumption?
- 3. On a scale of 1-10, how important do you feel that it is for Green to be working to lower resource consumption and for higher circularity?
- 4. On a scale of 1-10, how important do you feel that it is for Green to be working on responsible waste management?
- 5. On a scale of 1-10, how important do you feel that it is for Green to be working to preserve biodiversity?
- 6. On a scale of 1-10, how important do you feel that it is for Green to be working to lower the use of chemical pesticides and other chemicals?

**SOCIAL SUSTAINABILITY**

- 7. On a scale of 1-10, how important do you feel that it is for Green to be working to create a safe and secure work environment for its employees?
- 8. On a scale of 1-10, how important do you feel that it is for Green to be working for good health and well-being among its employees?
- 9. On a scale of 1-10, how important do you feel that it is for Green to be working on equality between men and women in its workplaces?
- 10. On a scale of 1-10, how important do you feel that it is for Green to be working on diversity among its employees?
- 11. On a scale of 1-10, how important do you feel that it is for Green to be actively working with initiatives to achieve better social integration in society?
- 12. On a scale of 1-10, how important do you feel that it is for Green to be working to achieve a high level of

**employee engagement?**

- 13. On a scale of 1-10, how important do you feel that it is for Green to prioritize activities that create security, within the scope of its work with maintenance of green areas and other public areas?
- 14. On a scale of 1-10, how important do you feel that it is for Green to prioritize activities that increase accessibility, within the scope of its work with maintenance of green areas and other public areas?
- 15. On a scale of 1-10, how important do you feel that it is for Green to be working to achieve a higher level of entrepreneurship in society/within its business?
- 16. On a scale of 1-10, how important do you feel that it is for Green to be working to achieve a higher level of innovative power in society/within its business?
- 17. On a scale of 1-10, how important do you feel that it is

for Green to be working with responsible purchasing and relationships with its sub-suppliers and subcontractors?

- 18. On a scale of 1-10, how important do you feel that it is for Green to be working to counteract corruption?
- 19. On a scale of 1-10, how important do you feel that it is for Green strives to have a sound and stable financial position?
- 20. On a scale of 1-10, how important do you feel that it is for Green to be working to achieve a good level of profitable economic growth through ethically and morally responsible operations?
- 21. On a scale of 1-10, how important do you feel that it is for Green to deliver cost-effective ground maintenance with focus on the user?

**BUSINESS SUSTAINABILITY**







# 1

## Focus area 1: Climate-adapted production

Green Landscaping Group shall run the business and carry out ground maintenance assignments with the aim of avoiding any negative climate impact. The long-term goal is to be climate-neutral by 2045, which is also a demand from our key customers. Through these priorities, Green Landscaping Group contributes to SDG 9, 11, 12 and 15. The work focuses on:



Conscientious efforts to improve energy and resource efficiency via the choice of machinery, tools and working methods. Petrol and diesel-powered vehicles and tools are being replaced with electrically powered ones, to the extent possible. Work methods can be made more energy efficient through work planning. Digitalization is a tool for achieving that.



Conscientious efforts to lower the amount of waste produced by the organization facilitate circularity and improvements in waste management. Various measures to achieve this occur in the purchasing function, with the choice of working methods and in work planning.



Conscientious efforts to reduce the use of chemicals used in the business. Chemical pesticides are only used to a very limited extent. Alternative tools are regularly evaluated at the subsidiary level with the aim of lowering pesticide use to zero.

### PERFORMANCE INDICATORS

KPI	2022	2021	Goal	Goal fulfillment	Comments
CO2 emissions, Scope 1, as a percentage of sales	2.95	2.55	5% annual decrease	✘	During the year, several companies with a higher machine intensity were acquired, which explains the increase.

Unit: X tons CO2 equivalents/SEK million in sales.  
Data includes the companies that were part of the Green Landscaping Group at the beginning of each year.

## Measures to lower energy consumption and greenhouse gas emissions

Green Landscaping Group fall under the scope of the Swedish Law on Energy Audits in Large Companies. The calculations show that the company's largest climate impact comes from transports and work with machinery, since these things primarily rely on fossil fuels. That is why it is within this area that measures are being prioritized.

Subsidiaries are focusing on selling their oldest vehicles first and reallocating newer cars within the organization, to balance a higher need at one subsidiary with a lower need in another. Through the rejuvenation of the vehicle and machinery fleet, the proportion of fuel-efficient and fossil-free vehicles and machines is increasing, which helps lower the environmental impact.

Other examples of efforts that are also being made to reduce energy consumption and greenhouse gas emissions:

- More use of electric cars for shorter transports
- More use of electric power tools
- Implementation of a working method for route planning that results in shorter routes, lower fuel consumptions and cost savings
- Identified and implemented measures to reduce energy consumption in office premises, garages, warehouses and staff areas
- Planting of trees, bushes and sedum, which partially compensates for the company's own emissions

## Management of environmentally hazardous products

The subsidiaries have routines in their management systems for storage, use and waste management of environmentally hazardous products. There are strict rules and documentation requirements on the handling and use of chemical products, which is something we continuously follow up on. Safety and product information for the chemical products we use is available in a mobile app so that our employees can easily access the information while on site. Chemical products are generally used to a very small extent. Mechanical methods are almost always used in ground maintenance activities. Where that is not possible, we strive to choose the least hazardous products.

## Waste and recycling

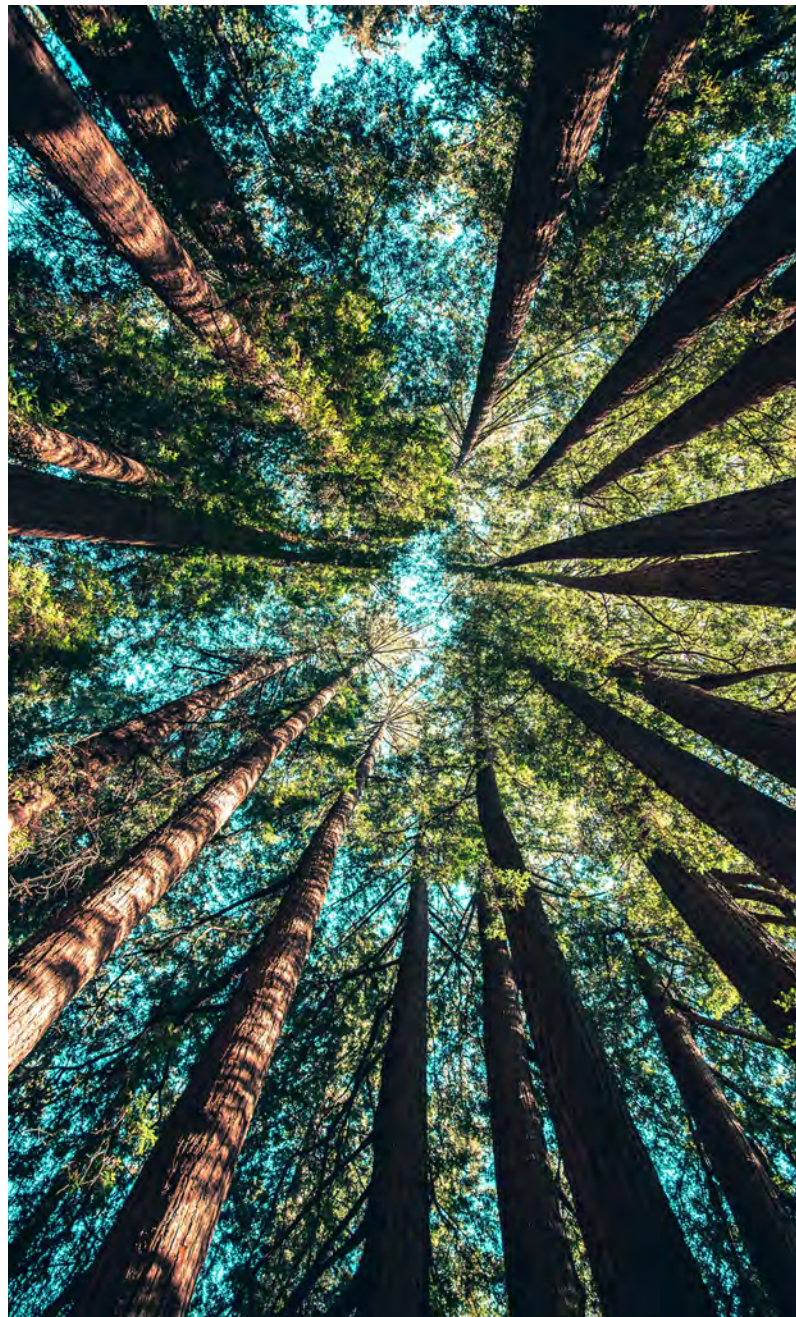
Green Landscaping Group's business generates various types of waste, such as organic waste from land management and unsorted waste from bins. With landscaping activities, waste is often generated in the form of old, torn-up asphalt, concrete and wood. From the organization's own activities, there is office waste, electronics and some chemical residues and packaging. In the companies' management systems, there are routines for how the various types of waste are to be managed

such that there is the lowest possible environmental impact. Most of the waste is sorted and left for recycling. Organic waste is reused in the company's own operations.

## Risk inventory

The Group has identified two types of risks related to the focus area of climate-adapted production. Climate change could result in a higher need for ground maintenance as a result of more rainfall and warmer temperatures. This means not only more types of ground maintenance, but also more intensive efforts. The higher level of activity results in higher revenue during the summer, but warmer temperatures in winter mean less activity and thus lower revenue when we get rainfall rather than snow.

The risk can be partially countered by temporary employment of the workforce, enabling a faster adaptation of capacity and costs in case of sudden changes in demand.





# 2

## Focus area 2: Safe, stimulating and inclusive workplace

Green Landscaping Group’s most important resource is its employees. Committed, motivated employees create the conditions for being able to deliver effectively and with high quality. Green Landscaping Group prioritizes activities in three areas in order to be an attractive employer and create the best possible conditions for employees. In this way, the Group contributes to SDG 8.



Green Landscaping Group has a zero vision for workplace accidents. It also has established routines for incident and accident reporting. Safety training is regularly offered to employees and subcontractors. Regular, systematic workplace inventories are also carried out to identify situations and tasks where action is required to develop and improve the work environment and safety.



Training and skill development are prioritized in order to create a participatory, motivating and stimulating workplace. Managers are offered training in coaching techniques.



Green Landscaping Group absolutely believes in diversity in the workplace. The Group is working proactively to increase awareness within the organization about this, which includes the recruitment function and leadership positions in particular.

### PERFORMANCE INDICATORS

KPI	2022	2021	Goal	Goal fulfillment	Comments
Number of incidents* per FTE**	0.24	0.17	Reduction	✗	More focus on incident reporting
Number of accidents FTE**	0.05	0.08	Reduction	✓	Increased focus has raised awareness and boosted safety efforts
Accidents resulting in death per FTE**	0.00	0.00	0	✓	No deaths have occurred.

Unit: Number/FTE\*\*

\* Incident = Events that might have resulted in an LTA

\*\* FTE = Full-Time Equivalent

\*\*\* LTA = Lost Time Accident (accidents where a person needs be put on sick leave)

## Employee surveys

Green Landscaping Group applies a decentralized business model. It means that subsidiaries have full commercial responsibility and great freedom to run their business independently of each other and the Group. As a rule, they have strong local ties and run the business under their own brand. Employee surveys are regularly carried out at the company level. The results are used locally and not consolidated at the central level. Employee surveys are an important tool for developing the companies.

## Skill development

Green Landscaping Group strives to be an attractive workplace for potential and existing employees, offering them interesting tasks and assignments, competent leadership, short decision paths, skill development and opportunities to both influence and make a difference.

## Safe environment and healthy employees

Green Landscaping Group's operations fall within the scope of laws and regulations on health & safety and the work environment. Accident statistics are used to help prevent workplace accidents. Employees at subsidiaries receive continuous training to ensure that appropriate protective equipment is always used, and used correctly.

Through our training initiatives and input from TCYK, we identify the skill areas that employees would like to develop that would mitigate the work environment risks.

As part of our management of accidents and incidents, we identify root causes and remedy problems at the source. We also improve the quality of our work and prevent both risks and recurring problems.

## Equality and diversity

All employees shall be treated equally. Diversity in the organization is valued and encouraged, and reflects the diversity in the market. Everyone is assessed on the basis of their competence, both job seekers and employees alike. No forms of discrimination or harassment are tolerated and such behavior is proactively counteracted. Green Landscaping Group shall offer a workplace where all employees treat each other with respect. For all employees, this promotes health, work satisfaction and opportunities for developing their skills.

The Group has an HR policy that has been distributed to all employees.

Green Landscaping Group's belief is that a workplace with diversity, free from discrimination and harassment, creates a thriving work environment where employees' skills are utilized and developed and the company's customer offering and prof-

itability are improved. The purpose is to ensure that everyone, regardless of differences, has the same opportunities regarding employment, working conditions and development opportunities.

## UN Principles on Human Rights

Green Landscaping Group is committed to following international standards stated in the UN Guiding Principles on Business and Human Rights, along with the ILO Declaration on Fundamental Principles and Rights at Work. Respect for human rights should permeate the entire organization. It is also a fundamental obligation to customers. There are risk areas throughout the entire value chain, from suppliers to customers, where violations of human rights could have a negative impact on the business. If a supplier were to violate the standards on human rights, it could not only negatively impact the company's reputation, but also impact daily production capacity if the relationship with that supplier needs to suddenly be terminated.

The Code of Conduct states that all employees must respect the Universal Declaration of Human Rights adopted by the UN and follow international laws and agreements on child labor. Furthermore, no employee should ever experience discrimination based on age, gender, religion, sexual orientation, political opinions, ethnicity or membership in a trade union. All employees are encouraged to report violations of applicable laws/regulations or lack of compliance with the Code of Conduct. The Code of Conduct and policies specify the standards that employees and suppliers are expected to comply with in order to respect human rights. Overall responsibility lies with the CEO and Board of Directors.

## Risk inventory

Green Landscaping Group relies on analyses from external rating institutes to assess the level of work with sustainability issues. The analyses also provide a good understanding of the requirements that the market has and insights into developments in the area.

The following risks related to the focus area of safe, stimulating and inclusive workplace has been identified:

- There is a risk that employees or others who are engaged by the Group fail to comply with health & safety regulations, environmental regulations or that they fail in other ways. In conjunction with performing the work, such failures could result in personal injury, or in the worst case, death.
- There is a risk of violations of human rights in running the daily operations. This can be due to incorrect or failed internal processes associated with social commitments, human error, legal risks or corruption.



In practice the responsibility for the work on human rights, and to comply with relevant policies and legislation, rests with each subsidiary. The risk is managed by keeping safety regulations, health and environmental standards available and up-to-date, and that incidents are reported and measures are taken to limit, or alternatively eliminate, the risks.



## 3

## Focus area 3: Sound business relations for stable financial development

A prerequisite for successful business relations is having sound relations with customers, suppliers and other business partners, along with a stable financial position that makes it possible to run and develop a successful business. In order to achieve that, Green Landscaping Group prioritizes two areas and in doing so, contributes to SDG 8.



To counteract corruption, Green Landscaping Group has routines in place for ensuring that its suppliers comply with laws and regulations. Employees of the Group must also comply with the Code of Conduct, which clearly prohibits and distances itself from bribes and illicit benefits.



The financial targets stipulate what represents a stable financial position. According to those targets, the Group shall maintain a sales growth rate of 10 percent, an EBITA margin of 8 percent as a measure of profitability and a gearing ratio that does not exceed EBITDA 2.5 times.

### PERFORMANCE INDICATORS

KPI	2022	2021	Goal	Goal fulfillment	Comments
Confirmed cases of corruption, number	0	0	0	✓	No cases of corruption were reported or otherwise discovered.
Reported whistleblower cases, number	2	0	0	✗	Upon investigation, no cases have revealed violations.
Total revenue, SEK m	4,810	3,182	+10%	✓	Revenue increased by 53 percent, primarily as a result of having made several acquisitions. Organic growth was 7 percent.
EBITA margin, %	8.5	7.3	8%	✓	Higher profitability in several of the existing companies. Acquisition of new companies with high margin.
Gearing ratio, times	2.4	2.4	< 2.5	✓	The gearing ratio was maintained in line with the target.





## Code of Conduct

The purpose of the Code of Conduct is to communicate our ethical values and business principles to all of our employees, customers, suppliers, business partners and owners. It also provides us with guidance when carrying out our everyday tasks. Areas covered include conflicts of interest, gifts and entertainment, bribery and many other important topics. The Code of Conduct has been adopted by Green Landscaping Group's Board of Directors. The Group's CEO has delegated responsibility for its implementation and ensuring compliance with the Code to the CEO of each subsidiary. All employees are informed of the Code of Conduct and required to sign that they have read, understood and are committed to following the principles therein.

The Code of Conduct is based on five main areas:

1. Compliance with all applicable laws and regulations, along with the collective agreements that the company has signed.
2. Maintaining a high level of ethical behavior and respecting the rights and dignity of all people and partners. Furthermore, we must never accept, offer or confer illegal benefits or gifts.
3. Never, in any way, competing with the company's business operations and completely avoiding conflicts of interest that could damage the Group.
4. Keeping the company's business, financial and technical information along with internal business documents strictly confidential and never abusing Green Landscaping's or other companies' tangible or intangible assets.
5. Actively striving to comply with Green Landscaping Group's Code of Conduct.

Green Landscaping Group's Code of Conduct has been published on the company's website, <https://www.glgroup.se/en/our-sustainability-work/code-of-conduct/>

## Measures to combat corruption

Green Landscaping Group's size makes it possible for the Group to set requirements on sustainability at many levels. The number of suppliers is limited to ensure integrity and sustainability throughout the entire supply chain.

For Green Landscaping Group, anti-corruption efforts are a strategic sustainability goal and we actively pursue anti-corruption initiatives both internally and externally. The Code of Conduct covers many areas, such as conflict of interest, gifts and entertainment, the environment, work environment, and our relationships with both suppliers and subcontractors. There are routines in place for assessing and approving suppliers. The aim is to ensure that suppliers comply with all binding requirements and that we have control over our supplier base. The routine consists of checking the following:

1. Reports on the supplier's credit rating and that the supplier has an F-tax certificate.
2. That the supplier has ID06 (a system for electronic personnel registries in the construction industry for the purpose of creating a safer work environment and ensuring that only a legal workforce is present on the construction site).
3. The supplier must confirm with Green Landscaping Group that they comply with the applicable legislation, purchasing terms and the Group's Code of Conduct.

The goal is for all of Green Landscaping Group's suppliers to have been issued and informed about the Code of Conduct and Sustainability Policy.

## Whistleblower function

The purpose of Green Landscaping Group's whistleblower function is to minimize risks. It helps uphold good corporate governance and maintain the confidence of customers, employees and society. It is publicly available and can be used by employees, customers, suppliers, subcontractors and others.

The routine is part of Green Landscaping Group's preventive efforts to combat corruption, irregularities and misconduct. Reports are made to the Chairman of the Audit Committee, Åsa Källenius, who is independent. In 2022, two cases were reported through the whistleblower function. No violations were revealed.

### Third-party certified management system for quality, the environment and work environment

Some of the Group's subsidiaries have management systems that have been certified by a third party. The system covers environmental management in accordance with ISO 14001:2015, quality management in accordance with ISO-9001:2015 and health & safety management in accordance with OHSAS 18001:2007. The standards and management systems put demands on the companies and their employees to follow the applicable legislation, along with other rules and regulations. Examples of such are Swedish laws, regulations issued by the national and/or municipal authorities, industry regulations, etc. This is done through:

- Compliance with changes in legislation, rules and regulations.
- Revision of routines and guidelines based on changes in legislation, rules and regulations.
- Informing employees about the applicable rules, regulations and legislation.

### Purchasing

The Group's subsidiaries collaborate with carefully selected suppliers of both goods and services. There is always a desire to set up long-term business relationships. The suppliers that Green Landscaping Group recommends represent the company when carrying out their assigned tasks, which involves exposure to various types of quality, environmental and work environment risks. The goal is for all them to have accepted the Code of Conduct.

### Satisfied customers

Good service is important. Satisfied customers is a prerequisite for growth and development opportunities. Without that, there is a risk of slow processes, appeals and negative publicity. We also have a responsibility to contribute to social sustainability and tolerance in society. Meetings with customers are in digital forums and in person. Some of our subsidiaries conduct customer surveys.

### Stable financial development

Much of the sustainability work is focused on making responsible financial decisions. For customers, it is very important that Green Landscaping Group has sustainable, stable operations and a good credit rating. Since 2017, Green Landscaping

Group has been focusing on profitable growth via both organic growth and acquisitions. Green Landscaping Group strives to maintain a stable credit rating.

### Risk inventory

The following risks related to the focus area of sound business relations for stable financial development has been identified:




- Corruption primarily arises through interaction with suppliers since collaboration with suppliers on the service side often is relationship-based. This risk pertains to all parts of the organization that work with purchasing.
- Subsidiaries engage subcontractors to supplement their own staff. There is a risk that subcontractors fail to comply with the laws and requirements applicable to our operations concerning such things as quality, the environment and work environment.

In practice, the responsibility for countering corruption and to comply with relevant policies and legislation, rests with each subsidiary. In the acquisition process, considerable effort is put into assessing the acquired object's corporate culture with regard to business relationships with customers as well as with suppliers and the company's own staff. That the companies that become part of the Green Landscaping Group have healthy values is central."





# Fulfillment of strategic sustainability goals

TARGET	RESULT	GOAL FULFILLMENT	COMMENTS
Lowering emissions of CO2 equivalents per SEK sales by five percent each year (base year 2021)	<b>+16%</b>		During the year, several companies with a higher machine intensity, and thus higher emissions per SEK sales were acquired, which explains the increase. For comparable units, the increase was 2 percent.
Lower the number of workplace accidents each year/ FTE	<b>-38%</b>		Increased focus has raised awareness and boosted safety efforts
Zero tolerance for corruption	<b>0</b>		No cases of corruption were reported or otherwise discovered

# EU Taxonomy Regulation

## Background

The EU taxonomy establishes a classification system that aims to provide companies and investors with a common language to identify whether economic activities can be considered environmentally sustainable. The framework aims to help companies and financial markets both within and outside the EU steer more capital towards sustainable investments. A third-party analysis has been carried out, which concluded that some of Green Landscaping Group's activities fall under the scope of the EU Taxonomy.

## Analysis

During the year, an updated assessment of Green Landscaping Group's activities was carried out, in accordance with the Taxonomy Climate Delegated Act (EU) 2021/2139. All of the Group's activities were once again assessed to identify which economic activities fall under the scope of the Taxonomy, based on NACE code standards, with effort put into ensuring that all of the Group's activities were considered in the analysis. Based on that, it was concluded that the activity, "Collection and transport of non-hazardous waste in source-segregated fractions" is done by three companies.

This activity involves separate collection and transport of non-hazardous waste into source-segregated fractions so that the waste can be reused or recycled. For Green Landscaping Group, the three companies previously mentioned collect gravel and waste from bins at parks, which, although small in scope, are recurrent activities for them.

In total, 0.5 percent of the Group's sales, 1 percent of CapEx and 0.6 percent of OpEx is covered by the EU Taxonomy Regulation. The majority of sales, CapEx and OpEx is thus not covered.



# EU Taxonomy Regulation

## Disclosure 2022 - KPI sales

SALES				Criteria for substantial contribution							Criteria for Do No Significant Harm (DNSH)										
Economic activities	Codes	Absolute sales (SEK m)	Percentage of sales (%)	Climate change mitigation (%)	Climate change adaptation (%)	Water and marine resources (%)	Circular economy (%)	Pollution (%)	Biodiversity and ecosystems (%)	Climate change mitigation (Yes/No)	Climate change adaptation (Yes/No)	Water and marine resources (Yes/No)	Circular economy (%)	Pollution (Yes/No)	Biodiversity and ecosystems (Yes/No)	Minimum protective measures (Yes/No)	Taxonomy-eligible percentage of sales, year N (%)	Taxonomy-eligible percentage of sales, year N-1 (%)	Category (enabling activities) (E)	Category (transition activities) (T)	
<b>A. ACTIVITIES COVERED BY THE TAXONOMY</b>																					
A.1 Environmentally sustainable activities (Taxonomy-eligible)																					
N/A																					
Sales of environmentally sustainable activities (Taxonomy-eligible) (A.1)																					
A.2 Activities covered by the taxonomy but which are not environmentally sustainable (non Taxonomy-eligible)																					
5.5 Collection and transport of non-hazardous waste in source segregated fractions.																					
Sales of the activities covered by the Taxonomy but which are not environmentally sustainable (non Taxonomy-eligible (A.2))																					
<b>Total (A.1 + A.2)</b>																					
<b>A. ACTIVITIES NOT COVERED BY THE TAXONOMY</b>																					
Sales of the activities not covered by the Taxonomy (B)																					
<b>Total (A + B)</b>																					

\* Sales have been defined as follows: all revenue for the company during the period.

## Disclosure 2022 - KPI CapEx

CAPEX				Criteria for substantial contribution							Criteria for Do No Significant Harm (DNSH)										
Economic activities	Codes	Absolute CapEx (SEK m)	Percentage of CapEx (%)	Climate change mitigation (%)	Climate change adaptation (%)	Water and marine resources (%)	Circular economy (%)	Pollution (%)	Biodiversity and ecosystems (%)	Climate change mitigation (Yes/No)	Climate change adaptation (Yes/No)	Water and marine resources (Yes/No)	Circular economy (%)	Pollution (Yes/No)	Biodiversity and ecosystems (Yes/No)	Minimum protective measures (Yes/No)	Taxonomy-eligible percentage of CapEx, year N (%)	Taxonomy-eligible percentage of CapEx, year N -1 (%)	Category (enabling activities) (E)	Category (transition activities) (T)	
<b>A. ACTIVITIES COVERED BY THE TAXONOMY</b>																					
A.1 Environmentally sustainable activities (Taxonomy-eligible)																					
N/A																					
CapEx of environmentally sustainable activities (Taxonomy-eligible) (A.1)																					
A.2 Activities covered by the taxonomy but which are not environmentally sustainable (non Taxonomy-eligible)																					
5.5 Collection and transport of non-hazardous waste in source segregated fractions.																					
	E38.1.1	1	0,9%																		
CapEx of the activities covered by the Taxonomy but which are not environmentally sustainable (non Taxonomy-eligible (A.2))																					
		1	0,9%																		
<b>Total (A.1 + A.2)</b>																					
		<b>1</b>	<b>0,9%</b>														<b>0%</b>	<b>0%</b>	<b>-</b>	<b>-</b>	
<b>A. ACTIVITIES NOT COVERED BY THE TAXONOMY</b>																					
CapEx of the activities not covered by the Taxonomy (B)																					
		105	9%																		
<b>Total (A + B)</b>																					
		<b>106</b>	<b>100%</b>																		

\*\* CapEx has been defined as follows: Acquisitions of intangible assets and PPE during the period, not including goodwill or new right-of-use assets. It also includes business combinations.



### Disclosure 2022 - KPI OpEx

OPEX				Criteria for substantial contribution						Criteria for Do No Significant Harm (DNSH)										
	Codes	Absolute OpEx (SEK m)	Percentage of OpEx (%)	Climate change mitigation (%)	Climate change adaptation (%)	Water and marine resources (%)	Circular economy (%)	Pollution (%)	Biodiversity and ecosystems (%)	Climate change mitigation (Yes/No)	Climate change adaptation (Yes/No)	Water and marine resources (Yes/No)	Circular economy (%)	Pollution (Yes/No)	Biodiversity and ecosystems (Yes/No)	Minimum protective measures (Yes/No)	Taxonomy-eligible percentage of OpEx, year N (%)	Taxonomy-eligible percentage of OpEx, year N -1 (%)	Category (enabling activities) (E)	Category (transition activities) (T)
Economic activities																				
A. ACTIVITIES COVERED BY THE TAXONOMY																				
A.1 Environmentally sustainable activities (Taxonomy-eligible)																				
N/A																				
OpEx of environmentally sustainable activities (Taxonomy-eligible) (A.1)																				
A.2 Activities covered by the taxonomy but which are not environmentally sustainable (non Taxonomy-eligible)																				
5.5 Collection and transport of non-hazardous waste in source segregated fractions.																				
OpEx of the activities covered by the Taxonomy but which are not environmentally sustainable (non Taxonomy-eligible (A.2))																				
<b>Total (A.1 + A.2)</b>																				
A. ACTIVITIES NOT COVERED BY THE TAXONOMY																				
OpEx of the activities not covered by the Taxonomy (B)																				
<b>Total (A + B)</b>																				

\*\*\* OpEx has been defined as follows: Other external costs, costs for remuneration to employees, and other operating expenses.

# Sustainability projects

## Emission-free art park

Oslo Municipality is making its biggest investment in art in many years with Klosterenga Park, a sculpture park where water and art meet. The municipality stated requirements that the construction should be entirely emission free, which is very demanding for an assignment of this size. Braathen Landskapsentreprenor gathered all of the suppliers together and jointly, they arrived at innovative solutions to meet that requirement.



## Järva Friområde

Grön Stad Mark och Anläggning maintains the park and nature land of Järva Friområde, which consists of Hansta Nature Reserve and Igelbäcken Cultural Reserve. Maintenance of the area must contribute to preserving and developing the rich park and natural environment. It must also contribute to increased safety and accessibility, thereby boosting the recreational value of the area for those who use it.



## Picnic tables of recycled elm

Ravenwood has installed a gigantic picnic table close to the popular beach, Sättra Strandbad. A fallen elm was used to create a table and benches that is 5 x 5 meters in size, of which the tabletop is 1.4 meters wide and 16 cm thick. This spectacular piece of furniture is situated near the grill area and it can accommodate many people, hopefully also encouraging more people to spend time in nature.





# Sustainability projects

## Balance course

Ravenwood was contracted by Norrtälje Municipality to build a balance course in a majestic silver fir forest. It was constructed of elm and other trees that were removed as part of the care of the surrounding forest. Ravenwood also built two picnic tables, of which one is designed in the shape of a spruce tree and the other overlooks Norrtälje harbor.



## Tumba Mill

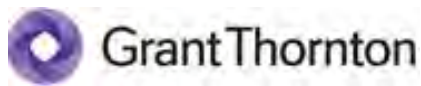
At Tumba Mill, there are many fruit trees, some of which are more than 100 years old. Just like the mill, the trees are protected as part of the cultural heritage. Markservice Stockholm invited Sveriges Pomologiska Sällskap, a society of pomology enthusiasts, to help with determining the types of 118 apple and pear trees, thereby helping to protect them for the future. A total of 27 different types of apple trees and 4 different types of pear trees were identified.



## Climate tree

Svensk Markservice was contracted by Umeå Municipality to plant a large number of trees at places in the city where the trees are sparse. It is part of the Municipality's effort to meet the climate and environmental goals. The project will run for 4 years. Besides absorbing carbon dioxide, the trees will play an important role in purifying the air in the area and creating a walking path that can be enjoyed by many. In 2022, Svensk Markservice planted 206 trees.





# Auditor's report on the statutory sustainability report

To the general meeting of the shareholders in Green Landscaping Group AB (publ), corporate identity number 556771-3465

## Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2022 on pages 28-50 and that it has been prepared in accordance with the Annual Accounts Act.

## The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

## Opinion

A statutory sustainability report has been prepared.

Stockholm on the day stated in our electronic signature

Grant Thornton Sweden AB

Camilla Nilsson

Authorized Public Accountant







# Share information

Green Landscaping’s stock became listed on Nasdaq First North under the ticker “GREEN” in March 2018.

In April 2019, Green Landscaping changed its marketplace to Nasdaq Stockholm Small cap and in January 2022, it changed once again to Stockholm Mid Cap.

## Share capital

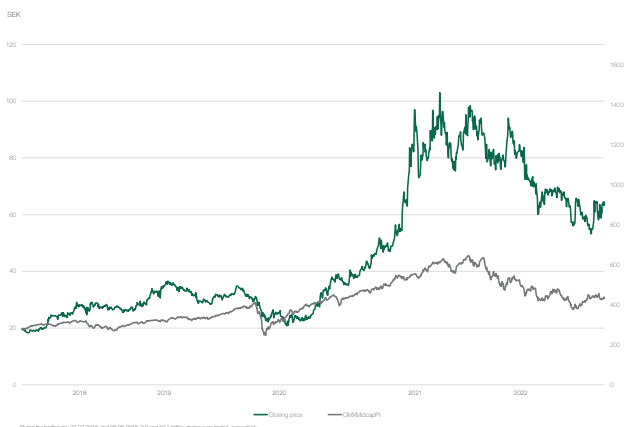
As of 30 December 2022, share capital amounted to SEK 3,933 million, allocated to a total of 55,394,717 shares with a quotient value of SEK 0.071. Since the IPO, a number of new share issues have been executed in conjunction with acquisitions, as well as one rights issue. All shares are of the same class, with equal voting rights and share of the Group’s capital and profits.

Date	Event	Change	No. of shares	Dilution	Price
2022-01-17	Issue acquisition	+438,049	53,096,086	0.8%	89.53
2022-01-25	Issue acquisition	+46,545	53,142,631	0.1%	85.41
2022-02-17	Issue acquisition	+72,333	53,214,964	0.1%	80.59
2022-06-21	Issue LTIP*	+772,185	53,987,149	1.5%	37.90
2022-09-13	Issue acquisition	+531,468	54,518,617	1.0%	68.03
2022-10-21	Issue acquisition	+305,666	54,824,283	0.6%	62.76
2022-11-08	Issue acquisition	+313,588	55,137,871	0.6%	62.95
2022-11-30	Issue acquisition	+256,846	55,394,717	0.5%	54.59
2022	Total	2,736,680		5.2%	

\* LTIP - Long Term Incentive Plan. For information on the 2019/2022 incentive plan, see page 105.

## Trading in Green Landscaping stock

The closing price on the last day of trading, 30 December 2022, was SEK 63.50, corresponding to market capitalization of just over SEK 3.5 billion. In total, 10,719,284 were traded during the year, corresponding to a value of approximately SEK 794 million. The average number of shares sold per trading day was 42,369. A total of 624,028 shares were repurchased during the year.



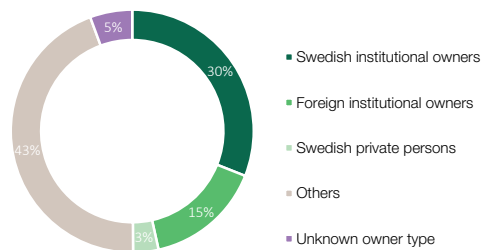
## Shareholders

As of 30 December 2022 there were 3,906 known shareholders. The Group’s ten largest owners accounted for 59.6 percent of the share capital and votes. The Salén family was the largest owner, with 16.1 percent of the shares.

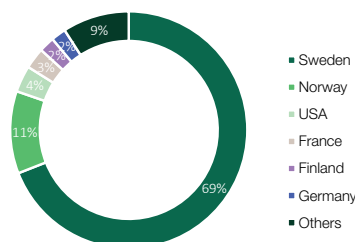
Largest shareholders as of 30 December 2022	No. of shares	% of share capital
Salén family via company	8,932,298	16.1%
Byggmästare Anders J Ahlström Invest AB	8,730,123	15.8%
Johan Nordström via company	3,672,997	6.6%
AFA Försäkring	3,499,503	6.3%
AP3, Third Swedish National Pension Fund	2,041,153	3.7%
Capital Group	1,977,759	3.6%
Paul Gamme via companies	1,191,154	2.2%
Pensum Asset Management AS	1,102,000	2.0%
Silver Cross Investment Management B.V.	939,494	1.7%
Berenberg Funds	916,895	1.7%
<b>Total, 10 largest shareholders</b>	<b>33,003,576</b>	<b>59.6%</b>
Other shareholders	22,391,141	40.4%
<b>Total</b>	<b>55,394,717</b>	<b>100%</b>

Range in the number of shares, 2022-12-30	Number of known owners	Holding	No. of shares
1 - 1,000	3,296	0.5%	302,333
1,001 - 10,000	94	0.6%	317,708
10,001 - 100,000	63	4.7%	2,610,220
101,000 - 500,000	34	12.7%	7,004,727
501,000 - 1,000,000	12	16.5%	9,132,447
1,000,001 - 5,000,000	6	24.3%	13,484,766
5,000,001 - 10,000,000	2	31.9%	17,662,421
Anonymous ownership	443	8.8%	4,880,095

### Ownership distribution per category



### Ownership distribution by country





Share data	2022-12-30
Share capital, SEK	3,933,024.91
No. of outstanding shares	55,394,717
Quotient value, SEK	0.071
Market cap, SEK m	3,518
Share price, SEK	63.50
Highest closing price, SEK (2022-03-18)	94.00
Lowest closing price, SEK (2022-11-31)	53.20
P/E	19
Basic earnings per share, SEK	3.41
Diluted earnings per share, SEK	3.39
Equity per share before dilution, SEK	23.49
No. of outstanding warrants	1,583,850
Number of repurchased shares during the year	624,028



## Why invest in Green Landscaping Group?

### 1 INDUSTRY-LEADING PROFITABILITY

- Industrialized processes that have increased profitability since 2015
- Further streamlining possible through Lean
- Acquiring companies with industry-leading profitability

### 2 M&A FOCUS

- Attractive offering to entrepreneurs
- Proven acquisition ability
- Ambitious acquisition strategy

### 3 ORGANIC GROWTH WITH SUPPORT FROM STRUCTURAL MARKET TRENDS

- A market with low cyclicality fueled by favorable trends

### 4 PREREQUISITES FOR GENERATING RETURNS

- Low need for working capital
- Limited investment need results in low CapEx

### 5 LARGE AND DIVERSIFIED CONTRACT PORTFOLIO LOWERS RISK

- A portfolio characterized by a mix of long contracts and strong customers in both the public and private sectors

### 6 SUSTAINABLE, FUTURE-SAFE GREEN ACTIVITIES

- Creates green cities
- Contribute to safer outdoor environments and biodiversity
- Continuously striving to lower CO2 emissions

# Corporate Governance Report

## Corporate Governance Report

Green Landscaping Group AB is a Swedish public limited company that is governed by Swedish legislation, primarily the Swedish Companies Act (2005:551), the Annual Accounts Act (1995:1554), and EU Regulation 596/2014 on Market Abuse (MAR), which has provided the foundation for preparation of this Corporate Governance Report. Because the company's shares are listed on Nasdaq Stockholm, the company also complies with the Nasdaq Stockholm's rules and regulations.

Besides the legislation and Nasdaq Stockholm's rules and regulations, Green Landscaping Group AB is governed by its Articles of Association, which provide the foundation for the company's corporate governance. The Articles of Association stipulate such things as the Board of Directors' registered office, the focus of operations, limitations on share capital, the number of shares and prerequisites for being allowed to participate in the AGM. The full version of the Articles of Association are published on the company's website.

The company also applies internal governance documents adopted by the Board of Directors each year. Examples are the rules of procedure for the Board of Directors, instructions for the Board's committees, instructions for the CEO, instructions for financial reporting and policies.

### Swedish Corporate Governance Code

The Swedish Corporate Governance Code states higher standards for good corporate governance than the minimum requirements in the Companies Act and it must be applied by all companies whose shares are traded on a regulated market in Sweden. The Code thus supplements the Companies Act by, in some areas, stating higher requirements. However, it simultaneously enables the company to deviate from those requirements if, in individual cases, doing so would result in better corporate governance ("comply or explain"). Such a deviation, along with a reason for the deviation and alternative solution, must be reported each year in a Corporate Governance Report.

Green Landscaping Group AB applies the Swedish Corpo-

rate Governance Code and there were no deviations from the Code in 2022.

### Sustainability governance at Green Landscaping Group AB

Green Landscaping Group AB's sustainability efforts are characterized by responsibility, openness, ethical behavior and respect for the stakeholders. The Group achieves sustainable development is achieved via work with continual improvements, long-term customer relationships, skilled employees and planning.

The foundation for the efforts is presented in the Sustainability Policy and the Code of Conduct. These policy documents provide guidance on how value shall be created, contribution made to a sustainable society, risk prevention in the operations and management of unexpected events.

The Board of Directors and the CEO have ultimate responsibility for sustainability efforts within the Group. However, some of that responsibility has been delegated to the various subsidiaries. The Sustainability Report for Green Landscaping Group is presented on pages 28-50 of the 2022 Annual Report.

### Share capital and shareholders

Share capital amounts to SEK 3.9 million, allocated to a total of 55,394,717 shares with a quotient value of SEK 0.071. At the end of 2022, Green Landscaping had 3,906 known shareholders. At year-end, the 10 largest shareholders controlled 59.6 percent of the share capital. The three largest owners were: Staffan Salén with family via Westindia AB (16.1%), Byggmästare Anders J Ahlström Invest AB (15.8%), and CEO Johan Nordström via Johan Nordström Invest AB (6.6%). Just over 20 percent of the share capital and votes are owned by employees of the Group (including the CEO).

There are no limits on the number of votes that each shareholder may cast at the annual general meeting.

The AGM granted the Board of Directors authority to repurchase own shares and to carry out a new issue of shares.



The stock is listed on Nasdaq Stockholm Mid Cap. For more information on the stock and shareholders, please see pages 53-54.

### Annual General Meeting

The shareholders exercise their influence in Green Landscaping Group AB at the Annual General Meeting of shareholders, which is the company's highest decision-making body. At the Annual General Meeting (AGM), which, according to the Companies Act, shall be held within six months from the end of each financial year, a decision shall be made on the adoption of the income statement and balance sheet, disposition of the company's profit or loss, discharge from liability towards the company for the board members and the CEO, election of board members and auditors as well as remuneration to the board and auditor. At the Annual General Meeting, the shareholders also make decisions on other key issues in the company, such as changes to the Articles of Association, any new issue of shares and other similar matters. If the Board of Directors sees a need for holding a general meeting of shareholders before the next AGM, or if an auditor of the company or owner of at least 10 percent of all shares in the Company submits a written request to hold such a meeting, the Board will then summon shareholders to an extraordinary general meeting.

Summons to a general meeting of shareholders must, in accordance with the Articles of Association, be published in the Swedish Gazette and on the company's website. It is also necessary to publish that the summons has been issued in Dagens Industri (newspaper). Notice of the Annual General Meeting must be issued at least six weeks, but no less than four weeks prior to the meeting. Notice of an extraordinary general meeting, where the question of amendment to the Articles of Association will be dealt with shall be issued no earlier than six and no later than four weeks before the meeting, while notice of any other type of extraordinary general meeting shall be issued no earlier than six weeks and no later than three weeks before the meeting.

Shareholders who wish to participate in the negotiations at the Annual General Meeting must be entered in the share register in the manner prescribed in the Swedish Companies Act, and make a notification to the company no later than the day specified in the notice convening the meeting. That final day for making notification may not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve. Furthermore, it may not fall earlier than the fifth weekday before the meeting. Shareholders may bring assistants with them to the AGM only if they notify the company of the number of assistants they would like to bring,

in accordance with the procedures that apply for shareholder registration to the AGM.

Notices, minutes and press releases from general meetings are available on the Green Landscaping Group AB's website.

The 2022 AGM resolved, among other things, on the establishment of an incentive program 2022-2025, authorization for the Board to make private placements up to 10% of the share capital and authorization for the Board to acquire and transfer own shares.

### Nomination Committee

The Nomination Committee submits proposals to the Annual General Meeting, on the person who should serve as the Chairman of the Annual General Meeting, the number of Board members to be elected by the AGM, the person who should be elected Chairman of the Board and others who should be elected as Directors, fees and other remuneration to each of the Board members elected by the AGM and to members of the Board's committees. Board members submit proposals for the election of auditors, fees to auditors, election of members to serve on the Nomination Committee or decisions on principles for appointing the members to the Nomination Committee, as well as remuneration to its members.

According to a resolution at the 2022 Annual General Meeting, the Nomination Committee shall consist of the Chairman of the Board and three members appointed by the three largest shareholders in the company (in terms of the number of votes that they control). If any of these shareholders chooses to waive their right to appoint a member, the privilege will go to the next largest shareholder (in terms of the number of votes that they control).

The nomination committee consists of:

- Marcus Trummer (appointed by Byggmästare Anders J Ahlström Invest AB)
- Erik Salén (appointed by family Staffan Salén/Westindia Aktiebolag)
- Anders Thomasson (appointed by Johan Nordstrom Invest AB)
- Per Sjöstrand (Chairman of the Board)

The Nomination Committee bases its work on the Swedish Corporate Governance Code when preparing proposals to Board members, all of it aimed at setting up the best possible

Board of Directors. Selection is based on such factors as expertise, experience, etc.

### Board of Directors

After the AGM, the Board of Directors is Green Landscaping Group AB's highest decision-making body. The Board is also the company's highest decision-making body and the company's representative. The Board is also responsible for the company's organization and administration of its affairs, along with assessing the company's and Group's financial situation on an ongoing basis and ensuring that the company is organized such that there are adequate controls on its bookkeeping, fund management and other financial matters. The Chairman of the Board has a special responsibility to lead the work of the Board and to ensure that the Board complies with its statutory requirements.

The Board's registered office is in Stockholm. According to Green Landscaping Group AB's Articles of Association, the Board of Directors shall consist of at least 3 and at most 10 Board members (without deputies). The Board of Directors currently consists of 5 ordinary members elected for the period until the end of the next AGM.

Of the five Board members elected by the AGM, five of them are independent in relation to the company and its senior executives. Accordingly, there is compliance with the Code in that the majority of the members are independent of the company and its senior executives and at least two of these members are also independent of major shareholders. More information on the members of the Board of Directors is provided on pages 62-63.

The Board's tasks include establishing the company's overall objectives and strategies, monitoring major investments, ensuring that there is a satisfactory control of the company's compliance with laws and other rules that apply to the company's operations and the company's compliance with internal guidelines. The tasks of the Board also include ensuring that the company's information disclosure to the market and investors is characterized by openness and that it is correct, relevant and reliable, as well as appointing, evaluating and, if necessary, dismissing the company's CEO.

In accordance with the Swedish Companies Act, the Board of Directors has established a written rules of procedure for its work, which is evaluated, updated and re-established annually. The Board meets regularly according to a program established in the Rules of Procedure that contains certain fixed decision items and other matters to be taken up, when

necessary.

### Work done by the Board in 2022

- The following companies were acquired during the year: Markbygg Anläggning Väst AB, Rainset Oy, Hallandsåsens Utemiljö AB, Glenn Syvertsen AS, Aktiv Veidrift AS, Aktiv Veidrift Utleie AS, Braathen Landskapsentreprenør AS, Sorex Entreprenad AB, H&K Sandnes AS, UAB Stebule, Taimisto Huutokoski Oy and H.T. Vike AS.
- Adoption of the interim reports and annual report
- Annual strategy day with management.
- Internal control

### Remuneration to the Board of Directors

The 2022 AGM resolved that the fees paid to the Board of Directors through the next AGM shall amount to SEK 1,250,000 (750,000), of which SEK 350,000 (250,000) to the Chairman of the Board and SEK 225,000 (125,000) to each of the ordinary Board members. The AGM also resolved that a fee of SEK 75,000 (75,000) shall be paid to the Chairman of the Audit Committee. Otherwise, no fees are paid to members of the Board's committees.

### Evaluation of the Board

To ensure and develop the quality of the work done by the Board, an evaluation of its efforts as a whole and of its individual members is carried out annually, under the Chairman's leadership. The evaluation for the year was conducted through a questionnaire that each member was asked to complete. The results of the evaluation were issued in writing to the members, who subsequently discussed this as a group at one of the Board meeting.

The Chairman of the Board has also presented the results of the evaluation at a meeting with the Nomination Committee.

### The Board's committees

The Board of Directors may set up committees with the task of preparing matters within a specific area and may also delegate decision-making rights to such a committee. However, the Board may not dismiss itself from responsibility for the decisions made on the basis thereof.



### Audit Committee

The Board established an Audit Committee which, during January-April consisted of the entire Board, except for CEO Johan Nordström and during May-December, it consisted of the following two members: Åsa Källenius and Per Sjöstrand. The Audit Committee shall, without it impacting the Board's responsibilities and tasks in general, among other things, monitor the company's financial reporting, monitor the effectiveness of the company's internal control, internal audit (if such function is established in the future) and risk management, keep informed about the audit of the annual report and the consolidated financial statements and on the conclusions of the Swedish Inspectorate of Auditors' quality control.

The committee shall also review and monitor the auditor's impartiality and independence and pay special attention to whether the auditor provides the company with services other than auditing. To the extent that the nomination committee is not given this task, the committee shall also assist in the preparation of proposals for the AGM's decision on the election of auditors.

The Audit Committee is chaired by Åsa Källenius.

### Remuneration Committee

The Board has set up a Remuneration Committee, consisting of the entire Board except for the CEO\*. The main tasks of the Remuneration Committee are to (i) prepare the Board's decisions on matters concerning remuneration principles, remuneration and other terms of employment for the senior executives, (ii) follow and evaluate ongoing and completed programs for variable remuneration for the senior executives during the year, and (iii) follow and evaluate the application of any guidelines for remuneration to senior executives established by the Annual General Meeting along with applicable remuneration structures and remuneration levels.

The Remuneration Committee is chaired by Per Sjöstrand.

Director	Position	When elected	Independent to the company and management team	Independent of the major shareholders	Attendance at Board meetings	Attendance at Audit Committee meetings	Attendance at Remuneration Committee meetings
Per Sjöstrand	Chairman	2012	Yes	Yes	14/14	5/5	1/1
Johan Nordström*	Director, CEO	2018	No	Yes	6/14	3/5	-
Staffan Salén	Director	2018	Yes	No	14/14	3/5	1/1
Åsa Källenius	Director	2018	Yes	Yes	13/14	5/5	1/1
Monica Trolle	Director	2018	Yes	Yes	14/14	3/5	1/1
Tomas Bergström	Director	2020	Yes	No	14/14	3/5	1/1

\* The company's CEO was a member of the Board of Director until the 2022 AGM.

### CEO and other senior executives

The company's CEO is responsible for, in accordance with the Swedish Companies Act, the day-to-day management of the company in accordance with the Board's guidelines and instructions. The CEO is also responsible for taking the actions necessary to ensure that the company's accounting complies with law and that assets are managed in a satisfactory manner. In

relation to the Board of Directors, the CEO has a subordinated position and the Board may also decide itself on matters having to do with day-to-day management of the company. The CEO's work and role, as well as the division of labor between the Board of Directors and the CEO on the one hand, are stated in a written instruction adopted by the Board (the CEO instructions) and the Board of Directors regularly evaluates the work done by the CEO.

#### **Guidelines for remuneration to senior executives**

At the 2020 AGM, the following guidelines for remuneration to senior executives were decided.

The basic principle is that remuneration and other terms of employment for senior executives must be market-based and competitive in order to ensure that the Group can attract and retain competent senior executives at a reasonable expense for the Company.

The total remuneration to senior executives shall consist of fixed remuneration, variable remuneration, pension and other benefits. To discourage senior executives from a temptation to take on unhealthy risk, there must be a fundamental balance between fixed and variable remuneration. Accordingly, an adequately large portion of the senior executive's total remuneration shall be fixed remuneration so that it is possible to set variable remuneration at SEK 0. Variable remuneration to a senior executive, or to an employee with a total remuneration level such that he or she can have a significant impact on the company's risk profile, may not exceed the amount of fixed remuneration.

Variable salary shall be paid in cash and based on the results in relation to performance targets within the individual area of responsibility (group or business area) and coincide with the shareholders' interests. Variable salary 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 members of the Group management team. Variable salary shall be pensionable unless otherwise agreed. If variable remuneration is paid out based on information that, upon revision, is later determined to be incorrect, the company shall be entitled to demand repayment of the amount that has been incorrectly paid out.

Senior executives shall, unless otherwise specifically agreed, be offered pension terms in accordance with the ITP plan or have the corresponding defined-contribution pension terms at the going market rate in the country where the senior executive has his or her permanent residence.

Other benefits, such as company car, extra health insurance or occupational health services, shall be of limited value in relation to other remuneration and may be paid to the extent that this is judged to be at the going rate in the labor market for senior executives in corresponding positions.

In the event of termination by the company, the period of notice for all senior executives shall be a maximum of 12 months with the right to severance pay after the end of the notice period corresponding to a maximum of 100 percent of the fixed salary for a maximum of 12 months, i.e. fixed salary during the period of notice and severance pay for the senior executives shall not exceed 24 months of the fixed salary amount. As a general rule, any right to severance pay shall decrease in situations where remuneration during the current period is received from another employer.

In the event of termination by the executive, the period of notice shall normally be 6 months for the CEO and 3-6 months for other senior executives.

For the AGM, no major changes have been proposed to principles for remuneration and other terms of employment for senior executives.

#### **Incentive programs**

The company has three ongoing incentive programs for key people in the Group.

2020/23. With full utilization of the program, a maximum of 593,850 shares will be issued (after the rights issue), which would have a maximum dilutive effect of approximately 1.1 percent. The subscription price for shares that are subscribed to via the warrants is SEK 27.90 per share. The premium per warrant, which has been calculated in accordance with the Black & Scholes model amounted to SEK 2.70. Subscription of shares may occur during the period 22 March 2023 through 16 June 2023. With full utilization of the warrants, the company's share capital will increase by SEK 42,163.

2021/24. With full utilization of the program, a maximum of 490,000 shares will be issued, which would have a maximum dilutive effect of approximately 0.9 percent. The subscription price for shares that are subscribed for via the warrants is SEK 100.40. The premium per warrant, which has been calculated in accordance with the Black & Scholes model amounted to SEK 5.18. Subscription of shares may occur during the period 12 June 2024 through 30 June 2024. With full utilization of the warrants, the Parent Company's share capital will increase by SEK 34,790.



2022/25. With full utilization of the program, a maximum of 500,000 shares will be issued (after the rights issue), which would have a maximum dilutive effect of approximately 0.9 percent. The subscription price for shares that are subscribed to via the warrants is SEK 87.00 per share. The premium per warrant, which has been calculated in accordance with the Black & Scholes model amounted to SEK 6.77. Subscription of shares may occur during the period 28 March 2025 through 30 June 2025. With full utilization of the warrants, the Parent Company's share capital will increase by SEK 35,500.

### Audit

The company is, in its capacity as a public company, required to have at least one auditor for auditing the company's and the Group's annual report and accounts, as well as the administration of the Board and the CEO. The scope of the audit shall be in accordance with what is customary for generally accepted auditing standards. The company's auditors are, in accordance with the Swedish Companies Act, elected at the AGM. An auditor in a Swedish limited liability company is thus appointed by, and reports to, the Annual General Meeting. The auditor may thus not allow his or her work to be governed by the Board or any of the senior executives. The auditor's reporting to the Annual General Meeting takes place at the Annual General Meeting via presentation of the audit report.

According to Green Landscaping Group AB's Articles of Association, the company must have at least one (1) and no more than two (2) auditors with a maximum of two (2) deputy auditors. The auditor and any deputy auditor must be an authorized public accountant or a registered accounting firm. The current auditor for the Company is Grant Thornton Sweden AB. The auditor-in-charge is Camilla Nilsson, authorized public accountant and member of FAR (the institute for the accountancy profession in Sweden).

Both the Board and management team had various meetings with the auditor-in-charge during the year.

### The Board's report on internal control over financial reporting

The Board's responsibility for internal control is regulated in the Swedish Companies Act, the Annual Accounts Act and the Swedish Corporate Governance Code. Among other things, the Board shall ensure that Green Landscaping Group AB 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 internal control over the financial reporting. In order to create and maintain a functioning control environment, the Board has adopted a number of policies and governance documents that regulate the financial reporting. These mainly consist of the Board's rules of procedure, instructions for the CEO, instructions for committees established by the Board and instructions for financial reporting. The Board has also adopted a special authorization/approval hierarchy and a finance policy. Furthermore, the company has an accounting & finance handbook containing principles, guidelines and descriptions of the processes for accounting and financial reporting. The Board has also set up an Audit Committee which has the main task of monitoring Green Landscaping Group AB'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 in accordance with established instructions.

Each local unit is organized as a subsidiary with its own board and CEO that has responsibility for managing the local

operations according to guidelines and instructions from the Group level. 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 with a good understanding and a reliable basis for the financial reporting in the annual report.

The Board of Directors has considered setting up a special committee for internal audit, but has concluded that doing so is not necessary. The entire Board of Directors serves as the control body for the company.

### **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, the Audit Committee is primarily responsible for continuously evaluating the company's risk situation, after which the Board carries out its own annual review of the same.

Control activities are aimed at identifying and limiting risks. The Board 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.

### **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 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 Group AB 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**

Compliance with, and effectiveness of, internal controls are monitored on an ongoing basis. The CEO ensures that the Board regularly receives reports on Green Landscaping Group Ab's performance, which includes the company's earnings and position, along with information on important events, such as the progress of individual projects. The CEO also reports on these matters at each board meeting. The Board of Directors and Audit Committee review the annual report and quarterly reports and they also carry out financial evaluations in accordance with an established plan. The Audit Committee monitors the financial reporting and other related issues and regularly discusses these issues with the external auditors.



# Board of Directors



**Per Sjöstrand**

Chairman of the Board since 2012.

Born in 1958.

**Other ongoing assignments:**

Chairman of the Board for Instalco AB (publ.), Handverksgruppen AS and Uniwater AB.

**Experience:** Many years of experience as the CEO of Instalco AB, PEAB Nord AB, Midroc Electro AB and NEA Group. Has also headed major projects run by the Swedish Transport Administration. M.Sc. in Engineering from Chalmers University of Technology, Gothenburg.

**Holdings in Green Landscaping Group AB:**

913,607 shares (via company).



**Tomas Bergström**

Board member since 2020.

Born in 1971.

**Other ongoing assignments:**

CEO of the investment company, Byggmästare A J Ahlström Holding AB (publ), Chairman of the Board for Infrea AB, Fasticon, AB and the economic association, TalangAkademin. He is also a member of the Board of Directors at Volvo Trucks AB, Team Olivia AB, Safe Life AB and Ge-Te Media AB.

**Experience:** More than 25 years of experience in transactions, investments, strategic business development and other leading positions, such as Senior Vice President at OptiGroup and CEO at Textilia, partner at Erneholm Haskel and associate at Enskilda Securities. M.Sc. in Business and Economics from the Stockholm School of Economics.

**Holdings in Green Landscaping Group AB:**

Represents 8,730,123 shares owned by Byggmästare Anders J Ahlström Invest AB.



**Åsa Källenius**

Board member since 2018

Born in 1967.

**Other ongoing assignments:**

CFO at MEKO AB along with Board assignments at subsidiaries, Board member of SinterCast AB, Cinis Fertilizer AB and DoMyPizza AB. Deputy Board member at Källenius Invest AB, KAAX Investment AB with subsidiaries, Scylla and Charybdis AB, and ANNMAKA AB.

**Experience:** Extensive experience in the position of CFO at several companies and in several industries and owner constellations. M.Sc. in Business and Economics from Stockholm University. She has also completed the Executive Management Program at the Stockholm School of Economics, Novare Management Program and Michael Berglund Board Value.

**Holdings in Green Landscaping Group AB:**

60,000 shares



**Staffan Salén**

Board member since 2018.

Born in 1967.

**Other ongoing assignments:**

CEO at Salénia AB. Chairman of the Board at AB Sagax, eWork AB, Westindia AB (and assignments at subsidiaries) and Investment AB Jamaica along with CEO and Deputy Board Member of Sven Salén Aktieföretag (including subsidiaries). Member of the Board of Directors at Strand Kapitalförvaltning AB, Investment AB Antigua, Investment AB Pihlhamn, Landauer Ltd and Merim AB also Deputy Board Member at Aktieföretaget Godolphin.

**Experience:** Previously Deputy CEO and CIO at Förenings sparbanken AB, Editorial Manager for Finanstidningen (newspaper) and financial analyst at Procter & Gamble. M.Sc. in Business and Economics from the Stockholm University.

**Holdings in Green Landscaping Group AB:**

8,932,298 shares (via company).



**Monica Trolle**

Board member since 2018.

Born in 1965.

**Other ongoing assignments:**

Strategic Partner in FM & Workplace Strategy at Tenant & Partner AB.

**Experience:** Many years of experience in facility management in a managerial position at companies such as, Tetra Pak, WM-data Utilities AB and CGI Sverige AB, as a consultant at Resources Global Professionals AB and Board assignments for IFMA Sweden Chapter. She has also served as CFO and Head of Administration at EF Educational Tours, Sydkraft AB and WM-data Utilities AB and as Regional Manager for Resources Global Professionals AB. She has completed the Executive Leadership Program at Stockholm School of Economics and has studied financial accounting at Lund University.

**Holdings in Green Landscaping Group AB:**

35,590 shares

# Management



## Johan Nordström

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CEO since 2015.  
Board member 2018-2022.

**Born:** 1965

**Other ongoing assignments:**

Board member for several of Green Landscaping Group's subsidiaries.

**Experience:** More than 20 years of experience from leading positions at several companies with international operations. Has been the CEO of Green Landscaping

Group since 2015 and before that, CEO and Chairman of the Board at Car-O-Liner Group AB. Studies in business administration and economics at Lund University and Gothenburg University and an MBA from Copenhagen Business School.

**Holdings in Green Landscaping Group AB:**

3,672,997 shares (via company).  
82,981 warrants 2020/23.  
24,500 warrants 2021/24.  
31,520 warrants 2022/25.



## Carl-Fredrik Meijer

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CFO since 2015, Head of M&A 2013-2020, Head of IR 2018-2021.

**Born:** 1980

**Other ongoing assignments:**

Chairman of the Board and member of the Board of Directors at several of the Green Landscaping Group subsidiaries.

**Experience:** More than 15 years of experience from positions in accounting & finance, strategy and business development in both Sweden and other countries.

For example, he worked at PwC in London and Coor Service Management AB (publ). Engineering degree in Technology Management from LTH Faculty of Engineering and a degree in Corporate Finance from Lund University, School of Economics and Management.

**Holdings in Green Landscaping Group AB:**

299,323 shares  
40,000 warrants 2020/23.  
29,500 warrants 2021/24.  
30,000 warrants 2022/25.





### Jakob Körner

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Head of M&A since 2020.  
Employee of the company since 2012  
in various line and staff roles.

M.Sc. in Business and Economics  
from Lund University.

**Born:** 1976.

**Other ongoing assignments:**

Chairman of the Board and member  
of the Board of Directors at several  
of the Green Landscaping Group  
subsidiaries.

**Holdings in Green Landscaping  
Group AB:**

234,509 shares  
30,000 warrants 2020/23.  
34,500 warrants 2021/24.  
30,000 warrants 2022/25.

**Experience:** Previously worked at  
Svevia as Manager and Business  
Controller. M.Sc. in Engineering and



### Pierre Kubalski

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Head of Lean & Business  
Development since 2015.

**Holdings in Green Landscaping  
Group AB:**

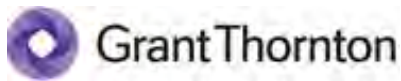
219,200 shares  
18,000 warrants 2019/22.  
20,000 warrants 2020/23.  
9,800 warrants 2021/24.  
20,000 warrants 2022/25.

**Born:** 1971.

**Other ongoing assignments:**

Member of the Board of Directors  
at several of the Green Landscaping  
Group subsidiaries.

**Experience:** More than 20 years of  
experience in manufacturing industry  
as site manager or CEO. Has worked  
at both Danaher and Colfax.



# Auditor's report on the corporate governance statement

To the general meeting of the shareholders in Green Landscaping Group AB (publ), corporate identity number 556771-3465

## Engagement and responsibility

It is the board of directors who is responsible for the corporate governance statement for the year 2022 on pages 55-69 and that it has been prepared in accordance with the Annual Accounts Act.

## The scope of the audit

Our examination has been conducted in accordance with FAR's standard Rev 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

## Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm on the day stated in our electronic signature

Grant Thornton Sweden AB

Camilla Nilsson

Authorized Public Accountant

# Remuneration report

## Introduction

This report describes the guidelines for remuneration to senior executives in Green Landscaping Group AB (publ) that were adopted at the 2022 Annual General Meeting and how they were applied during the financial year 2022. The report also contains information on remuneration to the CEO and a summary of the company's outstanding share-based incentive programs. The report has been prepared in accordance with the Swedish

Companies Act and the Rules on Remuneration of the Board and Executive Management and on Incentive Programmes issued by the Swedish Corporate Governance Board.

Further information on executive remuneration is available in Note 6 (Employees and employee benefit expenses) on page 95 in the 2022 Annual Report. Information on the work of the Remuneration Committee in 2022 is set out in the Corporate Governance Report available on pages 57-58 of the 2022 Annual Report.

Remuneration of the Board of Directors is not covered by this report. Such remuneration is resolved annually at the AGM and it is reported in Note 6 on page 95 of the 2022 Annual Report.

### Key developments in 2022

The CEO summarizes the company's overall performance in his statement on pages 6-7 of the 2022 Annual Report.

### The company's remuneration guidelines: scope, purpose and deviations

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company can recruit and retain qualified personnel. To this end, the company must offer competitive remuneration. The company's remuneration guidelines enable the company to offer executives a competitive total remuneration.

Under the remuneration guidelines, executive remuneration shall be on market terms

and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. Variable salary shall be paid in cash and be based on the outcome in relation to performance targets and coincide with the shareholders' interests. Variable salary shall correspond to a maximum of 50 percent of the fixed annual salary for the CEO. The criteria shall be designed in a way that promotes the company's business strategy and long-term interests, including its sustainability, by, for example, having a clear connection to the business strategy or promoting the executive's long-term development.

The guidelines are detailed on pages 57-58 of the 2022 Annual Report. During 2022, the company has complied with the applicable remuneration guidelines adopted by the general meeting. No deviations from the guidelines have been decided and no derogations from the procedure for implementation of the guidelines have been made. The auditor's report regarding the company's compliance with the guidelines is available at [www.greenlandscapinggroup.se](http://www.greenlandscapinggroup.se). No remuneration has been reclaimed.

In 2022, the company changed its policy for the reporting of remuneration to the CEO. In the past, what was reported was the paid amount and now it also includes both earned and expensed remuneration. The reported remuneration below for 2021 thus deviates from the remuneration report published in the 2021 Annual Report since the amount has been revised to reflect the current accounting policy.



**Total remuneration to the CEO in 2022 and 2021 (SEK thousand)**

Executive		1. Fixed remuneration		2. Variable remuneration		3. Extraordinary items	4. Pension expense	5. Total remuneration	6. Proportion of fixed and variable remuneration
		Basic salary	Other benefits*	One-year	Multi-year				
Johan Nordström, CEO	2022	2,740	15	1,158	0	0	542	4,455	74/26
	2021	2,401	5	820	0	0	874	4,100	80/20

\* Pertains to health insurance and wellness subsidy

\*\* Variable remuneration for 2022 has been determined by the Board's Remuneration Committee at SEK 1,290,000 when the remuneration report was published.

**Share-based remuneration**

The company has warrants schemes for key people in the company. The premium is set at the market price using Black & Sholes.

Name of the executive (position)	1. Name of plan	2. Performance period	3. Award date	4. Vesting date	5. End of retention period	6. Warrants held at beginning of the year	7. Awarded during the year	8. Vested during the year	9. Subject to performance conditions	10. Awarded and unvested at year end
Johan Nordström, CEO	LTIP 19/22	2019-2022	2019-06-17	2022-05-16	2022-05-16	73,000	0	0	0	0
	LTIP 20/23	2020-2023	2020-06-18	2023-05-22	2023-05-22	82,981	0	0	0	82,981
	LTIP 21/24	2021-2024	2021-06-30	2024-06-12	2024-06-12	24,500	0	0	0	24,500
	LTIP 22/25	2022-2025	2022-06-30	2025-05-28	2025-05-28	0	31,520	0	0	31,520
<b>Total</b>										<b>139,001</b>

**Application of performance criteria**

The performance measures for the CEO's variable remuneration have been selected to deliver the company's strategy and to encourage behavior which is in the long-term interest of the company. In the selection of performance measures, the strategic objectives and short-term and long-term business priorities for 2022 have been taken into account.

Executive	1. Description of the criteria related to the remuneration component	2. Relative weighting of the performance criteria	3. Measured performance (a) and actual award/remuneration outcome (b)
Johan Nordström, CEO	Earnings	50%	90% / SEK 579 thousand
	Soft parameters*	50%	90% / SEK 579 thousand

\*Soft parameters refers to behavior that creates value over the short and long term, such as company acquisitions, the ability to recruit and retain top talent, working capital and cash flow, as well as behavior and activities that promote the Green culture. The soft parameters can change from one year to the next.

## Comparative information on the change of remuneration and company performance

Annual change	IS 2019 vs 2018	IS 2020 vs 2019	IS 2021 vs 2020	IS 2022 vs 2021	IS 2022
Remuneration to the CEO	-111 (-3%)	+443 (+13%)	-623 (-17%)	+355 (+9%)	4,455
The Group's operating profit	+24,900 (+673%)	+30,000 (+105%)	+96,900 (+165%)	+152,700 (+98%)	308,247
Average remuneration for full-time employee of the Group	-71.3 (-11%)	-15.4 (-3%)	+57.5 (+10%)	-16.4 (+3%)	623.3

GREEN LANDSCAPING GROUP AB

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# Financial statements



## Financial Statements

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# Directors' Report

The Board of Directors and CEO for Green Landscaping Group AB (publ), CIN: 556771–3465, hereby present the annual report and consolidated financial statements for 2022. The annual report has been prepared in SEK. Unless otherwise stated, all amounts are SEK million.

## Operations

Green Landscaping Group works with outdoor environments and infrastructure. Through its subsidiaries, it offers the Nordic region's most comprehensive service portfolio on the market, aimed at making outdoor environments more sustainable and safe.

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. The Group has around 2,100 employees and annual sales of approximately SEK 4.8 billion.

The company's stock is listed on Nasdaq Stockholm and the ticker symbol is GREEN. The Parent Company's operations are to, directly or indirectly, itself or via its subsidiaries, run land and property operations, maintenance and contracting activities, along with owning and immovable and movable property.

## Organization

As of 2022-12-31, the organization consisted of 48 operating subsidiaries and business units focused on creating and maintaining outdoor environments and other infrastructure.

The Group is gathered under six geographic segments: Region South, Region Mid, Region Stockholm, Region North, Region Norway and Region Finland and other.

As of 2021, segmentation changed to better reflect how the Group is managed and monitored. Region Finland was added in conjunction with expansion into Finland in 2021. In 2022, we acquired our first subsidiary outside the Nordic Region, which was UAB Stebule in Lithuania. It is part of Region Finland and other, together with the subsidiaries in Finland.

## Holdings of own shares

A repurchase of own shares was carried out during the year for a total of SEK 48.0 million based on authorization granted by the AGM on 19 May 2022. The repurchase of own shares was for the purpose of being able to use them as part of the consideration when making acquisitions. See Note M12 and page 110 for more information on Green Landscaping Group AB's stock.

## Share capital

As of 31 December 2022, share capital amounted to SEK 3,933,025, allocated to 55,394,717 shares with a quotient value of SEK 0.071.

## Ownership

Green Landscaping Group AB had 3,906 known shareholders as of 30 December 2022. The three largest owners are Staffan Salén with family via company with 16.1 percent, Byggmästare Anders J Ahlström Invest AB (publ) with 15.8 percent and Johan Nordström via company with 6.6 percent.

Together, the 10 largest owners hold 59.6 percent of the company's shares.

## Quality and environment

Green Landscaping Group continually strives to be a climate-neutral company. Environmental issues are an integral part of all activities, which includes project planning, purchasing, production and choice of vehicle. The Group's environmental commitment should serve as a reason for customers choosing Green Landscaping Group as a partner or contractor.

Green Landscaping Group's business activities contribute to such things as a more beautiful cityscape, preservation of natural environments and biodiversity. The Group helps offer nature experiences to city residents, lower the dangerous effect of pollution and create social venues. By planting vegetation, such as trees, bushes and sedum, the Group compensates for the emissions that occur. The long-term goal is to be a climate-neutral company, which is aligned with the desires of our customers.

Having a quality management system is an important part of quality and environmental efforts. Several of the companies in

the Group have obtained ISO certification, such as ISO 9001 Quality Management, ISO 14001 Environmental Management, ISO 45001 Occupational Health and Safety, as well as BF9K, which is a management and product certification specific to the construction sector.

### Sustainability Report

In accordance with Chapter 6, Section 11 of the Annual Accounts Act, Green Landscaping has decided to prepare a statutory sustainability report as a separate report. The Sustainability Report is presented on pages 28-50 of this document.

### Corporate Governance Report

Green Landscaping Group AB's Corporate Governance Report is presented on pages 55-66 of this document.

### Remuneration Report

Green Landscaping Group AB's Remuneration Report is presented on pages 67-69 of this document.

### Work Environment

At the Group's work sites, there should be a good work environment with good terms of employment and satisfied employees. Health and safety of employees falls within the scope of the Group's social responsibility. The Group continually works with these issues and several of its companies are also certified in accordance with ISO 18001 Occupational Health and Safety.

### Employees

The average number of employees during the year was 2,145, compared to 1,623 employees during the same period last year.

### Guidelines for remuneration to senior executives

At the 2020 AGM, the following guidelines for remuneration to senior executives were decided.

The basic principle is that remuneration and other terms of employment for senior executives must be market-based and competitive in order to ensure that the Group can attract and retain competent senior executives at a reasonable expense for the Group.

The total remuneration to senior executives shall consist of fixed remuneration, variable remuneration, pension and other benefits. To discourage senior executives from a temptation to take on unhealthy risk, there must be a fundamental balance between fixed and variable remuneration. Accordingly, an adequately large portion of the senior executive's total

remuneration shall be fixed remuneration so that it is possible to set variable remuneration at SEK 0. Variable remuneration to a senior executive, or to an employee with a total remuneration level such that he or she can have a significant impact on the Group's risk profile, may not exceed the amount of fixed remuneration.

Variable salary shall be paid in cash and based on the results in relation to performance targets within the individual area of responsibility (group or business area) and coincide with the shareholders' interests. Variable salary 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 members of the Group management team. Variable salary shall be pensionable unless otherwise agreed. If variable remuneration is paid out based on information that, upon revision, is later determined to be incorrect, the Group shall be entitled to demand repayment of the amount that has been incorrectly paid out.

Senior executives shall, unless otherwise specifically agreed, be offered pension terms in accordance with the ITP plan or have the corresponding defined-contribution pension terms at the going market rate in the country where the senior executive has his or her permanent residence.

Other benefits, such as company car, extra health insurance or occupational health services, shall be of limited value in relation to other remuneration and may be paid to the extent that this is judged to be at the going rate in the labor market for senior executives in corresponding positions.

In the event of termination by the company, the period of notice for all senior executives shall be a maximum of 12 months with the right to severance pay after the end of the notice period corresponding to a maximum of 100 percent of the fixed salary for a maximum of 12 months, i.e. fixed salary during the period of notice and severance pay for the senior executives shall not exceed 24 months of the fixed salary amount. As a general rule, any right to severance pay shall decrease in situations where remuneration during the current period is received from another employer.

In the event of termination by the executive, the period of notice shall normally be 6 months for the CEO and 3-6 months for other senior executives.

For the 2023 AGM, no major changes have been proposed to principles for remuneration and other terms of employment for senior executives.



For more information on remuneration to senior executives, please see the Corporate Governance Report, which is presented on pages 55-66.

### Significant events during the financial year

In line with the Group's strategy of consolidating the market for outdoor environments, Green Landscaping Group acquired three additional Swedish companies during the year. Besides that, five company acquisitions were made in Norway and two in Finland. During the year, Green Landscaping Group took its first step outside the Nordics by acquiring a company in Lithuania.

Initially, the COVID-19 pandemic had a slight negative impact on the business. There were, for example, fewer meetings with customers and clients, resulting in fewer orders and delays in some of our projects. On the operational side, we adapted to the situation in order to create a safer work environment and things are working smoothly. During the latter part of the year, the impact of the pandemic lessened. The pandemic also affected logistic chains, resulting in delays of material deliveries and higher transport costs. The subsidiaries found solutions, however, which lessened the impact of this, too.

Russia invaded Ukraine, which impacted the entire world in the form of rising inflation and interest rates.

### Sales and earnings

Net sales for the year amounted to SEK 4,810 (3,139) million, which is an increase of 53 percent. As in prior years, growth was primarily driven by acquisitions. Organic growth was 7 percent and rising inflation primarily impacted growth during the second half of the year. Exchange rate differences contributed with 2 percent. Around 60 percent of the Group's net sales are attributable to customers in the public sector and the remaining 40 percent came from customers in the private sector. Sales to private individuals were an insignificant portion of net sales.

The trend of rising profitability continued in 2022 and it is primarily due to two factors. First, is the fact that many of the companies with lower profitability have gradually improved thanks to long-term, methodical efforts. The other contributing factor was the positive impact on the profit margin from acquired companies, since most had higher profitability than the Group's average. EBITA amounted to SEK 407 (232) million. Amortization of intangible assets was SEK 99 (76) million. Net financial items amounted to SEK -57 (-34) million. Profit for the year was SEK 184 (92) million.

### MULTI-YEAR OVERVIEW (SEK million)

	2022	2021	2020	2019	2018
Net sales	4,810	3,139	2,135	1,993	1,180
EBITA	407	232	101	57	18
Equity	1,301	896	468	219	203
Balance sheet total	5,023	3,171	2,012	1,365	1,278
Average number of employees	2,145	1,623	1,357	1,245	598

### Order backlog

At the end of the year, order backlog was SEK 7,762 (5,125) million. The volume of our order backlog has increased compared to last year, primarily due to the Group having grown by adding several new companies.

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 large contracts are renewed within the Group, it has a significant impact on the order backlog.

### Financial position and liquidity

Consolidated equity attributable to the Parent Company's shareholders amounted to SEK 1,301 (896) million, which corresponds to an increase of SEK 405 million compared to 2021-12-31. A repurchase of own shares was carried out during the year for a total of SEK 48 million based on authorization granted by the AGM on 19 May 2022. They were then used as a means of payment for acquisition of subsidiaries.

Available liquidity amounted to SEK 526 (402) million, which includes cash and cash equivalents, along with bank overdraft of SEK 50 (50) million.

The company's net debt increased by SEK 764 million to SEK 1,800 million due to acquisitions that were made. Net debt, not including lease liabilities, amounted to SEK 1,355 (770) million. The higher level of indebtedness is primarily explained by utilization of the credit facility, along with an increase in lease liabilities. Net debt in relation to EBITDA pro-forma RTM amounted to 2.4 (2.4) times.

### Cash flow, investments and depreciation/amortization

Consolidated cash flow from operating activities was SEK 431 (175) million, of which changes in working capital amounted to SEK –25 (–93) million. Business combinations for the year amounted to SEK –728 (–433) million. Other net investments were SEK –85 (–32) million, which consisted primarily of machinery, vehicles and tools used in operations. Cash flow from financing activities for the year amounted to SEK 491 (522) million, of which new loans were SEK 743 (1,460) million and amortized loans were SEK –100 (–993) million. The amount of amortization on lease liabilities during the year was SEK –137 (–103) million. Depreciation of property, plant and equipment during the year was SEK –160 (–113) million. Amortization of intangible assets during the year was SEK –99 (–76) million.

### Acquisitions and investments

The following eleven companies were acquired in 2022: Markbygg Anläggning Väst AB, Rainset OY, Hallandsåsens utemiljö AB, Glenn Syvertsen AS, Aktiv Veidrift AS and Aktiv Veidrift Utleie AS, BraathenLandskapsentreprenör AS, Sorex Entreprenad AB, H&K Sandnes AS and No Dig Vestfold AS, UAB Stebule, Taimisto Huutokoski Oy and H T Vike AS. See Note 12 for more information on the acquisitions.

Green Landscaping Group primarily invests in property plant and equipment in the form of machinery and vehicles. In addition, the Group has also made smaller investments in such things as IT development and digitization of processes.

### Parent Company

The Parent Company's sales for the year amounted to SEK 36 (34) million, with an operating profit of SEK –13 (1) million. Impairment of subsidiaries, SEK 134 (198) million was recorded in the Parent Company financial statements and dividends were received for a net amount of SEK 169 (0) million. Other financial items amounted to SEK –46 (–22) million. Financial assets increased by SEK 1,082 million, which is primarily attributable to the acquisition of subsidiaries. Liabilities increased by SEK 824 million during the year. The higher borrowings have primarily been used to finance the acquisition of subsidiaries.

### Limitations on the right to transfer shares, etc.

When Green Landscaping Group AB acquires subsidiaries, the owners of those companies typically receive shares in Green Landscaping Group AB as payment. There is also typically a condition that the shares may not be divested during a certain period of time. Besides that, the company is not aware of any agreements between shareholders limiting the right to transfer shares. The Articles of Association for Green

Landscaping Group AB do not contain any special conditions on the appointment or termination of Board members. Instead, it follows what is stipulated in the Companies Act, without any additions. Neither are there any special conditions on changes to the Articles of Association.

### Appropriation of earnings

The following retained earnings shall be appropriated by the AGM (SEK):

Unrestricted share premium reserve	1,072,796,891
Retained earnings	–290,152,540
Profit (loss) for the year	1,919,656
<b>Total</b>	<b>784,564,007</b>

The Board proposes that:

Carried forward	784,564,007
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## Risks and uncertainties

### 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 delivery quality, 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.

Because of uncertainties in the world around us and the changed economic circumstances with higher inflation and higher fuel prices, there is a risk of cost increases for the Group. The risk is primarily mitigated by the fact that most of the customer agreements with a longer duration contain indexation clauses that adjust prices based on inflation. The content of contracts regulates when indexation may occur, typically, on an annual basis. This is why there is a delay between when costs rise and prices are adjusted. Statistics on the expenditure of Swedish municipalities since 2011 show an increase of spending in areas where the Group does business. The variation between years is small and there is no clear correlation between spending levels and business cycles.

### Tendering

Green Landscaping Group participates in competitive bidding processes in the form of requests for tenders or equivalent tendering procedures for public procurement. Tender requests often consume both time and financial resources and there is always a risk that Green Landscaping Group will not be awarded the contract. Furthermore, contracts obtained after a public tendering process can be appealed or revoked due to actual or alleged procedural errors during the tendering process. An unsuccessful tendering process could have a significant negative impact on the Group's operations, financial position and earnings.

Tendering is a key competence for many of the Group's companies and much effort is expended on retaining that competence.

### Growth and continued profitability

The Group's future growth and profitability are dependent on a number of factors such as geographical expansion and continued demand for the company's services. Future demand for the Group's services depends on the level of ambition of customers regarding the quality of outdoor environments, along with the development of society, which leads to a demand for services in planning and constructing parks and outdoor environments.

Changed market conditions, negative macroeconomic developments and changing trends in, for example, the level of outsourcing of services in the public sector could lead to a lower demand for the Group's services in the future.

### Risks related to continued expansion through acquisitions

Green Landscaping Group pursues an active acquisition strategy and, going forward, a large part of the Group's growth is expected to consist of both strategic and opportunistic acquisitions, aimed at, for example, expanding the business and entering new markets.

Future acquisitions of companies or operations could result in both business and company-specific risks such as miscalculations of such things as value and future prospects, along with unexpected costs resulting from unknown obligations.

Even risks that have been identified and considered prior to each acquisition might be incorrectly assessed and have a negative impact on both value and future prospects, along with unexpected costs arising from such things as miscalculations or failures in meeting claims on the seller's performance of contractual obligations. There is also the risk of a costly or unsuccessful integration process in conjunction with the acquisition. An unsuccessful integration in the form of, for example, quality problems in the acquired company could

damage the Group's reputation.

Large future acquisitions could also diminish Green Landscaping Group's liquidity and have a dilutive effect for the Group's shareholders via issuance of shares or share-related instruments along with a need to acquire new loans.

To manage the risks associated with acquisitions, the Group works with comprehensive, specially-designed processes that contain several defined decision points. A Group function has been specially set up that has responsibility for the acquisition process.

If Green Landscaping Group is unable to control its growth in an effective manner, it could impact the company's competitiveness and have a negative effect on the Group's operations, financial position and earnings.

### Weather and seasonal variations

Operations are affected by seasonal variations. The service offering also varies with each season. During the summer, a full range of ground maintenance services is offered such as cleaning, lawn mowing, pruning, planting, harvesting and road maintenance. Also offered is a wide assortment of planning and construction services for creating outdoor environments. During winter, there is a high volume of snow and ice removal services. Project activities are also carried out during winter, weather permitting. Sales and earnings in any given quarter are affected by the season. For Green Landscaping Group, 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 through December.

Operatively, the risk is managed by maintaining preparedness for temporary weather changes and when that happens, being able to offer other services instead, to the extent possible. Beyond that, weather and season variations are addressed in the Group's external communication, to raise awareness and understanding of the environment in which Green Landscaping Group operates, so that there is more tolerance for deviations and to align expectations with that.

### 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 limiting the potential negative effects on the Group's financial results.

The Group's financial transactions and risks are managed by the CFO and the Parent Company's other senior executives, along with the board of directors. The Group's overall goal for financial



risks is to limit the negative effects on the Group's earnings due to market changes or other factors in the surrounding world.

Changes in the economic situation in 2022 have meant that, in general, credit risk has increased and it is thus being carefully monitored. The majority of the Group's customers are in the public sector in terms of its net sales, thus, the risk of this customer group having difficulty paying is assessed as low.

Market interest rates have risen sharply during the year, and thus also the Group's interest expenses. The Group's performance and decision-making have only been marginally impacted by the higher interest rates.

#### **Refinancing risk**

Refinancing risk is the risk that financing cannot be obtained or renewed upon maturity, or that it can only be obtained or renewed at a significantly higher cost. The Group primarily finances its operations through equity, borrowings and the Group's own cash flows. In the future, Green Landscaping Group AB (the Parent Company) could fail to meet the obligations in financial covenants and other obligations associated with credit and loan agreements due to the general economic climate or disturbances in the capital and/or credit markets. If the Group fails to obtain the necessary financing in the future, or if financing can only be obtained on terms that are much more disadvantageous to the Group, it could have a negative impact on the Group's operations, financial position and earnings.

#### **Disputes and legal processes**

Green Landscaping Group operates in an industry where disputes with both clients and subcontractors arise.

Within the scope of its operating activities, the Group could thus become involved in disputes. Such disputes could, for example, lead to demands for payment and/or remediation of work and other such consequences to remedy errors in the delivery of services. Furthermore, the Group could be subject to outstanding claims and other situations that could force the Group to take legal action.

At the time when this report was published, the Group was not involved in any significant disputes.

#### **Insurance risks**

There is a risk that losses associated with damages could arise and that claims exceed what is covered by applicable insurance cover. And, even if such a claim is fully covered by the Group's insurance, the premiums that the Group pays to the insurance agency could increase afterwards.

#### **Inflation risk**

Inflation, with rising prices for materials and salaries could impact the Group. This risk is managed via indexation clauses to adjust prices, which are included in most of the Group's multi-year contracts. Other project activities are carried out in contracts with a duration shorter than one year, which makes it possible to adapt them for rising costs as needed. Over the short term, significant price increases could impact profitability.

#### **Russia's invasion of Ukraine**

Green Landscaping Group does not have any operations in either Russia or Ukraine, but it could be indirectly impacted by the war. The situation creates uncertainty in logistic chains for vehicle and material supply, inflation expectations and customer behavior. Thus far, we have not noticed any impact on the business. At both the Group and subsidiary levels, there have been initiatives to help Ukraine. However, the costs of those initiatives have not significantly impacted the Group's earnings potential or its financial position.

#### **Expected future growth and development**

Green Landscaping Group's strategy is to grow sales organically and through acquisitions, along with continuing to work in a decentralized way with its subsidiaries. The market for services related to outdoor environments is assessed as robust, growing and relatively cyclical. The trends of sustainability, green cities and urbanization are expected to create good conditions for the Group. The market is fragmented and there are opportunities for making additional company acquisitions.

## Consolidated statement of comprehensive income

SEK m	Note	2022	2021
Net sales	4, 5	4,810	3,139
Other operating income		38	42
<b>Total income</b>		<b>4,848</b>	<b>3,181</b>
<b>Operating costs</b>			
Direct costs of goods and services sold		-2,263	-1,394
Other external costs	7	-639	-427
Costs for remuneration to employees	6	-1,354	-999
Other operating expenses	32	-25	-16
Depreciation of PPE	15.17	-160	-113
Amortization of intangible assets	14	-99	-76
<b>Operating profit (loss)</b>	<b>5</b>	<b>308</b>	<b>156</b>
<b>Profit (loss) from financial items</b>			
Financial income	8	24	0
Financial expenses	8	-81	-34
<b>Total income from financial items</b>		<b>-57</b>	<b>-34</b>
<b>Profit (loss) after financial items</b>		<b>251</b>	<b>122</b>
Tax	9	-67	-30
<b>PROFIT (LOSS) FOR THE YEAR</b>		<b>184</b>	<b>92</b>
<b>Other comprehensive income</b>			
<b>Items that have been transferred or can be transferred to profit for the year</b>			
Translation gains or losses		51	44
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>235</b>	<b>136</b>
<b>Earnings per share</b>			
Basic earnings per share, SEK	10	3.41	1.84
Diluted earnings per share, SEK	10	3.39	1.81
Profit (loss) for the period attributable to the Parent Company's shareholders		184	92
Profit (loss) for the period attributable to non-controlling interests		0	-
Total comprehensive income attributable the Parent Company's shareholders		235	136
Total comprehensive income attributable to non-controlling interests		0	-

## Consolidated statement of financial position

SEK m	Note	2022-12-31	2021-12-31
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Goodwill	12,14,16	1,771	1,130
Customer relations	12.14	373	247
Brands	12.14	233	103
Other intangible assets	14	13	14
<b>Total intangible assets</b>		<b>2,390</b>	<b>1,494</b>
<b>Property, plant and equipment</b>			
Buildings and land	17	12	–
Expenditure for improvement on unowned property	17	2	0
Plant and machinery	17	234	120
Equipment, tools, fixtures and fittings	17	49	58
Right-of-use assets	15	558	321
<b>Total property, plant and equipment</b>		<b>855</b>	<b>499</b>
<b>Financial assets</b>			
Deferred tax asset	9	19	19
Other non-current receivables		5	8
<b>Total financial assets</b>		<b>24</b>	<b>27</b>
<b>Total non-current assets</b>		<b>3,269</b>	<b>2,020</b>
<b>Current assets</b>			
<b>Inventories, etc.</b>			
Finished goods and goods for resale	19	67	39
<b>Total inventories, etc.</b>		<b>67</b>	<b>39</b>
<b>Current receivables</b>			
Accounts receivable	18, 20	972	641
Contractual asset	20	128	39
Current tax asset		26	0
Other receivables		33	39
Prepaid expenses and accrued income	21	52	42
<b>Total current receivables</b>		<b>1,211</b>	<b>761</b>
Cash and cash equivalents	18, 22	476	352
<b>Total current assets</b>		<b>1,754</b>	<b>1,152</b>
<b>TOTAL ASSETS</b>		<b>5,023</b>	<b>3,171</b>



## Consolidated statement of financial position, cont.

SEK m	Note	2022-12-31	2021-12-31
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		4	4
Unrestricted share premium reserve		1,077	907
Translation reserve		80	29
Retained earnings including (profit/loss for the year)		140	-44
<b>Total equity attributable to the Parent Company's shareholders</b>	23	<b>1,301</b>	<b>896</b>
Equity attributable to non-controlling interests		35	-
<b>Total equity</b>	23	<b>1,336</b>	<b>896</b>
<b>Non-current liabilities</b>			
Liabilities to credit institutions	18, 25	1,747	1,043
Lease liability	18, 25, 28	355	206
Warranty provision	24	7	3
Deferred tax liabilities	9	203	106
Other non-current liabilities	25	93	39
<b>Total non-current liabilities</b>		<b>2,405</b>	<b>1,398</b>
<b>Current liabilities</b>			
Accounts payable - trade	18, 31	366	227
Contract liabilities	26	68	25
Liabilities to credit institutions	18	84	79
Lease liability	18, 28	90	60
Current tax liabilities		83	51
Other liabilities	34	317	215
Accrued expenses and deferred income	18, 27	274	221
<b>Total current liabilities</b>	13	<b>1,282</b>	<b>878</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,023</b>	<b>3,171</b>

## Consolidated statement of changes in equity

SEK m	Note	Share capital	Unrestricted share premium reserve	Translation reserve	Retained earnings including profit for the year	Total equity attributable to the Parent Company's shareholders	Non-controlling interests	Total
<b>Opening balance 2021-01-01</b>		<b>3</b>	<b>623</b>	<b>-16</b>	<b>-143</b>	<b>468</b>	<b>-</b>	<b>468</b>
Profit (loss) for the period					92	92		92
Other comprehensive income				44		44		44
<b>Comprehensive income for the year</b>				<b>44</b>	<b>92</b>	<b>136</b>	<b>-</b>	<b>136</b>
<b>Transactions with owners</b>	23							
New share issue		0	146			146		146
Non-cash issue		0	92			92		92
Repurchase of own shares					-30	-30		-30
Divestment of own shares					37	37		37
Exercise of warrants			44			44		44
Premiums for warrants			3			3		3
Other Group adjustments			-1			-1		-1
<b>Closing balance 2021-12-31</b>		<b>4</b>	<b>907</b>	<b>29</b>	<b>-44</b>	<b>896</b>	<b>-</b>	<b>896</b>
<b>Opening balance 2022-01-01</b>		<b>4</b>	<b>907</b>	<b>29</b>	<b>-44</b>	<b>896</b>	<b>-</b>	<b>896</b>
Profit (loss) for the period					184	184	0	184
Other comprehensive income				51		51	0	51
<b>Comprehensive income for the year</b>				<b>51</b>	<b>184</b>	<b>235</b>	<b>0</b>	<b>235</b>
<b>Transactions with owners</b>	23							
New issues *								
Non-cash issue		0	138			138		138
Repurchase of own shares**					-48	-48		-48
Divestment of own shares**					48	48		48
Redemption of options		0	29			29		29
Premiums for warrants			3			3		3
Non-controlling interests arising from the acquisition of subsidiaries							35	35
<b>Closing balance 2022-12-31</b>		<b>4</b>	<b>1,077</b>	<b>80</b>	<b>140</b>	<b>1,301</b>	<b>35</b>	<b>1,336</b>

\* New issues has decreased for the amount of costs associated with new issues of SEK 0 million for the financial year. For the comparison year, the corresponding amount is SEK 4.3 million.

\*\* Repurchased shares have been used as the means of payment for acquisition of subsidiaries.

## Consolidated cash flow statement

SEK m	Note	2022	2021
Operating profit (loss)		308	156
Adjustment for depreciation/amortization		259	193
Capital gain (loss)		-7	-4
Other non-cash items		17	-2
Interest received		1	0
Interest paid		-40	-33
Paid income tax		-82	-42
<b>Cash flow from operating activities before changes in working capital</b>		<b>456</b>	<b>268</b>
Change in inventory		14	-8
Change in receivables		82	-82
Change in current liabilities		-121	-3
<b>Cash flow from operating activities</b>		<b>431</b>	<b>175</b>
Business combinations	12	-728	-434
Acquisition of PPE	17	-99	-33
Acquisition of intangible assets	14	-3	-11
Sale of non-current assets		17	12
Sale of financial assets		2	-
<b>Cash flow from investing activities</b>		<b>-811</b>	<b>-465</b>
New share issue		-	146
Net change in bank overdraft		-	-5
New loans *	35	744	1,460
Amortization of debt	35	-100	-993
Amortization of lease liability	28, 35	-137	-103
Repurchase of own shares		-47	-30
Option premiums and option redemptions		32	47
<b>Cash flow from financing activities *</b>		<b>492</b>	<b>522</b>
<b>Cash flow for the year</b>		<b>112</b>	<b>231</b>
Cash and cash equivalents at the beginning of the period		352	117
Translation difference in cash and cash equivalents		12	4
<b>Cash and cash equivalents at the end of the period *</b>		<b>476</b>	<b>352</b>

In the Annual Report, there have been reclassifications within investing activities and financing activities compared to the year-end report for 2021. These reclassifications are primarily associated with amortization versus borrowing and attributable to corrections regarding leasing contracts. Both of the groups have been reduced by SEK 23.8 million.



## Parent company's income statement

SEK m	Note	2022	2021
Net sales	M1, M20	36	34
<b>Operating costs</b>			
Other external costs	M3, M19	-26	-18
Employee benefit expenses	M2	-23	-15
Depreciation of property, plant and equipment and amortization of intangible assets	M8, M9	-0	-0
<b>Operating profit (loss)</b>		<b>-13</b>	<b>1</b>
<b>Financial items</b>			
Profit (loss) from participations in Group companies	M4	35	-199
Other interest income and similar profit or loss items	M5	10	3
Interest expenses and similar profit or loss items	M5	-56	-25
<b>Total income from financial items</b>		<b>-11</b>	<b>-221</b>
<b>Profit (loss) after financial items</b>		<b>-24</b>	<b>-220</b>
Group contributions		28	12
<b>Earnings before tax</b>		<b>4</b>	<b>-208</b>
Tax	M6	-2	-3
<b>Profit (loss) for the year</b>		<b>2</b>	<b>-211</b>

The parent company does not have any items reported as other comprehensive income. Accordingly, total comprehensive income is the same as profit or loss for the year.

## Parent company's balance sheet

SEK m	Note	2022-12-31	2021-12-31
<b>Assets</b>			
<b>Intangible assets</b>			
Software	M8	2	0
<b>Property, plant and equipment</b>			
Expenditure for improvement on unowned property	M9	0	-
Equipment, tools, fixtures and fittings	M9	1	-
<b>Financial assets</b>			
Shares in Group companies	M7	2,942	1,747
Receivables from Group companies	M20	15	128
Deferred tax asset	M6	3	3
<b>Total non-current assets</b>		<b>2,963</b>	<b>1,878</b>
<b>Current receivables</b>			
Receivables from Group companies	M20	53	60
Current tax claim		3	3
Other receivables		1	-
Prepaid expenses and accrued income	M11	1	4
<b>Total current receivables</b>		<b>58</b>	<b>67</b>
Cash and bank	M12	4	85
<b>Total current assets</b>	M10	<b>62</b>	<b>151</b>
<b>TOTAL ASSETS</b>		<b>3,025</b>	<b>2,029</b>

## Parent Company's balance sheet

SEK m	Note	2022-12-31	2021-12-31
<b>Equity</b>			
<b>Restricted equity</b>			
Share capital		4	4
Fund for development expenditure		2	0
<b>Total restricted equity</b>	M13	<b>6</b>	<b>4</b>
<b>Non-restricted equity</b>			
Unrestricted share premium reserve		1,073	906
Retained earnings		-291	-82
Profit (loss) for the year		2	-211
<b>Total non-restricted equity</b>		<b>784</b>	<b>614</b>
<b>Total equity</b>	M13	<b>790</b>	<b>618</b>
<b>Non-current liabilities</b>			
Liabilities to Group companies	M14, M20	-	0
Liabilities to credit institutions	M10, M14	1,679	993
Other liabilities	M10, M14	95	47
<b>Total non-current liabilities</b>		<b>1,774</b>	<b>1,039</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	M10	75	75
Accounts payable - trade	M10	4	3
Liabilities to Group companies	M20	266	184
Other liabilities	M10, M22	97	96
Accrued expenses	M15	19	14
<b>Total current liabilities</b>		<b>461</b>	<b>372</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,025</b>	<b>2,029</b>



## Parent Company statement of changes in equity

SEK m	Note	Restricted equity		Non-restricted equity			Total
		Share capital	Fund for development expenditure	Unrestricted share premium reserve	Retained earnings	Profit (loss) for the year	
<b>Opening balance 2021-01-01</b>		<b>3</b>	<b>0</b>	<b>626</b>	<b>-94</b>	<b>-0</b>	<b>536</b>
Transfers within equity			0	-3	2		0
Transfer of prior year's profit or loss					-0	0	0
Capitalization of development expenditure			-0		0		0
Comprehensive income for the period						-211	-211
<b>Transactions with owners:</b>	M13						
New share issue		0		146			146
Non-cash issue		0		92			92
Repurchase of own shares					-30		-30
Divestment of own shares					37		37
Redemption of options		0		44			44
Premiums for warrants					3		3
<b>Closing balance 2021-12-31</b>		<b>4</b>	<b>0</b>	<b>906</b>	<b>-82</b>	<b>-211</b>	<b>618</b>
<b>Opening balance 2022-01-01</b>		<b>4</b>	<b>0</b>	<b>906</b>	<b>-82</b>	<b>-211</b>	<b>618</b>
Transfer of prior year's profit or loss					-211	211	0
Capitalization of development expenditure			2		-2		0
Comprehensive income for the period			2		-213	2	-211
<b>Transactions with owners:</b>	M13						
Non-cash issue		0		138			138
Repurchase of own shares					-48		-48
Divestment of own shares					48		48
Redemption of options		0		29			29
Premiums for warrants					3		3
<b>Closing balance 2022-12-31</b>		<b>4</b>	<b>2</b>	<b>1,073</b>	<b>-291</b>	<b>2</b>	<b>790</b>

New issues decreased for the amount of costs associated with new issues of SEK 0 million for the financial year. For the comparison year, the corresponding amount is SEK 4.3 million.

Repurchased own shares have been used as the means of payment for acquisition of subsidiaries.

## Parent Company cash flow statement

SEK m	Note	2022	2021
Operating profit (loss)		-13	1
Adjustment for depreciation/amortization		0	0
Other non-cash items		2	-
Interest received		3	3
Interest paid		-27	-22
Paid income tax		-3	-7
<b>Cash flow from operating activities before changes in working capital</b>		<b>-38</b>	<b>-25</b>
Change in working capital			
Change in operating receivables		10	-25
Change in operating liabilities		-71	114
<b>Cash flow from operating activities</b>		<b>-99</b>	<b>64</b>
Investing activities			
Acquisition of participations in subsidiaries	12	-923	-542
Shareholder contribution to subsidiaries		-	-32
Acquisition of property, plant and equipment and intangible assets	M8, M9	-2	0
Change in non-current receivables, Group		112	-9
<b>Cash flow from investing activities</b>		<b>-813</b>	<b>-583</b>
Financing activities			
New share issue			190
Dividend received	M4	169	
Group contributions made		-4	
New loans	M18	738	1,400
Amortization of debt	M18	-56	-994
Repurchase of own shares		-48	-30
Option premiums		32	3
<b>Cash flow from financing activities</b>		<b>831</b>	<b>569</b>
<b>Cash flow for the year</b>		<b>-81</b>	<b>50</b>
Cash and cash equivalents at the beginning of the period		85	35
<b>Cash and cash equivalents at the end of the period</b>		<b>4</b>	<b>85</b>

# Notes

## NOTE 1 General information

The main area of operations for Green Landscaping Group AB (publ) and its subsidiaries (together forming the Group) is maintenance and planning of outdoor environments such as green areas, parks, court-yards, tree care and sports facilities. During winter, it also offers snow and ice removal. In Sweden, Green Landscaping is one of the leaders in its sector and its customers include public sector organizations, property companies, private enterprises and housing cooperatives.

Green Landscaping Group AB (publ) CIN: 556771-3465 with registered office in Stockholm at the following address: Biblioteksgatan 25, 114 35 Stockholm.

The consolidated financial statements for the reporting period that ended on 31 December 2022 (including comparison figures) was approved by the Board on 13 April 2023. The annual report and consolidated financial statements, along with the Parent Company's income statement and balance sheet, will be brought forth for adoption at the AGM on 17 May 2023.

## NOTE 2 Applied accounting policies

### 2.1 Basis for preparation of financial statements

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Financial Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) adopted by the EU, the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups.

The Parent Company's financial statements have been prepared in accordance with the Annual Accounts Act and RFR 2 Accounting for Legal Entities, issued by the Swedish Financial Reporting Board. The application of RFR 2 means that in the annual report for the legal entity, the Parent Company applies all of the IFRS adopted by the EU and the interpretations, to the extent possible without deviating from what is stipulated in the Annual Accounts Act and with consideration given to the relationship between accounting and taxation.

The consolidated financial statements incorporate the results of the Parent Company and all subsidiaries. The Parent Company's functional currency is SEK, which is also the reporting currency for the Group and Parent Company.

The consolidated financial statements have been prepared under the going concern assumption. Assets and liabilities have been measured at historic cost. Some financial instruments have been measured at fair value. The consolidated financial statements have been prepared in accordance with the acquisition method and all subsidiaries where there is a controlling interest, have been consolidated as of the date when the controlling interest was obtained.

In order to prepare reports in accordance with IFRS, management must make a number of estimates for accounting purposes. The areas where many assessments are required, which are complex, or areas where assumptions and estimates are significant to the consolidated financial statements, are described in Note 3. These assessments and assumptions are based on past experience and other factors deemed reasonable under the prevailing circumstances. Actual results may differ from the assessments that were made, if assessments change, or if other conditions arise.

Gross amounts are reported for all assets and liabilities. However, offsetting is used when there is a receivable and a payable on the same counterparty and when there is both legal basis and intent to settle on a net basis. Gross reporting is used for revenue and expenses, unless otherwise stated.

Fixed assets, non-current liabilities and provisions are expected to

be reclaimed or settled more than twelve months from the closing date. Current assets and current liabilities are expected to be reclaimed or settled less than twelve months from the closing date.

The applied accounting policies include new and revised standards issued by IASB and adopted by the EU that are in effect as of the reporting date. New standards will be used as soon as they enter into force and an evaluation of the anticipated effects on the financial statements will be made as soon as a change is known.

### 2.3 Changes in accounting policies and disclosures

#### New standards and interpretations applied as of 1 January 2022

The following revised standards entered into force as of 1 January 2022: IAS 16, Property, Plant and Equipment, pertaining to the reporting of remuneration prior to intended use.

IAS 37, Provisions, Contingent Liabilities and Contingent Assets, changes relating to loss contracts and expenses to fulfill loss contracts

The revised standards have not had any material impact on Green Landscaping Group's financial statements.

#### New standards and interpretations that have not yet entered into force as of the closing date

The following new and revised standards entered into force as of 1 January 2023:

- IAS 1, Presentation of Financial Statements. With these amendments, the requirement in IAS 1 on disclosures of material accounting principles is replaced by a requirement on disclosures about material information about accounting principles. The purpose is to achieve a significant change in accounting practice aimed at better, more effective communication in financial statements.
- IAS 8, Accounting Policies, amendments to estimates, assessments and errors. The amendments implement a definition of what constitutes and estimate. The aim is to clarify the difference between changes in estimates, accounting principles and errors.
- IAS 12, Income taxes, pertains to an amendment of the reporting of deferred tax stemming from a single transaction, such as the initial reporting of a right-of-use asset or lease liability. For Green Landscaping Group, the amendment impacts the reporting of deferred tax liability and tax asset from leases.

For the following two standards, the amendments enter into force as of 2024. They are IAS 1, Presentation of Financial Statements (classification of liabilities) and IFRS 16, Leases (reporting of lease liability with a sale and leaseback transaction).

None of the new or amended IFRS standards or interpretations have been early adopted.

### 2.4 Significant accounting and valuation principles

#### Consolidated financial statements and business combinations

Subsidiaries are those companies in which the Parent Company, directly or indirectly, has a controlling influence based on ownership of more than 50 percent of the voting rights of the shares or otherwise has the right to design financial and operational strategies in the Group. All subsidiaries are consolidated using the acquisition method. The compensation that is transferred to obtain a controlling influence over a subsidiary is calculated as the sum of the fair values on the acquisition date of transferred assets, assumed liabilities and the equity instruments issued by the Group. The cost amount includes the fair value of an asset or liability that has arisen from contractual conditional consideration. Acquisition costs are expensed as soon as they arise. If the Group acquires a controlling influence in a business in which it previously owned shares, these are revalued at fair value on the date of acquisition, with the profit or loss recognized in the income statement or other comprehensive income, as appropriate. The consideration transferred as part of the



business combination does not include amounts related to the payment for the previous holding. The profit or loss from the prior existing holding is recognized in earnings. Acquired assets, assumed liabilities and contingent liabilities in a business acquisition, measures at fair value at the time of acquisition. Any surplus arising from the difference between cost and fair value on the Group's share of identifiable acquired assets, liabilities and contingent liabilities is reported as goodwill. If the cost amount is less than the fair value of the acquired net assets, it is reported as a negative difference in profit or loss.

Subsidiaries that were acquired during the financial year are included in the consolidated financial statements as soon as the controlling interest has been transferred to the Group. Subsidiaries that were divested during the financial year are included in the consolidated financial statements up until the date when the controlling interest no longer exists.

The Group allocates the comprehensive earnings of subsidiaries between the Parent Company's owners and non-controlling interests based on their respective ownership share.

All intra-Group transactions, balance sheet items, unrealized gains and Group contributions have been eliminated. Unrealized losses are also eliminated unless the transaction is evidence that a write-down requirement exists for the transferred asset.

### Segment reporting

An operating segment is a part of the Group that conducts operations from which it can generate revenue and incur costs and for which independent financial information is available. The Group's operations are divided into different segments based on the geographic locations of the companies. The segments are: South, Middle, Stockholm, North, Norway and Finland and others. The Group's CEO has been identified as the company's highest decision-making authority, responsible for monitoring the results of operations and deciding on the distribution of resources based on the services performed and the goods sold in each geographical region. The Group's operating segments are its geographic regions. In each segment, the revenue streams and cost structures are essentially the same. Internal pricing is on market terms.

### Cash flow statements

Cash flow statements have been prepared using the indirect method.

### Currency effects

#### Translation of foreign subsidiaries' financial statements

The assets and liabilities of foreign operations, including goodwill and other Group surpluses/deficits are translated to SEK using the rate prevailing on the closing date. The income and expenses of foreign operations are translated to SEK using an average rate, which is an approximation of the average exchange rate applicable on each transaction date. Any translation gains or losses arising from the currency translation of foreign operations is via other comprehensive income in the translation reserve, which is a component of equity.

#### Transactions in foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities denominated in foreign currency are converted to the functional currency at the exchange rate prevailing on the closing date. Non-monetary assets and liabilities reported at historical cost are translated at the rate prevailing on the transaction date. Any exchange differences arising from translation of foreign currencies are recognized in the income statement. Any exchange differences on operating receivables and operating liabilities is included in operating profit or loss. However, exchange differences on financial receivables and liabilities are recognized in financial items.

### Revenue recognition

The Group's revenue is primarily derived from the performance of service assignments and sales of goods. The Group's revenue from contracts with customers is divided into six segments and reported in Net sales. For contracts with customers, revenue is recognized in accordance with the 5-step model of IFRS 15.

Revenue is recognized over time when any of the following three indicators of control have been satisfied. Control occurs when: the customer obtains and consumes benefits at the rate that the company

perform, the company's performance creates or improves an asset that the customer controls, or the company's performance does not create an asset that has an alternative use for the company and the company has a current right to payment for its performance thus far. The input method is applied to measure progress towards complete satisfaction of the Group's performance obligations and how revenue is recognized.

Maintenance contracts typically stretch over 3-4 years, with the option to extend. The services rendered are ground maintenance in accordance with agreed principles (frequency/function-based) and periodicity. Facility contracts typically have a shorter duration, up to 2 years, and they are for more specific assignments, such as building playgrounds, courtyards, etc. There are two types of service assignments: maintenance over a longer period of time and with a fixed invoicing plan; and shorter service assignments that are on a running basis. The sale of goods pertains to machinery, materials and spare parts. The sales price is taken from a fixed price list.

Revenue is recognized at a specific point in time, when control has been transferred to the customer. Transfer of control is assessed as having been transferred when any of the five indicators have been fulfilled, when there is an unconditional obligation to pay, a legal ownership right, physical possession, transfer of significant risks and benefits, or when the good has been accepted.

The Group's contracts for sales to customers consist of both framework agreements and individual agreements. For framework agreements, the contract with the customer consists of the call-off order, together with the framework agreement. The Group's performance obligations consist of providing the goods and services specified in the agreements. Typically, each agreement contains a separate performance obligation, which has been met when control is transferred to the customer. For the sale of goods, control over the goods is typically transferred to the customer at the time of delivery. If there are special delivery terms in the agreement, control might pass to the customer in conjunction with transfer of the risk in accordance with those terms. Typically, the Group does not have clauses on variable remuneration (i.e. Bonus, kick-backs and similar) in its customer agreements.

The transaction price is allocated to each performance obligation in the contract based on a standalone selling price. The transaction price could have both fixed and variable components. If, during the entire process, the Group is entitled to compensation for performance rendered, including a margin, the revenue will be recognized over time for these types of assignments. If the transaction price has a variable component, what will be included in the revenue recognized over time is only the portion of that amount for which there is not a significant risk of it needing to be reversed at a later date. Variable remuneration is typically allocated proportionally to the identified performance obligations, unless there are clear indications that the variable remuneration does not pertain to the identified obligations in the contract. The transaction price is regularly updated if the conditions upon which the estimate was made have changed.

When a contract with a customer includes a right to return the goods within a certain amount of time, the Group will report the right-of-return using an expected value model. A right-of-return does not constitute a separate performance obligation, but it does affect the transaction price for the delivered goods. The portion of revenue associated with the amount of expected returns is deferred and reported in the statement of financial position as part of Other liabilities. A corresponding adjustment is made to the cost of goods sold and reported in the statement of financial position as part of Inventories.

### Tax

Tax reported in profit or loss includes both current tax and deferred tax.

Current tax is tax that is paid or refunded for the current year. It also includes adjustments to current tax that are attributable to prior periods.

Deferred tax is recognized on the closing date in accordance with the balance sheet method for temporary differences between assets' and liabilities' tax and accounting values. Deferred tax is measured at the nominal amount and it is calculated using the tax rates and legislation in effect or decided as of the closing date. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available. Deferred tax assets and deferred tax liabilities are offset when there is a legal right to settle the current tax assets and tax liabilities on a net basis and the tax liabilities relate the same unit in the Group and to taxes levied by the same taxation authority.

### Financial instrument – general

Financial assets and liabilities are reported in the statement of financial position when the Group becomes party to the instrument's contractual terms. A financial asset is removed from the statement of financial position when the rights in the contract are realized, mature, or when the Group loses control over them. A financial liability is removed from the statement of financial position when the stated obligations in the contract have been fulfilled. Subsequent measurement of financial assets and liabilities is described below.

### Classification and valuation

All financial instruments reported in the balance sheet must be classified in different measurement categories. Measurement of financial instruments is based on this classification. Classification of a financial instrument is based on the Group's business model (the objective for holding the financial asset) along with the financial asset's contractual cash flows. For the current year and comparison year, the Group only had assets measured at amortized cost meeting the following requirements:

- The asset is included in a business model, where the goal is to collect contractual cash flows and
- The contractual terms give rise to, at specific times, cash flows that only consist of principle and interest on the outstanding amount of capital.

Financial liabilities are measured at amortized cost or fair value via profit or loss.

### Receivables

Receivables, including accounts receivable, are measured at amortized cost. It requires that a loss allowance is set up for expected credit losses. The Group applies the simplified approach regarding accounts receivable and contract assets when calculating the reserve for expected credit losses. This approach requires recognition of a reserve for expected credit losses on accounts receivable and contract assets over the entire remaining life of the asset. Allowance for credit losses is based on historical data and ratings. Any impairment of receivables is recognized in operating costs.

Because the expected maturity for accounts receivables is short, they are typically reported at the nominal amount, without any discounting.

### Liabilities

Liabilities to credit institutions (non-current and current), bank overdraft and accounts payable are classified as liabilities measured at amortized cost. At acquisition, other financial liabilities are measured at fair value plus transaction costs. Afterwards, other financial liabilities are measured at amortized cost using the effective interest method.

The Group's liabilities that are measured at fair value via profit or loss consist of additional consideration associated with the acquisition of subsidiaries.

Amortized cost is the amount at which the asset or liability was originally recognized less amortization and any impairment losses, plus accruals for the initial difference between the cost of acquisition and the amount expected to be received on the maturity date.

Fair value is the price which, as of the valuation date, would have been received from sale of an asset or paid with transfer of a liability in an orderly transaction between market participants.

If market prices are not available, the fair value for an individual instrument is established using various measurement techniques.

### Cash and cash equivalents

Cash and cash equivalents consist of cash-on-hand and deposits with banks and similar institutions that mature within three months of the date of acquisition.

### Cash pool

Green Landscaping Group AB (publ) is the holder of the Group account. The total amount in the Group account is reported as cash and cash equivalents in the Parent Company. Subsidiaries' share of the Group account is reported as a receivable/payable to Group companies. The Group has an overdraft facility of SEK 50 (58) million and as of 31 December 2022, the unutilized amount was SEK 50 (50) million.

### Liabilities to credit institutions

Liabilities to credit institutions are initially recognized at fair value, less transaction costs. Afterwards, they are recognized at cost. Liabilities to credit institutions are classified as current or non-current interest-bearing liabilities in the balance sheet.

### Accounts payable - trade

Accounts payable are recognized at amortized cost when the invoice has been received.

### Intangible assets

#### Goodwill

Goodwill is made up of the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortized, since it has an indefinite useful life. Instead, it is tested for impairment at least once per year or whenever there is an indication of a write-down requirement. 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.

#### Brands

Values identified in acquisition analyses that are associated with brands are assessed as having an indefinite useful life. Externally acquired brands are also included. Brands with an indefinite useful life are not amortized. They are, however, tested for impairment at least once per year or whenever there is an indication of impairment. An impairment loss is recognized if the carried value of the brand, or its cash generating unit, is higher than the recoverable amount. The recoverable amount is the higher of fair value less cost to sell and value in use. Value in use is measured based on the expected future discounted cash flows after tax. At every closing earlier made impairment is assessed to decide if it is still necessary. A write-down is only reversed if the carried value of the asset after reversal doesn't exceed the carried value for the asset if no impairment was made and considering the amortizations that would, instead, have been done. The strong positions of the brands and analyses that have been conducted support management's perception that the brands generate cash flows over an indefinite period of time. The assessment of an indefinite useful life is tested annually to determine whether it is still defensible. If not, it will be changed to a finite useful life.

#### Customer relations

Values identified in acquisition analyses that are associated with customer relations are amortized over the useful life which, based on historical acquisitions, is 3 years for public sector contracts with customers and 5 years for private sector contracts with customers. The rate of amortization is based on an individual assessment of the remaining useful life after the Group as made an acquisition.

#### Other intangible assets

Other intangible assets are externally acquired assets like capitalized expenditure for software, patents and licenses. The assets that have a finite useful life are recognized at cost less accumulated amortization and any impairment losses. Other intangible assets are amortized on a straight-line basis over the estimated useful life, which is typically five years. Amortization of intangible assets with a finite useful life starts on the date when they are available for use.

#### Impairment of non-financial assets

Impairment assessment for intangible assets occurs whenever there is an indication that an asset has declined in value. Impairment is recognized if the carrying amount for an asset or its cash-generating unit exceeds the recoverable amount. The recoverable amount is the value-in-use or fair value less selling expenses, whichever is higher. Value-in-use is calculated as the present value of the estimated future cash flows, after tax. At each closing date, an assessment is made of impairment losses recognized in prior periods to see if there are indications that the write-down requirement has declined or if it no longer exists. A write-down is only reversed if the carried value of the

asset after reversal doesn't exceed the carried value for the asset if no impairment was made and considering the amortizations that would, instead, have been done.

An impairment assessment is made each year of the cash-generating units to which goodwill and brands have been allocated and whenever there are indications of a write-down requirement. Impairment assessment and recognition of impairment losses on goodwill occurs in the same way as with intangible assets. However, impairment losses on goodwill are not reversed.

### Property, plant and equipment

Property, plant and equipment primarily consists of machinery and vehicles. Property, plant and equipment are reported at cost less accumulated depreciation and any impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Depreciation is based on the cost of acquisition for the asset and it is on a straight-line basis over the estimated useful life.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and they are reported under 'other operating income' or 'other operating expenses'.

Property, plant and equipment with a value that is less than half the price base amount is not capitalized based on the concept of materiality.

The residual value of an asset, its useful life and the depreciation method are reviewed at the end of each financial year and an adjustment is made prospectively, when needed, at the end of each reporting period. Ordinary expenditure for maintenance and repairs is expensed as incurred, but expenditure for significant renewals and improvements is capitalized and reported in the balance sheet. It is then depreciated over the remaining useful life of the underlying asset.

The following depreciation periods are used:

Buildings and landscaping	5-20 years
Plant and machinery	
- Landscaping machinery	5-20 years
- Vehicles	5 years
Equipment, tools, fixtures and fittings	5 years
Expenditure for improvement on unowned property	3-7 years

### Leasing

The Group reports a right-of-use asset and the corresponding lease liability at the inception of the lease.

Right-of-use assets are initially measured at costs, which consists of an initial valuation of the lease liabilities and any lease payments made prior to the inception of the lease less any discounts, initial direct costs and any restoration costs. Afterwards, they are measured at cost less any accumulated depreciation and impairment, adjusted for any revaluations of the lease liability. It means that the lease assets are measured at the present value of future lease payments. The lease payments are allocated between depreciation and interest on the lease liability. The right-of-use assets are depreciated on a straight line basis over the lease period.

Leases where the underlying asset is of low value or which terminate within 12 months from the date of acquisition are not reported as right-of-use assets. Instead, they are expensed on a straight-line basis.

Lease liabilities are initially measured at the present value of future unpaid leasing fees from the contract start date. The discount rate used to determine present value should be the rate of interest implicit in the lease. If that cannot be established, the Group's marginal lending rate is used. In most cases, the Group uses its marginal lending rate as the discount rate. The Group establishes its marginal lending rate using a build-up method that is based on the risk-free interest rate, adjusted for the Group's credit spread corresponding to the marginal interest rate that the Group received from the bank, and an adjustment for assets with strong collateral. The lease liability increases thereafter from interest expense on the lease liability and it decreases when lease payments are made.

The lease liability is revalued if there is a change in the future lease payments resulting from a change in an index or similar, such as changes in the estimated future payments during the guaranteed remaining lease period, or, in certain cases, changes in the assessment

of whether asset purchase and either an extension or cancellation of the lease is likely to occur.

### Inventories

Inventories are measured at the lower of cost and net realizable value on the closing date. Net realizable value is the estimated sales price of the goods less selling expenses. Cost is calculated using the FIFO method. Initial recognition of raw materials and finished products is at the cost of acquisition. The carrying amount of inventories may need to be adjusted if it exceeds the net realizable value. This method of valuation means that any obsolescence in inventories has been considered.

### Provisions, contingent liabilities and contingent assets

Provisions are reported when the Group has a legal or informal obligation resulting from past events, it is probable that payments will be required to settle the obligation and when a reliable estimate of the amount can be made. Provisions are reported in two categories: non-current liabilities and current liabilities.

A contingent liability/asset is a possible liability/asset resulting from past events and which only can be ascertained when one or more uncertain future events occur that are not within the company's control. No liability/asset is reported if the likelihood is very low that an outflow of resources will result from existing obligations.

### Employee benefits

#### Pension plans

The company only has defined contribution plans. Expenditure for defined contribution plans is expensed in the period when the employee performs the services underlying the obligation.

#### Termination benefits

A provision is made in conjunction with terminating employment only if the company is obliged to terminate an employment before the normal date or when compensation is given as an offer to encourage voluntary resignation. In cases where the company issues notice of termination, the provision is calculated after a detailed plan has been drawn up, specifying the workplace, positions and approximate number of employees affected along with the remuneration for each employment category or position and the time frame for implementing the plan.

#### Short-term employee benefits

Salary and remuneration, along with the associated social security contributions are expensed at the rate earned by the employee.

#### Variable salary

Accruals are made on an ongoing basis for variable salary in accordance with the economic substance of the agreement.

#### Government assistance

All government grants are recognized in the income statement and balance sheet when there is reasonable assurance that the company will comply with any conditions attached to the grant and the grant will be received. Government grants have been reported as other operating income.

#### Parent company accounting policies

The Parent Company's financial statements have been prepared in accordance with the Annual Accounts Act and RFR 2 Accounting for Legal Entities, issued by the Swedish Financial Reporting Board. The Parent Company applies different accounting policies than the Group in the following instances:

- When allowed, Group contributions are made between Swedish companies belonging to the Group to minimize the Group's tax expense.
- Group contributions are reported as revenue or expense in the Parent Company's income statement.
- Any value changes to additional consideration or transaction costs are reported against shares in subsidiaries.
- All costs associated with leases are expensed on a straight-line basis over the lease period.
- Participations in subsidiaries are measured before any write-down to cost.
- Financial assets and liabilities are measured at cost.



- Presentation of the income statements and balance sheets is in accordance with the formats specified in the Annual Accounts Act.

### NOTE 3 Significant assumptions, estimates and assessments

Senior executives and the Board of Directors make assessments and assumptions about the future. These assessments and assumptions impact the amounts reported for assets, liabilities, revenue and expenses, along with other information that is disclosed, such as contingent liabilities. These assessments are based on past experience and assumptions deemed reasonable under the prevailing circumstances. Conclusions made from this are used as the basis for deciding the amounts reported for assets and liabilities when the amounts cannot be derived from other information. Actual outcome may deviate from these assessments if other assumptions are made or if other conditions arise. Areas that require assessments and assumptions of that kind and which could have a significant impact on the Group's earnings and financial position include:

- For impairment testing of goodwill, it is necessary to make a number of significant assumptions and assessments in order to calculate the cash-generating unit's value-in-use. These assumptions and assessments are of the expected future discounted cash flows. Forecasts for future cash flows are based on the best possible assessments of future revenue and operating expenses, based on historical trends, general market conditions, developments in, and prognoses for, the sector and other available information. Senior executives compile their assumptions, which are then reviewed by the Board of Directors.
- When calculating deferred tax and the tax liability, assessment must be made to determine both current and deferred tax assets and liabilities. This applies in particular to deferred tax assets. For the latter, an assessment is made of the likelihood that the deferred tax assets will be available to be used against future taxable profits. The fair value of these future taxable profits may deviate based on the future business climate, earnings capacity or revised tax rules.
- The Group's calculations pertaining to legal disputes and contingent liabilities refer to a number of minor disputes and legal proceedings within the scope of its operating activities. Management engages legal expertise for these issues. When the financial outcome of legal disputes has been assessed as significant, it is reported separately.
- The calculation and assessment of provisions yields an amount deemed to be the best assessment of what will be required to settle the existing obligation as of the closing date. If the effect of when the settlement occurs is significant, the provision is calculated by discounting the expected future cash flow using a discount rate, before tax, that reflects the current market assessments of the time value of money and, if applicable, the risks associated with the liability.

### NOTE 4 Revenue from contracts with customers

#### CATEGORIZATION OF CONTRACTS WITH CUSTOMERS

The amounts reported below include Intra-Group sales.

SEK m	2022	2021
<b>Services transferred over time</b>		
Region South	617	539
Region Mid	1,060	794
Region Stockholm	577	572
Region North	381	348
Region Norway	1,812	797
Region Finland and other	224	65
Unallocated amounts and eliminations	-171	-184
<b>Total</b>	<b>4,500</b>	<b>2,931</b>
<b>Goods transferred at a specific point in time</b>		
Region South	5	-
Region Mid	167	113
Region Norway	133	95
Region Finland and other	5	-
<b>Total</b>	<b>310</b>	<b>208</b>
<b>Total revenue from contracts with customers</b>	<b>4,810</b>	<b>3,139</b>
<b>Allocation of revenue by country</b>		
Sweden	2,807	2,366
Norway	1,945	892
Finland and other	229	65
Unallocated amounts and eliminations	-171	-184
<b>Total revenue from contracts with customers</b>	<b>4,810</b>	<b>3,139</b>

#### Summary of contract balances

#### CONTRACT BALANCES

SEK m	2022-12-31	2021-12-31
Accounts receivable (Note 20)	972	641
Contract assets (Note 20)	128	39
Contract liabilities (Note 26)	-68	-25

Accounts receivable are non-interest-bearing and the typically fall due for payment 30 days after the performance obligation has been fulfilled.

Contract assets are recognized in the statement of financial position when the customer is considered to have benefited from the delivered goods or services and it is often attributable to ongoing maintenance tasks. When the customer has been invoiced for the delivered services, the amount is reclassified to accounts receivable. For information on the year's change in the provision for doubtful debts, please see Note 20.

Contract liabilities are attributable to advance payments from customers on services that have not yet been rendered.

The table below shows revenue during the year that is attributable to contract assets and contract liabilities:

**CONTRACT ASSETS**

	2022	2021
Opening contract assets	39	72
Business combinations	40	-
Increase due to recognized revenue	90	39
Decrease due to decrease in accounts receivable	-41	-72
<b>Closing balance, contract assets</b>	<b>128</b>	<b>39</b>

<b>Contract assets</b>	2022	2021
Invoiced within one year	125	39
Invoiced later than one year	3	0

**CONTRACT LIABILITIES**

	2022	2021
Opening balance, contract liabilities	-25	-29
Business combinations	-18	
Additional advances	-42	-25
Decrease due to recognized revenue	17	29
<b>Closing balance, contract liabilities</b>	<b>-68</b>	<b>-25</b>

<b>Contract liabilities</b>	2022	2021
Work to be done within one year	68	25
Work to be done in more than one year	0	-

**Performance obligations**

Below is a summary of the Group's performance obligations. There are no significant financing components in customer contracts. For this reason, the Group does not adjust the transaction price for the effect of any significant financing components. The amount of the Group's performance obligation that will not be invoiced within one year is SEK 3 (0) million.

**Sale of services**

Revenue from the sale of services is primarily recognized over time as the services are rendered, based on the percentage of completion. Maintenance contracts typically stretch over 3-4 years, with the option to extend. The services rendered are ground maintenance in accordance with agreed principles (frequency/function-based) and periodicity. Facility contracts typically have a shorter duration, up to 2 years, and they are for more specific assignments, such as building playgrounds, courtyards, etc. Invoices are sent out regularly and payment terms are typically 30 days. Sale of services occurs in all segments.

**Sale of goods**

Some of the companies in the Group sell goods to other companies (wholesale transactions) and consumers (retail) at both physical and online stores. For wholesale, revenue is recognized, along with the customer receivable, when the goods are delivered. The payment terms for receivables are consistent with industry practice. For retail, revenue is recognized when the customer has paid for the goods. For online sales, revenue is recognized when the goods have been sent to the customer. Retail sales typically come with warranties and other terms and conditions about returns, all of which are in line with standard practice in the industry. Total returns are typically not for a significant amount. The sales price is taken from a fixed price list. For machinery, warranties are issues that correspond to what the Group has received from its suppliers.

**NOTE 5 Segment information**

Green Landscaping Group's business is divided into six segments, which are referred to as regions. These are the reportable segments for the Group.

Segment division is geographic. For more information, please see the description on each segment on pages 21-26 in the annual report.

The earnings of each segment are monitored by the highest decision-making authority, which is the Group CEO. The highest decision-making authority evaluates the results from the various segments separately for the purpose of management control and making decisions on resource allocation. Performance of the segments is evaluated based on sales, EBITA, growth and margin improvements. The Group's financing is managed at the Group level and is not allocated to operating segments.

Internal pricing between operating segments is on market terms similar to third-party transactions in accordance with the principle of an arm's length transaction.

The Group does not have any single major customer where revenue is 10% or more of the Group's total revenue.

2022	Region South	Region Mid	Region Stockholm	Region North	Region Norway	Region Finland and other	Unallocated amounts and eliminations	Total
Revenue from contracts with customers	622	1,226	577	381	1,945	229	-170	4,810
Operating expenses	-563	-1,159	-548	-347	-1,699	-206	119	-4,403
EBITA	59	67	29	34	246	23	-50	407
Amortization of intangible assets								-99
<b>Operating profit (loss)</b>								<b>308</b>
Financial items								-57
<b>Profit (loss) after financial items</b>								<b>251</b>
Tax								-67
<b>PROFIT (LOSS) FOR THE PERIOD</b>								<b>184</b>
Goodwill	205	322	134	103	806	201	-	1,771
Property, plant and equipment	54	101	39	37	578	46	-	856
Investments	8	16	2	7	61	4	-	99
Average no. of employees	347	519	261	252	615	131	21	2,145

2021	Region South	Region Mid	Region Stockholm	Region North	Region Norway	Region Finland and other	Unallocated amounts and eliminations	Total
Revenue from contracts with customers	539	907	572	348	892	65	-184	3,139
Operating expenses	-501	-880	-573	-317	-747	-55	166	-2,907
EBITA	38	27	-1	31	145	10	-18	232
Amortization of intangible assets								-77
<b>Operating profit (loss)</b>								<b>155</b>
Financial items								-33
<b>Profit (loss) after financial items</b>								<b>122</b>
Tax								-30
<b>PROFIT (LOSS) FOR THE PERIOD</b>								<b>92</b>
Goodwill	196	138	134	102	492	68	0	1,130
Property, plant and equipment	18	44	16	85	325	8	3	499
Investments	3	6	4	2	18	1	0	33
Average no. of employees	290	493	293	223	272	30	21	1,623



## NOTE 6 Employees and employee benefit expenses

### AVERAGE NO. OF EMPLOYEES

	2022		2021	
	Number of employees	Of which women %	Number of employees	Of which women %
Sweden				
- Parent Company	9	14	6	33
- Other companies	1,391	19	1,315	19
Norway	615	13	272	8
Finland	81	27	30	32
Lithuania	50	10	-	-
<b>Total for the Group</b>	<b>2,145</b>	<b>18</b>	<b>1,623</b>	<b>18</b>

### SALARIES AND OTHER REMUNERATION

SEK m	2022	2021
Board of Directors, CEO and other senior executives	11	7
of which bonuses	2	1
Other employees	1,008	728
<b>Total</b>	<b>1,019</b>	<b>736</b>

Senior executives includes the Board of Directors, CEO and other senior executives, three (three) individuals.

Variable remuneration to senior executives during the year has been paid in the form of bonuses. As of 31 December 2022, SEK 3,2 (1.8) million was reserved for bonuses to the CEO and other senior executives.

### SALARIES, REMUNERATION AND SOCIAL SECURITY EXPENSES

SEK m	2022	2021
Salaries and other remuneration	1,019	736
Pension expenses for senior executives	2	2
Pension expenses for others	62	45
Other social security expenses	226	201
<b>Total</b>	<b>1,309</b>	<b>984</b>

### GENDER BALANCE, SENIOR EXECUTIVES

	2022	2021
Percentage women, Board of Directors	40%	33%
Percentage men, Board of Directors	60%	67%
Percentage women, other senior executives	0%	0%
Percentage men, other senior executives	100%	100%

### Decision processes for remuneration

Remuneration and terms for the CEO are decided by the Board. Remuneration to other senior executives is decided by the CEO, in certain cases, having first consulted with the Chairman of the Board. Remuneration to the Chairman and Board members consists of fixed fees and meeting fees in accordance with the general meeting of shareholders' decision.

### Remuneration and terms for senior executives

Remuneration to the CEO and other senior executives consists of fixed salary, variable remuneration, pension benefits and other benefits. In the context of this note, other senior executives are the three members of the Group management team in 2022, along with the CEO. For information on the guidelines for remuneration in 2022, please see page 59 of the Corporate Governance Report. Variable remuneration refers to a bonus that is based on an earnings period of one year and the results achieved during that time compared to pre-determined targets. Other remuneration refers to benefits, like company car, health insurance and other benefits. The CEO has a notice period of 12 months when notice is issued by the Group. However, if the CEO wishes to terminate employment, the notice period the CEO must give is 6 months. Pension benefits for the CEO are 30% of pensionable salary. Other senior execu-

tives have pension benefits in accordance with the ITP plan.

### Severance pay

In the event of termination by the employer, the CEO and other senior executives are entitled to severance pay corresponding to, at most, 100 percent of fixed salary for a maximum of 12 months.

### Board fees

At the 2022 AGM the following fees were approved: total Board fees to Board members of SEK 1,250,000, of which SEK 350,000 to the Chairman and SEK 225,000 to each of the other Board members who are not employees of the Group, along with a fee of SEK 75,000 to the Chairman of the Audit Committee.

### DISCLOSURES ON REMUNERATION TO SENIOR EXECUTIVES

2022	Basic salary/ Board fee	Variable remuneration	Pension expense	Other remuneration	Total
Per Sjöstrand, Chairman of the Board	0.3	-	-	-	0.3
Tomas Bergström	0.2	-	-	-	0.2
Monica Trolle	0.2	-	-	-	0.2
Staffan Salén	0.2	-	-	-	0.2
Åsa Källenius	0.3	-	-	-	0.3
Johan Nordström, CEO	2.7	1.2	0.5	0.0	4.4
Other senior executives (3 in total)	4.8	1.3	1.6	0.1	7.8
<b>Total</b>	<b>8.6</b>	<b>2.5</b>	<b>2.2</b>	<b>0.1</b>	<b>13.4</b>

2021	Basic salary/ Board fee	Variable remuneration	Pension expense	Other remuneration	Total
Per Sjöstrand, Chairman of the Board	0.2	-	-	-	0.2
Monica Trolle	0.1	-	-	-	0.1
Staffan Salén	0.1	-	-	-	0.1
Tomas Bergström	0.1	-	-	-	0.1
Åsa Källenius	0.2	-	-	-	0.2
Johan Nordström, CEO	2.3	0.8	0.9	0.1	4.1
Other senior executives (3 in total)	3.9	0.4	1.2	0.3	5.8
<b>Total</b>	<b>6.9</b>	<b>1.2</b>	<b>2.1</b>	<b>0.4</b>	<b>10.6</b>

### OPTION HOLDINGS, NUMBER

	2022	2021
Per Sjöstrand, Chairman of the Board	-	-
Monica Trolle	-	-
Staffan Salén	-	-
Tomas Bergström	-	-
Åsa Källenius	-	-
Johan Nordström, CEO	139,001	180,481
Other senior executives	228,800	271,107
<b>Total</b>	<b>367,801</b>	<b>451,588</b>

**NOTE 7 Remuneration to the auditors**

	2022	2021
Grant Thornton Sweden AB		
Audit assignment	4	3
Other services	0	0
<b>Total Grant Thornton</b>	<b>4</b>	<b>3</b>
Ernst & Young		
Audit assignment	0	2
Other services	0	0
<b>Total Ernst &amp; Young</b>	<b>0</b>	<b>2</b>
BDO		
Audit assignment	2	1
Other services	0	0
<b>Total BDO</b>	<b>2</b>	<b>1</b>
Other audit firms		
Audit assignment	2	1
Tax advice	0	0
Other services	0	0
<b>Total other</b>	<b>2</b>	<b>1</b>
<b>Total audit</b>	<b>8</b>	<b>7</b>

Audit refers to the statutory audit of the annual report and accounts, along with the Board's and CEO's management. It also includes other audit and review tasks that have been performed as agreed. It includes other work that the Group's auditor deems necessary, advice and other assistance resulting from observations made during the audit or execution of other such tasks.

Tax advice pertains to tax services. Other services pertains to all other significant advice in audit-related areas such as other assurance, reporting and assistance with reviews in conjunction with acquisitions.

**NOTE 8 Financial income/expenses****FINANCIAL INCOME**

	2022	2021
Other interest income	1	0
Present value of additional consideration	7	-
Fair value of change in additional consideration	9	0
Other financial income	7	1
<b>Total</b>	<b>24</b>	<b>1</b>

**FINANCIAL EXPENSES**

	2022	2021
Other interest expenses	-41	-21
Interest expenses, lease liability	-25	-5
Present value of additional consideration	-10	-1
Other financial expenses	-5	-7
<b>Total</b>	<b>-81</b>	<b>-34</b>

**NOTE 9 Tax****TAX ON PROFIT FOR THE YEAR**

	2022	2021
Current tax	-72	-43
Deferred tax	5	13
<b>Total</b>	<b>-67</b>	<b>-30</b>

**PROFIT (LOSS) BEFORE TAX**

	2022	2021
Profit (loss) before tax	251	122
Tax as per the applicable Swedish tax rate of 20.6% (20.6%).	-51	-25
Tax effect of:		
Different tax rates for foreign subsidiaries	-2	-2
Tax expense from prior years	-1	0
Non-deductible expenses	-19	-3
Tax-exempt revenue	5	1
Prior non-reported tax deficits and temporary differences for the current year	0	0
Non-reported tax deficits and temporary differences for the current year	-0	-1
Other adjustments	1	0
Reported tax	-67	-30

The effective tax for the year amounted to 26.7% (24.6%).

**Deferred tax assets and tax liabilities**

Changes in deferred tax assets and tax liabilities are presented in the tables below. Deferred tax assets for unutilized tax loss carryforwards are reported to the extent that it is probable that they can be offset against future taxable profits.

As of 2022-12-31 the Group's tax deficits amounted to SEK 91 (84) million. Deferred tax assets associated with loss carryforwards amount to SEK 16 (17) million. For loss carryforwards amounting to SEK 13 (2) million, no tax assets have been recognized.

There is no time limitation on utilization of the loss carryforwards.

**DEFERRED TAX ASSET, GROUP**

	Deferred tax asset, leasing	Unutilized loss carry-forward	Acquired assets and liabilities	Total
<b>As of 1 January 2021</b>	<b>1</b>	<b>17</b>	<b>-</b>	<b>18</b>
Reclassification	1	0	-	1
Recognized in the income statement	0	0	-	0
Recognized in other comprehensive income	0	0	-	0
<b>As of 31 December 2021</b>	<b>2</b>	<b>17</b>	<b>-</b>	<b>19</b>
<b>As of 1 January 2022</b>	<b>2</b>	<b>17</b>	<b>-</b>	<b>19</b>
Adjustment to opening balance/re-classification	2	-2	-	0
Recognized in the income statement	-1	0	1	0
Recognized in other comprehensive income	0	0	-	0
<b>As of 31 December 2022</b>	<b>3</b>	<b>15</b>	<b>1</b>	<b>19</b>

**DEFERRED TAX LIABILITY, GROUP**

	Intangible assets	Property, plant and equipment	Untaxed reserves	Total
<b>As of 1 January 2021</b>	<b>47</b>	<b>0</b>	<b>13</b>	<b>60</b>
Adjustment to opening balance/re-classification		4	-2	2
Recognized in the income statement	-16	4	2	-13
Added via business combination	40	12	1	53
Recognized in other comprehensive income	4	1	-	4
<b>As of 31 December 2021</b>	<b>75</b>	<b>20</b>	<b>10</b>	<b>106</b>
<b>As of 1 January 2022</b>	<b>75</b>	<b>20</b>	<b>10</b>	<b>106</b>
Adjustment to opening balance/re-classification	-	-	-	-
Recognized in the income statement	-21	9	7	-5
Added via business combination	72	27	-	99
Recognized in other comprehensive income	3	1	-	3
<b>As of 31 December 2022</b>	<b>129</b>	<b>57</b>	<b>17</b>	<b>203</b>

**NOTE 10 Earnings per share**

Basic earnings per share is calculated using earnings attributable to the Parent Company's shareholders divided by the average number of ordinary shares during the period.

Diluted earnings per share is calculated using earnings attributable to the Parent Company's shareholders divided by the average number of ordinary shares during the period, adjusted for the effect of the share-option plans based on the average share price during the period. If the share price is lower than the subscription price, there will be no dilutive effect.

**PROFIT (LOSS) ATTRIBUTABLE TO ORDINARY SHAREHOLDERS**

	2022	2021
Profit (loss) attributable to the Parent Company's shareholders as per the income statement	184	92
Profit (loss) attributable to non-controlling interests	0	-
<b>Total</b>	<b>184</b>	<b>92</b>

**AVERAGE NUMBER OF SHARES**

	2022	2021
Weighted average number of shares during the period before dilution	53,873,101	49,978,855
Effect of dilution from share-option plans	359,207	742,655
<b>Weighted average number of shares during the period after dilution</b>	<b>54,232,308</b>	<b>50,721,510</b>

**EARNINGS PER SHARE**

	2022	2021
Basic earnings per share, SEK	3.41	1.84
Diluted earnings per share, SEK	3.39	1.81



## NOTE 11 Group information

The Group's Annual Report contains, in addition to the Parent Company, the following directly and indirectly owned subsidiaries:  
The carrying amount for the Parent Company is SEK 2,942 (1,747) million.

Shares are held in the following subsidiaries:	CIN	Registered office	Share of equity	Share of the voting power	Number of shares
Akershusgartneren AS	993,961,809	Gjerdrum, Norway	100%	100%	100
Aktiv Veidrift AS	990,679,886	Drammen, Norway	100%	100%	500,000
Aktiv Veidrift Utleie AS	989,374,224	Drammen, Norway	100%	100%	500,000
Bengtssons Trädgårdsanläggning AB	556839-7227	Malmö	100%	100%	1,000
Björntreprenad AB	556379-0723	Stockholm	100%	100%	1,000
Braathen Landskapsentreprenör AS	981,291,751	Ytre Enebakk, Norway	100%	100%	900
EF Drift AS	998,822,173	Sørum, Norway	100%	100%	300
GAST Entreprenör AS	987,627,484	Gran, Norway	100%	100%	200
GL Interest Norway AS	925,854,328	Gran, Norway	100%	100%	3,000
GL Management Services AB	556773-4800	Malmö	100%	100%	100,000
Glenn Syvertsen AS	920,509,185	Gran, Norway	100%	100%	30
GML Sport AB	556369-3372	Ljungby	100%	100%	1,000
GML Sport Anläggning AB	559092-8601	Ljungby	100%	100%	50,000
Green Landscaping Helsingborg AB	559236-7428	Malmö	100%	100%	500
Green Landscaping Incentive AB	559148-3242	Stockholm	100%	100%	50,000
Green Landscaping Malmö AB	559236-7402	Malmö	100%	100%	500
Green Landscaping Skåne AB	559236-7394	Malmö	100%	100%	500
Green Östergötland AB	559270-3440	Linköping	100%	100%	500
GRÖN STAD Mark och Anläggning AB	559270-3507	Stockholm	100%	100%	500
Gröna Roslagen Drift & Underhåll AB	559328-1008	Norrälje	100%	100%	500
H&K Sandnes AS	980,038,661	Larvik, Norway	100%	100%	96
No Dig Vestfold AS	921,359,721	Larvik, Norway	60%	60%	600
H.T. Vike AS	998,590,604	Sandefjord, Norway	70%	70%	21
Hadeland Maskindrift AS	991,100,296	Brandbu, Norway	100%	100%	70
Hallandsåsens Utemiljö AB	556747-8309	Laholm	100%	100%	1,000
Hermansen Maskin AS	990,710,430	Sande, Norway	100%	100%	100
HMD Maskin AS	916,184,999	Brandbu, Norway	100%	100%	300
Håkonsen og Sukke Landskapsentreprenör AS	999,001,335	Tønsberg, Norway	100%	100%	1,000
J E Eriksson Mark & Anläggningsteknik AB	556558-6079	Stockholm	100%	100%	1,750
Jacksons Trädvård AB	556591-9858	Stockholm	100%	100%	1,000
Mark & Miljö Projekt i Sverige AB	556756-6533	Malmö	100%	100%	11,000
Mark & Trädgård Skottorp AB	556878-0521	Laholm	100%	100%	500
Markbygg Anläggning Väst AB	556581-2491	Uddevalla	100%	100%	10,000
Markservice STHLM AB	559270-2608	Stockholm	100%	100%	500
Oveland Utemiljö AS	984,130,457	Froland, Norway	100%	100%	4,500
OK Hage	912,623,491	Rykene, Norway	100%	100%	30
P.A.R.K. i Syd AB	556750-1357	Helsingborg	100%	100%	1,500
Park & Trädgård AB	559270-3473	Gothenburg	100%	100%	500
Rainset Oy	1839588-0	Tuusula, Finland	100%	100%	200
SOREX Entreprenad AB	556433-9959	Stockholm	100%	100%	5,000
Svensk Jordelit AB	556207-6660	Möndal	100%	100%	1,000
Svensk Markservice Holding AB	556812-8002	Stockholm	100%	100%	1,000
Svensk Markservice AB	556420-4823	Stockholm	100%	100%	1,200
Svensk Markservice Svealand AB	559270-3499	Uppsala	100%	100%	500
Taimisto Huutokoski Oy	0630039-7	Huutokoski, Finland	100%	100%	2,500
Thormans Entreprenad AB	556720-0745	Linköping	100%	100%	1,500
Tranemo Trädgårdstjänst AB	556177-8472	Tranemo	100%	100%	2,000
Håkans Trädgårdstjänst AB	556742-8460	Borås	100%	100%	1,000
Trädgård & Markmiljö i Väst AB	559270-3481	Gothenburg	100%	100%	500
Trädexperterna Biodiversitree AB	556846-9919	Kungsbacka	100%	100%	500
UAB Stebule	122211549	Vilnius, Lithuania	100%	100%	753
Utemiljö Skellefteå AB	556642-0427	Skellefteå	100%	100%	1,000
Viher Pirrka Oy	0697930-1	Helsinki, Finland	100%	100%	150
Vihermuuri Oy	2389534-5	Helsinki, Finland	100%	100%	100
Viherpojat Oy	0881403-3	Helsinki, Finland	100%	100%	53
Västsvensk Markservice AB	559270-2616	Gothenburg	100%	100%	500

## NOTE 12 Business combinations

During 2022, Green Landscaping Group acquired 11 companies in Sweden, Norway, Finland and Lithuania. The consideration for the year's acquisitions amounts to a total of SEK 1,190 million, of which SEK 617 million has been allocated to goodwill. One of the acquired companies in Norway, H&K Sandnes AS owns its own subsidiary, No Dig Vestfold AS. Furthermore, for the acquisition of H.T Vike AS, there is a non-controlling interest of 30%. During the previous financial year, a total of 9 subsidiaries were acquired, along with 1 net asset acquisition. The total consideration was SEK 710 million, of which SEK 361 million was allocated to goodwill. For all of the companies that were acquired last year, 100 percent of the shares were acquired.

According to agreements on contingent additional consideration, the Group must make additional cash payments based on future results. 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. Typically, if the terms and conditions have been met, additional consideration is paid within 1-3 years of the acquisition date. Contingent consideration to be paid by the Group based on the future results of current and prior year acquisitions is a maximum of SEK 222 (135) million. On the transaction date, additional consideration is measured at fair value by calculating the present value of the likely outcome using a discount rate of 7.1% (7.1%). The discounted value of not-yet-paid contingent consideration associated with the year's acquisitions amounts to SEK 186 (110) million. The fair value of contingent consideration is at Level 3 of the fair value hierarchy in accordance with IFRS. An assessment has been made of how the valuation of the consideration is impacted by changes in non-observable inputs or the correlation between them. Neither the changes in these nor the correlation has been assessed as having a material impact on the valuation of the consideration.

Goodwill of SEK 617 (361) million that has arisen from acquisitions represents future economic benefits that are neither individually identified nor separately reported. The Group's goodwill is tested for impairment each year by looking at each cash-generating unit. The goodwill reported for acquisitions primarily refers to the synergy effects expected when integrating these companies into the Group. When the acquired companies become part of the Green Landscaping Group, knowledge and experience regarding business development, customers and suppliers are exchanged. Efficiencies resulting from such things as digitalization are shared within the Group. Green Landscaping Group also adds experience around growth and structural capital. Companies are given the opportunity to benefit from each other's strong market positions, which helps develop both the business and employees. Tax deductible goodwill amounts to SEK 39 million.

The other identified surpluses that have been allocated to intangible assets, such as customer relations, brands and software, have been measured at the present value of future cash flows. The amortization period is based on an assessment of the annual loss of portions of the sales attributable to each asset. Customer relations are typically amortized over a period of 3-5 years, while software is typically amortized on a straight-line basis over 5 years. Brands are tested for impairment annually in accordance with IAS 36. They are thus not amortized on an ongoing basis.

Acquisition-related expenditure refers to fees for advice in conjunction with due diligence. These fees have been reported as other operating expenses in the statement of comprehensive income and other comprehensive income. The total acquisition-related expenditure for acquisitions that were made during the year is SEK 19 (12) million.

### Business combinations in 2023

No acquisitions have been made thus far.

Company name	Segment	Consolidated as of	Full-year sales	Number of employees
Markbygg Anläggning Väst AB	Region Mid	January 2022	280	60
Rainset OY	Region Finland and other	January 2022	40	13
Hallandsåsens Utemiljö AB	Region South	February 2022	30	18
Glenn Syvertsen AS	Region Norway	February 2022	35	14
Aktiv Veidrift AS and Aktiv Veidrift Utleie AS	Region Norway	May 2022	252	100
Braathen Landskapsentreprenør AS	Region Norway	September 2022	313	19
Sorex Entreprenad AB	Region Stockholm	September 2022	70	3
H&K Sandnes AS and No Dig Vestfold AS	Region Norway	November 2022	148	50
UAB Stebule	Region Finland and other	November 2022	142	330
Taimisto Huutokoski Oy	Region Finland and other	November 2022	38	30
H.T. Vike AS	Region Norway	December 2022	63	3
Akershusgartneren AS	Region Norway	March 2021	205	80
OK Hage AS	Region Norway	April 2021	15	9
EF Drift AS	Region Norway	May 2021	124	20
Håkans Trädgårdstjänst AB	Region Mid	May 2021	19	25
Viher-Pirkka OY	Region Finland and other	June 2021	94	48
Utemiljö Skellefteå AB	Region North	November 2021	22	6
Håkonsen og Sukke Landskapsentreprenør AS	Region Norway	November 2021	189	103
Hermansen Maskin AS	Region Norway	December 2021	79	19
Viherpojat Oy	Region Finland and other	December 2021	41	25

**NOTE 12 Business combinations, cont.****Effects of acquisitions**

The acquisitions have the following effects on the Group's assets and liabilities. None of the acquisitions made in the period are individually assessed as being significant, which is why the information on acquisitions is at the overall level.

	2022	2021
<b>Breakdown of the consideration (SEK m)</b>		
Cash and cash equivalents	833	555
Contingent additional consideration	186	26
Remuneration shares	171	129
<b>Total consideration</b>	<b>1,190</b>	<b>710</b>
<b>Distribution of acquired assets and liabilities</b>		
Brands	128	33
Customer relations	214	158
Other fixed assets	213	156
Inventories	11	-
Net other assets and liabilities	-77	-66
Cash and cash equivalents	195	121
Deferred tax liability	-75	-53
Non-controlling interests	-35	-
<b>Net identifiable assets and liabilities</b>	<b>573</b>	<b>349</b>
Goodwill	617	361
<b>Impact on cash and cash equivalents</b>		
Cash consideration (included in cash flow from investing activities)	-833	-555
Cash and cash equivalents of acquired companies (included in cash flow from investing activities)	195	121
Settled additional consideration (included in cash flow from investing activities)	-90	-5
Acquisition costs (included in cash flow from operating activities)	-19	-12
<b>Total impact on cash and cash equivalents</b>	<b>-747</b>	<b>-451</b>
<b>Impact on net sales and operating profit (loss)</b>		
During the holding period		
Net sales	882	404
Operating profit (loss)	98	70
As of 1 January		
Net sales	1,752	820
Operating profit (loss)	191	70
<b>Additional consideration</b>		
Opening amount	110	91
Change for the year	4	-2
Added additional consideration	171	26
Reversal of unsettled additional consideration	-9	-0
Paid additional consideration	-90	-5
<b>Closing amount</b>	<b>186</b>	<b>110</b>



**NOTE 13 Measured at fair value**

The following table shows the Group's fair value hierarchy for assets and liabilities. For the financial assets and liabilities measured at amortized cost, this value corresponds to the carrying amount.

**Additional consideration**

Expected cash flows are estimated based on the terms in the purchase agreement, the Group's knowledge of operations and how the current economic climate is expected to impact them. The discount rate used for the present value calculation was 7.1% (7.1%).

2022-12-31	Level 1	Level 2	Level 3
	quoted prices	directly or indirectly observable inputs	Non-observable inputs
<b>Financial liabilities</b>			
Additional consideration	0	0	186
<b>Total</b>	<b>0</b>	<b>0</b>	<b>186</b>

2021-12-31	Level 1	Level 2	Level 3
	quoted prices	directly or indirectly observable inputs	Non-observable inputs
<b>Financial liabilities</b>			
Additional consideration	0	0	110
<b>Total</b>	<b>0</b>	<b>0</b>	<b>110</b>

**ADDITIONAL CONSIDERATION**

	2022-12-31	2021-12-31
Opening amount	110	91
Change for the year	4	-2
Added additional consideration	171	26
Reversal of unsettled additional consideration	-9	-1
Paid additional consideration	-90	-5
<b>Closing amount</b>	<b>186</b>	<b>110</b>

**Measured at fair value**

Fair value is the price which, as of the valuation date, would have been received from sale of an asset or paid with transfer of a liability in an orderly transaction between market participants. The table above shows financial instruments measured at fair value, based on how classification in the fair value hierarchy has been done. The different levels are defined as follows:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly (such as price quotations) or indirectly (i.e. derived from price quotations).

Level 3 - Unobservable inputs for the asset or liability, not based on observable market data.

The fair value of contingent additional consideration has been calculated based on the expected outcome of the milestones stated in the purchase contract, using a discount rate of 7.1%.

See Note 12 for changes due to acquisitions.

**NOTE 14 Intangible assets**

	Soft-ware	Customer relations	Brands	Goodwill	TOTAL
<b>Financial year 2021</b>					
Opening cost	51	237	69	749	1,106
Acquisitions for the year	11	-	-	-	11
Business combinations	0	160	33	361	554
Sales/disposals	-28	-	-	-	-28
Reclassifications	-1	-	-	-3	-4
Translation difference	-2	10	1	23	32
<b>Closing accumulated cost</b>	<b>31</b>	<b>407</b>	<b>103</b>	<b>1,130</b>	<b>1,671</b>
Opening depreciation	-41	-86	-	-	-127
Sales/disposals	27	-	-	-	27
Amortization for the year	-3	-73	-	-	-76
Translation gains or losses	-	-2	-	-	-2
<b>Closing accumulated amortization</b>	<b>-17</b>	<b>-161</b>	<b>-</b>	<b>-</b>	<b>-178</b>
<b>Closing carrying amount 2021</b>	<b>14</b>	<b>246</b>	<b>103</b>	<b>1,130</b>	<b>1,493</b>
<b>Financial year 2022</b>					
Opening cost	31	407	103	1,130	1,671
Acquisitions for the year	7	-	-	-	7
Business combinations	0	214	128	617	960
Sales/disposals	-10	-	-	-	-10
Reclassifications	-5	-	-	1	-3
Translation difference	-	11	1	23	35
<b>Closing accumulated cost</b>	<b>25</b>	<b>632</b>	<b>232</b>	<b>1,771</b>	<b>2,660</b>
Opening depreciation	-17	-161	-	-	-178
Sales/disposals	9	-	-	-	9
Amortization for the year	-3	-97	-	-	-100
Translation gains or losses	-	-2	-	-	-2
<b>Closing accumulated amortization</b>	<b>-11</b>	<b>-260</b>	<b>-</b>	<b>-</b>	<b>-269</b>
<b>Closing carrying amount 2022</b>	<b>13</b>	<b>372</b>	<b>233</b>	<b>1,771</b>	<b>2,389</b>

Acquisitions made during the year are specified in Note 12 Business combinations.

Goodwill and other assets with an indeterminate useful life (brands) are allocated to segments when assessing the need for impairment. 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.

Impairment testing has revealed that there is no write-down requirement. The recoverable amount exceeds the carrying amount for all of the tested cash-generating units, see Note 16.

A sensitivity analysis shows that the remaining goodwill for all segments is defensible even when, for example, the discount rate is significantly altered.

**NOTE 15 Right-of-use assets**

	Premises	Plant and machinery	Cars and equipment	TOTAL
<b>Financial year 2021</b>				
Opening cost	137	243	85	465
Acquisitions for the year	33	5	19	57
Business combinations	0	80	15	95
Sales/disposals	-13	-14	-14	-41
Reclassifications	1	-162	66	-95
Translation difference	2	3	3	7
<b>Closing accumulated cost</b>	<b>160</b>	<b>155</b>	<b>174</b>	<b>489</b>
Opening depreciation	-45	-200	-36	-281
Sales/disposals	13	14	8	35
Reclassifications	0	161	-2	159
Amortization for the year	-33	-20	-27	-80
Translation difference	0	0	-1	-1
<b>Closing accumulated depreciation</b>	<b>-65</b>	<b>-45</b>	<b>-58</b>	<b>-168</b>
<b>Closing carrying amount</b>	<b>95</b>	<b>110</b>	<b>116</b>	<b>321</b>
<b>Financial year 2022</b>				
Opening cost	160	155	174	489
Acquisitions for the year	9	44	18	71
Business combinations	52	222	18	292
Sales/disposals	-16	-40	-30	-86
Translation difference	2	2	1	5
<b>Closing accumulated cost</b>	<b>208</b>	<b>383</b>	<b>181</b>	<b>771</b>
Opening depreciation	-66	-45	-58	-168
Sales/disposals	16	18	29	63
Amortization for the year	-36	-43	-28	-107
Translation difference	-0	-1	-0	-1
<b>Closing accumulated depreciation</b>	<b>-85</b>	<b>-71</b>	<b>-57</b>	<b>-213</b>
<b>Closing carrying amount</b>	<b>122</b>	<b>312</b>	<b>124</b>	<b>558</b>

See Note 28 for more information on leases.

**NOTE 16 Goodwill and brands**

Consolidated goodwill amounts to SEK 1,771 (1,130) million and it is attributable to the acquisition of subsidiaries. Goodwill is allocated to segments as follows: Region South SEK 205 million, Region Mid 322 million, Region Stockholm 134 million, Region North SEK 103 million, Region Norway 806 million and Region Finland and other SEK 201 million. Goodwill is tested for impairment annually, or more often, if there is an indication of impairment. Impairment testing is done at the segment level.

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 of 2% (2%). The market is expected to grow by 3-6 % per year. For impairment testing, growth is based on a forecast of each subsidiary for 2023. For the period 2023-2026, the growth rate used is 3%. Future operating margins are individual for each segment and they are based on the market conditions in the various regions. The data used to test impairment is based on previous experience.

The discount rate before tax used for the present value calculation was 8-8.2% (6.9-7.2%). 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. The difference between the value-in-use and the carrying amount (goodwill) for the cash generating segments amounts to: Region South SEK 624 million, Region Mid 653 million, Region Stockholm 253 million, Region North SEK 215 million, Region Norway 1,707 million and Region Finland and other SEK 473 million.

For the Region South segment, a change in the discount rate of +/- 2% would result in a decrease/increase of the value-in-use by SEK 228 million/SEK 456 million. A change in sales of +/- 2.5% would result in an increase/decrease of the value-in-use by SEK 112 million/SEK 100 million. A change in EBITA of +/- 2% would result in a decrease/increase of the value-in-use by SEK 168 million.

For the Region Mid segment, a change in the discount rate of +/- 2% would result in a decrease/increase of the value-in-use by SEK 276 million/SEK 552 million. A change in sales of +/- 2.5% would result in an increase/decrease of the value-in-use by SEK 127 million/SEK 114 million. A change in EBITA of +/- 2% would result in a decrease/increase of the value-in-use by SEK 316 million.

For the Region Stockholm segment, a change in the discount rate of +/- 2% would result in a decrease/increase of the value-in-use by SEK 113 million/SEK 225 million. A change in sales of +/- 2.5% would result in an increase/decrease of the value-in-use by SEK 40 million/SEK 36 million. A change in EBITA of +/- 2% would result in a decrease/increase of the value-in-use by SEK 163 million.

For the Region North segment, a change in the discount rate of +/- 2% would result in a decrease/increase of the value-in-use by SEK 99 million/SEK 196 million. A change in sales of +/- 2.5% would result in an increase/decrease of the value-in-use by SEK 42 million/SEK 39 million. A change in EBITA of +/- 2% would result in a decrease/increase of the value-in-use by SEK 82 million.

For the Region Norway segment, a change in the discount rate of +/- 2% would result in a decrease/increase of the value-in-use by SEK 822 million/SEK 1,609 million. A change in sales of +/- 2.5% would result in an increase/decrease of the value-in-use by SEK 326 million/SEK 300 million. A change in EBITA of +/- 2% would result in a decrease/increase of the value-in-use by SEK 593 million.

For the Region Finland and other segment, a change in the discount rate of +/- 2% would result in a decrease/increase of the value-in-use by SEK 203 million/SEK 398 million. A change in sales of +/- 2.5% would result in an increase/decrease of the value-in-use by SEK 78 million/SEK 72 million. A change in EBITA of +/- 2% would result in a decrease/increase of the value-in-use by SEK 110 million.

**NOTE 17 Property, plant and equipment**

	Building and land	Plant and machinery	Equipment, tools, fixtures and fittings	Expenditure for improvement on unowned property	TOTAL
<b>Financial year 2021</b>					
Opening cost		172	176	9	357
Acquisitions for the year		20	13	-	33
Acquisitions		41	21	-	62
Sales/disposals		-23	-20	-	-43
Reclassifications		11	-66	-9	-64
Translation difference		5	4	-	9
<b>Closing accumulated cost</b>		<b>226</b>	<b>128</b>	<b>-</b>	<b>354</b>
Opening depreciation		-100	-70	-7	-177
Sales/disposals		20	16	-	36
Reclassifications		-4	-3	7	0
Translation difference		0	-1	-	-1
Amortization for the year		-22	-12	-	-34
<b>Closing accumulated amortization</b>		<b>-106</b>	<b>-70</b>	<b>0</b>	<b>-176</b>
<b>Closing carrying amount 2021</b>		<b>120</b>	<b>58</b>	<b>0</b>	<b>178</b>
<b>Financial year 2022</b>					
Opening cost	-	226	128	0	354
Acquisitions for the year	1	68	29	1	99
Acquisitions	11	61	5	2	79
Sales/disposals	-0	-21	-20	-0	-41
Reclassifications	-	24	-22	3	5
Translation difference	1	6	1	-	8
<b>Closing accumulated cost</b>	<b>13</b>	<b>364</b>	<b>121</b>	<b>5</b>	<b>503</b>
Opening depreciation	-	-106	-70	-0	-176
Sales/disposals	0	17	15	0	32
Reclassifications	-	-9	6	-3	-6
Translation difference	-	-3	-1	-	-4
Amortization for the year	-1	-29	-22	-	-52
<b>Closing accumulated amortization</b>	<b>-1</b>	<b>-129</b>	<b>-72</b>	<b>-3</b>	<b>-205</b>
<b>Closing carrying amount 2021</b>	<b>12</b>	<b>235</b>	<b>49</b>	<b>2</b>	<b>298</b>

**NOTE 18 Financial assets and liabilities**

All financial instruments reported in the balance sheet have been classified in different measurement categories. Measurement of financial instruments is based on this classification.

Fair value does not deviate significantly from nominal value, which means that amortized cost is approximately the same as fair value.

Because of their short duration, accounts receivable and other similar receivables have been measured at the nominal amount. In the financial statements, earned (but not yet invoiced) revenue and accrued revenue are reported as contract assets in the financial statements, which is in accordance with IFRS 15.

Likewise, and also because of their short duration, accounts payable, bank overdraft and other current assets have also been measured at the nominal amount. The table below shows the fair values compared to the carrying amounts for other financial liabilities.

For the Group's interest-bearing loans, fair value has been calculated using the effective interest method. The present value of additional consideration has been calculated, with consideration also given to the expected outcome, which is reported in profit or loss.

**Financial assets**

Green Landscaping has the following financial assets, all of which have been classified and measured at amortized cost.

**FINANCIAL ASSETS**

	2022-12-31		2021-12-31	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-current receivables	5	5	8	8
Accounts receivable	972	972	641	641
Other current receivables	16	16	14	14
Cash and cash equivalents	476	476	352	352
<b>Total</b>	<b>1,469</b>	<b>1,469</b>	<b>1,015</b>	<b>1,015</b>

Because of their short duration, accounts receivable and other similar receivables have been measured at the nominal amount.

**Financial liabilities**

Green Landscaping has the following financial liabilities, all of which have been classified and measured at amortized cost or fair value:

**FINANCIAL LIABILITIES**

	2022-12-31		2021-12-31	
	Carrying amount	Fair value	Carrying amount	Fair value
Accounts payable - trade	366	366	227	227
Liabilities to credit institutions (non-current and current)	1,831	1,831	1,123	1,123
Lease liability (non-current and current)	445	445	266	266
Additional consideration	186	186	110	110
Other financial liabilities	11	11	-	-
<b>Total</b>	<b>2,839</b>	<b>2,839</b>	<b>1,724</b>	<b>1,724</b>

The financial liabilities have the following maturities:

	2022-12-31	< 3 months	3-12 months	1-5 years	> 5 years	Total
Accounts payable - trade	366	360	6	-	-	366
Liabilities to credit institutions (non-current and current)	1,831	24	63	1,741	3	1,831
Lease liability (non-current and current)	445	39	112	249	45	455
Additional consideration	186	-	95	91	-	186
Other financial liabilities	11	1	1	9	-	11
<b>Total</b>	<b>2,839</b>	<b>424</b>	<b>277</b>	<b>2,090</b>	<b>48</b>	<b>2,839</b>

	2021-12-31	< 3 months	3-12 months	1-5 years	> 5 years	Total
Accounts payable - trade	227	225	1	1	-	227
Liabilities to credit institutions (non-current and current)	1,122	22	57	1,043	-	1,122
Lease liability (non-current and current)	266	25	69	162	10	266
Additional consideration	110	-	70	40	-	110
Other financial liabilities	-	-	-	-	-	-
<b>Total</b>	<b>1,724</b>	<b>272</b>	<b>197</b>	<b>1,246</b>	<b>10</b>	<b>1,724</b>



**NOTE 18 Financial assets and liabilities, cont.****Risks****Market risk**

Market risk is a risk that the fair value of future payments will fluctuate due to changes in the market. Market risk is typically comprised of interest rate risk, currency risk and other price risks.

For Green Landscaping, interest rate risk is the most significant of these and a sensitivity analysis has been conducted. This analysis shows the risk associated with financial liabilities as of 2022-12-31. A change in market interest rates impacts the consolidated income statement. Green Landscaping follows an approach whereby it has short fixed interest periods over a business cycle. However, the Group may decide on longer fixed interest periods if doing so is strategically advantageous. The CFO is responsible for suggesting such measures to the Board. Once or twice per year, the Board is required to make decisions on the maturities for all or part of the loans. The fixed interest period for the long-term borrowings of the Group amounted to three months at the turn of the year.

**SENSITIVITY ANALYSIS, FINANCIAL LIABILITIES**

	2022-12-31	2021-12-31
Total liability to credit institutions	1,831	1,123
Increase in interest rates by 1.0%	18	11
Decrease in interest rates by 1.0%	-18	-11

**Credit risk**

Credit risk is the risk that a counterparty will not be able to fulfill its contractual obligations, which leads to a credit loss. The Group is exposed to credit risk via its operating activities, particularly as regards accounts receivable and contract assets. Based on net sales, the majority of the Group's customers belong to the public sector and the credit risk is assessed as low in this customer group. There is also risk associated with financing activities attributable to cash balances at credit institutions.

**Accounts receivable and contract assets**

The Group applies the simplified approach that is allowed in IFRS 9 regarding accounts receivable and contract assets when calculating the reserve for expected credit losses. This approach requires recognition of a reserve for expected credit losses on accounts receivable and contract assets over the entire remaining life of the asset.

The table below shows the expected credit losses for accounts receivable and contract assets.

**MATURITY ANALYSIS FOR ACCOUNTS RECEIVABLE AND CONTRACT ASSETS**

	2022-12-31	2021-12-31
Expected credit loss, %	2	2
Carrying amount	1,100	680
Expected credit loss	-22	-12

**Liquidity risk**

The Group works with liquidity planning on a continual basis and it monitors payment flows to ensure that it has the necessary amount of cash on hand. The nature of the Group's operations requires very little capital. Cash is required for running machinery, cars and tools, for example. Working capital is also required to cover the difference between payment outflows and inflows. Otherwise, capital is required for making acquisitions. The Group's capital strategy involves running the organization with as little capital as possible, while simultaneously ensuring that it has access to credit such that it can implement its acquisition strategy.

Company policies state that all borrowing occurs centrally and liquidity is optimized by having subsidiaries linked to the Group's cash pool.

The CFO is responsible for all financial investments. Investments may only be made in instruments with a high level of creditworthiness and where the investments can be converted to cash within three business days.

**Refinancing risk**

Refinancing risk is the risk that financing cannot be obtained or renewed

upon maturity, or that it can only be obtained or renewed at a significantly higher cost. The Group primarily finances its operations through equity, borrowings and the Group's own cash flows. If the Group fails to obtain the necessary financing in the future, or if financing can only be obtained on terms that are much more disadvantageous to the Group, it could have a negative impact on the Group's operations, financial position and earnings. The Group has guidelines in place for its refinancing activities and it maintains a constant dialog with its creditors to ensure that refinancing is ensured over the long term, and in a sustainable way.

**CHANGES ATTRIBUTABLE TO FINANCING ACTIVITIES**

	2022-01-01	Additional consideration	Paid additional consideration	Change in fair value	Other	2022-12-31
Additional consideration	110	171	-90	-9	4	186

	2021-01-01	Additional consideration	Paid additional consideration	Change in fair value	Other	2021-12-31
Additional consideration	91	26	-5	0	-2	110

**Capital management**

The Board's goal is to maintain a good financial position such that the company is able to retain the confidence of its investors, creditors and the market, along with providing the foundation for a continued good development of the business.

The Group's capital management is based on its need for working capital. This key figure is calculated as current assets (not including cash and cash equivalents) less current liabilities. There are seasonal variations, however, which impact working capital from month to month. As of 31 December 2022, working capital was SEK 171 (-21.3) million.

The Group also has covenants (see Note 25) associated with its tied-up capital.

**NOTE 19 Inventories****INVENTORIES**

	2022-12-31	2021-12-31
Work-in-progress	19	
Finished goods and goods for resale	48	39
<b>Total</b>	<b>67</b>	<b>39</b>

**NOTE 20 Accounts receivable and contract assets****ACCOUNTS RECEIVABLE AND CONTRACT ASSETS**

	2022-12-31	2021-12-31
Accounts receivable from external customers	994	653
Contract assets	128	39
Provision for doubtful debts	-22	-12
<b>Total</b>	<b>1,100</b>	<b>680</b>

Accounts receivable are not interest-bearing and payment terms are typically 30 days. For more information on the change in contract balances, please see Note 4.

**AGING ANALYSIS ACCOUNTS RECEIVABLE**

	2022-12-31	2021-12-31
Not yet due	846	521
0-30 days	77	94
31-90 days	21	17
> 90 days	50	22
<b>Total</b>	<b>994</b>	<b>653</b>

**NOTE 20 Accounts receivable and contract assets, cont.****PROVISION FOR DOUBTFUL DEBTS**

	2022-12-31	2021-12-31
Opening amount	-13	-4
Business combinations	-7	-3
Provision for bad debt losses for the year	-13	-9
Confirmed bad debt losses	10	2
Reversal of unutilized reserve	1	1
<b>Total</b>	<b>-22</b>	<b>-13</b>

Significant changes in the value of accounts receivable and contract assets is reported in Note 4. Information on credit risk and exposure is reported in Note 18.

**NOTE 21 Prepaid expenses and accrued income****PREPAID EXPENSES AND ACCRUED INCOME**

	2022-12-31	2021-12-31
Prepaid rent	6	4
Prepaid insurance premiums	5	2
Accrued income	12	14
Supplier bonus	11	11
Other prepaid expenses	18	11
<b>Total</b>	<b>52</b>	<b>42</b>

**NOTE 22 Cash and cash equivalents****CASH AND CASH EQUIVALENTS**

	2022-12-31	2021-12-31
Cash deposits with banks and cash-on-hand	476	352
<b>Total</b>	<b>476</b>	<b>352</b>

For more information on bank overdraft, please see Note 31.

**NOTE 23 Share capital and other contributed capital****Share capital**

The Parent Company's share capital consists solely of fully paid ordinary shares at a nominal value (quotient value) of SEK 0.071/share. The Group has 52,394,717 Class A shares that are ordinary shares.

**Incentive programs**

The Group has three incentive programs for key employees of the Group.

**2020-2023**

With full utilization of the program, a maximum of 593,850 shares will be issued (after the rights issue), which would have a maximum dilutive effect of approximately 1.1 percent. The subscription price for shares that are subscribed to via the warrants is SEK 27.90 per share. The premium per warrant, which has been calculated in accordance with the Black & Scholes model amounted to SEK 2.70. Subscription of shares may occur during the period 22 March 2023 through 16 June 2023. With full utilization of the warrants, the Group's share capital will increase by SEK 42,163.

**2021-2024**

With full utilization of the program, a maximum of 490,000 shares will be issued (after the rights issue), which would have a maximum dilutive effect of approximately 0.9 percent. The subscription price for shares that are subscribed to via the warrants is SEK 100.40 per share. The premium per warrant, which has been calculated in accordance with the Black & Scholes model amounted to SEK 5.18. Subscription of shares may occur during the period 12 June 2024 through 30 June 2024. With

full utilization of the warrants, the Group's share capital will increase by SEK 34,790.

**2022-2025**

With full utilization of the program, a maximum of 500,000 shares will be issued (after the rights issue), which would have a maximum dilutive effect of approximately 0.9 percent. The subscription price for shares that are subscribed to via the warrants is SEK 87.00 per share. The premium per warrant, which has been calculated in accordance with the Black & Scholes model amounted to SEK 6.77. Subscription of shares may occur during the period 28 March 2025 through 30 June 2025. With full utilization of the warrants, the Group's share capital will increase by SEK 35,500.

The premiums that have been paid for the warrants have been on market terms, with no special privileges. According to the current regulations, no special privileges are expected to be granted when subscribing for shares.

**CHANGE IN NUMBER OF SHARES**

	2022	2021
Opening number of shares	52,658,037	47,726,987
Non-cash issues	1,964,495	1,330,963
New share issue	-	1,851,852
Redemption of options	772,185	1,748,235
<b>Closing number of shares</b>	<b>55,394,717</b>	<b>52,658,037</b>

**HOLDINGS OF OWN SHARES**

	2022	2021
Opening number of shares	404	24,500
Acquired own shares	624,028	654,500
Divested own shares	-624,432	-678,596
<b>Closing number of shares</b>	<b>0</b>	<b>404</b>

Non-cash issues have been carried out in connection with acquisition of subsidiaries and they are usually part of the consideration for an acquisition.

Own shares are used as part of payment in connection with acquisitions of subsidiaries. Transactions with own shares are reported in retained earnings as a component of equity.

During the year, seven non-cash issues were carried out in connection with the acquisition of subsidiaries. A total of 1,964,495 shares have been issued at an average price of SEK 70 per share.

**NOTE 24 Warranty provisions**

All provisions are reported as either current or non-current liabilities by the Group and under the heading "Warranty Provisions" by the Parent Company. The carrying amounts and changes in carrying amounts are as follows:

**WARRANTY PROVISIONS**

	2022-12-31	2021-12-31
Amount at beginning of year	3	1
Business combinations	-	2
Provisions for the year	7	1
Reversal of unutilized provision	-1	-1
Amount used during the year	-2	0
<b>Total</b>	<b>7</b>	<b>3</b>

**SPECIFICATION OF OTHER PROVISIONS**

	2022-12-31	2021-12-31
Guarantees/warranties	7	3
<b>Total</b>	<b>7</b>	<b>3</b>

Provisions that are reported as of the acquisition date for a business combination are included in "Business Combinations" above. Other provisions pertain to various types of legal and other claims from customers, such as guarantees/warranties.

Typically, claims are settled within 1 to 36 months of when the claim is made, depending on the type of problem and remedy required.

## NOTE 25 Non-current liabilities

### NON-CURRENT LIABILITIES

	2022-12-31	2021-12-31
Liabilities to credit institutions maturing between 1 and 5 years	1,747	1,043
Lease liabilities maturing between 1 and 5 years	355	206
Other non-current liabilities that mature between 1 and 5 years	93	40
<b>Total</b>	<b>2,195</b>	<b>1,289</b>

### Liabilities to credit institutions

In 2021, the Group signed a 3-year credit facility agreement (2021-2024), with two one-year extension options. The first extension option has been utilized, such that the credit facility now covers 2022-2025. The bank loan is on market terms and the limit for the credit facility is SEK 1,950 million. The credit facility contains the ordinary terms and conditions for this type of credit, including covenants linked to such things as the gearing ratio and adjusted EBITDA. There are also terms and conditions on termination/cancellation. It also contains terms and conditions pertaining to missed or early repayment in conjunction with such things as a change in ownership at the Group. There are also limitations on taking new loans over a certain amount from other creditors. As of the closing date, the covenants were fulfilled.

## NOTE 26 Contract liabilities

### CONTRACT LIABILITIES

	2022-12-31	2021-12-31
Current advance payments from customers	68	25
<b>Total</b>	<b>68</b>	<b>25</b>

## NOTE 27 Accrued expenses and deferred income

### ACCRUED EXPENSES AND DEFERRED INCOME

	2022-12-31	2021-12-31
Employee benefit expenses	212	157
Deferred income	2	5
Project costs	27	0
Other accrued expenses	33	59
<b>Total</b>	<b>274</b>	<b>221</b>

## NOTE 28 Leasing

The Group has lease agreements in place for vehicles and machinery, office equipment, other equipment and premises. For more a breakdown on the categories of right-of-use assets, please see Note 15. For more information on the duration of lease liabilities, please see Note 18. For information on the effect of leasing on the Group's cash flow, please see Note 35.

## COMPONENTS OF LEASE LIABILITY

	Premises	Plant and machinery	Cars and equipment	TOTAL
Opening balance 2021-01-01	89	45	52	185
Acquisitions	35	18	15	68
Acquisitions	-	47	11	58
Reclassifications	-	37	15	52
Amortization	-33	-36	-33	-103
Translation difference	1	3	1	5
<b>Closing balance 2021-12-31</b>	<b>92</b>	<b>114</b>	<b>60</b>	<b>266</b>
Opening balance 2022-01-01	92	114	60	266
Acquisitions	42	56	58	156
Acquisitions	20	116	21	157
Amortization	-35	-77	-26	-137
Translation difference	1	1	1	3
<b>Closing balance 2022-12-31</b>	<b>121</b>	<b>210</b>	<b>113</b>	<b>445</b>

### EXPENSED LEASING

	2022	2021
Depreciation, right-of-use assets	108	80
Interest expenses attributable to lease liabilities	9	4
<b>Total</b>	<b>117</b>	<b>84</b>

During the year, the Group expensed leases with a low value for a total amount of SEK 4 million.

## NOTE 29 Pledged assets and contingent liabilities

### Pledged assets

The Group has the following pledged assets for own liabilities to credit institutions

### PLEGDED ASSETS

	2022-12-31	2021-12-31
Chattel mortgages	11	27
Machinery with ownership reservation	177	82
Accounts receivable	57	-
Other pledged assets	27	5
<b>Total</b>	<b>272</b>	<b>114</b>

See also Note 25 for terms on finance agreements

### CONTINGENT LIABILITIES

	2022-12-31	2021-12-31
Performance guarantees	90	0
<b>Total</b>	<b>90</b>	<b>0</b>

## NOTE 30 Pension liabilities

The company only has defined contribution plans. Expenditure for defined contribution plans is expensed in the period when the employee performs the services underlying the obligation.

## NOTE 31 Current liabilities

### CURRENT LIABILITIES

	2022-12-31	2021-12-31
Bank overdraft	-	-
Accounts payable - trade	366	227
<b>Total</b>	<b>366</b>	<b>227</b>

**Accounts payable - trade**

Most of trade accounts payable are in SEK, NOK and EUR. The normal payment terms are 30 days. For information on how the Group manages its liquidity risk, see Note 18, Risks.

**BANK OVERDRAFT**

	2022-12-31	2021-12-31
Granted credit	50	50
Utilized credit	0	0

See also Note 22 for information on the Group's cash and cash equivalents.

**NOTE 32 Other operating expenses****OTHER OPERATING EXPENSES**

	2022	2021
Exchange rate loss	-1	-1
Loss on divested equipment	-5	-3
Acquisition costs	-19	-12
<b>Total</b>	<b>-25</b>	<b>-16</b>

**NOTE 33 Transactions with related parties**

Below is information on related party transactions, of which all were at the going market rate. Subsequent to the most recent closing date for which financial statements have been published, no related party transactions have occurred.

**Remuneration to key employees**

Remuneration to key employees is described in Note 6.

**Incentive programs**

Incentive programs for key employees are described in Note 23.

**Loans**

Green Landscaping Group AB has not entered into any related party transactions for significant amounts during the period covered by the financial information in this report and up until the date of publication for this report.

See also Note M18 for a description of the Parent Company's related party transactions.

**NOTE 34 Other current liabilities****OTHER CURRENT LIABILITIES**

	2022-12-31	2021-12-31
VAT liability	108	79
Other taxes and social security contributions	101	37
Additional consideration	95	70
Other current liabilities	13	29
<b>Total</b>	<b>317</b>	<b>215</b>

In 2021, there was an EU grant totaling SEK 25 million included in other liabilities. The received grant was repaid in its entirety in 2022 to the issuer.

**NOTE 35 Disclosures on the cash flow statement****RECONCILIATION OF ITEMS INCLUDED IN FINANCING ACTIVITIES**

	Liabilities to credit institutions	Leasing	Total
<b>Opening balance 2021-01-01</b>	<b>723</b>	<b>186</b>	<b>909</b>
New loans	1,460	-	1,460
Loan amortization	-998	-103	-1,101
Not impacting cash flow			
New leases	-	63	63
Leases in acquired subsidiaries	-	58	58
Reclassifications	-52	52	0
Other, not impacting cash flow	-11	10	-1
<b>Closing balance 2021-12-31</b>	<b>1,122</b>	<b>266</b>	<b>1,388</b>
<b>Opening balance 2022-01-01</b>	<b>1,122</b>	<b>266</b>	<b>1,388</b>
New loans	744	-	744
Loan amortization	-100	-137	-237
Not impacting cash flow			
Loans in acquired subsidiaries	55	-	55
New leases	-	156	156
Leases in acquired subsidiaries	-	157	157
Other, not impacting cash flow	10	3	13
<b>Closing balance 2022-12-31</b>	<b>1,831</b>	<b>445</b>	<b>2,276</b>

**NOTE 36 Significant events after closing date**

There have not been any significant events after the end of the closing date.



# Notes – Parent Company

## NOTE M1 Net sales

The Parent Company's net sales consist of services performed for the subsidiaries in Sweden and Norway. The companies acquired in 2022 will pay for services rendered in 2023 and onwards.

## NOTE M2 Employees and employee benefit expenses

### AVERAGE NUMBER OF EMPLOYEES

SEK m	2022		2021	
	Number of employees	Of which women %	Number of employees	Of which women %
Parent Company	9	13	6	33
<b>Total</b>	<b>9</b>	<b>13</b>	<b>6</b>	<b>33</b>

### SALARIES AND OTHER REMUNERATION

SEK m	2022	2021
Board and CEO	5	3
Of which bonuses	1	1
Other employees	9	7
<b>Total</b>	<b>14</b>	<b>10</b>

### SOCIAL SECURITY EXPENSES

SEK m	2022	2021
Salaries and other remuneration	14	10
Pension expenses for the Board and CEO	1	1
Pension expenses, other employees	2	1
Other social security expenses	6	3
<b>Total</b>	<b>23</b>	<b>15</b>

### PENSION OBLIGATIONS

SEK m	2022	2021
Board and CEO	-	0

For more information on decision processes for remuneration and terms of employment for senior executives, please see Note 6.

## NOTE M3 Remuneration to the auditors

Fees to auditors	2022	2021
Grant Thornton Sweden AB		
Audit assignment	2	1
Other audit activities	-	-
Other services	0	-
<b>Total</b>	<b>2</b>	<b>1</b>
Ernst & Young		
Audit assignment	-	2
Other audit activities	-	-
Tax advice	-	-
Other services	-	-
<b>Total</b>	<b>-</b>	<b>2</b>

Audit refers to the statutory audit of the annual report and accounts, along with the Board's and CEO management. It also includes other audit and review tasks that have been performed as agreed. It includes other work that the Group's auditor deems necessary, advice and other assistance resulting from observations made during the audit or execu-

tion of other such tasks.

Tax advice pertains to tax services. Other services pertains to all other significant advice in audit-related areas such as other assurance, reporting and assistance with reviews in conjunction with acquisitions.

## NOTE M4 Profit (loss) from participations in Group companies

	2022-12-31	2021-12-31
Dividends	169	0
Impairment of shares in subsidiaries	-134	-199
<b>Total</b>	<b>35</b>	<b>-199</b>

## NOTE M5 Results from financial items

### WAGES AND OTHER REMUNERATION OTHER INTEREST INCOME AND SIMILAR INCOME ITEMS

	2022	2021
Interest income from Group companies	3	3
Other financial income	7	-
<b>Total</b>	<b>10</b>	<b>3</b>

### INTEREST EXPENSES AND SIMILAR INCOME ITEMS

	2022	2021
Interest expenses to Group companies	0	-
Other interest expenses	-36	-19
Other financial expenses	-21	-6
<b>Total</b>	<b>-57</b>	<b>-25</b>

## NOTE M6 Tax

### TAX ON PROFIT FOR THE YEAR

	2022	2021
Current tax	-2	-1
Deferred tax	-	-1
<b>Total tax</b>	<b>-2</b>	<b>-2</b>

### PROFIT (LOSS) BEFORE TAX

	2022	2021
<b>Profit (loss) before tax</b>	<b>4</b>	<b>-208</b>
Tax on profit for the year according to the applicable tax rate 20.6%,(20.6%):	-1	43
Tax effect of:		
Tax expense for the previous year	-1	-1
Non-deductible impairment	-28	-41
Other non-deductible expenses	-7	-4
Other deductible items	0	1
Non-taxable dividends	35	-
Other non-taxable revenue	0	-
Other adjustments	-	0
Reported tax	-2	-2

The effective tax rate is not applicable as there are large non-deductible impairment losses and non-taxable dividends in 2022 and 2021.

**NOTE M6 Tax, cont.****Deferred tax assets and tax liabilities**

Changes in deferred tax assets and tax liabilities are presented in the tables below. Deferred tax assets for unutilized tax loss carryforwards are reported to the extent that it is probable that they can be offset against future taxable profits.

**DEFERRED TAX ASSET, PARENT COMPANY**

	Unutilized Loss carry- forward	Temporary differ- ences	Total
Opening balance 1 January 2021	4	0	4
Recognized in the income statement	-1	-	-1
Recognized in other comprehensive income	-	-	-
<b>As of 31 December 2021</b>	<b>3</b>	<b>0</b>	<b>3</b>
Opening balance 1 January 2022	3	0	3
Recognized in the income statement	-	-	-
Recognized in other comprehensive income	-	-	-
<b>As of 31 December 2022</b>	<b>3</b>	<b>0</b>	<b>3</b>

**NOTE M7 Shares in subsidiaries****SHARES IN SUBSIDIARIES**

	2022-12-31	2021-12-31
Opening cost	1,952	1,205
Acquired companies	1,216	698
Capital contribution to subsidiaries	122	49
<b>Closing cost</b>	<b>3,289</b>	<b>1,952</b>
Opening value adjustment	-205	-6
Value adjustment	-142	-199
Closing value adjustment	-347	-205
<b>Closing carrying amount</b>	<b>2,942</b>	<b>1,747</b>

The Parent Company's holdings in subsidiaries consists of the subsidiaries presented in table of Note 11 for the Group.

**NOTE M8 Intangible assets**

	Software	TOTAL
<b>Financial year 2021</b>		
Opening cost	1	1
Acquisitions for the year	-	-
Closing accumulated cost	1	0
Opening depreciation	-0	-0
Amortization for the year	-0	-0
Closing accumulated amortization	-1	-1
<b>Closing carrying amount 2021</b>	<b>0</b>	<b>0</b>
<b>Financial year 2022</b>		
Opening cost	1	1
Acquisitions for the year	1	1
Closing accumulated cost	3	3
Opening depreciation	-1	-1
Amortization for the year	-0	-0
Closing accumulated amortization	-1	-1
<b>Closing carrying amount 2022</b>	<b>2</b>	<b>2</b>

**NOTE M9 Property, plant and equipment**

	Equipment, tools, fixtures and fittings	Expenditure for improvement on unowned property	TOTAL
<b>Financial year 2022</b>			
Opening cost	-	-	-
Acquisitions for the year	1	0	1
Sales/disposals	-0	-0	-0
<b>Closing accumulated cost</b>	<b>1</b>	<b>0</b>	<b>1</b>
Opening depreciation	-	-	-
Amortization for the year	-0	-0	-0
<b>Closing accumulated amortization</b>	<b>-0</b>	<b>-0</b>	<b>-0</b>
<b>Closing carrying amount 2022</b>	<b>1</b>	<b>0</b>	<b>1</b>

**NOTE M10 Financial assets and liabilities****FINANCIAL ASSETS**

	Parent Company 2022-12-31		Parent Company 2021-12-31	
	Carrying amount	Fair value	Carrying amount	Fair value
Cash and bank	4	4	85	85
<b>Total</b>	<b>4</b>	<b>4</b>	<b>85</b>	<b>85</b>

**FINANCIAL LIABILITIES**

	2022-12-31		2021-12-31	
	Carrying amount	Fair value	Carrying amount	Fair value
Accounts payable - trade	4	4	3	3
Liabilities to credit institutions (non-current and current)	1,754	1,754	1,068	1,068
Additional consideration (non-current and current)	190	190	117	117
<b>Total</b>	<b>1,948</b>	<b>1,948</b>	<b>1,188</b>	<b>1,188</b>

The financial liabilities have the following maturities:

	2022-12-31	< 3 months	3-12 months	1-5 years	> 5 years	Total
Accounts payable - trade	4	4	-	-	-	4
Liabilities to credit institutions (non-current and current)	1,754	18	57	1,679	-	1,754
Additional consideration (non-current and current)	190	-	95	95	-	190
<b>Total</b>	<b>1,948</b>	<b>22</b>	<b>153</b>	<b>1,774</b>	<b>-</b>	<b>1,948</b>

	2021-12-31	< 3 months	3-12 months	1-5 years	> 5 years	Total
Accounts payable - trade	3	3	-	-	-	3
Liabilities to credit institutions (non-current and current)	1,068	19	56	993	-	1,068
Additional consideration (non-current and current)	117	-	70	47	-	117
<b>Total</b>	<b>1,188</b>	<b>22</b>	<b>126</b>	<b>1,040</b>	<b>-</b>	<b>1,188</b>

See also Note 31 for information on the Group's bank overdraft.

For Green Landscaping Group AB, interest rate risk is the most significant of these and a sensitivity analysis has been conducted. This analysis shows the risk associated with financial liabilities as of 2022-12-31.

**SENSITIVITY ANALYSIS, FINANCIAL LIABILITIES**

	2022-12-31	2021-12-31
Total liabilities to credit institutions	1,754	1,068
Increase in interest rates by 1.0%	18	11
Decrease in interest rates by 1.0%	-18	-11

**CHANGES ATTRIBUTABLE TO FINANCING ACTIVITIES**

	2022-01-01	Added additional consideration	Paid additional consideration	Change in fair value	Other	2022-12-31
Additional consideration	117	171	-90	-9	1	190

	2021-01-01	Cash flow	Reclassification	Change in fair value	Other	2021-12-31
Additional consideration	96	26	-5	-0	-1	117

**NOTE M11 Prepaid expenses and accrued income****PREPAID EXPENSES AND ACCRUED INCOME**

	2022-12-31	2021-12-31
Prepaid insurance premiums	1	0
Other prepaid expenses	0	3
<b>Total</b>	<b>1</b>	<b>3</b>

**NOTE M12 Cash and cash equivalents****CASH AND CASH EQUIVALENTS**

	2022-12-31	2021-12-31
Cash on hand	4	85
<b>Total</b>	<b>4</b>	<b>85</b>

For more information on bank overdraft, please see M16.

**NOTE M13 Share capital and other contributed capital****Share capital**

The Parent Company's share capital consists solely of fully paid ordinary shares at a nominal value (quotient value) of SEK 0.071/share. The Group has 52,394,717 Class A shares that are ordinary shares.

**Incentive programs**

Green Landscaping Group has three incentive programs for key employees of the Group.

**2020–2023**

With full utilization of the program, a maximum of 593,850 shares will be issued (after the rights issue), which would have a maximum dilutive effect of approximately 1.1 percent. The subscription price for shares that are subscribed to via the warrants is SEK 27.90 per share. The premium per warrant, which has been calculated in accordance with the Black & Scholes model amounted to SEK 2.70. Subscription of shares may occur during the period 22 March 2023 through 16 June 2023. With full utilization of the warrants, the Parent Company's share capital will increase by SEK 42,163.

**2021–2024**

With full utilization of the program, a maximum of 490,000 shares will be issued (after the rights issue), which would have a maximum dilutive effect of approximately 0.9 percent. The subscription price for shares that are subscribed to via the warrants is SEK 100.40 per share. The premium per warrant, which has been calculated in accordance with the Black & Scholes model amounted to SEK 5.18. Subscription of shares may occur during the period 12 June 2024 through 30 June 2024. With

full utilization of the warrants, the Parent Company's share capital will increase by SEK 34,790.

**2022–2025**

With full utilization of the program, a maximum of 500,000 shares will be issued (after the rights issue), which would have a maximum dilutive effect of approximately 0.9 percent. The subscription price for shares that are subscribed to via the warrants is SEK 87.00 per share. The premium per warrant, which has been calculated in accordance with the Black & Scholes model amounted to SEK 6.77. Subscription of shares may occur during the period 28 March 2025 through 30 June 2025. With full utilization of the warrants, the Group's share capital will increase by SEK 35,500.

The premiums that have been paid for the warrants have been on market terms, with no special privileges. According to the current regulations, no special privileges are expected to be granted when subscribing for shares.

**CHANGE IN NUMBER OF SHARES**

	2022	2021
Opening number of shares	52,658,037	47,726,987
Non-cash issues	1,964,495	1,330,963
New share issue	-	1,851,852
Redemption of options	772,185	1,748,235
<b>Closing number of shares</b>	<b>55,394,717</b>	<b>52,658,037</b>

**HOLDINGS OF OWN SHARES**

	2022	2021
Opening number of shares	404	24,500
Acquired own shares	624,028	654,500
Divested own shares	-624,432	-678,596
<b>Closing number of shares</b>	<b>0</b>	<b>404</b>

Non-cash issues have been carried out in connection with acquisition of subsidiaries and they are usually part of the consideration for an acquisition.

Own shares are used as part of payment in connection with acquisitions of subsidiaries. Transactions with own shares are reported in retained earnings as a component of equity.

During the year, seven non-cash issues were carried out in connection with the acquisition of subsidiaries. A total of 1,964,495 shares have been issued at an average price of SEK 70 per share.

**NOTE M14 Non-current liabilities****NON-CURRENT LIABILITIES**

	2022-12-31	2021-12-31
Liabilities to credit institutions maturing between 1 and 5 years	1,679	993
Other non-current liabilities maturing between 1 and 5 years	95	47
<b>Total</b>	<b>1,774</b>	<b>1,039</b>

Other liabilities presented in the note above consist of the additional consideration that is due to be paid in more than one year.

**NOTE M15 Accrued expenses and deferred income****ACCRUED EXPENSES AND DEFERRED INCOME**

	2022-12-31	2021-12-31
Accrued personnel costs	5	5
Accrued consulting fees	1	1
Accrued interest expenses	13	3
Other accrued expenses and deferred income	0	5
<b>Total</b>	<b>19</b>	<b>14</b>

**NOTE M16 Pledged assets and contingent liabilities****PLEGDED ASSETS**

	2022-12-31	2021-12-31
Pledged assets on behalf of subsidiaries for their liabilities to credit institutions	11	12
<b>Total</b>	<b>11</b>	<b>12</b>

No shares in subsidiaries have been pledged for the Parent Company's own liabilities to credit institutions.

**CONTINGENT LIABILITIES**

	2022-12-31	2021-12-31
Performance guarantees for the benefit of subsidiaries	1	-
<b>Total</b>	<b>1</b>	<b>-</b>

**NOTE M17 Current liabilities****BANK OVERDRAFT**

	2022-12-31	2021-12-31
Granted credit	50	50
Utilized credit	0	0

See also M11 for information on cash and cash equivalents.

**NOTE M18 Specification, cash flow****RECONCILIATION OF ITEMS INCLUDED IN FINANCING ACTIVITIES**

	Liabilities to credit institutions	Intra-Group loans	Total
<b>Opening balance 2021-01-01</b>	<b>658</b>	<b>0</b>	<b>658</b>
New loans	1,400	-	1,400
Loan amortization	-993	-	-993
Not impacting cash flow	3	-	3
<b>Closing balance 2021-12-31</b>	<b>1,068</b>	<b>-</b>	<b>1,068</b>
<b>Opening balance 2022-01-01</b>	<b>1,068</b>	<b>-</b>	<b>1,068</b>
New loans	738	-	738
Loan amortization	-56	-	-56
Not impacting cash flow	4	-	4
<b>Closing balance 2022-12-31</b>	<b>1,754</b>	<b>-</b>	<b>1,754</b>

**NOTE M19 Transactions with related parties**

Below is information on related party transactions, of which all were at the going market rate. Subsequent to the most recent closing date for which financial statements have been published, no related party transactions have occurred.

**Remuneration to key employees**

Remuneration to key employees is described in Note 6.

**Options plan**

The options plan for key employees is described in Note 23.

**Other**

Besides the transactions specified above, Green Landscaping Group AB has not entered into any related party transactions for significant amounts during the period covered by the financial information in this report and up until the date of publication for this report.

**NOTE M20 Purchases and sales between Group companies****Sales and purchase from subsidiaries**

For the Parent Company, SEK 36 (34) million, corresponding to 100%

(100%) of the year's sales and SEK 0.8 (0.9) million corresponding to 3% (5%) of the year's purchases were transactions with subsidiaries of the Group.

The pricing of purchased goods and services to related companies has been on market terms.

As of 31 December 2022, the Parent Company's receivables from subsidiaries amounted to SEK 68 (188) million and liabilities to subsidiaries amounted to

SEK 266 (184) million. Transactions with related parties have been priced at the going market rate.

Credit losses on receivables from Group companies have thus far never occurred and future credit losses are expected to be insignificant.

Changes in intra-group receivables and liabilities compared with the comparison year are primarily attributable to changes in the Group's cash pool for the Swedish operations, as well as receivables and liabilities having to do with Group contributions.

**NOTE M21 Leasing****Operating leases as lessor**

The Parent Company has entered into operating leases for such things as office machines, other equipment and vehicles. The duration of these leases is 3-5 years.

The Parent Company leases office premises and leasing costs are primarily associated with office rent.

**OPERATING LEASES**

	2022	2021
Expensed lease fees for operating leases	2	1
Future minimum lease payments for non-cancellable operating leases		
To be paid within 1 year	2	1
To be paid within 1-5 years	3	0
To be paid in more than 5 years	-	-
<b>Total</b>	<b>5</b>	<b>1</b>

**NOTE M22 Other current liabilities****OTHER CURRENT LIABILITIES**

	2022-12-31	2021-12-31
VAT liability	-	0
Taxes and social security contributions	1	0
Additional consideration	95	70
Other current liabilities	-	25
<b>Total</b>	<b>96</b>	<b>96</b>

Other current liabilities as of 2021-12-31 included the EU grant received for SEK 25.5 million. The received grant was repaid in its entirety in 2022 to the issuer.

**NOTE M23 Appropriation of profit or loss**

The following funds are at the disposal of the Parent Company:

**FUNDS AS THE DISPOSAL OF THE PARENT COMPANY (SEK)**

Share premium reserve	1,072,796,891
Retained earnings	-290,152,540
Profit (loss) for the year	1,919,656
<b>Total</b>	<b>784,564,007</b>

The Board proposes that profit or loss is appropriated in the following way

Carried forward	784,564,007
<b>Total</b>	<b>784,564,007</b>



## Approval of the financial statements

The consolidated financial statements for the reporting period that ended on 31 December 2021 (including comparison figures) was approved by the Board on 13 April 2023.

### Board's affirmation

The Board of Directors and the CEO affirm that the consolidated financial statements and the annual report have been prepared in accordance with the international accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards and generally accepted accounting principles and give a true and fair view of the Group's and Parent Company's position and results.

The Directors' report for the Group and Parent Company provides a true and fair overview of the Group's and Parent Company's operations, financial position and results and also describes material risks and uncertainties faced by the Parent Company and the companies that comprise the Group.

The Group and the Parent Company's results and financial position in other respects are shown in the income statement and balance sheet, cash flow statements and notes contained in this report.

**Stockholm, 13 April 2023**

**Per Sjöstrand**  
*Chairman of the Board*

**Tomas Bergström**  
*Director*

**Åsa Källenius**  
*Director*

**Staffan Salén**  
*Director*

**Monica Trolle**  
*Director*

Our audit report was submitted on the date shown together with our electronic signature

Grant Thornton Sweden AB

**Camilla Nilsson**  
*Authorized Public Accountant*

# AUDITOR'S REPORT

To the general meeting of the shareholders of i Green Landscaping Group AB (publ),  
corporate identity number 556771-3465

## Report on the annual accounts and consolidated accounts

### Opinions

We have audited the annual accounts and consolidated accounts of Green Landscaping Group AB (publ) for the year 2022 except for the statutory sustainability report and the corporate governance statement on pages 28 – 49 respective 54 – 64. The annual accounts and consolidated accounts of the company are included on pages 69 – 111 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 54 – 64. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

### Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the "Auditor's Responsibilities" section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

### Revenue recognition of agreements with customers

The Group recognize significant revenues from agreements with customers over time, which means that revenues and cost are reported as the assignments are fulfilled. Revenues and results are recognised in relation to the percentage of completion based on actual costs at year end in relation to the total projected cost for completing the project. Anticipated customer losses are recognized as soon as they are known.

Revenue recognition is based on assessments of actual cost, estimated costs to complete the work and follow-up against the forecast of final outcome. Changes in assessments during the implementation of the assignment may give rise to a significant impact on the Group's earnings and financial position, which is why we have assessed this as a particularly significant area.

For further information and description of the area, see Note 4 Revenues from agreements with customers, Note 5 Segment information and Note 20 Accounts receivable and contract assets as well as accounting and valuation principles in Note 2 Applied accounting principles in the annual accounts and consolidated accounts.

#### Response in the audit

As part of our audit related to revenue recognition of customer agreements, we have implemented a number of audit procedures. Our audit procedures included, but were not limited to, the following:

- \* Evaluation of routines and processes for revenue recognition of agreements with customers. Random review of calculations made for recorded values based on calculations, reporting, analyses and forecasts as well as underlying assumptions.
- \* Review of significant agreements; including review of assessments related to reprocessing rate and completion.
- \* Random review of project revenues and project costs that form the basis for determining recorded revenues.
- \* Audit of information provided in the annual report and that these are in all material respects in accordance with the requirements of the Annual Accounts Act and IFRS.

### Goodwill

The Group's carrying amount for intangible fixed assets in the form of goodwill as of 31 December 2022 amounts to SEK 1,771 million, which constitutes approximately 35 percent of total assets. Goodwill shall, upon indication of impairment and at least annually, be subject to impairment testing. Testing for impairment involves calculations that are based on assumptions and assessments of such things as discount rates, growth factors, operating margins and forecasted cash flows. A test of impairment is complex and contains significant elements of assessments and assumptions about future operating profit and an appropriate discount rate, which is why we have assessed this as a particularly significant area.

For further information and description of the area, see Note 12 Business acquisitions, Note 14 Intangible fixed assets and Note 16 Goodwill as well as accounting and valuation principles in Note 2

Applied accounting principles in the annual accounts and consolidated accounts.

#### *Response in the audit*

As part of our audit related to valuation of goodwill in the Group, we have performed a number of audit procedures. Our audit procedures included, but were not limited to, the following:

- \* Review to assess and ensure that the Group's impairment tests are carried out in accordance with what is stipulated in the regulations for IFRS.
- \* Assessment of the reasonableness of future cash flows by taking note of and evaluating Group management's assumptions and forecasts as well as previous years' assessments in relation to actual results.
- \* Engagement of our own valuation specialists in terms of methodology and discount rates as well as sensitivity analysis.
- \* Audit of information provided in the annual report and that these are in all material respects in accordance with the requirements of Annual Accounts Act and IFRS.

#### Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1 – 65, 116 – 120 and the remuneration report on pages 66–68. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

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

#### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

#### Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- \* Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- \* Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- \* Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- \* Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- \* Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- \* Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of

the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

## Report on other legal and regulatory requirements

### Report on the audit of the administration and the proposed appropriations of the company's profit or loss

#### Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Green Landscaping Group AB (Publ) for the year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

#### Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

#### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfil the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

#### Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

\* has undertaken any action or been guilty of any omission which can give rise to liability to the company, or

\* in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

#### The auditor's examination of the Esef report

##### Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Green Landscaping Group AB for the financial year 2022. Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

##### Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Green Landscaping Group AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

#### Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that



meets these requirements. Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report. The audit firm applies International Standard on Quality Management 1, that requires that the company design, implement and handled a system for quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef-report is established in a valid XHTML-format and a reconciliation that the Esef report is in accordance with the audited annual accounts and consolidated accounts. Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, finance position, changes in equity and cash flow and notes in the Esef report has been marked with iXBRL in accordance with the Esef-regulation

Grant Thornton Sweden AB was appointed auditor of Green Landscaping Group AB (publ) by the general meeting of the shareholders on the 19 May 2022 and has been the company's auditor since the 19 May 2021.

Stockholm on the day stated in our electronic signature

Grant Thornton Sweden AB

Camilla Nilsson  
Authorized Public Accountant

## Key Performance Indicators for the Group

	2022	2021	2020	2019	2018
Net sales, SEK million	4,810	3,139	2,113	1,973	1,184
EBITA, SEK m	407	232	102	57	18
EBITA margin, %	8.5	7.4	4.8	2.9	1.5
Working capital, SEK m	169	21	-37	70	43
Equity, SEK m	1,336	896	468	219	203
Interest-bearing net debt, SEK m	-1,800	-1,157	-797	-690	-541
Average no. of employees	2,145	1,623	1,357	1,245	598

### Reconciliation of KPIs not defined in accordance with IFRS

The Group presents certain financial measures in its interim report that are not defined in accordance with IFRS. The Group feels that these measures provide valuable, supplementary information to investors and Group management. Accordingly, the measures should be regarded as a supplement, rather than a replacement for measures defined in accordance with IFRS. Because Green Landscaping Group'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" at the end of this report.

EBITA	2022	2021	2020	2019	2018
Operating profit (loss)	308	155	59	29	4
Amortization and impairment of intangible assets	99	77	43	29	14
<b>Total EBITA</b>	<b>407</b>	<b>232</b>	<b>102</b>	<b>57</b>	<b>18</b>

## Key Performance Indicators, Group, cont.

	2022	2021	2020	2019	2018
Working capital					
Inventories	67	38	28	26	24
Contract assets	128	39	72	71	42
Current receivables	1,083	722	433	347	372
Accounts payable - trade	-366	-226	-173	-161	-170
Other liabilities and non-current interest-bearing liabilities	-409	-306	-225	-54	-60
Contract liabilities	-68	-25	-29	-22	-15
Accrued expenses	-274	-221	-143	-137	-150
<b>Total working capital</b>	<b>161</b>	<b>21</b>	<b>-37</b>	<b>70</b>	<b>43</b>

	2022	2021	2020	2019	2018
Net debt					
Bank overdraft	-	-	-5	-19	-18
Liabilities to credit institutions (non-current)	-1,747	-1,043	-568	-430	-454
Liabilities from finance leases (non-current and current)	-445	-266	-185	-233	-111
Liabilities to credit institutions (current)	-84	-79	-134	-53	-53
Cash and cash equivalents	476	352	96	45	96
<b>Total Net debt</b>	<b>-1,800</b>	<b>-1,036</b>	<b>-797</b>	<b>-690</b>	<b>-540</b>

### EBITA

EBITA for the quarter					
Total, last 4 quarters					
<b>Total EBITA RTM</b>					

	2022	2021	2020	2019	2018
Earnings per share					
Profit (loss) for the period	184	92	37	7	-15
Average number of shares	53,873,101	49,978,855	41,796,063	35,917,758	29,482,905
<b>Earnings per share, SEK</b>	<b>3.42</b>	<b>1.84</b>	<b>0.90</b>	<b>0.20</b>	<b>-0.19</b>

# Definitions

General		
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.		
Key performance indicators	Definition/calculation	Purpose
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.
EBT	Earnings before tax.	Earnings before tax provides an overall indication of the profit that was generated before tax.
Nonrecurring items	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 nonrecurring items.	Adjusted EBITA increases the comparability of EBITA.
Adjusted EBITDA pro forma	EBITDA adjusted for nonrecurring items 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 nonrecurring items, as a percentage of sales.	Adjusted EBITA margin excluding the effect of nonrecurring items, 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 Group'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.
Net debt	Interest-bearing liabilities less cash and cash equivalents.	Net debt is an indication of the Group's financial position.
Net debt in relation to adjusted EBITDA	Net debt as a percentage of adjusted EBITDA.	Net debt in relation to adjusted EBITDA is reported for the purpose of revealing the level of financial risk. It is also a useful metric for monitoring the Group's debt/equity level.



## Financial calendar

The AGM for Green Landscaping Group AB (publ) will be held on Thursday, 17 May 2023.

The Group's interim reports will be published on these dates:

11 May 2023	Interim report January-March 2023
24 August 2023	Interim report January-June 2023
16 November 2023	Interim report January-September 2023
15 February 2024	Year-end report 2023



**Green**<sup>®</sup>  
landscaping group

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