ANNUAL REPORT 2018

Green landscaping

GREEN LANDSCAPING IN BRIEF

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

Through our subsidiaries, Green Landscaping Group offers the market's most comprehensive service portfolio that aims to make cities more beautiful and also safer. The goal is to add real value by creating environments where people can thrive. The business is divided into the following three service areas: Ground Maintenance & Landscaping, Sports Landscaping and Arborist Services. We have operations throughout Sweden, from Malmö in the south, to Skellefteå in the north.

We are professional in everything we do. At the center of it all is our skilled, experienced employees who inspire our customers, helping them realize their dreams of creating beautiful, functional outdoor environments. We also offer care and maintenance services that maximize the lifespan of these outdoor environments.

EVENTS IN 2018

- Green Landscaping's shares became listed on Nasdaq First North.
- Acquisition of the nationwide ground maintenance and landscaping company, Svensk Markservice.
- Acquisition of Trädexperterna, Borås Markentreprenad and Mark & Miljö.
- A first project within the scope of the Green Steps integration program started up with the City of Gothenburg and some of the public housing companies. At present, there are 35 participants in the program.

KEY PERFORMANCE INDICATORS

SEK m	2018	2017	Change, %
Sales	1,180.1	799.3	48%
EBITDA	55.3	55.8	–1%
EBITA	17.9	30.1	–41%
Adjusted EBITDA	97.2	65.9	47%
Adjusted EBITA	59.8	40.2	49%
Adjusted EBITDA margin	8.2%	8.2%	0.0%
Adjusted EBITA margin	5.1%	5.0%	0.1%
Order backlog	3,880	1,856	109%

NET SALES PER CUSTOMER GROUP

Customer group	%
Public sector	66%
Private sector	34%
Swedish government/county councils/municipalities	47%
Public properties/public welfare	18%
Private properties/residential	29%
Housing cooperatives/jointly-owned property	3%
Other	3%

Green Landscaping's vision is to create a green city that benefits all via entrepreneurship, social responsibility and sustainable business.

Johan Nordström, CEO, page 2-3

The decentralized organizational structure promotes entrepreneurship and responsible behavior at all levels of the organization.

Vision and business concept page 4-5

Residents often put very high value on green areas and there is a strong demand for such in urban environments. Many studies have been conducted documenting the positive health effects of green areas.

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The Group's environmental commitment should serve as a reason for customers choosing Green Landscaping as a partner or contractor.

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CEO’S COMMENTS

I am pleased to report a very eventful year for Green Landscaping. It includes such things as the company's share becoming listed on Nasdaq First North in March and the major acquisition of Svensk Markservice in December, all of which has strengthened our position as Sweden’s leading player in outdoor environments and a role model for professionalism in our sector.

Strong growth

2018 was a year of healthy growth, both organic and acquired. Our organic growth was higher than the market rate of growth, which is attributable to the competitive advantages we have as a full-service supplier, alone with our structured tendering process. The Group’s entrepreneurial and decentralized structure creates the prerequisites for strong local positions, which results in long-term relationships with our customers and excellent awareness of the market conditions.

On the acquisition side, we have, in recent years, built up a nationwide assortment of companies within the Group, along with a focus on synergies and delivering value to customers. 2018 was no exception. We acquired four new companies, one of which was the major acquisition of Svensk Markservice. It was of great strategic importance and it nearly doubled the size of the Group. An acquisition of this size puts high requirements on integration efforts and we are working diligently to achieve the synergies we’ve identified that will provide us with a solid foundation for the future. In addition to the acquisition of Svensk Markservice, we have also pursued our overall acquisition plan by acquiring the following three companies: Trädexperterna, Borås Markentreprenad and Mark & Miljö.

An organization based on stability and value to customers

Green Landscaping was established ten years ago and since then, we have built up a stable organization that delivers value to customers. We have implemented many optimization initiatives and have streamlined our processes. Doing so has enabled us to achieve a leading position on profitability for our size, while simultaneously increasing customer satisfaction.

Our business is stable and predictable, thanks to our diversified contract portfolio with customers in both the private and public sectors in many regions. We also have a good overview of our future earnings potential, with contracts that run over several years. Via our full-service offering, we are able to take overall responsibility for maintenance of parks and urban areas, which, in turn, provides more customer value.

Green Steps leads the way in social responsibility

Green Landscaping's vision is to create a green city that benefits all via entrepreneurship, social responsibility and sustainable business. The foundation for sustainable business is our business model, where we rely on decentralized, entrepreneurial local operations that are in sync with customer needs, yet also allow us to benefit from the economies of scale that can be derived from a larger Group.

One example of our efforts in social responsibility is our Green Steps integration program. It is an initiative whereby we collaborate with our customers and government authorities to get new immigrants and the long-term unemployed into the workforce through a combination of training and work experience. The initiative strives to create an inclusive society and ensure that there is a supply of expertise in the labor market over the long term. In 2018, we successfully implemented a pilot project with the City of Gothenburg. For us, it's important that more local authorities raise the requirements on involvement in society and professional delivery in procurement processes. Higher quality and integration generates significant benefits to society.

IPO

In March, Green Landscaping's shares became listed on Nasdaq First North. It was an important step to further professionalize the business. During the year, we noticed that there was great interest in the company, which has much to do with the stability of our operations and the clear market trends that support our long-term growth. Our aim in 2019 is to execute a change of marketplace to Nasdaq Stockholm, which will serve as an additional stamp of quality for the company.

Good conditions for continued growth

Our assessment is that the conditions are good for continued long-term growth, fueled not only by our own initiatives, but also the underlying market trends. Green Landscaping benefits from the "green" trend in urban environments, where a higher level of urbanization is increasing both demand and the expectations on safe, well-maintained green urban environments. As a market leader, we have a responsibility to run operations with a focus on long-term sustainability. And, as part of that, we want to help convince the local authorities to put even higher value on the "soft" criteria in tendering processes.

I would like to thank each and every one of our employees, customers, business partners and all of our new shareholders for the successes we achieved during the year. We will continue prioritizing value to customers, quality and sustainability and I am optimistic about our future growth and development.

Johan Nordström
CEO

BUSINESS MODEL

VISION

Green Landscaping's vision is to create a green city that benefits all via entrepreneurship, social responsibility and sustainable business.

BUSINESS CONCEPT

Green Landscaping's 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 GREEN MODEL

Green Landscaping's decentralized organizational structure enables us to benefit from the advantages associated with a thorough knowledge of the local conditions along with shared central functions so that we can deliver a full range of services to our customers.

1 Sustainability and passion for the environment

Green Landscaping's sustainability efforts are an integral and natural part of the company's operations and they permeate the entire organization. The main goals of sustainability efforts are to support Green Landscaping's business objectives and, by fueling entrepreneurial spirit, social responsibility and sustainable business, create a green city that benefits all and promotes a sustainable society.

2 Local market leader

A decentralized structure, with a high level of local expertise in each region has made it possible for Green Landscaping to achieve and further develop leading local market positions. We have strong customer relations with good references and solid expertise in various types of projects and contracts, which creates significant value to our customers and gives us advantages in tendering processes.

3 Decentralized organization with a strong entrepreneurial spirit

The decentralized organizational structure benefits entrepreneurship and responsible behavior at all levels of the organization. Green Landscaping encourages the heads of its subsidiaries to use their knowledge of the local market and deliver a strong performance, while simultaneously applying a high level of business ethics. Collaboration and cross-selling between regional units makes Green Landscaping both efficient and able to compete on large, complex projects such as region-wide service agreements. It also enables the company to increase its sales via joint projects and customers.

4 Cost-effective business model

A high level of cost awareness permeates Green Landscaping's entire organization, where there is close collaboration between the company's regional units and its central organization. Cost awareness is also promoted via strong local leadership along with well-established, Group-wide routines such as continuous monitoring of results and analysis of KPIs. The company continually strives to increase its cost-effectiveness by, for example, consolidating suppliers and applying the principles of Lean.

5 Diversified revenue model

Our contract-based business model offers revenue through two different pricing models consisting of fixed contract fees, along with upselling and project-based revenue.

Green Landscaping is careful when selecting contracts, striving to avoid those with a high risk and low profitability. Long-term contracts and a good overview of its order book helps make the company's cash flow predictable.

GOALS AND STRATEGY

SALES GROWTH	
Organic **5%** Via acquisitions **15%**	Sales shall, on average, grow by 5 percent per year organically and 15 percent per year via acquisitions. **Results in 2018:** 8 percent organic growth, 40 percent acquired growth
PROFITABILITY	
11%	EBITDA shall amount to 11 percent. **Results in 2018:** 8.2 percent (adjusted EBITDA margin)
CAPITAL STRUCTURE	
<2.5times	Net debt in relation to EBITDA shall, over the long term, not exceed 2.5 times. **Results in 2018:** 3.5 times (adjusted EBITDA)
DIVIDEND POLICY	
40%	Approximately 40 percent of net profit shall be distributed as dividends to shareholders. The dividend proposal shall take into account Green Landscaping's long-term growth potential, financial position and investment requirements. **Results in 2018:** The Board proposes that no dividends shall be paid for the year.

GROWTH STRATEGY

Establish local platform for further expansion

Green Landscaping creates strong local market positions by establishing local platforms. This occurs by winning major public contracts. Green Landscaping's full range of services for care and maintenance of outdoor environments, its ability to deliver cost-effective quality services and a structured tendering process are critical factors for winning major public contracts and differentiating the company from its competitors. Major public contracts also serve as a reference, helping the company win smaller contracts and thereby expand its operations locally.

Local references create a strong local brand, which gives us competitive advantages in each market. With an established local platform and local resources in place, we can achieve economies of scale via more efficient use of our machinery and by coordinating purchasing efforts.

Ensuring a leading position via more customer value

With local contracts, customer relations, resources and market knowledge, Green Landscaping is able to deliver value to customers, maintain a leading position and thereby generate competitive advantages. As we strengthen our position in local markets, significant cost synergies arise, along with a stronger negotiating position in tendering processes. And, a strong leading position facilitates further expansion to neighboring cities and areas, thereby generating favorable conditions for further market consolidation.

Continued growth via acquisitions

Acquisition is a key component of Green Landscaping's growth strategy and we are continually evaluating attractive acquisition candidates that can help strengthen our market position and expansion to new geographic markets both within and outside Sweden.

PROFITABILITY STRATEGY

Streamlining the organization

In recent years, Green Landscaping has implemented several strategic initiatives aimed at optimizing and streamlining the company's processes. For example, a decentralized organizational structure has been implemented whereby responsibility has been moved from the central to regional level. It involves having regional managers with close ties to customers and in-depth knowledge of local markets. Another important focus has been on improving our existing processes using our Lean control system, policy deployment for continual improvement of the organization and by focusing on value-creating activities for customers. The efficiencies we've achieved with Lean have involved consolidation of the supplier base, implementing a coordinated purchasing process, higher productivity of employees and discontinuation of unprofitable contracts. The initiatives have led to major cost savings and higher profitability. Green Landscaping has maintained its focus on higher efficiency to create more value to customers. We shall achieve this by allowing value to customers determine the design of our offering and help eliminate waste.

ACQUISITION STRATEGY

Acquisitions are a central component of Green Landscaping's growth strategy and it is comprised of both smaller and larger acquisitions:

Smaller acquisitions

- Net sales of SEK 30-200 million;
- Ability to generate synergies with both deliveries and purchasing;
- Focus on profitable contract portfolios;
- Strong local brand.

Larger acquisitions

- Net sales of more than SEK 200 million;
- Strategic positioning or market entry;
- Otherwise, the same criteria as with smaller acquisitions.

When identifying both smaller and larger acquisition candidates, Green Landscaping seeks companies that have the following characteristics:

- Well-functioning, stable and profitable companies;
- Competent management teams;
- Strong local brands;
- Companies with multi-year customer contracts, primarily in the area of ground maintenance;
- Business in areas where Green Landscaping is also active, or in closely related areas.

In the category of smaller acquisitions, Green Landscaping acquired the following companies in 2018: Trädexperterna, Borås Markentreprenad and Mark & Miljö. In the category larger acquisitions, Green Landscaping acquired Svensk Markservice.

MARKET OVERVIEW

MARKET

The market in brief

Green Landscaping is active in the Swedish market for care and maintenance of outdoor environments for companies and organizations in both the private and public sectors. The market is divided into three services areas: ground maintenance, landscaping and specialist services. In 2016, the total market in Sweden was estimated at SEK 33.1 billion. Of the total market, slightly more than 60 percent had been allocated to external suppliers. The market is fragmented and it consists of approximately 6,300 companies, of which Green Landscaping regards approximately 2-3 companies as competitors at the national level and approximately 4-5 companies at each regional level. Typically, contracts in the market are long term for both the private and public sector. Over time, the market has been stable even during recessions. One of the reasons for this is that most business is via contracts, along with the fact that both private and public organizations maintain their outdoor environments even when there is a downturn in the economy.

Addressable market

Green Landscaping's addressable market is that which is contracted to external suppliers. Of this market, approximately 75 percent is ground maintenance, 20 percent is landscaping and 5 percent is specialist services. The addressable market is expected to have annual average growth of 4.7 percent during the period 2017-2020 based on a market analysis that was conducted in conjunction with Green Landscaping's IPO. During the same period, major metropolitan regions are expected to have average annual growth of approximately 6-7 percent. 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 companies that offer care and maintenance of outdoor environments 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. Contract values in the public sector are, on average, higher than in the private sector.

MARKET DRIVERS

More investments by municipalities

Several municipalities in Sweden have stated the goal that their residents should not have a distance between their residence and green areas of more than 300 meters, which is fueling investments in new green areas. Green Landscaping has concluded that the municipalities will continue: making investments in green areas since doing so adds variety to the cityscape, offering nature experiences to city residents, lowering the dangerous effect of pollution and serving as social venues. Residential property near green areas is in higher demand, which is reflected in housing prices. 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.

Urbanization

Sweden is currently one of the countries in Europe that has the fastest growing population. In January 2017, Sweden's population rose above 10 million residents and by 2025, it is expected to reach 11 million. Approximately one-fourth of the population resides in Stockholm, Gothenburg or Malmö. Urbanization in Sweden is expected to reach approximately 90 percent by 2050. Population growth, and a higher level of urbanization result in a greater demand for available outdoor environments. The rapidly growing population also contributes to more wear-and-tear on existing parks and outdoor environments, which further increases the need for maintenance.

Higher expectations on green urban areas

Residents often put very high value on green areas and there is a strong demand for such in urban environments. Several studies have been published documenting the pos-

itive 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. Swedish residents 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. According to a survey, approximately 60 percent of the Swedish population would be willing to pay more for their housing if they could be closer to green areas.

Higher demand for safety

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. Municipalities have also started stating higher requirements that playgrounds should be safer and meet specific criteria.

GREEN LANDSCAPING'S POSITION

Green Landscaping is one of just a few companies that offers a full range of services for ground maintenance and surface planning, sports facilities and arborist services. Through our wide service offering, we are able to take overall responsibility for maintenance of parks and urban areas, thereby increasing the value to customers and simultaneously benefiting from economies of scale.

GREEN LANDSCAPING'S REGIONS

Region South

Region South is comprised of the counties of Skåne and Halland, with particular emphasis on Malmö, Lund, Vellinge, Staffanstorp, Halmstad, Kävlinge and Helsingborg. This region is served by the subsidiaries Green Landscaping AB, Svensk Markservice and Mark & Miljö. In 2018, Green Landscaping had 115 employees in the region and sales of SEK 195.0 million.

Region West

Region West is comprised of the counties of Västra Götaland, Jönköping, Kronoberg and Östergötland. Operations are coordinated from the office in Gothenburg and work is also carried out in Alingsås, Strömstad and Linköping. This region is served by the subsidiaries Green Landscaping AB, Svensk Markservice and Tranemo Trädgårdstjänst. GML Sport and Svensk Jordelit are based in Gothenburg, but they have customers throughout Sweden. In 2018, Green Landscaping had 237 employees in the region and sales of SEK 548.3 million.

Region East

Region is comprised of the counties of Stockholm and Uppland. This region is served by the subsidiaries Green Landscaping AB, Svensk Markservice, JE Mark, Björnentreprenad and Jacksons Trädvård. In 2018, Green Landscaping had 217 employees in the region and sales of SEK 372.7 million.

Region Middle

This region is comprised of Värmland, Örebro, Västmanland, Dalarna, Västmanland, Gävle, Norrtälje and Uppsala. In 2018, Green Landscaping had 12 employees in the region and sales of SEK 71.5 million.

Region North

Region North is comprised of the counties of Dalarna, Västerbotten and Västernorrland. Operations are coordinated from the office in Umeå and work is also carried out in Härnösand, Skellefteå, Sundsvall and Örnsköldsvik. The region is served by the subsidiary Svensk Markservice, In 2018, Green Landscaping had 5 employees in the region and sales of SEK 10.3 million.

Note that sales and the number of employees stated above is based on the reported figures (not full-year figures).

GROUND MAINTENANCE & LANDSCAPING

Green Landscaping's offering

Ground Maintenance & Landscaping is Green Landscaping's largest segment and it accounted for 83 percent of the company's net sales in 2018. Ground maintenance and landscaping, which is also referred to as surface planning, are closely intertwined, since landscaping is often added in the form of land sales to the running contract for ground maintenance.

In the area of ground maintenance, the company offers a complete 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.

In the area of landscaping, the company offers a wide range of services that includes project planning, surface planing and renovation of green areas, along with minor construction projects like playgrounds, sedum roofs and other outdoor structures.

Customers and agreements

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

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.

For landscaping, there are many smaller contracts, typically for up to SEK 1 million each. Contracts are often for projects that are paid when the work has been completed. Landscaping projects are performed in smaller stages, which involves a lower project risk. Large projects have a contract value of between SEK 10-20 million. Landscaping work is typically only carried out to a limited extent during winter.

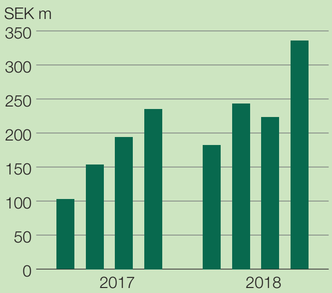
Market and driving forces

Both full service companies like Green Landscaping and smaller local companies are active in the market. The market is primarily fueled by growth in the major metropolitan regions of Stockholm, Gothenburg and Malmö. However, other areas of the country are expected to have stable growth in the years to come. Over the long term, growth in ground maintenance is expected to come from growing major metropolitan regions, where it is fueled by favorable underlying demographic trends that will lead to higher demand and more wear-and-tear on existing outdoor environments. Growth in landscaping is primarily expected to be fueled by higher quality and safety requirements, along with more housing construction. New construction of housing often occurs in combination with new construction of outdoor environments like parks, playgrounds and outdoor gyms. Higher quality and safety requirements are also expected to increase the demand for renovation of playgrounds and outdoor gyms in the future.

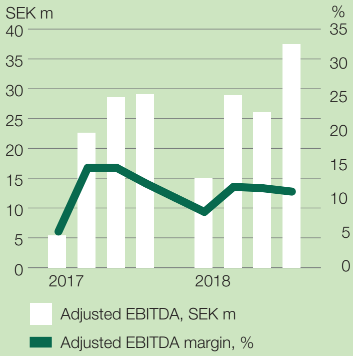
Key performance indicators

SEK m	Jan-Dec 2018	Jan-Dec 2017
Sales	980.9	686.0
Adjusted EBITDA	112.4	85.7
Adjusted EBITA	85.2	67.3
Order backlog	3,686	1,675

Sales per quarter



Adjusted EBITDA



SPORTS LANDSCAPING

Green Landscaping's offering

Sports Landscaping accounted for 12 percent of the company's net sales in 2018. The services are offered via the subsidiaries GML Sport and Svensk Jordelit, which provide consulting, product sales and maintenance of sports and leisure facilities, such as golf courses and football fields. Other services are offered as well, such as planting and renovation of natural grass and hybrid grass pitches. Many of the services are complex, requiring a high level of specialist expertise. Both of the subsidiaries have a reputation for high quality and focus on the customer.

Customers and agreements

GML Sport maintains sports and leisure facilities at several locations throughout Sweden. Customers in this segment are primarily golf courses and football fields. For maintenance of arenas and similar venues, collaboration is in place with the Swedish Football Association and the Swedish Greenkeepers Association via Svensk Jordelit. For this area of operations, contracts typically stretch over several years. They typically run for three years, with the option to extend for an additional three to four years.

In addition, major facility projects are also conducted with focus on natural grass fields and an investment in hybrid grass is only made when there is both specialist expertise available and in-depth knowledge of the product. Consulting and product sales to, above all the golf and football sector are via Svensk Jordelit, which has an excellent reputation for high customer satisfaction and a large presence in the market. An investment in e-commerce to the private market of professional products will be launched in the next year.

The demand for both services and products is particularly high during spring, when customers need to attend to their green areas after winter.

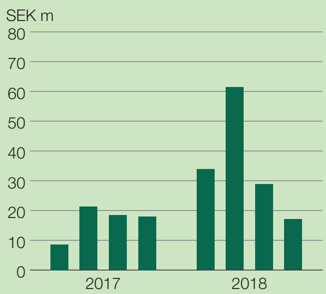
Market and driving forces

The market is dominated by a few specialist companies in both the service and product segments, which creates a relatively low level of competition. Organizations have typically managed their golf courses and football fields themselves. However, outsourcing is becoming increasingly common and the quality requirements are also increasing.

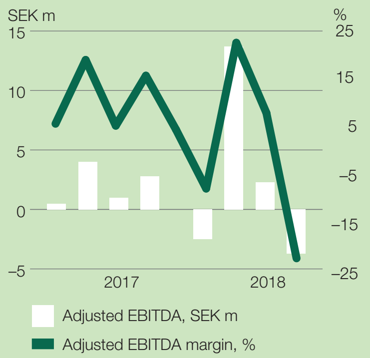
Key performance indicators

SEK m	Jan-Dec 2018	Jan-Dec 2017
Sales	141.1	66.2
Adjusted EBITDA	9.8	8.2
Adjusted EBITA	2.4	4.3
Order backlog	83	70

Sales per quarter



Adjusted EBITDA



ARBORIST SERVICES

Green Landscaping's offering

Arborist Services accounted for 6 percent of the company's net sales in 2018. The offering here includes consulting, tree care and tree felling on both private property and in urban environments, care of forests in the vicinity of densely populated areas and biomass management. The company also offers consulting, administration and active management of forested areas.

Assignments include such things as tree care that will improve the aesthetic value, along with the recreational and natural appeal of streets, facilities, parks and gardens. Tree trimming is also offered to improve both safety and visibility/accessibility around streets, walking paths and bike paths. Furthermore, tree felling of dangerous trees is offered at difficult locations, where it is not possible to use ordinary tree felling methods. The company also offers planting of new trees, along with the required maintenance so that they will thrive. Fallen trees and branches are collected and used for such things as biofuel and own furniture manufacturing.

Customers and agreements

Customers consist of major land owners such as municipalities and government authorities, along with property owners, construction companies, housing cooperatives and community associations. Contracts in the segment are typically long-term framework agreements or smaller assignments where an hourly fee is charged.

Sales are ordinarily higher during the latter part of the year.

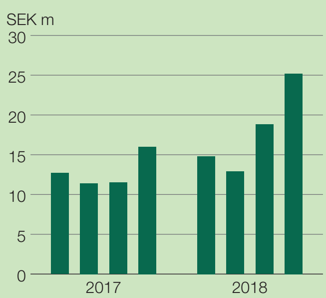
Market and driving forces

The market is dominated by specialist companies. It is fueled by such things as safety requirements and higher expectations on municipalities and property owners that there should be trees in the vicinity. To a certain extent, the market is needs-driven. For example, extreme weather can impede accessibility, which must be remedied with short notice.

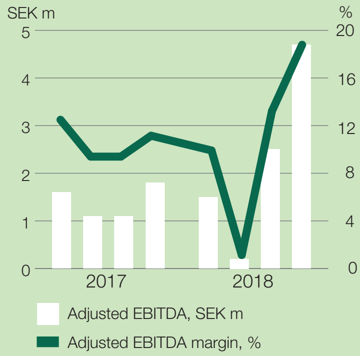
Key performance indicators

SEK m	Jan-Dec 2018	Jan-Dec 2017
Sales	71.6	51.5
Adjusted EBITDA	9.0	5.5
Adjusted EBITA	5.1	3.5
Order backlog	112	111

Sales per quarter



Adjusted EBITDA



GREEN LANDSCAPING'S SHARE

IPO
Green Landscaping's share became listed for trading on Nasdaq First North under the ticker "GREEN" on 23 March 2018. The price for the initial offering to subscribe for shares was SEK 21 per share. A total of 17,850,000 shares were sold, of which 3,571,429 were newly issued shares and 14,278,571 were shares from existing shareholders who wanted to sell, corresponding to approximately 50 percent of the total number of shares and votes in the company after the IPO.

Share capital
As of 31 December 2018, share capital amounted to SEK 2,545,326, allocated to a total of 35,849,663 shares with a quotient value of SEK 0.071. All shares are of the same class, with equal voting rights and share of the company's capital and profits.

Trading in Green Landscaping share
The closing price on the last day of trading, 28 December 2018, was SEK 28.97, corresponding to market capitalization of just over SEK 1.0 billion. In total, 17,732,235 were traded during the year, corresponding to a value of approximately SEK 394 million. The average number of shares sold per trading day was 93,821. As of the last day of trading, the price had risen by SEK 7.97 compared to the issue price, which corresponds to an increase of 38 percent.

Shareholders
As of 31 December 2018 there were 720 known shareholders. The company's ten largest owners accounted for 75 percent of the share capital and votes. Byggmästare Anders J Ahlström Holding AB was the largest single shareholder, with 20.6 percent of the shares.

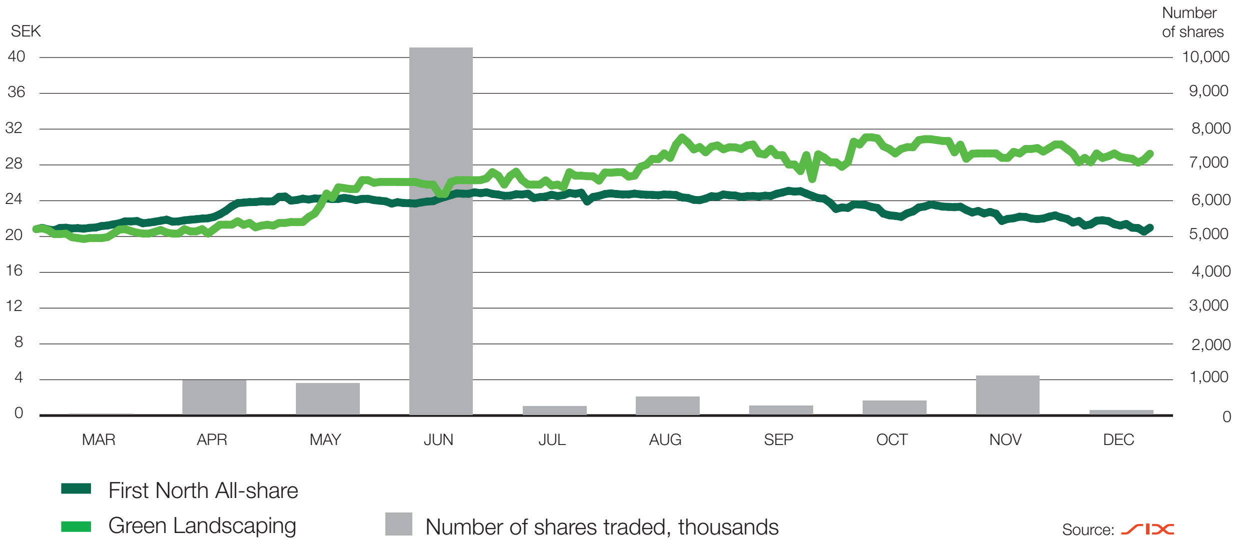
Certified Adviser
All companies with shares traded on Nasdaq First North must have a Certified Adviser. Pareto Securities AB (+46 8 402 50 00, certifiedadviser.se@paretosec.com) has been engaged as Green Landscaping's Certified Adviser.

FINANCIAL CALENDAR

2019
- Annual General Meeting 2019: 15 May
- Interim Report for January-March: 7 May
- Interim Report for January-June: 28 August
- Interim Report for January-September: 6 November

2020
- Year-end Report for January-December: 19 February

Green Landscaping 29 March – 31 December, 2018



Green Landscaping's 10 largest share-holders as of 31 December 2018	Shareholding	Share in percent
1. Byggmästare Anders J Ahlström Holding AB	7,385,599	20.6%
2. Staffan Salén and family	6,745,839	18.8%
3. Johan Nordström	3,626,738	10.1%
4. AFA Försäkring	2,261,000	6.3%
5. Per Sjöstrand	1,668,886	4.7%
6. AP3, Third Swedish National Pension Fund	1,651,000	4.6%
7. Peter Lindell	1,140,000	3.2%
8. Nordnet Pensionsförsäkring	801,627	2.2%
9. Tranemo Förvaltning AB	781,727	2.2%
10. Toppstjärnan AB	699,718	2.0%
Total	**26,762,134**	**74.7%**

WHY INVEST IN GREEN LANDSCAPING?

1. INDUSTRY-LEADING PROFITABILITY
- Industrialized processes that have increased profitability since 2015
- Further streamlining possible through Lean

2. GOOD PREREQUISITES FOR GENERATING RETURNS
- Efficient cash flow management results in low working capital
- Limited investment need results in low CapEx

3. ORGANIC GROWTH WITH SUPPORT FROM STRUCTURAL MARKET TRENDS
- A stable market (not cyclical) fueled by favorable trends

4. CONSOLIDATING THE MARKET
- Proven acquisition ability
- Ambitious acquisition strategy for the future

5. LARGE AND DIVERSIFIED CONTRACT PORTFOLIO RESULTS IN LOW RISK
- A portfolio characterized by long contracts and strong customers in both the public and private sectors

CORPORATE GOVERNANCE REPORT

Legislation and corporate governance

Green Landscaping Holding 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). Because the company's shares are listed on Nasdaq First North, the company also complies with the Nasdaq First North Rulebook.

Besides the legislation and the Nasdaq First North Rulebook, Green Landscaping 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.

Swedish Code of Corporate Governance

Since Green Landscaping became listed on Nasdaq First North, it has voluntarily committed to applying the Swedish Code of Corporate Governance (the Code). The 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. In conjunction with the planned change of marketplace to Nasdaq Stockholm, Green Landscaping will be required to comply with the Code, rather than doing so voluntarily, as it does now.

The Code 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. In 2018, Green Landscaping complied with all parts of the Code except for the fact that a Corporate Governance Report for the 2017 financial year was not presented at the 2018 AGM. In conjunction with the listing on Nasdaq First North however, the company's corporate governance practices were described in the prospectus. In 2019, Green Landscaping does not expect that it will be reporting any deviations from the Code.

Share capital and shareholders

Share capital amounts to SEK 2.5 million, allocated to a total of 35,849,663 shares with a quotient value of SEK 0.071. All shares have the same voting rights. At the end of 2018, Green Landscaping had 720 known shareholders. At year-end, the 10 largest shareholders controlled 74.7 percent of the share capital. The 3 largest owners were: Byggmästare Anders J Ahlström Holding AB (20.6 percent of the share capital and votes), Staffan Salén and family (18.8 percent) and CEO Johan Nordström via Capnorth Invest AB (10.1 percent). Green Landscaping has assessed that 20 percent of the share capital and votes are owned by employees of the Group (including the CEO).

Annual General Meeting

The shareholders exercise their influence in Green Landscaping 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, of 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.

The right to attend and vote at a general meeting, either in person or by proxy, applies to shareholders who are entered in Green Landscaping's share register held by Euroclear five weekdays before the general meeting (i.e. on the record date) and who notify the company of their intent to participate by the date specified in the notice of the meeting. Assistants to shareholders in the company may accompany the shareholder to the general meeting if the shareholder gives notice of such. Every shareholder in the company that reports a matter with sufficient advance notice has the right to have the matter dealt with at the general meeting.

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

Nomination Committee

The Nomination Committee submits to the Annual General Meeting, proposals 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. The Nomination Committee also submits 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 decision by the 2018 Annual General Meeting, the Nomination Committee shall consist of four members – one member appointed by each of the three largest shareholders (or known shareholder groups) as of the last banking day in September and who wish to appoint a member of the Nomination Committee. The Chairman of the Board shall also serve on the Nomination Committee.

The Nomination Committee for the Annual General Meeting 2019 was announced on November 8, 2018 and consists of:

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

The Nomination Committee shall apply Rule 4.1 of the Swedish Code of Corporate Governance as its diversity policy when preparing its proposal to the Board. The goal of this is to arrive at a well-functioning Board composition as regards diversity pertaining to such things as gender, nationality, age and industry experience.

Board of Directors

After the AGM, the Board of Directors is Green Landscaping’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'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 6 ordinary members elected for the period until the end of the next AGM. They are listed in the table below. Curt Germundsson was also Director up until the 2018 AGM.

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 of the Board in 2018

- At the beginning of 2018, the Board put particular emphasis on efforts associated with Green Landscaping's listing on Nasdaq First North. Two new Directors were appointed in conjunction with that.
- The following acquisitions were made during the year: Trädexperterna, Borås Markentreprenad, Mark & Miljö Projekt and Svensk Markservice.
- In conjunction with the acquisition of Svensk Markservice, the company entered into a new credit agreement with SEB, which replaced the Group's prior financing solution.
- Adoption of the interim reports and annual report
- Preparation prior to listing on Nasdaq Stockholm (planned for 2019)
- Strategy 2018-2020

Remuneration to the Board of Directors

At the 2018 AGM, it was decided that fees to the Board of Directors for the period until the next Annual General Meeting shall amount to SEK 625,000, of which SEK 250,000 to the Chairman of the Board and SEK 125,000 to other ordinary Board members, with the exception of the company's CEO Johan Nordström and Andreas Bruzelius, who is employed by FSN Capital Partners (which, before the listing on Nasdaq First North was the majority shareholder in Green Landscaping) and renounced their right to fees. The AGM also resolved that a fee of SEK 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. In 2018, the evaluation 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 a Board meeting that was held in February 2019. 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 of Directors has established an Audit Committee consisting of three members: Per Sjöstrand, Åsa Källenius and Andreas Bruzelius. Åsa Källenius is Chairman of the Audit Committee. 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.

Remuneration committee

The Board of Directors has established a Remuneration Committee consisting of three members: Per Sjöstrand, Staffan Salén and Andreas Bruzelius. Per Sjöstrand is Chairman of the Remuneration Committee. 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.

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 on remuneration to senior executives

At the 2018 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

Director	Position	When elected	Independent of the company/ major shareholders	Attendance at Board meetings	Attendance at Audit Committee meetings	Attendance at Remuneration Committee meetings
Per Sjöstrand	Chairman	2012	Yes/Yes	11/11	3/3	1/1
Andreas Bruzelius	Director	2014	Yes/Yes	11/11	2/3	1/1
Johan Nordström	Director, CEO	2015	No/No	11/11	–	–
Monica Trolle	Director	2018	Yes/Yes	9/9	–	–
Staffan Salén	Director	2018	Yes/No	7/7	–	1/1
Åsa Källenius	Director	2018	Yes/Yes	9/9	3/3	–

reasonable expense for the company. The total remuneration to senior executives shall consist of fixed remuneration, variable remuneration, pension and other benefits. 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. 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.

Senior executives shall, unless otherwise specifically agreed, be offered pension terms in accordance with the company's 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. Pension rights for senior executives shall apply from the age of 60 at the earliest. As a rule, variable remuneration shall be pensionable. The Board shall be entitled to deviate from the guidelines if there are special reasons for doing so in individual cases.

Incentive programs

The company has established a share-based incentive program for key employees of the Group. With full utilization of the company’s incentive program, a total of 1,672,723 shares will be issued, which will have a maximum dilutive effect of approximately 4.5 percent of the shares. The subscription price for shares that are subscribed to via the warrants is SEK 27.30 per share. The premium per warrant, which has been calculated in accordance with the Black & Scholes model amounted to SEK 1.53. Subscription of shares may occur during the period 23 March 2021 through 23 June 2021. With full utilization of the warrants, the company’s share capital will increase by SEK 118,763.

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'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 Ernst & Young. The auditor-in-charge is Alexander Hagberg, authorized public accountant and member of FAR (the institute for the accountancy profession in Sweden).

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 Code of Corporate Governance. Among other things, the Board shall ensure that Green Landscaping has good internal control and formalized procedures that ensure that established principles for financial reporting and internal control are complied with, and that there are appropriate systems for monitoring and controlling the company's operations and the risks associated with the company and its operations.

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

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

Control environment

The Board has overall responsibility for the internal controls concerning 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'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. Some of the local units have their own administration team responsible for the day-to-day accounting and financial reporting, while others use the Group's Shared Service Center. The local units report primarily to the company's CEO and CFO.

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

Risk assessment and control activities

Risk assessment involves identifying and evaluating the risk of a material misstatement in the financial statements and reporting at the Group and subsidiary levels. Risk assessment is carried out on an ongoing basis and according to established guidelines with focus on individual projects. Within the Board, 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.

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

Information and communication

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

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

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

Follow up

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'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: CEO of Instalco Intressenter AB and member of the Board of Directors for several subsidiaries belonging to the Instalco Group. Chairman of the Board for Kullastrand Kök & Interiör AB, Voltage AB and Ohmslag AB. Member of the Board of Directors for Markona AB (and assignments in subsidiaries) and Deputy Board Member at Installationsföretagen Service i Sverige AB and Inkom Sverige AB.
Experience: Per has 20 years of experience serving as the CEO for such companies as PEAB Nord AB, Midroc Electro Aktiebolag and NEA Gruppen AB. He is currently the CEO of Instalco Intressenter AB, which is listed on Nasdaq Stockholm. Per has also headed major projects run by the Swedish Transport Administration. M.Sc. in Engineering from Chalmers University of Technology, Gothenburg.
Holding in Green Landscaping:[1]
1,668,886 (via company).

Johan Nordström

CEO since 2015 and Board member since 2018.
Born in 1965.
Other ongoing assignments: Member of the Board of Directors for Johan Nordstrom Invest AB, CapNorth AB, CapNorth Invest AB and several of the company's subsidiaries. Also Board member and CEO of Whitestoke AB.
Experience: Johan has extensive leadership experience and has been CEO of Green Landscaping since 2015. Prior to that, he was CEO and Chairman of the Board for Car-O-Liner Group AB. Studies in business administration and economics at Lund University and Gothenburg University. MBA from Copenhagen Business School.
Holding in Green Landscaping:[1]
3,746,738 shares (via company) and 334,544 warrants.

Andreas Bruzelius

Member of the Board of Directors since 2014 and prior to that, Deputy Board Member since 2009.
Born in 1979.
Other ongoing assignments: Member of the Board of Directors for Skyrock Capital Sweden AB and Skyrock Capital Sweden II AB.
Experience: Andreas is an employee of FSN Capital Partners AB and he has extensive experience in company development and the financial sector. He has previously worked with investment banking at Deutsche Banks M&A division in London and at Carnegie Investment Bank in Stockholm. Master of Science in Economics and Business Administration from the Stockholm School of Economics and studies at Stephen M Ross School of Business, University of Michigan.
Holding in Green Landscaping:[1]
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1) Holding as of 8 April 2019

Åsa Källenius

Board member since 2018.

Born in 1967.

Other ongoing assignments: CFO at Mekonomen AB (and Board assignments at subsidiaries), CEO, CFO and Deputy Board Member at Källenius Invest AB and Deputy Board Member at KAAX Investment AB (and subsidiaries) and ANNMAKA AB.

Experience: Åsa has extensive experience in the position of CFO at several companies and in several industries and owner constellations. Åsa has an 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. Mentor at Amazing Women, Novare and Womenator.

Holding in Green Landscaping:[1] 53,472 shares

Staffan Salén

Board member since 2018.

Born in 1967.

Other ongoing assignments: Chairman of the Board at AB Sagax, eWork Scandinavia AB, Westindia AB (and assignments at subsidiaries), Coviz AB and Investment AB Jamaica along with CEO and Deputy Board Member of Sven Salén Aktiebolag (including subsidiaries). Member of the Board of Directors at Strand Kapitalförvaltning AB, Investment AB Antigua, Investment AB Pilhamn, Landauer Ltd and Merim AB also Deputy Board Member at Aktiebolaget Godolphin. CEO of Salénia AB.

Experience: Previously Deputy CEO and CIO at FöreningsSparbanken AB, Editorial Manager for Finanstidningen (newspaper) and financial analyst at Procter & Gamble.

Holding in Green Landscaping:[1] 6,745,839 shares (via company).

Monica Trolle

Board member since 2018.

Born in 1965.

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

Experience: Monica has many years of experience in facility management in a managerial position at companies such as WM-data Utilities AB/ CGI Sverige AB and AB Tetra Pak, as a consultant at Resources Global Professionals AB and Board assignments for IFMA Sverige. 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.

Holding in Green Landscaping:[1] 28,472 shares

MANAGEMENT

Johan Nordström

CEO since 2015.

For information, please see the section on Board of Directors.

Carl-Fredrik Meijer

CFO since 2015 and Head of Communications since 2018.

Born in 1980

Other ongoing assignments: Member of the Board of Directors at Långvik Invest AB and Deputy Board Member at Altrax AB, TargetOne AB and Sourcing Advisory Group AB.

Experience: Carl-Fredrik has approximately 14 years of experience from positions in strategy and business development in both Sweden and other countries. Carl-Fredrik has, for example, worked at PwC in London and Coor Service Management AB. He has a B.Sc. in Corporate Finance from Lund University and a M.Sc. in Technology Management from Lund University, Faculty of Engineering.

Holding in Green Landscaping: 226,002 shares (in part via company) and 145,814 warrants (in part via company).

Robert Brohmander

Regional Manager of Region Middle since 2019.

Born in 1970

Other ongoing assignments: -

Experience: Robert has more than 18 years of experience in managerial and leadership positions in service and after sales service from several different industrial companies. Robert began working for the company as District Manger for Svensk Markservice AB in 2017.

Holding in Green Landscaping:[1)]

330 shares

Jan Eriksson

Regional Manager of Region East since 2019.

Born in 1950.

Other ongoing assignments: CEO and Deputy Board Member of JE Eriksson Mark och Anläggningsteknik AB, Board Member of JE Mark & fastigheter i Vallentuna AB and Frans Holding AB, and Deputy Board Member of Björnentreprenad.

Experience: Jan founded JE Eriksson Mark och Anläggningsteknik AB and JE Mark & fastigheter i Vallentuna AB. He has more than 20 years of experience from positions in the land and construction industry.

Holding in Green Landscaping:

222,966 shares

1) Holding also includes shares purchased in 2019

Hans Lagerström

Regional Manager of Region West since 2015.

Born in 1964.

Other ongoing assignments: -

Experience: Hans has more than 20 years of experience in managerial and leadership positions, of which 10 have been working at Green Landscaping AB, first as District Manger and now as Regional Manager. He has a degree from the Swedish Army's school of engineering in Skövde.

Holding in Green Landscaping:
93,675 shares

Daniel Lindeståhl

Regional Manager of Region South since 2019.

Born in 1976.

Other ongoing assignments:
Deputy Board Member of Södertörns Optik AB.

Experience: Daniel has more than 10 years of experience in managerial positions, most recently at Svensk Markservice AB. Prior to that, he acquired many years of experience in the Swedish Armed Forces and he attended the Armed Forces Staff and War College (trained officer and captain).

Holding in Green Landscaping:[1)]
4,970 shares

Henrik Sahlin

Regional Manager of Region North since 2019.

Born in 1969.

Other ongoing assignments:
Henrik works with forest management and runs his own consulting company in construction and civil engineering.

Experience: Henrik has many years of experience in managerial and leadership positions at Svensk Markservice AB and he started working as a site manager in 2011, later advancing to the position of Production Coordinator and then District Manager. Henrik has a degree in Mechanical Engineering from Umeå University.

Holding in Green Landscaping:[1)]
300 shares

DIRECTORS' REPORT

The Board of Directors and CEO for Green Landscaping Holding AB (publ), CIN: 556771-3465, hereby present the annual report and consolidated financial statements for 2018.

OPERATIONS

Green Landscaping's business concept is to improve its customer's outdoor environment by offering services that focus on high customer value, long-term sustainability and quality.

Operations involves maintenance and planning of outdoor environments such as green areas, parks, courtyards, 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, housing cooperatives and others who own land.

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

The business is organized in the following three segments, all of which have their operations in Sweden: Ground Maintenance & Landscaping, Sports Landscaping and Arborist Services. In conjunction with the acquisition of Svensk Markservice, the organization was expanded and afterwards, the Group (as of 2019), is governed, monitored and reported by geographic region.

Ownership structure

At year-end 2018, Green Landscaping Holding AB (publ) had 720 owners. The three largest owners are Byggmästare Anders J Ahlström Holding AB with 20.6 percent, Staffan Salén and family (via company) with 18.8 percent and Johan Nordström (via company) with 10.1 percent. Together, the 10 largest owners hold 74.7 percent of the company's shares.

Green Landscaping Group consists of:

Green Landscaping Holding AB, 556771-3465

- Björnentreprenad AB, 556379-0723
- GML Sport AB, 556369-3372
  - GML Sport Anläggning AB 559092-8601
- Green Landscaping AB, 556773-4800
- Green Landscaping Incentive AB 559148-3242
- Jacksons Trädvård AB, 556591-9858
  - Jacksons Trädvård Sydväst AB, 556846-9919
- J E Eriksson Mark & Anläggningsteknik AB, 556558-6079
- Mark & Miljö Projekt i Sverige AB 556756-6533
- Tranemo Trädgårdstjänst AB, 556177-8472
- Svensk Jordelit AB, 556207-6660
- Svensk Markservice Holding AB 556812-8002
  - Svensk Markservice AB 556420-4823

Quality and environment

Green Landscaping 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 as a partner or contractor.

Green Landscaping's business activities contribute to a more beautiful cityscape, preservation of natural environments and biodiversity. The company 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 also a demand from its key customers.

One of the most important aspects of quality and environmental efforts is being certified. Green Landscaping AB, Svensk Markservice AB, Jacksons Trädvård AB, GML Sport AB and Tranemo Trädgårdstjänst are certified in accordance with ISO 9001 (quality) and ISO 14001 (environment).

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 report is published on website: greenlandscapinggroup.se. The report was sent to the auditor for review on 26 March 2019.

Work environment

At Green Landscaping'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 company's social responsibility. The Group continually works with these issues and both Svensk Markservice AB and Jacksons Trädvård AB are also certified in accordance with ISO 18001 (work environment).

Employees

The average number of employees for the period was 598, compared to 589 employees during the same period last year.

The guidelines for senior executives are described in the corporate governance report on page 20.

Significant events during the financial year

In 2018, the company's shares became listed on Nasdaq First North. The company also made to smaller acquisitions: Trädvård Sydväst and Mark & Miljö, along with a net asset acquisition of Borås Markentreprenad. Furthermore the company made its largest single acquisition to date, which was the acquisition of Svensk Markservice. It is nationwide provider of Ground Maintenance & Landscaping services in Sweden, with sales of approximately SEK 800 million.

Significant events after the financial year

There were no significant events to report after the end of the financial year.

Sales and earnings

Sales for the year amounted to SEK 1,180.1 (799.3) million, which is an increase of 48 percent. EBITDA amounted to SEK 55.3 (55.8) million. Earnings were affected by items affecting comparability for SEK 41.9 million, which consists of the costs associated with the IPO (SEK 16.7 million), acquisition costs for Svensk Markservice (SEK 13.3 million) and integration costs for both Svensk Markservice and prior acquisitions for SEK 11.9 million. Amortization of intangible assets was SEK 14.2 (4.6) million. Net financial items amounted to SEK –15.7 (–17.2) million. Loss for the year was SEK –5.7 (profit of 4.2) million.

Order backlog

At the end of the year, order backlog amounted to SEK 3,880 (1,856) million, which is an increase of 109 percent compared to last year. The increase is primarily attributable to the acquisition of Svensk Markservice. Over time, there is a correlation between the size of order backlog and sales. But this is not necessarily the case over the short term. The reason is that large, long-term contracts are procured with intervals of 5-10 years. When customers renew contracts with Green Landscaping, it has a major impact on the order backlog. Sales, however, are expected to be the same each year.

Financial position and liquidity

Consolidated equity amounted to SEK 202.8 million, which corresponds to an increase of SEK 168.4 million compared to 2017-12-31. In conjunction with becoming listed on Nasdaq First North, there was a new share issue which generated SEK 72.9 million for the company. There was also a set-off issue, whereby convertible debt of SEK 92.3 million was converted to equity. (Interest on the convertible debt amounted to SEK 2.3 million for the first quarter but because it was converted to equity, it will not impact earnings in the future)

Cash and cash equivalents amounted to SEK 96.3 million.

Cash flow, investments and depreciation/amortization

Consolidated cash flow from operating activities was SEK 3.5 million. Adjusted for items affecting comparability, the cash flow from operating activities was significantly higher. The year's net investments were SEK –47.9 million, which consisted primarily of machinery, vehicles and tools used in operations. Depreciation of property, plant and equipment during the year was SEK –37.4 (–25.7) million. Amortization of intangible assets during the year was SEK –14.2 (–4.6) million.

Acquisitions and investments

In 2018, Green Landscaping acquired the following three companies: Trädexperterna, Svensk Markservice and Mark & Miljö, along with a net asset acquisition of Borås Markentreprenad. Synergy effects are expected to amount to approximately SEK 25 million per year by 2020. See Note 13 for more information on the acquisitions.

Green Landscaping continually 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.

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

Share premium reserve	394,360,722
Retained earnings	–102,965,857
Loss for the year	–8,851,053
Total	**282,543,802**

The Board of Directors and CEO propose the following:

Carried forward	282,543,802

MANAGEMENT OF RISKS AND UNCERTAINTIES

Operational risks

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

Tendering

Green Landscaping participates in competitive bidding processes in the form of requests for tenders or equivalent tendering procedures for public procurement. In 2018, approximately 65 percent of the company's net sales was revenue from customers in the public sector, such as municipalities, government authorities and public property and housing companies. Tender requests often consume both time and financial resources and there is always a risk that Green Landscaping 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 Company's operations, financial position and earnings.

Growth and continued profitability

The company'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 company's services depends on 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 company's services in the future.

Risks related to continued expansion through acquisitions

Green Landscaping pursues an active acquisition strategy and, going forward, a large part of Green Landscaping's growth is expected to consist of both strategic and opportunistic acquisitions, aimed at, for example, expanding the business and entering new markets. There is a risk that the strategy will not lead to the desired outcome. Risks include difficulty in finding suitable acquisition candidates and, even if such are found, it not being possible to acquire the company on favorable terms, or on any terms at all. There could also be competitors with substantial financial resources that are interested in the same acquisition target and the risk of such competition could increase with higher market consolidation. Higher competition could also lead to higher costs compared to those of past acquisitions.

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 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 reputation of the entire Group.

Large future acquisitions could also diminish Green Landscaping's liquidity and have a dilutive effect for the company's shareholders via issuance of shares or share-related instruments along with a need to acquire new loans. If Green Landscaping is unable to control its growth in an effective manner, it could impact the company's competitiveness and have a negative effect on the company's operations, financial position and earnings.

Weather and seasonal variations

To a certain extent, Green Landscaping's operations are dependent on weather and seasonal variations. For example, the company could incur higher costs than anticipated if the growing/planting season starts extremely early or goes on longer than normal. Furthermore, when the weather is warm and humid, it increases the costs for maintenance of green areas. Weather conditions and seasonal variations that deviate from the norm could thus have a negative impact on the company's operations and earnings.

Financial risks

Financial risks are associated with tied-up capital and capital requirements.

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 company primarily finances its operations through equity, borrowings and the Group's own cash flows. In the future, Green Landscaping 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 company 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 company, it could have a negative impact on the company's operations, financial position and earnings.

Disputes and legal processes

Green Landscaping 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 company's insurance, the premiums that the Group pays to the insurance agency could increase afterwards.

Consolidated statement of comprehensive income

SEK m	Note	2018	2017	2016
Revenue from contracts with customers	5	1,176.1	796.6	680.7
Other operating income		4.0	2.7	0.9
Sales	6	**1,180.1**	**799.3**	**681.6**
Operating costs				
Cost of goods and services sold		–586.6	–373.9	–348.7
Other external costs	8	–124.3	–93.1	–53.6
Employee benefit expenses	7	–386.3	–276.4	–252.5
Other operating costs	32	–27.6	–0.1	0.0
Depreciation of PPE	17	–37.4	–25.7	–17.8
Amortization of intangible assets	15	–14.2	–4.6	0.0
Operating profit (loss)		**3.7**	**25.5**	**9.0**
Profit (loss) from financial items				
Financial income	9	0.3	2.5	0.6
Financial expenses	9	–16.0	–19.7	–12.8
Total income from financial items		**–15.7**	**–17.2**	**–12.2**
Profit (loss) after financial items		**–12.0**	**8.3**	**–3.2**
Tax	10	**6.3**	**–4.1**	**–1.3**
PROFIT (LOSS) FOR THE YEAR		**–5.7**	**4.2**	**–4.5**
Other comprehensive income		**–**	**–**	**–**
Total comprehensive income for the year		**–5.7**	**4.2**	**–4.5**
Earnings per share, SEK				
Basic earnings per share, SEK		neg	0.64	neg
Diluted earnings per share, SEK		neg	0.64	neg

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

Consolidated statement of financial position

SEK m	Note	2018-12-31	2017-12-31	2016-12-31	2016-01-01
ASSETS					
Non-current assets					
Intangible assets					
Goodwill	13.16	418.8	137.9	78.3	78.3
Customer relations	13	83.5	29.8	–	–
Brands	13	51.5	8.9	–	–
Other intangible assets		3.6	2.5	1.0	0.1
Total intangible assets	15	**557.4**	**179.1**	**79.3**	**78.4**
Property, plant and equipment					
Expenditure for improvement on unowned property		0.8	0.3	0.5	0.6
Plant and machinery		132.7	64.1	41.2	48.2
Equipment, tools, fixtures and fittings		31.9	17.4	1.4	1.5
Total property, plant and equipment	17	**165.5**	**81.8**	**43.1**	**50.3**
Financial assets					
Other long-term receivables		0.2	0.1	0.1	0.0
Total financial assets		**0.2**	**0.1**	**0.1**	**0.0**
Deferred tax asset	10	21.3	16.6	17.3	18.5
Total non-current assets		**744.4**	**277.6**	**139.8**	**147.2**
Current assets					
Inventories, etc.					
Finished goods and goods for resale	19	23.7	31.2	9.6	9.9
Total inventories, etc.		**23.7**	**31.2**	**9.6**	**9.9**
Current receivables					
Accounts receivable - trade	18, 20	317.2	184.5	117.1	110.4
Contractual asset	20	41.6	36.0	23.5	5.8
Current tax asset		5.7	1.5	0.4	1.4
Other receivables		5.5	2.6	0.5	0.3
Prepaid expenses and accrued income	21	43.7	24.5	15.9	34.1
Total current receivables		**413.7**	**249.1**	**157.4**	**152.0**
Cash and cash equivalents	18, 22	96.3	33.7	6.1	3.9
Total current assets		**533.7**	**314.0**	**173.1**	**165.8**
TOTAL ASSETS		**1,278.1**	**591.6**	**312.9**	**313.0**

Consolidated statement of financial position, cont.

SEK m	Note	2018-12-31	2017-12-31	2016-12-31	2016-01-01
EQUITY AND LIABILITIES					
Equity					
Share capital		2.5	2.2	1.9	1.9
Other contributed capital		391.3	220.2	191.0	190.9
Retained earnings including (profit/loss for the year)		–191.0	–188.0	–192.2	–187.7
Total equity	23	**202.8**	**34.4**	**0.7**	**5.1**
Non-current liabilities					
Convertible loans	18	0.0	47.1	39.0	31.8
Liabilities to credit institutions	18	453.8	51.1	3.8	8.8
Liabilities pertaining to finance leases	18, 28	112.7	45.9	38.0	42.2
Warranty provision	24	1.9	1.7	2.7	0.8
Deferred tax liabilities	10	37.3	14.3	0.1	–
Total non-current liabilities	25	**605.7**	**160.1**	**83.6**	**83.6**
Current liabilities					
Accounts payable - trade	18, 31	169.6	131.8	100.9	77.1
Contract liabilities	26	15.3	16.5	9.5	8.8
Bank overdraft	18, 31	17.6	43.5	30.3	20.8
Liabilities to credit institutions	18	52.8	38.5	3.2	1.5
Warranty provision	24	3.1	1.0	0.7	1.6
Current tax liability		0.9	3.4	0.2	–
Other liabilities		60.0	21.8	17.7	28.4
Accrued expenses and deferred income	18, 27	150.3	140.6	66.1	86.1
Total current liabilities	14	**469.6**	**397.1**	**228.6**	**224.3**
TOTAL EQUITY AND LIABILITIES		**1,278.1**	**591.6**	**312.9**	**313.0**

Consolidated statement of changes in equity

SEK m	Share capital	Other contributed capital	Retained earnings including profit/ loss for the year	Total
Opening balance 2016-01-01	**1.9**	**190.9**	**–187.7**	**5.1**
Profit (loss) for the period	–	–	–4.5	–4.5
Other comprehensive income	–	–	–	–
Comprehensive income for the year	**1.9**	**190.9**	**–192.2**	**0.6**
Transactions with owners				
Present value of convertible debt	–	0.1	–	0.1
Closing balance 2016-12-31	**1.9**	**191.0**	**–192.2**	**0.7**
Opening balance 2017-01-01	**1.9**	**191.0**	**–192.2**	**0.7**
Profit (loss) for the period	–	–	4.2	4.2
Other comprehensive income	–	–	–	–
Comprehensive income for the year	**1.9**	**191.0**	**–188.0**	**4.9**
Transactions with owners				
Correction of present value calculation on convertible loans, prior years	–	–6.5	–	–6.5
New share issue	0.2	19.8	–	20.0
New share issue	0.1	15.9	–	16.0
Closing balance 2017-12-31	**2.2**	**220.2**	**–188.0**	**34.4**
Opening balance 2018-01-01	**2.2**	**220.2**	**–188.0**	**34.4**
Profit (loss) for the period	–	–	–5.7	–5.7
Other comprehensive income	–	–	–	–
Comprehensive income for the year	**2.2**	**220.2**	**–193.7**	**28.7**
Transactions with owners				
New issues	0.3	84.7		85.0
Issue costs		–2.1		–2.1
Set-off issue	0.4	88.4		88.8
Withdrawal of shares	–0.6		0.6	0.0
Bonus issue	0.2		–0.2	0.0
Premiums for warrants			2.4	2.4
Closing balance 2018-12-31	**2.5**	**391.3**	**–191.0**	**202.8**

All equity is attributable to the parent company's shareholders

Consolidated cash flow statement

SEK m	Note	2018	2017	2016
Operating profit (loss)		3.7	25.5	9.0
Adjustment for depreciation/amortization		51.6	30.4	17.8
Capital gain (loss)		–6.4	–1.9	0.4
Interest received		0.3	2.3	0.6
Interest paid		–17.1	–9.9	–6.1
Paid income tax		–3.0	–0.4	–0.2
Cash flow from operating activities before changes in working capital		**29.1**	**46.0**	**21.5**
Change in inventories		7.8	–8.2	0.3
Change in receivables		–6.8	–40.1	–5.6
Change in current liabilities		–26.7	19.4	–13.6
Cash flow from operating activities		**3.4**	**17.1**	**2.6**
Acquisition of subsidiaries		–212.8	–75.8	–
Acquisition of PPE		–49.4	–32.4	–12.4
Acquisition of intangible assets		–2.9	–1.8	–
Sale of non-current assets		4.4	3.1	2.7
Cash flow from investing activities		–260.7	–106.9	–9.7
New share issue		72.9	–	–
Net change in bank overdraft		–25.9	13.2	9.4
Borrowings	35	522.8	115.9	7.8
Amortization of debt	35	–248.9	–11.7	–7.9
Expenditure related to borrowings		–3.4	–	–
Option premiums		2.4	–	–
Cash flow from financing activities		319.9	117.4	9.3
Cash flow for the year		**62.6**	**27.6**	**2.2**
Cash and cash equivalents at the beginning of the period		33.7	6.1	3.9
Cash and cash equivalents at the end of the period		96.3	33.7	6.1

Parent company's income statement

SEK m	Note	2018	2017	2016
Net sales		18.3	1.4	1.9
Operating costs				
Other external costs	M2	–41.4	–1.1	–1.6
Employee benefit expenses	M1	–5.9	–0.4	–0.3
Depreciation of property, plant and equipment and amortization of intangible assets	M6	0.0	0.0	0.0
Operating profit (loss)		**–29.0**	**–0.1**	**0.0**
Financial items				
Other interest income and similar profit or loss items	M3	0.1	–	–
Interest expenses and similar profit or loss items	M3	–11.2	–11.1	–6.3
Profit (loss) after financial items		**–40.1**	**–11.2**	**–6.3**
Group contribution received		27.1	–	–
Profit (loss) before tax		**–13.0**	**–11.2**	**–6.3**
Tax on profit for the year	M4	4.2	–	–
Profit (loss) for the year		**–8.8**	**–11.2**	**–6.3**

Parent company's balance sheet

SEK m	Note	2018-12-31	2017-12-31	2016-12-31	2016-01-01
Assets					
Intangible assets					
Software	M6	0.5	0.0	0.0	0.0
Financial assets					
Shares in subsidiaries	M5	617.6	358.1	203.6	123.8
Receivables from Group companies		155.6	0.4	0.4	122.3
Deferred tax asset	M4	8.6	4.4	4.4	2.6
Total non-current assets		**782.4**	**362.9**	**208.4**	**248.7**
Current receivables					
Receivables from Group companies		60.7	1.4	0.5	0.7
Other receivables		1.7	0.5	0.0	0.0
Prepaid expenses and accrued income	M8	0.2	0.0	0.0	18.9
Total current receivables		**62.5**	**1.9**	**0.5**	**19.6**
Cash and bank	M9	0.0	2.4	0.3	0.3
Total current assets	M7	**62.5**	**4.3**	**0.8**	**19.9**
TOTAL ASSETS		**844.9**	**367.2**	**209.2**	**268.6**

Parent Company's balance sheet

SEK m	Note	2018-12-31	2017-12-31	2016-12-31	2016-01-01
Equity					
Restricted equity					
Share capital		2.5	2.3	1.9	1.9
Total restricted equity		**2.5**	**2.3**	**1.9**	**1.9**
Non-restricted equity					
Share premium reserve		394.4	219.9	184.2	184.2
Retained earnings		–103.0	–94.6	–80.6	–20.8
Profit (loss) for the year		–8.9	–11.2	–6.4	–5.3
Total non-restricted equity		**282.5**	**114.1**	**97.3**	**158.1**
Total equity	M10	**285.0**	**116.4**	**99.2**	**160.0**
Non-current liabilities					
Convertible loans	M7, M11	–	54.6	46.5	38.7
Liabilities to Group companies	M11	–	34.9	34.9	43.9
Liabilities to credit institutions	M7, M11	444.8	40.9	–	–
Other liabilities	M11	–	2.3	–	–
Total non-current liabilities		**444.8**	**132.7**	**81.3**	**82.6**
Current liabilities					
Liabilities to credit institutions		36.1	14.7	0.0	–
Accounts payable - trade	M7, M14	14.9	3.0	1.3	1.0
Liabilities to Group companies		40.7	22.4	0.7	1.8
Other liabilities		0.5	0.0	0.0	0.2
Accrued expenses	M12	22.9	78.1	26.6	23.1
Total current liabilities		**115.0**	**118.4**	**28.7**	**26.1**
TOTAL EQUITY AND LIABILITIES		**844.9**	**367.2**	**209.2**	**268.6**

Parent Company statement of changes in equity

	Restricted equity	Non-restricted equity			
SEK m	Share capital	Share premium reserve	Retained earnings	Profit (loss) for the year	Total
Opening balance 2016-01-01	**1.9**	**184.2**	**–20.8**	**–5.3**	**160.0**
Comprehensive income for the period	–	–	–	–6.4	–6.4
Transactions with owners:					
Transfer of prior year's profit or loss	–	–	–5.3	5.3	0.0
New share issue	–	–	–	–	–
Profit or loss from merger	–	–	–54.5	–	–54.5
Closing balance 2016-12-31	**1.9**	**184.2**	**–80.6**	**–6.4**	**99.2**
Opening balance 2017-01-01	**1.9**	**184.2**	**–80.6**	**–6.4**	**99.2**
Comprehensive income for the period	–	–	–	–11.2	–11.2
Transactions with owners:					
Transfer of prior year's profit or loss	–	–	–6.4	6.4	0.0
New share issue	0.3	35.7	–	–	36.0
Convertible loans	–	–	–7.6	–	–7.7
Closing balance 2017-12-31	**2.2**	**219.9**	**–94.6**	**–11.2**	**116.3**
Opening balance 2018-01-01	**2.2**	**219.9**	**–94.6**	**–11.2**	**116.3**
Comprehensive income for the period	–	–	–	–8,9	–8,9
Transactions with owners:					
Transfer of prior year's profit or loss	–	–	–11.2	11.2	0.0
New issues	0.3	84.8	–	–	85.1
Issue costs	–	–2.1	–	–	–2.1
Set-off issue	0.4	91.8	–	–	92.2
Withdrawal of shares	–0.6	–	0.6	–	0.0
Bonus issue	0.2	–	–0.2	–	0.0
Premiums for warrants	–	–	2.4	–	2.4
Closing balance 2018-12-31	**2.5**	**394.4**	**–103.0**	**–8.9**	**285.0**

All equity is attributable to the parent company's shareholders

Parent Company cash flow statement

SEK m	Note	2018	2017	2016
Operating profit (loss)		–29.0	–0.2	0.0
Adjustment for depreciation/amortization		0.0	0.1	0.1
Interest received		0	0	0
Interest paid		–11.1	–1.7	–6.3
Cash flow from operating activities before changes in working capital		**–40.1**	**–1.8**	**–6.3**
Change in working capital				
Change in operating receivables		–60.6	–1.5	0.2
Change in operating liabilities		13.5	22.7	3.3
Cash flow from operating activities		**–87.3**	**19.4**	**–2.8**
Investing activities				
Acquisition of participations in Group companies		–246.5	–75.8	–
Acquisition of intangible assets		–0.5	–	–
Acquisition of financial assets		–155.2	–	–
Cash flow from investing activities		**–402.2**	**–75.8**	**–**
Financing activities				
New share issue		72.9	–	–
Borrowings	M15	495.0	60.7	7.8
Amortization of debt	M15	–83.3	–2.2	–5.0
Option premiums		2.4	–	–
Cash flow from financing activities		**487.1**	**58.5**	**2.8**
Cash flow for the period		**–2.4**	**2.1**	**0.0**
Cash and cash equivalents at the beginning of the period		2.4	0.3	0.3
Cash and cash equivalents at the end of the period		0.0	2.4	0.3

Notes

NOTE 1 General information

The Green Landscaping Group consists of Green Landscaping Holding AB (publ) CIN: 556771-3465 (Parent Company) and its subsidiaries; Green Landscaping AB, GML Sport AB, Jacksons Trädvård AB, Tranemo Trädgårdstjänst AB, Björnentreprenad AB, Svensk Jordelit AB, J E Eriksson Mark & Anläggningsteknik AB, Mark och Miljö Projekt i Sverige AB and Svensk Markservice Holding AB.

The Group's main area of operations is maintenance and planning of outdoor environments such as green areas, parks, courtyards, 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 Holding AB is domiciled in Stockholm. The consolidated statement of comprehensive income, other comprehensive income and statement of financial position, along with the Parent Company's income statement and balance sheet, will be brought forth for adoption at the AGM on 8 May 2019.

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), 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 interim report 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 Parent and the Group.

The consolidated financial statements have been prepared under the going concern assumption. Unless otherwise stated, assets and liabilities have been measured at historic cost. 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 assumptions and estimates 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 Revised accounting policies

On 1 January 2019 the new leasing standard, IFRS 16 Leases, entered into force. IFRS 16 stipulates that all leases shall be reported in the balance sheet. Green Landscaping is therefore reviewing all of its leases and the impact that implementation of IFRS 16 will have. The carrying amounts on all assets and liabilities is expected to increase. There will also be an impact on the income statement and to financing activities in the cash flow statement. This new standard is based on the view that the lessee is entitled to use an asset for a specific period of time, along with the obligation to pay for that right. For information on how this impacts the Group, please see Note 34.

In the Parent Company, the exception in RFR 2 on leases will be applied. It means that the Parent Company's accounting policies for reporting leases will remain unchanged.

2.4 Significant accounting policies

Consolidated financial statements

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 company. All subsidiaries are consolidated using the acquisition method. The cost amount of an acquisition is calculated as the fair value of assets that have been provided as payment along with any liabilities taken over or which have arisen at the acquisition date. With the acquisition method, the fair value of acquired, identifiable assets, assumed liabilities and contingent liabilities in a business combination, regardless of the scope of any minority interest, are measured at fair value as of the acquisition date. 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.

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

Segment reporting is based on the segments used for internal management reporting to the chief operating decision maker, which is the CEO.

Cash flow statements

Cash flow statements have been prepared using the indirect method.

Transactions and balance sheet items in foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the transaction dates. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation of closing day rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. Monetary assets and liabilities denominated in foreign currency are converted to the functional currency at the exchange rate prevailing on the closing date.

Revenue recognition

IFRS 15 uses a five-step model for recognizing revenue from contracts with customers. Revenue is recognized when control of the goods and services is transferred to the customer.

The transaction price is allocated to each performance obligation in the contract based on a standalone selling price. It means that each performance obligation must allocate its share of the revenue based on its standalone selling price in relation to the sum of all the standalone selling prices on all performance obligations. 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.

Revenue is recognized over time when any of the three indicators of control stated in IFRS 15 have been satisfied. Both input methods and output methods are applied to measure progress towards complete satisfaction of the Group's performance obligations and how revenue is recognized.

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. A repayment liability for expected returns is recognized as an adjustment to revenue. Furthermore when a customer utilizes its right of return, the returned item is reported as an asset with a corresponding adjustment made to cost of goods sold.

Operations are primarily service assignments and sale of goods. The Group's revenue is allocated across three segments, where revenue is recognized as follows:

- Ground Maintenance & Landscaping – revenue in this segment is primarily recognized over time as services, 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.
- Sports Landscaping – revenue in this segment is recognized at a specific point in time, or gradually over time. The method applied depends on the business event which has occurred. 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.
- Arborist services – revenue in this segment is primarily comprised of services rendered on a running basis. Revenue in this segment is primarily recognized based on the percentage of completion, gradually, over the duration of the contract.

Seasonality

Operations are affected by seasonal variations. The service offering also varies with each season. During summer, the company offers a complete 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. The earnings trend for any given quarter is thus affected by which season it is. For Green Landscaping's operations, the first quarter of the year is low season. Sales are lower then, which has a negative impact on earnings. The level of activity increases starting in April and through to the end of the year. The highest sales and earnings are typically generated in the fourth quarter, because that is when the year's projects are wrapped up.

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 company 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 company 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. According to IFRS 9, 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. The categories of financial assets in accordance with IFRS 9 are:

- Financial assets measured at amortized cost
- Financial assets measured at fair value via other comprehensive income
- Financial assets measured at fair value via profit or loss

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

Receivables

Receivables, including accounts receivable, are measured at amortized cost. IFRS 9 requires that a loss allowance is set up for expected credit losses. 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) that pertain to finance leases, 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.

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.

Impairment of financial 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.

An impairment loss is recognized for the amount that the asset's carrying amount exceeds its recoverable amount, which is fair value less selling expenses or value-in-use, whichever is higher. Value-in-use is the present value of estimated future cash flows plus the estimated residual value at the end of the useful life. When calculating value-in-use, future cash flows are discounted using a rate that considers the market's assessment of risk-free interest along with the risk associated with the specific asset. Whenever possible, assessment of impairment is made for individual assets or cash-generating units. The Group bases its calculation on achieved results, forecasts, business plans, economic forecasts and market data.

Reversal of a prior impairment loss occurs when the objective criteria from a future event indicate that a write-down requirement no longer exists.

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. There is no amortization of goodwill. 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 a lifespan equal to the time over which they are actually used. If a brand is discarded, its value will be written off.

Customer relations and contracts with customers
Values identified in acquisition analyses that are associated customer relations are amortized over the useful life which is 1.5-5 years.

Other intangible assets
Other intangible assets are externally acquired assets like capitalized expenditure for software, patents, trademarks 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. An impairment loss is reversed only to the extent that the asset's carrying amount after reversal does not exceed the carrying amount that the asset would have had if impairment losses hadn't been recognized, along with the amortization that would have occurred.

An impairment assessment is made each year of the cash-generating units to which goodwill has 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 then 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:

Property, plant and equipment	
Expenditure for improvement on unowned property	5 years
Plant and machinery	–
– Landscaping machinery	5 years
– Vehicles	5 years
Equipment, tools, fixtures and fittings	5 years

Leases, as lessee

Finance leases are recognized at the start of the lease term at the lower of the leased asset's fair value and the present value of the minimum lease payments. The leased asset is reported as a fixed asset. Each lease payment is apportioned between the finance charge and the reduction of the outstanding liability. The corresponding payment obligation, less financial expenses, is included in interest-bearing liabilities. The interest portion of the financial expenses is recognized in the income statement.

Items of property, plant and equipment that are obtained through a finance lease agreement are depreciated over the asset's useful life Lease agreements not classified as finance leases fall into the category of operating leases. The leasing payments for operating leases are expensed on a straight-line basis as operating expenses over the lease term.

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 cost 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.

Receivables and liabilities in foreign currencies

Receivables and liabilities in foreign currencies are measured at the closing day rate. 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.

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.

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.

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.

Any additional consideration and transaction costs are reported against shares in the subsidiary.

All lease agreements are reported as operating leases.

Participations in subsidiaries are measured before any write-down to cost.

Financial assets and liabilities are measured at cost.

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:

- Other PPE and intangible assets reported at cost less accumulated depreciation/amortization and any impairment losses. Depreciation/amortization is over the estimated useful life down to the estimated residual value. The carrying amounts of the Group's fixed assets are tested for impairment whenever circumstances change such that there is a write-down requirement. 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.
- Calculation of deferred tax asset and deferred tax liability: Assessments are 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.
- Calculations pertaining to legal disputes and contingent liabilities: The Group is a party 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.
- Calculation of provisions and accrued income.

NOTE 4 Effects of the transition to IFRS for the Group

The Group has changed its accounting policies and as of Q3 2018 it applies IFRS. The annual report for the 2018 financial year will be the first complete consolidated financial statements prepared in accordance with IFRS. The transition date for reporting in accordance with IFRS has been set as 2016-01-01.

IFRS 1 First-time Adoption of IFRS has been applied, which means that all of the applicable standards are applied retrospectively on the periods included in this report. However, the company has elected to apply the allowable exception to this rule by only applying IFRS 3 Business Combinations prospectively as of the transition date. Application of the exception, to not restate prior acquisitions, means that goodwill is frozen as of 2016-01-01 and goodwill amortization after that date is added back.

The annual reports for 2009 and 2010 have been prepared in accordance with IFRS. However, since none of the items restated in this report existed at those times, it is assessed as having no effect.

Reconciliation between prior applied accounting policies and IFRS

The table below shows differences in equity and total comprehensive income between previously applied accounting policies and IFRS.

Statement of comprehensive income

		Jan-Dec 2016			Jan-Dec 2017		
	Note	As per prior policies	Effect of IFRS	As per IFRS	As per prior policies	Effect of IFRS	As per IFRS
Revenue from contracts with customers	d	672.8	7.9	680.7	790.9	5.7	796.6
Change in work-in-progress	d	7.6	–7.6	0.0	11.5	–11.5	0.0
Other operating income		0.9		0.9	2.7		2.7
Sales		**681.3**	**0.3**	**681.6**	**805.2**	**–5,8**	**799.3**
Operating costs							
Goods for resale and subcontractors	d	–348.4	–0.3	–348.7	–379.7	5.8	–373.9
Other external costs		–53.6		–53.6	–87.3	–5.8	–93.1
Employee benefit expenses		–252.5		–252.5	–276.4		–276.4
Other operating expenses		0.0		0.0	–0.1		–0.1
Depreciation of PPE		–17.8		–17.8	–25.7		–25.7
Amortization of intangible assets	b	–17.8	17.8	0.0	–20.9	16.3	–4.6
Operating profit (loss)		**–8.8**	**17.8**	**9.0**	**15.0**	**11.4**	**25.5**
Profit (loss) from financial items							
Financial income		0.6		0.6	2.5		2.5
Financial expenses		–12.8		–12.8	–18.8	–0.9	–19.7
Total income from financial items		**–12.2**	**0.0**	**–12.2**	**–16.3**	**–0.9**	**–17.2**
Profit (loss) after financial items		**–21.0**	**17.8**	**–3.2**	**–1.2**	**10.5**	**8.3**
Tax		**–1.3**	**0.0**	**–1.3**	**–5.0**	**0.9**	**–4.1**
PROFIT (LOSS) FOR THE PERIOD		**–22.3**	**17.8**	**–4.5**	**–6.2**	**10.4**	**4.2**
Total comprehensive income for the period		**–22.3**	**17.8**	**–4.5**	**–6.2**	**10.4**	**4.2**

NOTE 4 *Effects of the transition to IFRS for the Group, cont.*

Balance sheet

		2016-01-01			2016-12-31			2017-12-31		
	Note	As per prior policies	Effect of IFRS	As per IFRS	As per prior policies	Effect of IFRS	As per IFRS	As per prior policies	Effect of IFRS	As per IFRS
Assets										
Brands	a, b	0		0	0		0	0	8.9	8.9
Customer relations	a, b	0		0	0		0	0	29.9	29.9
Goodwill	a, b	78.3		78.3	60.5	17.8	78.3	138.3	–0.4	137.9
Other intangible assets		0.1		0.1	1.0		1.0	2.5		2.5
Property, plant and equipment		50.3		50.3	43.1		43.1	81.8		81.8
Deferred tax assets		18.5		18.5	17.3		17.3	16.7		16.7
Other financial assets		0		0	0.1		0.1	0		0
Inventories		9.9		9.9	9.6		9.6	31.2		31.2
Contractual asset	d	0	5.8	5.8	0	23.5	23.5	0	36.0	36.0
Current receivables		152.0	–5.8	146.2	157.4	–23.5	133.9	249	–36.0	213
Cash and cash equivalents		3.9		3.9	6.1		6.1	33.7		33.7
Total assets		**313.0**	**0.0**	**313.0**	**295.0**	**17.8**	**312.9**	**553.3**	**38.3**	**591.6**
Equity and liabilities										
Equity	d	5.1		5.1	–17.2	17.8	0.7	5.3	29.1	34.4
Provisions	d	2.4	–2.4	0.0	3.4	–3.4	0	2.7	–2.7	0
Non-current liabilities	d	82.8	0.8	83.6	80.8	2.7	83.5	144.1	1.7	145.8
Contract liabilities	d	0	8.8	8.8	0	9.5	9.5	0	16.5	16.5
Deferred tax liability	d	0		0	0.1		0.1	5.8	8.5	14.3
Current liabilities	d	222.7	–7.2	215.5	227.9	–8.7	219.2	395.4	–14.8	380.6
Total equity and liabilities		**313.0**	**0.0**	**313.0**	**295.0**	**17.8**	**312.9**	**553.3**	**38.3**	**591.6**

a) Recalculation of business combination including adding-back of goodwill

In 2017, the following acquisitions were made:

- Tranemo Trädgårdstjänst 2017-06-30
- Björnentreprenad 2017-07-07
- JE Mark 2017-11-17
- Jordelit 2017-11-24

All of these acquisitions have been reviewed and recalculated so that they are reported in accordance with IFRS 3 Business Combinations. Acquisitions made prior to 2016-01-01 have not been recalculated in accordance with the exception for retrospective application of IFRS 3 that is stated in IFRS 1. Amortization of goodwill on these acquisitions has been added back for the period after 2016-01-01 when assets with indefinite useful lives were not depreciated/amortized in accordance with IAS 38. Instead, impairment testing is done annually or whenever there are indications of impairment.

The total effect of the recalculation in accordance with IFRS 3 Business Combinations is shown in the tables, below.

	2017-12-31		
	As per prior policies	Effect of IFRS	As per IFRS
Cash and cash equivalents	71.7	0	71.7
Cash and cash equivalents (liability)	41.9	–1.4	40.5
Equity	36	0	36
Total consideration paid	**149.6**	**–1.4**	**148.2**
Net assets	55.1	0	55.1
Brands	0	8.9	8.9
Customer relations/contracts	0	33.9	33.9
Deferred tax liability	0	–9.3	–9.3
Total identifiable assets	**55.1**	**33.5**	**88.6**
Goodwill	**102.5**	**–42.8**	**59.7**

NOTE 4 *Effects of the transition to IFRS for the Group, cont.*

Effect on goodwill

	2016-12-31	2017-12-31
Goodwill	60.5	138.4
Adding back of goodwill amortization on acquisitions prior to the transition to IFRS	17.8	35.6
Adding back of goodwill amortization on acquisitions prior to the transition to IFRS	0	6.9
Reclassification from goodwill to intangible assets	0	–42.8
Total effect of IFRS	**17.8**	**–0.4**
New goodwill value	**78.3**	**137.9**

Effect on contracts with customers

	2016-12-31	2017-12-31
Reclassification from goodwill to intangible assets	0	34.2
Additional amortization of customer relations	0	–4.3
Total effect on contracts with customers	**0**	**29.9**

B) Other intangible assets

In accordance with IFRS, goodwill is assessed as having an indefinite life, and as such, it is not amortized. Instead, impairment testing is done each year. Impairment testing on goodwill involves assessing whether the 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. With the transition to IFRS, a review has been conducted of acquisitions that were made in 2017. Additional intangible assets were identified in the form of brands, customer relations and contracts with customers. The amortization period for customer relations is 1.5-5 years. Brands are written off when they are disposed of or sold. The table below shows the effects.

Effect on amortization

	Jan-Dec 2016
Adding back of goodwill amortization	17.8
Additional amortization on customer relations and brands	0
Total effect of amortization in the statement of comprehensive income	**17.8**

Effect on amortization

	Jan-Dec 2016
Adding back of goodwill amortization	20.5
Additional amortization on customer relations and brands	–4.2
Total effect of amortization in the statement of comprehensive income	**16.3**

D) Deferred tax

Deferred tax is recognized on all IFRS adjustments where they give rise to temporary differences in the balance sheet.

Effect in the balance sheet for deferred tax liability recalculation, business combinations

	2017-12-31
Deferred tax liability on additional intangible assets	9.4
Dissolution of deferred tax liability for the year's amortization of intangible assets	–0.9
Total	**8.5**

D) Reclassification and new headings

The following changes have been made in the statement of comprehensive income

- Net sales and change in work-in-progress is called 'Revenue from contracts with customers' in accordance with IFRS 15
- Cost of goods sold has been moved from 'Change in work-in-progress' to 'Cost of goods and services sold'
- Other interest income and similar profit or loss items is called 'Financial income'
- Interest expenses and similar profit or loss items is called 'Financial expenses'
- Tax on profit for the year and other taxes have been combined under the heading, 'Tax'

The following changes have been made in the balance sheet

- Cash and bank is called 'Cash and cash equivalents'
- Provisions have been reclassified to current and non-current liabilities
- Contract assets and liabilities have been specified

See also the tables below on IFRS adjustments in the balance sheet

Effect on change in work-in-progress

	Jan-Dec 2016	Jan-Dec 2017
Reclassification to Revenue from contracts with customers	–7.9	–5.7
Reclassification to Good for resale and sub-contracts	**0.3**	**–5.8**
Total change in work-in-progress	**–7.6**	**–11.5**

Effect on other external expenses

	2016-01-01	2016-12-31	2017-12-31
Adding back of prior capitalized acquisition costs	0	0	–5.8
Total other external expenses	**0**	**0**	**–5.8**

Effect on financial expenses

	2016-01-01	2016-12-31	2017-12-31
Adding back of prior capitalized acquisition costs	0	0	–0.9
Total finance expenses	**0**	**0**	**–0.9**

Effect on equity

	2016-01-01	2016-12-31	2017-12-31
As per prior policy	5.1	–17.2	5.3
Adding back of prior amortization in 2016 on acquisitions made prior to the transition date to IFRS	0	17.8	38.3
Amortization on acquisitions made in 2017 as per IFRS			–4.1
Adding back of prior capitalized acquisition costs			–6.7
Tax effect			0.9
Total equity	**5.1**	**0.7**	**34.3**

Effect on contract assets

	2016-01-01	2016-12-31	2017-12-31
Reclassification from current receivables	5.8	23.5	36
Total contract assets	**5.8**	**23.5**	**36**

Effect on provisions

	2016-01-01	2016-12-31	2017-12-31
Reclassification to non-current liabilities	–1.8	–2.7	–1.7
Reclassification to current liabilities	–0.6	–0.7	–1.0
Total provisions	**–2.4**	**–3.4**	**–2.7**

Effect on current liabilities

	2016-01-01	2016-12-31	2017-12-31
Reclassification to contract liabilities	–8.8	–9.5	–16.5
Adding back of prior capitalized acquisition costs			
Adjustment to additional consideration			0.7
Reclassification from provisions	0.6	0.7	1
Total current liabilities	**–8.2**	**–8.7**	**–14.8**

NOTE 5 Revenue from contracts with customers

Categorization of contracts with customers

	2018	2017	2016
Services transferred over time			
Ground Maintenance & Landscaping	980.9	684.4	579.9
Sports Landscaping	44.6	41.3	31.6
Arborist Services	71.6	45.9	52.7
Total	**1,097.1**	**771.5**	**664.2**
Goods transferred at a specific point in time			
Sports Landscaping	96.5	24.9	19.4
Total	**96.5**	**24.9**	**19.4**
Total revenue from contracts with customers	**1,193.6**	**796.4**	**683.6**

All revenue is attributable to the Swedish market.

Summary of contract balances

Contract balances

	2018-12-31	2017-12-31	2016-12-31	2016-01-01
Accounts receivable (Note 20)	317.2	184.5	117.1	110.4
Contract assets (Note 20)	41.6	36.0	23.5	5.8
Contract liabilities (Note 26)	–15,3	–16.5	–9.5	–8.8

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. The change in the year's contract assets is primarily attributable to the higher level of efficiency during the final weeks of 2018 compared to 2017.

For information on the year's change in the provision for doubtful debts, please see Note 20.

Contract liabilities are often attributable to advance payments from customers on services that have not yet been rendered. Contract liabilities for 2018 are at approximately the same level as for 2017.

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

	2018	2017	2016
Opening balance, contract assets	36.0	23.5	5.8
Performance obligations performed in prior years (contract assets)	–36.0	–23.5	–5.8
Additional capitalization	41.6	36.0	23.5
Closing balance, contract assets	41.6	36.0	23.5
Opening balance, contract liabilities	–16.5	–9.5	–8.8
Amount recognized as revenue during the period and which was included in the balance for contract liabilities at the beginning of the year	16.5	9.5	8.8
Additional advances	–15.3	–16.5	–9.5
Closing balance, contract liabilities	–15.3	–16.5	–9.5

Contract liabilities	2018	2017	2016
Within one year	15.3	16.5	9.5
More than one year	0.0	0.0	0.0

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 Group does not have any performance obligations that are will not be invoiced within one year.

Ground Maintenance & Landscaping

Revenue in this segment is primarily recognized over time as services, 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 our regularly and payment terms are typically 30 days.

Sports Landscaping

Revenue in this segment is recognized at a specific point in time, or gradually over time. The method applied depends on the business event which has occurred. 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. Historical data is used to assess the level of returns/refunds and the method for expected value has been applied. Historical data shows that returns/refunds are insignificant. Accordingly, it is very unlikely that a significant reduction to revenue will need to be made. The sales price is taken from a fixed price list. Invoices are issued upon delivery of the goods. For services, invoices are issued regularly and with payment terms of 30 days. For machinery, warranties are issues that correspond to what the Group has received from its suppliers.

Arborist Services

This segment is primarily comprised of services rendered on a running basis. Revenue in this segment is primarily recognized based on the percentage of completion, gradually, over the duration of the contract. Invoices are sent our regularly and payment terms are 30 days.

NOTE 6 Segment information

The Group is divided into the following segments:

- Ground Maintenance & Landscaping offers ground maintenance services and landscaping at, for example, daycare centers and outdoor areas at housing cooperatives.
- Sports Landscaping sells products and offers maintenance services and landscaping at, for example, golf courses and football fields.
- Arborist Services offers tree care at parks and other green areas.

The earnings of each segment are monitored by the highest decision-making authority, which is the Group CEO. Transactions between segments are at the going market rate. The Group does not have any single major customer where revenue is 10 percent or more of the Group's total revenue.

Segment

	2018	2017	2016
Ground Maintenance & Landscaping	980.9	686.0	579.1
Sports Landscaping	141.1	66.2	50.8
Arborist Services	71.6	51.5	52.7
Intra-Group sales	–13.6	–4.4	–1.0
Total revenue from contracts with customers	**1,180.1**	**799.3**	**681.6**
Ground Maintenance & Landscaping	112.4	85.7	37.9
Sports Landscaping	9.8	8.2	3.0
Arborist Services	9.0	5.5	8.0
Intra-Group sales	–34.0	–33.5	–0.0
Total Adjusted EBITDA	**97.2**	**65.9**	**48.9**

Financial expenses/income, other expenses/income, deferred tax assets/liabilities and fair value gains or losses are not allocated to segments. Instead, they are managed at the Group level.

NOTE 7 Employees and employee benefit expenses

Average number of employees

	2018		2017		2016	
	Number employees	Of which men	Number employees	Of which men	Number employees	Of which men
Parent Company	3	67%	1	100%	1	100%
Subsidiaries	596	83%	588	83%	418	82%
Total, Group	**599**	**83%**	**589**	**83%**	**419**	**82%**

Gender balance, senior executives

	2018-12-31	2017-12-31	2016-12-31
Percentage women, Board of Directors	33%	0%	0%
Percentage men, Board of Directors	67%	100%	100%
Percentage women, other senior executives	0%	13%	17%
Percentage men, other senior executives	100%	87%	83%

Salaries and other remuneration

	2018	2017	2016
Board, CEO and CEOs of subsidiaries	8.8	7.9	5.0
Of which bonuses	0.2	1.0	0.7
Other employees	271.5	201.9	167.2
Total	**280.3**	**209.8**	**172.2**

Social security expenses

	2018	2017	2016
Pension expenses for the Board and CEO	1.8	1.5	0.7
Pension expenses, other employees	16.4	11.8	12.2
Other social security expenses	91.5	69.0	59.3
Total	**109.7**	**82.3**	**72.2**

Pension obligations

	2018	2017	2016
Board and CEO	0.0	0.0	0.0

Senior executives includes the Board of Directors, CEOs and other senior executives.

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 basic salary, variable remuneration, pension benefits and other benefits (such as a company car). In the context of this note, other senior executives are the three members of the Group management team in 2018, along with the CEO.

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 percent of pensionable salary. For other senior executives, it is 0 percent.

NOTE 7 *Employees and employee benefit expenses, cont.*

Severance pay
Agreements with the CEO do not contain any severance pay.

Board fees
At the 2018 AGM the following fees were approved: total Board fees to Board members of SEK 625,000, of which SEK 250,000 to the Chairman and SEK 125,000 to each of the other Board members who are not employees of the company, along with a fee of SEK 75,000 to the Chairman of the Audit Committee.

Information on remuneration to senior executives

2018	Basic salary/ Board fee	Of which, variable salary	Pension expense	Other remuneration	Total
Per Sjöstrand, Chairman of the Board	0.3	–	–	–	0.3
Andreas Bruzelius	0.0	–	–	–	0.0
Monica Trolle	0.2	–	–	–	0.2
Staffan Salén	0.0	–	–	–	0.0
Åsa Källenius	0.2	–	–	–	0.2
Johan Nordström, CEO	2.8	0.7	0.6	–	3.4
Other senior executives	3.7	0.6	1.2	0.1	5.0

2017	Basic salary/ Board fee	Variable salary	Pension expense	Other remuneration	Total
Per Sjöstrand, Chairman of the Board	0.3	–	–	–	0.3
Andreas Bruzelius	0.0	–	–	–	0.0
Curt Germundsson	0.1	–	–	–	0.1
Monica Trolle	0.0	–	–	–	0.0
Åsa Källenius	0.0	–	–	–	0.0
Johan Nordström, CEO	2.5	0.6	0.6	0.0	3.1
Other senior executives	2.8	0.2	0.6	0.1	3.5

2016	Basic salary/ Board fee	Variable salary	Pension expense	Other remuneration	Total
Per Sjöstrand, Chairman of the Board	0.3	–	–	–	0.3
Andreas Bruzelius	0.0	–	–	–	0.0
Curt Germundsson	0.1	–	–	–	0.1
Johan Nordström, CEO	2.6	0.6	0.6	0.0	3.2
Other senior executives	2.7	0.2	0.6	0.1	3.4

NOTE 8 Remuneration to the auditors

Fees to auditors

	2018	2017	2016
Ernst & Young			
Audit assignment	1.2	0.7	0.7
Other audit activities	–	–	–
Tax advice	0.1	–	0.1
Other services	3.4	–	–
Total	**4.7**	**0.7**	**0.8**
Other audit firms			
Audit assignment	0.0	0.1	–
Total	**0.0**	**0.1**	**–**

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 examination tasks that have been performed as agreed. It includes other work that the company'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 9 Other income/expenses

Financial income

	2018	2017	2016
Other interest income	0.3	2.5	0.6
Total	**0.3**	**2.5**	**0.6**

Financial expenses

	2018	2017	2016
Other interest expenses	–13.7	–19.4	–11.3
Other financial expenses	–2.3	–0.3	–1.5
Total	**–16.0**	**–19.7**	**–12.8**

NOTE 10 Tax

Tax on profit for the year

	2018	2017	2016
Current tax	–2.1	–6.8	–0.1
Adjustment relating to prior years	0.0	0.0	0.0
Change in deferred tax asset	5.1	–0.8	0.0
Change in deferred tax liability	3.3	3.5	–1.1
Total	**6.3**	**–4.1**	**–1.2**

Profit (loss) before tax

	2018	2017	2016
Profit (loss) before tax	**–12.0**	8.3	–3.2
Tax on profit for the year according to the applicable tax rate (22%):	2.6	–1.8	0.7
Tax effect of:			
Non-deductible impairment	–1.3	0.0	–1.0
Other non-deductible expenses	–5.0	–1.2	–0.1
Unrecognized loss carryforward	0.0	–2.4	–2.5
Deferred tax, recognized loss carryforward	4.1	0.4	–
Tax effect of recognized loss carryforward	0.0	0.5	–
Non-taxable revenue	0.1	1.0	–
Adjustment due to changed tax rate	0.4	–	–
Group adjustments	4.9	0.3	2.9
Other adjustments	0.5	–0.9	–1.2
Reported tax	6.3	–4.1	–1.2

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

Deferred tax asset, Group

	Unutilized Loss carryforward	Total
As of 1 January 2016	18.5	18.5
Reported in income statement	–1.2	–1.2
Reported in other comprehensive income	–	–
As of 31 December 2016	17.3	17.3
Reported in income statement	–0.7	–0.7
Reported in other comprehensive income	0.0	0.0
As of 31 December 2017	**16.6**	**16.6**
Reported in income statement	4.7	4.7
Reported in other comprehensive income	0.0	0.0
As of 31 December 2018	**21.3**	**21.3**

Deferred tax liability, Group

	Intangible assets	Property, plant and equipment	Untaxed reserves	Total
As of 1 January 2016	–	–	–	–
Reported in income statement			0.1	0.1
Reported in other comprehensive income				
As of 31 December 2016	–	–	0.1	0.1
Reported in income statement	–0.9	0.0	5.8	4.9
Added via business combination	9.4	–	–	8.5
As of 31 December 2017	**8.5**	**–**	**5.8**	**14.3**
Reported in income statement	–3.2	–	2.9	–0.4
Added via business combination	23.4	–	–	23.4
Reported in other comprehensive income	0.0	0.0	0.0	0.0
As of 31 December 2018	**28.6**	**0.0**	**8.7**	**37.3**

NOTE 11 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. In conjunction with the listing on 23 March 2018, all preference shares were recalled and afterwards, the company has only had ordinary shares.

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

	2018	2017	2016
Profit (loss) attributable to the Parent Company's shareholders as per the income statement	–5.7	4.2	–4.5
Total	**–5.7**	**4.2**	**–4.5**

Average number of shares

	2018	2017	2016
Weighted average number of shares during the period	29,482,905	6,597,360	6,234,600
Effect of dilution from share-option plans	0.0	0.0	0.0
Weighted average number of shares during the period after dilution	**29,482,905**	**6,597,360**	**6,234,600**

NOTE 12 Group information

The consolidated financial statements comprise the following subsidiaries:

	Share of equity	Share of voting power	Number of shares	Carrying amount
Green Landscaping AB	100%	100%	100,000	164.6
GML Sport AB	100%	100%	1,000	20.7
GML Sport Anläggning AB	100%	100%	50,000	0.1
Tranemo Trädgårdstjänst AB	100%	100%	2,000	32.5
Björnentreprenad AB	100%	100%	1,000	54.1
J E Eriksson Mark & Anläggningsteknik AB	100%	100%	1,750	27.4
Svensk Jordelit AB	100%	100%	1,000	34.9
Jacksons Trädvård AB	100%	100%	1,000	18.2
Jacksons Trädvård Sydväst AB	100%	100%	500	4.8
Green Landscaping Incentive AB	100%	100%	50,000	0.1
Svensk Markservice Holding AB	100%	100%	1,000	223.9
Svensk Markservice AB	100%	100%	1,200	146.7
Mark & Miljö Projekt i Sverige AB	100%	100%	1,000	41.2
Total				**769.2**

	CIN	Registered office	Equity	Profit (loss)
Green Landscaping AB	556773-4800	Malmö	61.3	–4.0
GML Sport AB	556369-3372	Ljungby	5.5	–0.7
GML Sport Anläggning AB	559092-8601	Ljungby	0.1	0.0
Tranemo Trädgårdstjänst AB	556177-8472	Tranemo	15.7	0.1
Björnentreprenad AB	556379-0723	Kista	13.1	0.1
J E Eriksson Mark & Anläggningsteknik AB	556558-6079	Stockholm	10.5	0.5
Svensk Jordelit AB	556207-6660	Mölndal	7.8	0.1
Jacksons Trädvård AB	556591-9858	Stockholm	4.3	0.2
Jacksons Trädvård Sydväst AB	556846-9919	Lindome	1.8	0.8
Green Landscaping Incentive AB	559148-3242	Stockholm	0.1	0.0
Svensk Markservice Holding AB	556812-8002	Stockholm	4.4	0.0
Svensk Markservice AB	556420-4823	Solna	55.5	–1.0
Mark & Miljö Projekt i Sverige AB	556756-6533	Malmö	5.2	4.1

The Group's Parent Company is Green Landscaping Holding AB (publ), domiciled in Stockholm.

NOTE 13 Business combinations

Green Landscaping Holding made the following three acquisitions in 2018: Svensk Markservice Holding AB, Jackson Trädvård Sydväst AB and Mark & Miljö Projekt AB. The acquisitions resulted in recognition of goodwill for SEK 279.6 million. Synergy effects are expected to amount to approximately SEK 25 million per year through 2020.

Contingent consideration to be paid by the Group based on future results is a maximum of SEK 9.0 million (undiscounted amount). The fair value of contingent consideration is at Level 3 of the fair value hierarchy in accordance with IFRS.

Goodwill arising from acquisitions is not attributable to any specific balance sheet item, rather, the companies' position in the market.

Total acquisition costs during the financial year amount to SEK 13.6 (5.8) million.

The discount rates used in valuation of the acquisitions were in the range of 12-26.2 percent.

Conditional additional consideration associated with the acquisition of Jacksons Trädvård Sydväst AB amounts to SEK 3.8 million. The additional consideration is conditional on the company achieving future results over a specified level.

Conditional additional consideration associated with the acquisition of Mark & Miljö Projekt i Sverige AB amounts to SEK 8.7 million. The additional consideration is conditional on the company achieving future results over a specified level. The acquisition of Mark & Miljö Projekt i Sverige AB was partially executed via a directed new share issue. The subscription price amounted to SEK 28.495, which is the weighted average price 30 days prior to the transaction date. The company issued 350,754 new shares as payment for the acquisition. Fair value is calculated with consideration give to the share price on the date when the transaction will be executed. The share price was SEK 28.495, which results in a fair value of SEK 9,994,735. Acquisition costs of SEK 0.1 million attributable to the issue of new shares have been recognized directly in equity as a reduction of other contributed capital.

Company name	Operations	Acquisition date	Acquired ownership share	Sales during the holding period	Operating profit (loss) during the holding period	Full-year sales	Full-year operating profit
Svensk Markservice Holding AB	Ground Maintenance & Landscaping	November 2018	100%	73.1	–2.3	813.4	12.5
Mark & Miljö Projekt i Sverige AB	Surface planning of outdoor environments	December 2018	100%	3.9	0.2	53.5	7.0
Jackson Trädvård Sydväst AB	Arborist services	June 2018	100%	8.4	1.1	14.6	1.3
Tranemo Trädgårdstjänst AB	Ground Maintenance & Landscaping	June 2017	100%	62.2	5.6	107.7	7.9
Björnetreprenad AB	Ground Maintenance & Landscaping	June 2017	100%	36.1	9.2	68.1	12.4
Svensk Jordelit AB	Trade in soil improvement products	December 2017	100%	8.8	0.9	87.2	8.2
J E Eriksson Mark & Anläggningsteknik AB	Surface planning of outdoor environments	December 2017	100%	5.3	–1.3	71.8	6.2

	2018-12-31	2017-12-31	2016-12-31	2016-01-01
The assets and liabilities recognized in conjunction with the acquisition are as follows:				
Cash and cash equivalents	35.7	21.5	0.0	0.0
Cash and cash equivalents (liability)	–12.5	–42.7	0.0	0.0
Total	**23.2**	**–21.2**	**0.0**	**0.0**
Non-current assets	74.3	31.9	0.0	0.0
Brands	42.7	8.8	0.0	0.0
Customer relations/contracts	67.2	33.8	0.0	0.0
Net operating assets	13.3	25.1	0.0	0.0
Deferred tax liability	–24.0	–12.3	0.0	0.0
Total identifiable assets	**173.5**	**87.3**	**0.0**	**0.0**
Goodwill	**279.6**	**59.8**	**0.0**	**0.0**

	2018-12-31	2017-12-31	2016-12-31	2016-01-01
Consideration (included in cash flow from investing activities)	–264.9	–154.5	0.0	0.0
Cash equivalents from company acquisitions (included in cash flow from investing activities)	35.3	21.5	0.0	0.0
Acquisition costs attributable to the acquisition of subsidiaries (included in cash flow from operating activities)	13.6	5.8	0.0	0.0
Total	**–216.0**	**–127.2**	**0.0**	**0.0**

NOTE 14 Measured at fair value

The following table shows the Group's fair value hierarchy for assets and liabilities.

Additional consideration

Expected cash flows are estimated 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.

Convertible loans

The discount rate has been established using the price model for capital assets by calculating an interest rate before tax that reflects the current market assessments.

	2018-12-31		
	Level 1	Level 2	Level 3
Financial liabilities	quoted prices	directly or indirectly observable inputs	Non-observable inputs
Additional consideration	–	–	24.0
Total	**0.0**	**0.0**	**530.3**

	2017-12-31		
	Level 1	Level 2	Level 3
Financial liabilities	quoted prices	directly or indirectly observable inputs	Non-observable inputs
Additional consideration	–	–	36.4
Total	**0.0**	**0.0**	**172.2**

	2016-12-31		
	Level 1	Level 2	Level 3
Financial liabilities	quoted prices	directly or indirectly observable inputs	Non-observable inputs
Additional consideration	–	–	0.0
Total	**0.0**	**0.0**	**46.0**

	2016-01-01		
	Level 1	Level 2	Level 3
Financial liabilities	quoted prices	directly or indirectly observable inputs	Non-observable inputs
Additional consideration	–	–	0.0
Total	**0.0**	**0.0**	**39.1**

Additional consideration

	2018-12-31	2017-12-31	2016-12-31	2016-01-01
Opening amount	36.4	0.0	0.0	0.0
Change for the year	–5.6	0.0	0.0	0.0
Added additional consideration	12.5	36.4	0.0	0.0
Paid additional consideration	–19.3	0.0	0.0	0.0
Closing amount	**24.0**	**36.4**	**0.0**	**0.0**

NOTE 15 Intangible assets

	Software	Customer relations/ contracts	Brands	Goodwill	TOTAL
As of 1 January 2016					
Cost	33.4	0.0	0.0	178.2	211.6
Accumulated amortization and impairment	–33.4	0.0	0.0	–99.9	–133.3
Carrying amount	**0.0**	**0.0**	**0.0**	**78.3**	**78.3**
Financial year 2016					
Opening cost	33.4	0.0	0.0	178.2	211.6
Acquisitions for the year	0.9	–	–	–	0.9
Closing accumulated cost	34.3	0.0	0.0	178.2	212.5
Opening amortization/ impairment	–33.4	0.0	0.0	–99.9	–133.3
Amortization for the year	–0.1	0.0	0.0	0.0	–0.1
Closing accumulated amortization	–33.5	0.0	0.0	–99.9	–133.4
Closing carrying amount 2016	**0.8**	**0.0**	**0.0**	**78.3**	**79.1**
Financial year 2017					
Opening cost	34.3	0.0	0.0	178.2	212.5
Acquisitions for the year	1.8	0.0	0.0	0.0	1.8
Reclassifications	0.2	–	–	0.0	0.2
Business combinations	0.0	33.8	8.8	59.8	102.4
Closing accumulated cost	36.3	33.8	8.8	238.0	316.9
Opening amortization	–33.5	0.0	0.0	–99.9	–133.4
Amortization for the year	–0.4	–4.3	0.0	0.0	–4.7
Closing accumulated amortization	–33.9	–4.3	0.0	–99.9	–138.1
Closing carrying amount 2017	**2.4**	**29.5**	**8.8**	**138.1**	**178.8**
Financial year 2018					
Opening cost	36.3	33.8	8.8	238.0	316.9
Acquisitions for the year	0.9	–	–	–	0.9
Business combinations	3.9	67.2	42.7	280.7	394.5
Closing accumulated cost	41.2	101.0	51.5	518.7	712.3
Opening amortization	–33.9	–4.3	0.0	–99.9	–138.1
Business combinations	–3.0	–	–	–	–3.0
Amortization for the year	–0.7	–13.3	0.0	0.0	–14.1
Closing accumulated amortization	–37.5	–17.6	0.0	–99.9	–155.2
Closing carrying amount 2018	**3.7**	**83.5**	**51.5**	**418.8**	**557.5**

Acquisitions made during the year are specified in Note 13 Business combinations.

NOTE 16 Goodwill and other intangible assets with an indefinite life

Consolidated goodwill amounts to SEK 418.8 (137.9) million and it is attributable to the acquisition of subsidiaries. Goodwill is allocated to segments as follows: Ground Maintenance & Landscaping SEK 373.9 million, Sports Landscaping SEK 32.7 million and Arborist Services SEK 12.3 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 4-6 percent per year according to PwC Stategy&. When testing for impairment, it has been assumed that growth will be at a low level in 2019, in line with the market in 2020 and at the rate of 2 percent thereafter. It has been assumed that the margin with fuel the expected synergies from the acquisition of Svensk Markservice AB along with lean efficiencies during 2019-2021 and thereafter, remain at the same level. The discount rate before tax used for the present value calculation was 8.0 (7.0) percent. Impairment testing has not indicated that there is a need to record any impairment losses. No reasonably possible changes in important assumptions would lead to a write-down requirement.

For the Ground Maintenance & Landscaping segment, a change in the discount rate of +/– 2 percent would result in a decrease/increase of the value-in-use by SEK 470 million/SEK 930 million. A change in sales of +/– 2.5 percent would result in a decrease/increase of the value-in-use by SEK 205 million/SEK 227 million. A change in EBITDA of +/– 2 percent would result in a decrease/increase of the value-in-use by SEK 498 million.

For the Sports Landscaping segment, a change in the discount rate of +/– 2 percent would result in a decrease/increase of the value-in-use by SEK 27 million/SEK 53 million. A change in sales of +/– 2.5 percent would result in a decrease/increase of the value-in-use by SEK 10 million/SEK 11 million. A change in EBITDA of +/– 2 percent would result in a decrease/increase of the value-in-use by SEK 42 million.

For the Arborist Services segment, a change in the discount rate of +/– 2 percent would result in a decrease/increase of the value-in-use by SEK 20 million/SEK 41 million. A change in sales of +/– 2.5 percent would result in a decrease/increase of the value-in-use by SEK 9 million/SEK 11 million. A change in EBITDA of +/– 2 percent would result in a decrease/increase of the value-in-use by SEK 19 million.

NOTE 17 Property, plant and equipment

	Plant and machinery	Equipment, tools, fixtures and fittings	Expenditure for improvement on unowned property	TOTAL
Financial year 2016				
Opening cost	132.3	12.0	5.3	149.6
Acquisitions for the year	11.0	0.4	–	11.4
Sales/disposals	–6.1	–0.0	–	–6.2
Accumulated depreciation and impairment	–96.0	–10.9	–4.8	–111.7
Closing carrying amount 2016	**41.2**	**1.4**	**0.5**	**43.1**
Financial year 2017				
Opening cost	137.2	12.4	5.3	154.9
Acquisitions for the year	16.7	8.3	0.1	25.1
Acquisitions	40.7	27.1	0.0	67.8
Sales/disposals	–1.6	–0.7	0.0	–2.3
Reclassifications	2.0	0.0	0.0	2.0
Closing accumulated cost	**195.0**	**47.1**	**5.4**	**247.5**
Opening depreciation	–96.0	–10.9	–4.8	–111.7
Acquisitions	–13.9	–16.1	0.0	–30.0
Sales/ disposals	0.9	0.5	0.0	1.4
Reclassifications	0.0	0.0	0.0	0.0
Depreciation for the year	–21.9	–3.2	–0.3	–25.4
Closing accumulated depreciation	**–130.9**	**–29.7**	**–5.1**	**–165.7**
Closing carrying amount 2017	**64.1**	**17.4**	**0.3**	**81.8**
Financial year 2018				
Opening cost	195.0	47.1	5.4	247.5
Acquisitions for the year	33.2	15.9	0.3	49.4
Acquisitions	185.7	24.8	1.2	211.7
Sales/disposals	–7.6	–2.5	–	–10.1
Reclassifications	0.7	–	–	0.7
Closing accumulated cost	**407.0**	**85.3**	**6.9**	**499.2**
Opening depreciation	–130.9	–29.7	–5.1	–165.7
Acquisitions	–119.9	–19.7	–0.8	–140.4
Sales/disposals	5.5	2.1	0.0	7.6
Reclassifications	–	–	–	
Depreciation for the year	–29.0	–6.1	–0.2	–35.3
Closing accumulated depreciation	**–274.3**	**–53.4**	**–6,1**	**–332.8**
Closing carrying amount 2018	**132.7**	**31.9**	**0.8**	**165.5**

See Note 28 for more information on finance leases.

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 the 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 claims 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: The Group only classifies its financial assets as assets measured at amortized cost when the following conditions have been met:

- 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 assets

	2018-12-31		2017-12-31		2016-12-31		2016-01-01	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Accounts receivable - trade	317.2	317.2	184.5	184.5	117.1	117.1	110.4	110.4
Cash and cash equivalents	96.3	96.3	33.7	33.7	6.1	6.1	3.9	3.9
Total	**413.5**	**413.5**	**218.2**	**218.2**	**123.2**	**123.2**	**114.3**	**114.3**

Because of the 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: The fair value for the debt portion of convertible debt is calculated using the market rate of interest on the issue date for an equivalent non-convertible bond. After initial recognition, the liability is reported at amortized cost until it is converted or matures. The remaining portion is allocated to the conversion right and reported at the net amount after tax in equity. It is not revalued.

The financial liabilities have the following maturities:

Additional consideration measured at fair value, see Note 14

Financial liabilities

	2018-12-31		2017-12-31		2016-12-31		2016-01-01	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Accounts payable - trade	169.6	169.6	131.8	131.8	100.9	100.9	77.1	77.1
Bank overdraft	17.6	17.6	43.5	43.5	30.3	30.3	20.8	20.8
Liabilities to credit institutions (non-current and current)	506.6	506.6	89.6	89.6	7.0	7.0	10.3	10.3
Liabilities from finances leases (non-current and current)	112.7	112.7	45.9	45.9	38.0	38.0	42.2	42.2
Convertible loan	–	–	47.1	47.1	39.0	39.0	31.8	31.8
Additional consideration	24.0	24.0	36.4	36.4	–	–	–	–
Total	**830.5**	**830.5**	**394.3**	**394.3**	**215.2**	**215.2**	**182.2**	**182.2**

	2018-12-31	< 3 months	3–12 months	1–5 years	> 5 years	Total
Accounts payable - trade	169.6	169.5	–	–	0.1	169.6
Bank overdraft	17.6	17.6	–	–	–	17.6
Additional consideration	24.0	–	–	24.0	–	24.0
Liabilities to credit institutions (non-current and current)	506.6	3.2	50.4	453.0	–	506.6
Liabilities from finance leases (non-current and current)	112.7	9.0	19.9	83.1	0.7	112.7
Total	**830.5**	**199.3**	**70.3**	**560.1**	**0.8**	**830.5**

	2017-12-31	< 3 months	3–12 months	1–5 years	> 5 years	Total
Accounts payable - trade	131.8	124.8	6.9	–	0.1	131.8
Bank overdraft	43.5	1.8	41.7	–	–	43.5
Additional consideration	36.4	–	–	36.4		36.4
Liabilities to credit institutions (non-current and current)	89.6	5.8	29.4	54.5	–	89.6
Liabilities from finance leases (non-current and current)	45.9	1.9	12.8	31.1	–	45.9
Convertible loan	47.1	–	–	47.1	–	47.1
Total	**394.3**	**134.3**	**90.8**	**169.1**	**0.1**	**394.3**

NOTE 18 *Financial assets and liabilities, cont.*

2016-12-31		< 3 months	3–12 months	1–5 years	> 5 years	Total
Accounts payable - trade	100.9	100.9	–	–	–	100.9
Bank overdraft	30.3	–	30.3	–	–	30.3
Liabilities to credit institutions (non-current and current)	7.0	0.9	2.4	3.6	–	7.0
Liabilities from finance leases (non-current and current)	38.0	5.4	6.0	25.8	0.8	38.0
Convertible loan	39.0	–	–	39.0	–	39.0
Total	**215.2**	**107.1**	**38.7**	**68.5**	**0.8**	**215.2**

2016-01-01		< 3 months	3–12 months	1–5 years	> 5 years	Total
Accounts payable - trade	77.1	77.1	–	–	–	77.1
Bank overdraft	20.8	–	20.8	–	–	20.8
Liabilities to credit institutions (non-current and current)	10.3	0.9	2.5	6.9	–	10.3
Liabilities from finance leases (non-current and current)	42.2	0.8	10.1	31.3	–	42.2
Convertible loan	31.8	–	–	31.8	–	31.8
Total	**182.2**	**78.8**	**33.4**	**69.9**	**–**	**182.2**

See also Note 13 for information on the Group's bank overdraft.

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 2018-12-31. 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.

Sensitivity analysis, financial liabilities

	2018	2017	2016
Total liability to credit institutions	506.6	89.6	7.0
Increase in interest rate by 1.0%	5.1	0.9	0.1
Decrease in interest rate by 1.0%	–5.1	–0.9	–0.1

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. 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.

In 2018, approximately 60 percent of the company's net sales was revenue from customers in the public sector, such as municipalities, government authorities and public property and housing companies. The remaining 40 percent of the company's net sales in 2018 was derived from the private sector, such as privately-owned property and housing companies, housing cooperatives and other companies.

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

Maturity analysis for accounts receivable and contract assets as of 31 December 2018

	2018-12-31	2017-12-31	2016-12-31	2016-01-01
Expected credit loss, %	0.1	1.0	2.4	6.8
Carrying amount	360.5	222.9	144.0	124.8
Expected credit loss	–1.7	–2.4	–3.4	–8.6

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 company'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 company'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 company primarily finances its operations through equity, borrowings and the Group's own cash flows. If the company 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 company, it could have a negative impact on the company'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

	2018-01-01	Cash flow	Reclassification	Change in fair value	Other	2018-12-31
Additional consideration						
Convertible loan	–47.1	47.1	–	–	–	–

	2017-01-01	Cash flow	Reclassification	Change in fair value	Other	2017-12-31
Additional consideration						
Convertible loan	–39.1	–	–	–	–8.0	–47.1

	2016-01-01	Cash flow	Reclassification	Change in fair value	Other	2016-12-31
Additional consideration						
Convertible loan	–31.8	–	–	–	–7.2	–39.1

NOTE 19 Inventories

The company only has finished products in its inventory. Inventories are measured at the lower of cost and net realizable value on the closing date.

Inventories

	2018-12-31	2017-12-31	2016-12-31	2016-01-01
Finished goods	23.7	31.2	9.6	9.9
Total	**23.7**	**31.2**	**9.6**	**9.9**

NOTE 20 Accounts receivable and contract assets

Accounts receivable and contract assets

	2018-12-31	2017-12-31	2016-12-31	2016-01-01
Accounts receivable from external customers	318.9	186.9	120.5	119.0
Contract assets	41.6	36.0	23.5	5.8
Provision for doubtful debts	–1.7	–2.4	–3.4	–8.6
Total	**358.8**	**220.5**	**140.6**	**116.2**

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 5.

Provision for doubtful debts

	2018-12-31	2017-12-31	2016-12-31	2016-01-01
Opening amount	–2.4	–3.4	–8.6	–0.7
Provision for bad debt losses for the year	–0.7	–1.5	5.2	–7.8
Confirmed bad debt losses	1.4	2.5	0.0	–0.1
Total	**–1.7**	**–2.4**	**–3.4**	**–8.6**

Significant changes in the value of accounts receivable and contract assets are presented in Note 5 Information on credit risk. Information on exposure is presented in Note 18.

NOTE 21 Prepaid expenses and accrued income

Prepaid expenses and accrued income

	2018-12-31	2017-12-31	2016-12-31	2016-01-01
Prepaid rent	3.6	3.8	2.0	2.8
Prepaid insurance premiums	2.5	0.3	1.9	1.7
Accrued income	14.2	12.0	3.8	16.9
Other prepaid expenses	23.4	8.4	8.2	12.7
Total	**43.7**	**24.5**	**15.9**	**34.1**

NOTE 22 Cash and cash equivalents

Cash and cash equivalents

	2018-12-31	2017-12-31	2016-12-31	2016-01-01
Cash on hand	96.3	33.7	6.1	3.9
Bank overdraft	–17.6	–43.5	–30.3	–20.8
Total	**78.7**	**–9.8**	**–24.2**	**–16.9**

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 company has 35,849,663 Class A shares, all of which are ordinary shares.

Options plan

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

NOTE 24 Provisions

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

Other provisions

	2018-12-31	2017-12-31	2016-12-31	2016-01-01
Amount at beginning of year	2.7	3.4	2.4	2.9
Business combinations	1.2	0.3	–	–
Provisions for the year	2.3	0.7	2.2	1.2
Amount used during the year	–1.2	–1.7	–1.2	–1.7
Total	**5.0**	**2.7**	**3.4**	**2.4**

Specification of other provisions

	2018-12-31	2017-12-31	2016-12-31	2016-01-01
Guarantees/warranties	5.0	2.7	3.4	2.4
Total	**5.0**	**2.7**	**3.4**	**2.4**

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. Provisions are thus categorized as either current or non-current.

NOTE 25 Non-current liabilities

Mature between 1 and 5 years after the closing date

	2018-12-31	2017-12-31	2016-12-31	2016-01-01
Convertible loans	–	47.1	39.1	31.8
Liabilities to credit institutions	453.8	51.0	3.7	7.0
Liabilities pertaining to finance leases	110.8	45.9	37.2	42.8
Other liabilities	1.9	1.7	2.7	0.0
Total	**566.5**	**145.7**	**82.7**	**81.6**

Convertible loans

In 2011, the Parent Company acquired a new convertible loan from shareholders of SEK 30 million in the form of 30,000 convertible debt instruments, each with a nominal amount of SEK 1,000. The loan was subordinated to all loans with credit institutions and it matured on 14 July 2018. The annual interest rate amounted to 12 percent through the conversion date. Payments were made for both principle and interest, which impacted the Parent Company's liquidity during the duration of the loan. The loan was entirely converted to ordinary shares in conjunction with the IPO of the company's shares in March 2018. Interest expense on the loan has been recognized as a financial expense in the income statement.

The remaining portion of prior convertible loans from shareholders reported in conjunction with the acquisition of Miljöbyggarna Stockholm AB amounted to SEK 1.82 million. That loan carried an annual, non-cash, interest of 8 percent. The loan was entirely converted in March 2018.

In 2016, the Parent Company acquired two new convertible loans from shareholders totaling SEK 7.75 million in the form of 7,751 convertible debt instruments, each with a nominal amount of SEK 1,000. The loans mature on 31 March 2021. Both carried an annual interest rate of 12 percent through the date of conversion. The loan was entirely converted in March 2018.

In 2017, the Parent Company acquired a new convertible loan from shareholders totaling SEK 8 million in the form of 8,000 convertible debt instruments, each with a nominal amount of SEK 1,000. It carried an annual interest rate of 12 percent through the date of conversion. The loan was entirely converted in March 2018.

Liabilities to credit institutions

The Group has a bank loan that matures after 4 years. The bank loan was acquired at the going market rate. 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 company. There are also limitations on taking new loans over a certain amount from other creditors.

NOTE 26 Contract liabilities

Contract liabilities

	2018-12-31	2017-12-31	2018-12-31	2017-12-31
Current advance payments from customers	15.3	16.5	9.5	8.8
Total	**15.3**	**16.5**	**9.5**	**8.8**

NOTE 27 Accrued expenses and deferred income

Accrued expenses and deferred income

	2018-12-31	2017-12-31	2016-12-31	2016-01-01
Accrued salaries	17.3	7.6	4.6	6.6
Accrued vacation pay	42.8	23.4	14.8	16.0
Accrued social security contributions	32.2	14.3	10.6	10.8
Accrued interest expenses	1.0	45.6	26.5	21.8
Other accrued expenses	57.0	45.9	9.6	21.8
Prepaid rental income	–	–	0.0	0.0
Other prepaid income	–	3.8	0.0	9.1
Total	**150.3**	**140.6**	**66.1**	**86.1**

NOTE 28 Operating and finance leases

Operating leases as lessor

Both the Group and the Parent Company have entered into operating leases for machinery, office equipment, other equipment and vehicles. The duration of these leases is 3-5 years. Certain agreements, particularly those for large machinery, have options to extend for 1-3 years.

Operating leases

	2018	2017	2016
Expensed lease fees for operating leases	43.6	35.5	43.7
Future minimum lease payments for non-cancellable operating leases			
To be paid within 1 year	33.6	11.6	13.7
To be paid within 1-5 years	75.2	10.2	15.8
To be paid in more than 5 years	29.0	0.0	1.3
Total	**137.8**	**21.8**	**30.8**

Finance leases as lessor

The Group has entered into agreements on finance leases for vehicles and machinery. The duration of these leases is 3-5 years. Certain agreements, particularly those for large machinery, have options to extend for 1-3 years.

Assets from finance leases are included in the balance sheet as below and they have the following lease fees:

Finance leases

	2018	2017	2016
Expenditure for improvement on unowned property	0.0	0.0	0.0
Plant and machinery	38.0	48.7	34.5
Equipment, tools, fixtures and fittings	38.2	0.1	0.1
Total	76.2	48.8	34.6

NOTE 29 Pledged assets and contingent liabilities

Pledged assets

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

Pledged assets

	2018-12-31	2017-12-31	2016-12-31	2016-01-01
Chattel mortgages	2.5	117.1	87.4	94.2
Frozen funds	2.4	–	–	–
Participations in Group companies	0.0	0	69.7	79.3
Machinery with ownership reservation	14.0	6.4	1.7	1.6
Total	**18.9**	**123.5**	**158.7**	**175.1**

See also Note 25 for terms on finance agreements

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

	2018-12-31	2017-12-31	2016-12-31	2016-01-01
Bank overdraft	17.6	43.5	30.3	20.8
Accounts payable - trade	169.6	131.8	100.9	77.1
Total	**187.2**	**175.3**	**131.2**	**97.9**

Accounts payable - trade

All accounts payable are in SEK and payment terms are typically 30 days. For information on how the Group manages its liquidity risk, see Note 18, Risks.

Bank overdraft

Bank overdraft

	2018-12-31	2017-12-31	2016-12-31	2016-01-01
Granted credit	54.3	67.5	59.0	59.0
Utilized credit	17.6	43.5	30.3	20.8

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

NOTE 32 Other operating expenses

Other operating expenses	2018	2017	2016
Issue costs	–16,0	–	–
Acquisition costs/integration costs	–8,5	–	–
Other	–3,1	–0.1	0.0
Total	**–27,6**	**–0.1**	**0.0**

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 7.

Options plan

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

Loans

In 2010, the company obtained a bridge loan for SEK 23 million from its main owner, FSN Capital III. The annual interest rate for the loan is 8 percent, which has been accrued. Most of the bridge loan has been settled against new issue of shares via a netting agreement decided on 4 August 2010, after which the remaining debt was SEK 1.8 million. The remaining bridge loan amount of SEK 1.8 million plus accrued interest was repaid to FSN Capital III on 31 January 2018. The total amount that was repaid, including accrued interest, amounted to SEK 3,241,868.

On 23 November 2017, the company acquired a loan for SEK 8 million from its main owner, which was temporary financing to carry out the acquisition of Jordelit. Annual interest on the loan was 5 percent and it has been fully repaid (SEK 5.66 million as a netting agreement in exchange for convertibles issued on 23 November 2017 along with a cash payment of SEK 2.34 million).

There is an outstanding loan between the company and its subsidiary, Green Landscaping AB, for approximately SEK 34 million. The liability has been accrued during the period 2010-2016, and the amount has varied over the years. Part of the liability, for example, was financing for the acquisition of GML Sport. It is a zero interest loan.

In addition to the transactions specified above, Green Landscaping 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 34 New reporting standards that have not yet entered into force.

On 1 January 2019 the new leasing standard, IFRS 16 Leases, entered into force. The Group has applied the simplified approach, which is why comparison figures have not been restated. The Group will apply the transition rule of reporting the asset at the same amount as the liability. Leases that are shorter than 12 months or which terminate within 12 months from the date of acquisition are classified as short-term contracts and are therefore not included in the reported liabilities or among right-of-use assets. The Group has not opted to apply the exemption option whereby leases for assets with a value of USD 5,000 or less (low-value assets) are not included in the reported amounts for assets and liabilities.

Implementation of the new standard results in the Group reporting higher values for its assets and liabilities. There is also an impact on the income statement and to financing activities in the cash flow statement. The Group will report a higher amount for EBITDA and a lower amount of EBITA. This new standard is based on the view that the lessee is entitled to use an asset for a specific period of time, along with the obligation to pay for that right. The Group has decided to apply the transition rule whereby it is not necessary to separate the lease components.

Balance sheet

			The Group
	Closing balance 2018-12-31	Reclassification	Assessed opening balance 2019-01-01
Non-current assets	102.2	143.2	245.4
Lease liability, non-current	105.6	58.7	164.3
Lease liability, current	–	71.3	71.3

In the Parent Company, the exception in RFR 2 on leases will be applied. It means that the Parent Company's accounting policies for reporting leases will remain unchanged.

NOTE 35 Specification, cash flow

Reconciliation of items not included in financing activities

	Liabilities to credit institutions	Intra-Group loans	Convertible loan	Total
as of 1 January 2016				
Opening cost	10.3	42.2	31.8	84.9
New loans	–	0.5	7.2	7.7
Loan amortization	–3.3	–4.7	–	–8.0
Closing balance, 2016-12-31	**7.0**	**38.0**	**39.0**	**84.0**
New loans	97.4	10.4	8.1	115.9
Loan amortization	–9.1	–2.5	–	–11.6
Reclassification to cash flow	–5.7	–	–	–5.7
Closing balance, 2017-12-31	**89.6**	**45.9**	**47.1**	**182.6**
New loans	494.4	28.3	–	522.7
Loan amortization	–225.5	–21.7	–	–247.2
Not impacting cash flow	–	–	–47.1	–47.1
Acquisitions	148.1	60.2	–	208.3
Closing balance, 2018-12-31	**506.6**	**112.7**	**0.0**	**619.3**

NOTE 36 Significant events subsequent to the reporting period

There are no significant events to report after the closing date and the signing of this annual report.

NOTE 37 Key performance indicators

	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Sales, SEK m	375.0	267.1	309.3	228.8	264.2	224.6	186.8	123.7
Adjusted EBITDA, SEK m	33.2	23.8	34.4	5.8	21.4	24.3	20.4	–0.2
Adjusted EBITDA margin, %	8.9	8.9	11.1	2.5	8.1	10.8	10.9	–0.1
Adjusted EBITA, SEK m	23.0	13.7	26.3	–3.8	10.7	16.4	16.9	–4.1
Adjusted EBITA margin, %	6.1	5.1	8.5	–1.7	4.0	7.3	9.0	–3.3
Working capital, SEK m	42.2	63.2	13.1	–6.7	–30.5	–11.9	2.2	–30.4
Adjusted working capital, SEK m	42.2	63.2	13.1	–6.7	14.9	29.2	30.5	–2.4
Items affecting comparability, SEK m	25.2	0.0	0.4	16.3	3.2	1.8	4.7	0.5
Equity, SEK m	202.8	207.6	191.1	171.1	34.4	20.9	0.1	7.4
Interest-bearing net debt, SEK m	–540,5	–126.6	–73.8	–75.5	–145.2	–143.6	–92.9	–71.2
Net debt/Adjusted EBITDA RTM, times	–5,6	–1.5	–0.9	–1.1	–2.2	–2.7	–1.9	–1.5
Average no. of employees	742	584	605	463	509	492	419	329

Reconciliation of KPIs not defined in accordance with IFRS

The company presents certain financial measures that are not defined in accordance with IFRS. The company feels that these measures provide valuable, supplementary information to investors and company management. Accordingly, the measures should be regarded as a supplement, rather than a replacement for measures defined in accordance with IFRS. Because Green Landscaping's definitions of these measures might differ from other companies' definitions of the same concepts, an explanation of how they are calculated is provided below.

EBITDA	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Operating profit (loss)	–7,5	11.2	23.0	–23.0	5.1	12.7	12.3	–4.6
Depreciation/amortization	15.5	12.6	11.0	12.6	13.1	9.8	3.4	4.0
Total EBITDA	**8.0**	**23.8**	**34.0**	**–10.4**	**18.2**	**22.5**	**15.7**	**–0.6**

Adjusted EBITDA	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
EBITDA	8.0	23.8	34.0	–10.4	18.2	22.5	15.7	–0.6
Items affecting comparability	25.2	0.0	0.4	16.3	3.2	1.8	4.7	0.5
Total Adjusted EBITDA	**33.2**	**23.8**	**34.4**	**5.8**	**21.4**	**24.3**	**20.4**	**–0.2**

Adjusted EBITA	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Adjusted EBITDA	33.2	23.8	34.4	5.8	21.4	24.3	20.4	–0.2
Depreciation of PPE	–10,2	–9.4	–8.1	–9.6	–10.9	–7.9	–3.5	–3.9
Total Adjusted EBITA	**23.0**	**14.4**	**26.3**	**–3.8**	**10.5**	**16.4**	**16.9**	**–4.1**

Working capital	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Inventories	23.7	25.8	25.2	33.5	31.2	7.7	8.6	8.8
Current receivables	413.7	254.0	246.0	223.5	249.0	206.5	159.0	120.4
Accounts payable - trade	–169,6	–81.2	–107.2	–108.8	–131.8	–79.7	–60.7	–49.2
Other liabilities	–60,0	–15.1	–18.8	–13.3	–21.8	–27.7	–9.5	–12.8
Contract liabilities	–15,3	–17.0	–29.3	–33.2	–16.5	–13.1	–5.8	–5.0
Accrued expenses	–150,3	–103.3	–102.8	–108.4	–140.6	–105.6	–89.4	–92.6
Total working capital	**42.2**	**63.2**	**13.1**	**–6.7**	**–30.5**	**–11.9**	**2.2**	**–30.4**

Adjusted working capital	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Inventories	23.7	25.8	25.2	33.5	31.2	7.7	8.6	8.8
Current receivables	413.7	254.0	246.0	223.5	249.0	206.5	159.0	120.4
Accounts payable - trade	–169,6	–81.2	–107.2	–108.8	–131.8	–79.7	–60.7	–49.2
Other liabilities	–60,0	–15.1	–18.8	–13.3	–21.8	–27.7	–9.5	–12.8
Contract liabilities	–15,3	–17.0	–29.3	–33.2	–16.5	–13.1	–5.8	–5.0
Accrued expenses	–150,3	–103.3	–102.8	–108.4	–140.6	–105.6	–89.4	–92.6
Interest convertible loans	0.0	0.0	0.0	0.0	45.4	41.1	28.3	28.0
Total working capital, adjusted	**42.2**	**63.2**	**13.1**	**–6.7**	**14.9**	**29.2**	**30.5**	**–2.4**

Net debt	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Bank overdraft	–17,6	–50.4	–9.3	–43.7	–43.5	–57.6	–41.8	–32.3
Liabilities to credit institutions (non-current)	–453,7	–42.3	–41.6	–37.6	–51.1	–52.0	–23.8	–5.9
Liabilities pertaining to finance leases	–112,7	–56.1	–45.1	–45.8	–45.9	–45.0	–31.6	–34.7
Liabilities to credit institutions (current)	–52,8	–6.4	–8.9	–36.3	–38.5	–4.6	–0.4	0.0
Cash and cash equivalents	96.3	28.7	31.2	88.0	33.8	15.6	4.7	1.7
Total Net debt	**–540,5**	**–126.6**	**–73.8**	**–75.5**	**–145.2**	**–143.6**	**–92.9**	**–71.2**

Adjusted EBITDA RTM	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Adjusted EBITDA for the quarter	33.2	23.8	34.4	5.8	21.4	24.3	20.4	–0.2
Total, last 4 quarters	97.3	85.4	85.9	71.9	65.9	52.6	48.4	47.0
Total Adjusted EBITDA RTM	**97.3**	**85.4**	**85.9**	**71.9**	**65.9**	**52.6**	**48.4**	**47.0**
Net debt/Adjusted EBITDA RTM, times	–5.6	–1.5	–0.9	–1.1	–2.2	–2.7	–1.9	–1.5

Notes – Parent Company

NOTE M1 Employees and employee benefit expenses

Average number of employees

	2018		2017		2016	
	Number employees	Of which men	Number employees	Of which men	Number employees	Of which men
Parent Company	3	67%	1	100%	1	100%
Total	**3**	**67%**	**1**	**100%**	**1**	**100%**

The information pertains to circumstances as of the closing date.

Salaries and other remuneration

	2018	2017	2016
Board and CEO	1.8	–	–
Of which bonuses	0.0	–	–
Other employees	2.1	0.3	0.3
Total	**3.9**	**0.3**	**0.3**

Social security expenses

	2018	2017	2016
Pension expenses for the Board and CEO	0.4	–	–
Pension expenses, other employees	0.3	–	–
Other social security expenses	1.3	0.1	0.1
Total	**1.9**	**0.1**	**0.1**

Pension obligations

	2018	2017	2016
Board and CEO	0.0	0.0	0.0

Senior executives includes the Board of Directors, CEOs and other senior executives.

For more information on decision processes for remuneration and terms of employment for senior executives, please see Note 7.

NOTE M2 Remuneration to the auditors

Fees to auditors

	2018	2017	2016
Ernst & Young			
Audit assignment	0.3	0.1	0.1
Other audit activities	–	–	–
Tax advice	0.1	0.0	0.0
Other services	3.4	–	–
Total	**3.8**	**0.1**	**0.1**

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 company'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 M3 Other income/expenses

Financial income

	2018	2017	2016
Interest income from Group companies	0.1	–	–
Total	**0.1**	**0.0**	**0.0**

Financial expenses

	2018	2017	2016
Interest expenses to Group companies	0.1	0.5	0.1
Other interest expenses	6.8	10.3	5.2
Other financial expenses	4.3	0.3	0.6
Total	**11.2**	**11.1**	**6.3**

NOTE M4 Tax

Tax on profit for the year

	2018	2017	2016
Current tax	–	–	–
Adjustment relating to prior years	–	–	–
Change in deferred tax asset	4.2	–	–
Change in deferred tax liability	–	–	–
Total	**4.2**	**0.0**	**0.0**

Profit (loss) before tax

	2018	2017	2016
Profit (loss) before tax	**–13.0**	**–11.2**	**–6.4**
Tax on profit for the year according to the applicable tax rate (22%):	2.9	2.5	1.4
Tax effect of:			
Other non-deductible expenses	–3.3		
Unrecognized loss carryforward		–2.5	–1.4
Deferred tax, recognized loss carryforward	4.2		
Adjustment due to changed tax rate	0.4		
Reported tax	4.2	0.0	0.0

NOTE M4 *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 differences	Total
As of 1 January 2016	2.6	–	2.6
Reported in income statement	1.8	–	1.8
Reported in other comprehensive income	–	–	–
As of 31 December 2016	**4.4**	**0.0**	**4.4**
Reported in income statement	–	–	–
Reported in other comprehensive income	–	–	–
As of 31 December 2017	**4.4**	**0.0**	**4.4**
Reported in income statement	4.2	–	4.2
Reported in other comprehensive income	–	–	–
As of 31 December 2018	**8.6**	**0.0**	**8.6**

NOTE M5 Group information

The Parent Company holds shares in the following subsidiaries:

	Share of equity	Share of voting power	Number of shares	Carrying amount 2018-12-31
Green Landscaping AB	100%	100%	100,000	164.6
Green Landscaping Incentive AB	100%	100%	50,000	0.1
Jacksons Trädvård AB	100%	100%	1,000	18.2
GML Sport AB	100%	100%	1,000	20.7
Tranemo Trädgårdstjänst AB	100%	100%	2,000	32.5
Björnentreprenad AB	100%	100%	1,000	54.1
J E Eriksson Mark & Anläggningsteknik AB	100%	100%	1,750	27.4
Svensk Jordelit AB	100%	100%	1,000	34.9
Svensk Markservice Holding AB	100%	100%	1,000	223.9
Mark & Miljö Projekt i Sverige AB	100%	100%	1,000	41.2
Total				**617.6**

For more information on subsidiaries, please see Note 12.

The Group's Parent Company is Green Landscaping Holding AB (publ), domiciled in Stockholm.

NOTE M6 Intangible assets

	Software	TOTAL
As of 1 January 2016		
Cost	0.2	0.2
Accumulated amortization	–0.2	–
Carrying amount	0.0	0.0
Financial year 2016		
Opening cost	0.2	0.2
Amortization for the year	0.0	0.0
Accumulated amortization	–0.2	–0.2
Closing carrying amount 2016	**0.0**	**0.0**
Financial year 2017		
Opening cost	0.2	0.2
Closing accumulated cost	0.2	0.2
Opening amortization	–0.2	–0.2
Amortization for the year	0.0	0.0
Closing accumulated amortization	–0.2	–0.2
Closing carrying amount 2017	**0.0**	**0.0**
Financial year 2018		
Opening cost	0.2	0.2
Acquisitions for the year	0.5	0.5
Closing accumulated cost	0.7	0.7
Opening amortization	–0.2	–0.2
Amortization for the year	0.0	0.0
Closing accumulated depreciation	–0.2	–0.2
Closing carrying amount 2018	**0.5**	**0.5**

NOTE M7 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 the 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 claims 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 Group has the following financial assets, all of which have been classified and measured at amortized cost: The Group only classifies its financial assets as assets measured at amortized cost when the following conditions have been met:

- 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 assets

	Parent Company 2018-12-31		Parent Company 2017-12-31		Parent Company 2016-12-31	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Accounts receivable - trade	0.0	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalents	0.0	0.0	2.4	2.4	0.3	0.3
Total	**0.0**	**0.0**	**2.4**	**2.4**	**0.3**	**0.3**

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

Note that net gains/net losses must either be reported in the income statement or the note for financial assets and liabilities measured at amortized cost.

Total interest expenses and interest income must also be stated.

Financial liabilities

Green Landscaping Group has the following financial liabilities, all of which have been classified and measured at amortized cost or fair value: The fair value for the debt portion of convertible debt is calculated using the market rate of interest on the issue date for an equivalent non-convertible bond. After initial recognition, the liability is reported at amortized cost until it is converted or matures. The remaining portion is allocated to the conversion right and reported at the net amount after tax in equity. It is not revalued.

Financial liabilities

	2018-12-31		2017-12-31		2016-12-31		2016-01-01	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Accounts payable - trade	14.9	14.9	3.0	3.0	1.3	1.3	1.0	1.0
Liabilities to credit institutions (non-current and current)	480.8	480.8	55.6	55.6	0.0	0.0	–	–
Convertible loan	–	–	54.6	54.6	46.5	46.5	38.7	38.7
Additional consideration	20.2	20.2	36.4	36.4	–	–	–	–
Total	**515.9**	**515.9**	**149.6**	**149.6**	**47.8**	**47.8**	**39.7**	**39.7**

The financial liabilities have the following maturities:

	2018-12-31	< 3 months	3–12 months	1–5 years	> 5 years	Total
Accounts payable - trade	14.9	14.9	–	–	–	14.9
Liabilities to credit institutions (non-current and current)	480.8	1.8	47.4	431.6	–	480.8
Total	**495.7**	**16.7**	**47.4**	**431.6**	**0.0**	**495.7**

	2017-12-31	< 3 months	3–12 months	1–5 years	> 5 years	Total
Accounts payable - trade	3.0	3.0	–	–	–	3.0
Liabilities to credit institutions (non-current and current)	55.6	3.7	11.0	40.9	–	55.6
Convertible loan	54.6	–	–	54.6	–	54.6
Total	**113.2**	**6.7**	**11.0**	**95.5**	**0.0**	**113.2**

	2016-12-31	< 3 months	3–12 months	1–5 years	> 5 years	Total
Accounts payable - trade	1.3	1.3	–	–	–	1.3
Convertible loan	46.5	–	–	46.5	–	46.5
Total	**47.8**	**1.3**	**0.0**	**46.5**	**0.0**	**47.8**

	2016-12-31	< 3 months	3–12 months	1–5 years	> 5 years	Total
Accounts payable - trade	1.0	1.0	–	–	–	1.0
Convertible loan	38.7	–	–	38.7	–	38.7
Total	**39.7**	**1.0**	**0.0**	**38.7**	**0.0**	**39.7**

See also Note 13 for information on the Group's bank overdraft.

NOTE M7 *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 2018-12-31.

Sensitivity analysis, financial liabilities

	2018-12-31	2017-12-31	2016-12-31	2016-01-01
Total liabilities to credit institutions	480.8	55.6	–	–
Increase in interest rate by 1.0%	4.8	0.6	–	–
Decrease in interest rate by 1.0%	–4,8	–0.6	–	–

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. There is also risk associated with financing activities attributable to cash balances at credit institutions.

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.

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 company primarily finances its operations through equity, borrowings and the Group's own cash flows. If the company 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 company, it could have a negative impact on the company'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

	2018-01-01	Cash flows	Reclassification	Change in fair value	Other	2018-12-31
Additional consideration	36.4	–19.3	–	–5.6	8.7	20.2
Convertible loan	54.6	–	–54.6	–	–	–

	2017-01-01	Cash flows	Reclassification	Change in fair value	Other	2017-12-31
Additional consideration	–	–	–	–	36.4	36.4
Convertible loan	46.5	–	–	–	8.1	54.6

	2016-01-01	Cash flows	Reclassification	Change in fair value	Other	2016-12-31
Additional consideration	–	–	–	–	–	–
Convertible loan	38.7	–	–	–	7.8	46.5

NOTE M8 Prepaid expenses and accrued income

Prepaid expenses and accrued income

	2018-12-31	2017-12-31	2016-12-31	2016-01-01
Accrued interest income	–	–	–	18.9
Prepaid insurance premiums	0.0	0.0	0.0	0.0
Other prepaid expenses	0.2	–	–	–
Total	**0.2**	**0.0**	**0.0**	**18.9**

NOTE M9 Cash and cash equivalents

Cash and cash equivalents

	2018-12-31	2017-12-31	2016-12-31	2016-01-01
Cash on hand	0.0	2.4	0.3	0.3
Total	**0.0**	**2.4**	**0.3**	**0.3**

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

NOTE M10 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 company has 35,849,663 Class A shares, all of which are ordinary shares.

Options plan

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

NOTE M11 Non-current liabilities

Mature between 1 and 5 years after the closing date

	2018-12-31	2017-12-31	2016-12-31	2016-01-01
Convertible loans	–	54.6	46.5	38.7
Liabilities to credit institutions	445.0	40.9	–	–
Liabilities to Group companies	40.7	34.9	34.9	43.9
Other liabilities	–	2.3	–	–
Total	**485.7**	**132.7**	**81.4**	**82.6**

Convertible loans

In 2011, the Parent Company acquired a new convertible loan from shareholders of SEK 30 million in the form of 30,000 convertible debt instruments, each with a nominal amount of SEK 1,000. The loan was subordinated to all loans with credit institutions and it matured on 14 July 2018. The annual interest rate amounted to 12 percent through the conversion date. Payments were made for both principle and interest, which impacted the Parent Company's liquidity during the duration of the loan. The loan was entirely converted to ordinary shares in conjunction with the IPO of the company's shares in March 2018. Interest expense on the loan has been recognized as a financial expense in the income statement.

The remaining portion of prior convertible loans from shareholders reported in conjunction with the acquisition of Miljöbyggarna Stockholm AB amounted to SEK 1.820 million. That loan carried an annual, non-cash, interest of 8 percent. The loan was entirely converted in March 2018.

In 2016, the Parent Company acquired two new convertible loans from shareholders totaling SEK 7.75 million in the form of 7,751 convertible debt instruments, each with a nominal amount of SEK 1,000. The loans mature on 31 March 2021. Both carried an annual interest rate of 12 percent through the date of conversion. The loan was entirely converted in March 2018.

In 2017, the Parent Company acquired a new convertible loan from shareholders totaling SEK 8 million in the form of 8,000 convertible debt instruments, each with a nominal amount of SEK 1,000. It carried an annual interest rate of 12 percent through the date of conversion. The loan was entirely converted in March 2018.

NOTE M12 Accrued expenses and deferred income

Accrued expenses and deferred income

	2018-12-31	2017-12-31	2016-12-31	2016-01-01
Accrued vacation pay	0.3	0.1	0.0	0.0
Accrued social security contributions	0.2	0.0	0.0	0.0
Accrued interest expenses	1.0	44.1	26.4	22.0
Other accrued expenses	21.3	33.9	0.2	1.1
Total	**22.9**	**78.1**	**26.6**	**23.1**

NOTE M13 Pledged assets and contingent liabilities

Pledged assets

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

Pledged assets

	2018-12-31	2017-12-31	2016-12-31	2016-01-01
Participations in Group companies	–	203.5	203.5	123.8
Total	**0**	**203.5**	**203.5**	**123.8**

NOTE M14 Current liabilities

Current liabilities

	2018-12-31	2017-12-31	2016-12-31	2016-01-01
Accounts payable - trade	14.9	3.0	1.3	1.0
Total	**14.9**	**3.0**	**1.3**	**1.0**

Accounts payable - trade

All accounts payable are in SEK and payment terms are typically 30 days. For information on how the Group manages its liquidity risk, see Note 18, Risks.

Bank overdraft

Bank overdraft

	2018-12-31	2017-12-31	2016-12-31	2016-01-01
Granted credit	50.0	0.0	0.0	0.0
Utilized credit	0.0	0.0	0.0	0.0

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

NOTE M15 Specification, cash flow

Reconciliation of items not included in financing activities

	Liabilities to credit institutions	Intra-Group loans	Convertible loan	Total
as of 1 January 2016				
Opening cost	0.0	45.7	38.7	84.4
New loans	–	–	7.8	7.8
Loan amortization	–	–10.1	–	–10.1
Closing balance, 2016-12-31	**0.0**	**35.6**	**46.5**	**82.1**
New loans	50.2	2.4	8.1	60.7
Loan amortization	–2.2	–	–	–2.2
Not impacting cash flow	–	19.3	–	19.3
Reclassification to cash flow	7.5	–	–	7.5
Closing balance, 2017-12-31	**55.5**	**57.3**	**54.6**	**167.4**
New loans	495.0	–	–	495.0
Loan amortization	–69.7	–13.6	–	–83.3
Not impacting cash flow	–	–3.0	–54.6	–57.6
Closing balance, 2018-12-31	**480.8**	**40.7**	**0.0**	**521.5**

NOTE M16 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 7.

Options plan

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

Loans

In 2010, the company obtained a bridge loan for SEK 23 million from its main owner, FSN Capital III. The annual interest rate for the loan is 8 percent, which has been accrued. Most of the bridge loan has been settled against new issue of shares via a netting agreement decided on 4 August 2010, after which the remaining debt was SEK 1.8 million. The remaining bridge loan amount of SEK 1.8 million plus accrued interest was repaid to FSN Capital III on 31 January 2018. The total amount that was repaid, including accrued interest, amounted to SEK 3,241,868.

On 23 November 2017, the company acquired a loan for SEK 8 million from its main owner, which was temporary financing to carry out the acquisition of Jordelit. Annual interest on the loan was 5 percent and it has been fully repaid (SEK 5.66 million as a netting agreement in exchange for convertibles issued on 23 November 2017 along with a cash payment of SEK 2.34 million).

There is an outstanding loan between the company and its subsidiary, Green Landscaping AB, for approximately SEK 34 million. The liability has been accrued during the period 2010-2016, and the amount has varied over the years. Part of the liability, for example, was financing for the acquisition of GML Sport. It is a zero interest loan.

In addition to the transactions specified above, Green Landscaping 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 M17 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	394,360,722
Retained earnings	–102,965,857
Profit or loss for the year	–8,851,053
Total	**282,543,802**

The Board proposes that profit or loss is appropriated in the following way

Transferred to retained earnings	282,543,802
Total	**282,543,802**

APPROVAL OF THE FINANCIAL STATEMENTS

The consolidated financial statement for the reporting period that ended on 31 December 2018 (including comparison figures) was approved by the Board on 8 April 2019.

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 IFRS and generally accepted accounting principles, respectively and that they gives a true and fair view of the Group and the Parent Company's position and results.

The Board of 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, 8 April 2019

Per Sjöstrand
Chairman of the Board

Andreas Bruzelius
Director

Åsa Källenius
Director

Johan Nordström
Director

Staffan Salén
Director

Monica Trolle
Director

Our audit report was issued on 8 April 2019

Ernst & Young AB

Alexander Hagberg
Authorised Public Accountant

AUDIT REPORT

To the general meeting of the shareholders in Green Landscaping Holding AB, 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 Holding AB for the year 2018. The annual accounts and consolidated accounts of the company are included on pages 24-65 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 the parent company as of December 31, 2018 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 December 31, 2018 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. 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.

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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other Information than the annual accounts and consolidated accounts

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the pages 2-23 (but does not include the annual accounts, consolidated accounts and our auditor's report thereon).

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 intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

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.

Report on other legal and regulatory requirements

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 Holding AB for the year 2018 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 fulfill 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 whether the proposal is in accordance with the Companies Act.

Stockholm, April 8, 2019

Ernst & Young AB

Alexander Hagberg
Authorized Public Accountant

DEFINITIONS AND EXPLANATIONS

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.
EBITDA margin	Operating profit/loss before amortization and impairment of acquisition-related intangible assets along with depreciation, amortization and impairment of property, plant and equipment and intangible assets, as a percentage of sales.	EBITDA margin is a measure of operating profitability.
Adjusted EBITA	EBITA adjusted for items affecting profitability.	Adjusted EBITA increases the comparability of EBITA.
Adjusted EBITDA	EBITDA adjusted for items affecting profitability.	Adjusted EBITDA increases the comparability of EBITDA.
Adjusted EBITA margin	EBITA adjusted for items affecting comparability, as a percentage of sales.	Adjusted EBITA margin excluding the effect of items affecting comparability, which makes it possible to compare the underlying operating profitability.
Adjusted EBITDA margin	EBITDA adjusted for items affecting comparability, as a percentage of sales.	Adjusted EBITDA margin excluding the effect of items affecting comparability, which makes it possible to compare the underlying operating profitability.
Items affecting comparability (NRI)	Items that significantly deviate from ordinary business activities and which are limited to a single time (one-off). Examples are the listing on Nasdaq First North in March 2018 and termination of lease agreements in conjunction with acquisitions.	It provides a truer view of the underlying earnings.
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.
Adjusted working capital	Working capital not including accrued interest on shareholder loans.	It shows working capital, along with the underlying operation's working capital needs.

FUTURE REPORTING DATES

Interim report January-March	7 May 2019
Annual General Meeting	15 May 2019
Interim report January-June	28 August 2019
Interim report January-September	6 November 2019
Year-end report January-December	19 February 2020

COMPANY ADDRESS
Green Landscaping Holding AB
Klarabergsviadukten 70
SE-111 64 Stockholm

Mailing address
Green Landscaping
Box 703 96
SE-107 24 Stockholm