



ANNUAL REPORT 2019

We make cities more beautiful

GREEN LANDSCAPING IN BRIEF

Green Landscaping is Sweden's leading provider for maintenance and landscaping 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, we offer the market's most comprehensive service portfolio that aims to make cities more beautiful and also safer. The goal is to add value by creating environments where people can thrive. We offer a wide range of ground maintenance services that includes cleaning, lawn mowing, plant and tree care, road maintenance and snow & ice removal. In the area of landscaping, we create and construct outdoor environments around buildings and in parks. We have operations throughout Sweden, from Malmö in the south, to Skellefteå in the north, and Oslo in Norway gathered under five geographic segments.

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.



OUR SUBSIDIARIES



EVENTS IN 2019

- Green Landscaping changed its marketplace to Nasdaq Stockholm
- Acquisition of Mark & Trädgård Skottorp and HD Landscape's ground maintenance activities
- Integration of Svensk Markservice
- New segmentation such that there are now five geographic segments
- New management in Region East
- Mild winter, lacking snow and ice removal activities

Significant events after the end of the year:

- Förvärv av Park i Syd and Gast Entreprenør AS in Norway, which was the first outside of Sweden
- Subsequent to year-end 2019, the Board announced its intention to propose a preferential new share issue of SEK 150 million to finance its future acquisitions
- The corona pandemic has created much uncertainty about the future. Thus far, however, it has had a limited negative impact on the demand for our services. Up until now, it has had a limited financial impact on our operations. Nevertheless, we are planning for a less favorable business climate and maintaining a high level of preparedness for such

KEY PERFORMANCE INDICATORS

SEK m	2019	2018	Change, %
Sales	1,992.6	1,180.1	69%
EBITA	57.2	17.9	220%
Adjusted EBITA	90.1	59.8	51%
EBT	9.4	-12.0	178.3%
Basic earnings per share, SEK	0.20	-0.19	205.3%
Diluted earnings per share, SEK	0.20	-0.19	205.3%
Adjusted EBITA margin	4.5%	5.1%	-0.6 pp
Order backlog	3,565	3,880	-8%

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

NET SALES PER CUSTOMER GROUP

Customer group	%
Public sector	68%
Swedish government/county councils/municipalities	48%
Public properties/public welfare	20%
Private sector	32%
Private properties/residential	19%
Housing cooperatives/jointly-owned property	4%
Other	9%

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This annual report covers the operations of Green Landscaping Group AB (publ), Registration no. 556771-3465



CEO'S COMMENTS

2019 was an eventful and successful year for Green Landscaping. My role as leader of the company is both inspiring and challenging and seeing the success of our change efforts is particularly rewarding. We have a well-functioning strategy that we continually pursue and can see reflected in our improved financial results. There is also a very noticeable positive trend in the results from our customer and employee surveys, which we conduct regularly. In April, Green Landscaping changed its marketplace from Nasdaq First North to the main market listing, Nasdaq Stockholm. Furthermore, successful efforts associated with our acquisition of Svensk Markservice and other acquisitions have strengthened our position as Sweden's leading company for outdoor environments.

A year of high growth

Green Landscaping experienced significant growth in 2019. Sales amounted to SEK 1,992.6 (1,108.1) million, which is an increase of 69 percent. The growth in sales is well above our goal of 10 percent and it has primarily been fueled by the acquisition of Svensk Markservice. Adjusted EBITA amounted to SEK 90.1 (59.8) million, which is an increase of 51 percent. Adjusted EBITA margin amounted to 4.5 (5.1) percent, attributable to our many recent and ongoing activities aimed at achieving our target of 8 percent. There was a negative impact on earnings during the year from the mild winter conditions in most of the country. During a normal winter, we take on thousands of snow and ice removal assignments. For the fourth quarter of the year, we were only at around 10 percent of the volume we typically achieve. Our business model is fundamentally stable. Nevertheless, the extremely mild winter this year had a short-term negative impact that has made the long-term performance-enhancing measures we have implemented less visible.

A good deal

Looking back on the year gone by, we can conclude that our acquisition of Svensk Markservice has been a good deal in a variety of ways. In terms of earnings, we're on the right path with the company and it will make a positive contribution to our long-term performance. We have a solid position as number one in the Swedish market and we've achieved the critical mass we need for continued growth and profitability in all of the major metropolitan regions of Sweden.

The substantial effort associated with integrating Svensk Markservice into the Group has gone well. We've focused on streamlining measures and I'm pleased with how the organization has adapted and responded.

We also implemented a new segmentation of the business, developed various forms of collaboration between our companies, decentralized the structure and created new profit centers, appointed new management and consolidated facilities. These are just some examples of the work that has gone on. We simultaneously maintained our focus on delivering high quality to our customers.

Pursuing this type of integration, at such a quick pace, demands quite a lot from the organization. Our entrepreneurial company culture has been the

key to successfully implementing the integration. The work to integrate Svensk Markservice is still ongoing so that we may further improve efficiency and generate even more value to our customers.

Continued growth via acquisitions

Going forward, acquisitions will continue to be an important part of our strategy and we welcomed two successful companies to the Green Landscaping Group during the year. One is Mark & Trädgård Skottorp, which offers maintenance and outdoor environment services in Halland and Skåne. The other is HD Landscape's ground maintenance activities in Skåne.

Subsequent to the end of the year, we made two additional acquisitions. One is Park i Syd AB, with main operations in planning and landscaping in Skåne. The other is Gast Entreprenør AS in the Oslo region with operations in landscaping. The latter is our first acquisition outside Sweden. It is quite exciting that we have started to expand beyond to borders of Sweden and Gast Entreprenør provides us with an excellent foundation for making supplementary acquisitions in the region.

Our acquisition strategy is focused on consolidating the outdoor environment sector and we are actively seeking entrepreneurial, profitable and well-run companies to acquire.

In order to finance our acquisitions, we announced our intention to carry out a preferential new share issue of approximately SEK 150 million. Our three largest owners have already committed to 45 percent of that amount. The timing of this, however, is being discussed based on the current market situation.

Ready for the future

We are now looking to the future after having achieved many successes in 2019. We have a stable organization and are enthusiastic about focusing on profitability and

generating even more value to our customers. During the year ahead, we will continue pursuing our efforts to further decentralize the business by turning our current profit centers into subsidiaries. We are striving to increase the business acumen at our subsidiaries, since doing so creates the foundation for

both profitability and delivering high value to our customers. I believe that decentralized decision-making is a key component for achieving our goals.

To improve business acumen, we have invested in training and skill development for our current employees at various levels in the company through such things as leadership and mentoring programs and executive training. We are also striving to attract the best talent and entrepreneurs in our sector.

Impact of the COVID 19 pandemic

The corona pandemic has created much uncertainty about the future. Thus far, however, it has had a limited negative impact on the demand for our services. Some of the tendering processes have been delayed and rescheduled, along with some of the dates for starting up production. Up until now, however, it has had a limited financial impact on our operations. Nevertheless, we are planning for a less favorable business climate and maintaining a high level of preparedness for such.

Each and every day, we do important work that is visible to everyone who spends time in our outdoor environments in both Sweden, and now also in Norway. Together with all of my colleagues here at Green Landscaping, I look forward to continuing to create well-managed, sustainable and safe outdoor environments for our customers. I would also like to take this opportunity to sincerely thank everyone who contributed to our success in 2019.

Johan Nordström

CEO

«We have a solid position as number one in the Swedish market»

BUSINESS MODEL

VISION

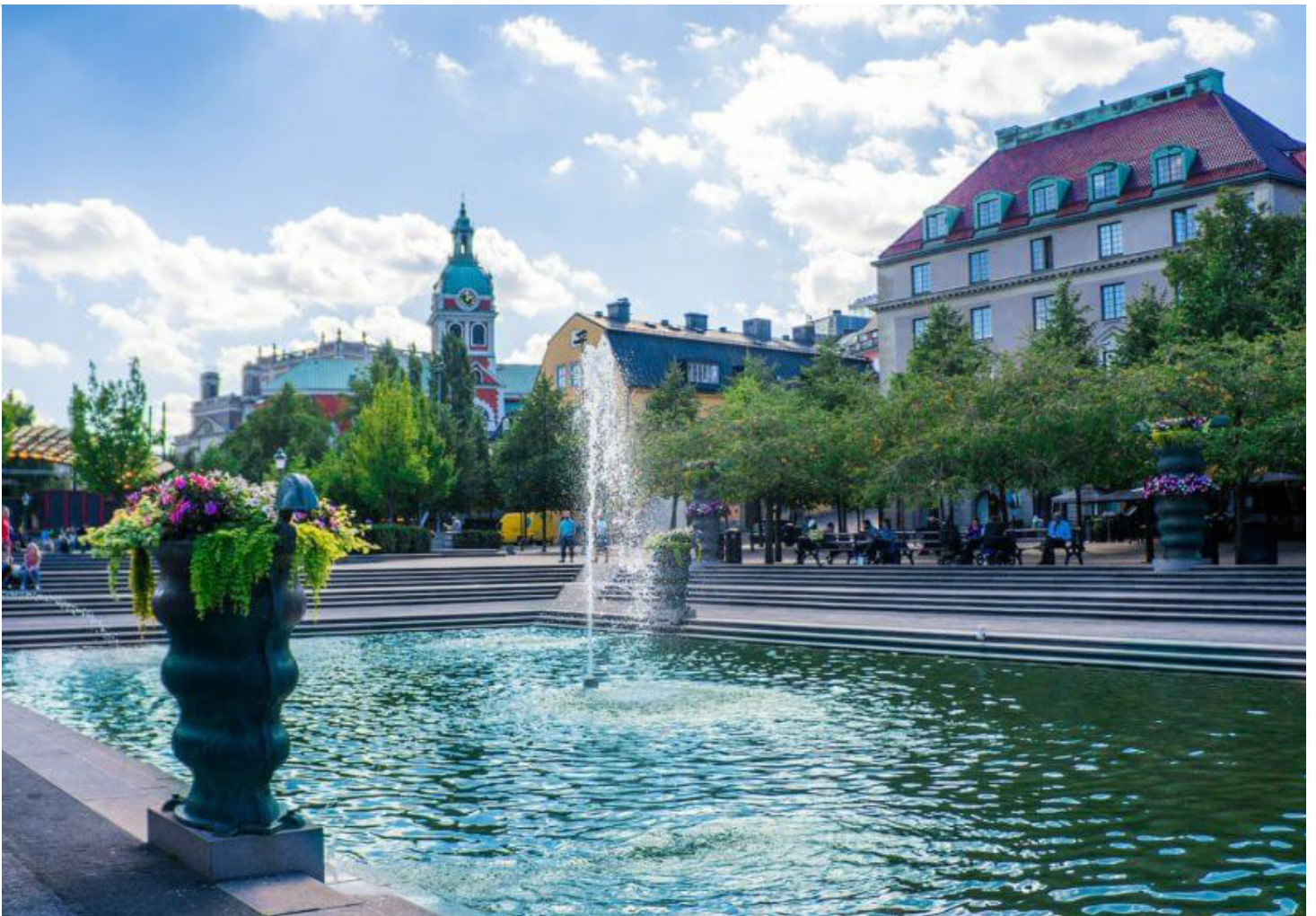
Green Landscaping's vision is to create a green city that benefits all via entrepreneurship, social responsibility and sustainable entrepreneurship.

BUSINESS CONCEPT

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.

THE GREEN MODEL

Green Landscaping's decentralized organizational structure enables us to benefit from the advantages associated with strong local ties and shared 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 entrepreneurship, 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 promotes 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 ethics and morality in running the

business. 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 help make the company's cash flow predictable.

GOALS AND STRATEGY

GOALS	RESULTS	COMMENTS
SALES GROWTH		
10%	68.9%	Sales shall, on average, grow by 10 percent per year (organically and via acquisitions). Results in 2019: 68.9 percent, of which 1.6 percent was organic. Sales growth is primarily attributable to the acquisition of Svensk Markservice. The mild winter, however, had a negative impact on growth.
PROFITABILITY		
8%	4.5%	EBITA margin shall amount to 8 percent. Results in 2019: 4.5% (adjusted EBITA margin) There was a positive impact on the margin from synergies that have been realized. The mild winter and costs associated with the integration of our subsidiaries has, however, had a negative impact.
CAPITAL STRUCTURE		
<2.5 times	<3.3 times	Net debt in relation to EBITDA shall, over the long term, not exceed 2.5 times. Results in 2019: 3.3 times (adjusted EBITDA) The results reflect the fact that the company is going through a phase of expansion, where several acquisitions have been made over the last few years.
DIVIDEND POLICY		
40%	0%	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 2019: 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 our subsidiaries' 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. Efforts are underway to convert the profit centers of Green Landscaping AB and Svensk Markservice AB into subsidiaries. Doing so will help us further solidify our position and create organizations with strong customer relations and local ties.

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 companies with sales ranging from SEK 30-150 million, along with smaller companies.

SEK 30-150 million companies (Sweetspot)

- Sales of SEK 30-150 million;
- Ability to generate synergies with both deliveries and purchasing;
- Focus on profitable contract portfolios;
- Strong local brand.
- In the same geographic region where we currently operate.

Smaller companies (Bolt-ons)

- Sales less than SEK 20 million;
- Otherwise, the same criteria as with smaller acquisitions.
- Unlike the SEK 30-150 million companies, these are typically integrated into our existing operations.

When identifying acquisition candidates, Green Landscaping seeks companies that have the following characteristics:

- Well-functioning, stable and profitable companies;
- Competent management teams
- Talented entrepreneurs
- Strong local brands
- Companies with long-term customer relationships and contracts
- Business in areas where Green Landscaping is also active, or in closely related areas

In the Sweetspot category, we acquired Mark & Trädgård Skottorp and the ground maintenance activities of HD Landscape during 2019.

In the Bolt-ons category, we acquired the operations of both DTI Kompaktschakt and Öbergs Entreprenad i Mölnlycke AB.

At the start of 2020, we acquired Gast Entreprenør AS in Norway and Park i Syd AB.

Green Landscaping may acquire larger companies for the purpose of becoming established in new geographic regions.



MARKET OVERVIEW

MARKET

The market in brief

Green Landscaping is active in the Swedish market¹⁾ 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. The total market in Sweden is estimated at SEK 30 billion. Of the total market, almost 70 percent has been allocated to external suppliers. The market is fragmented and it consists of approximately 6,300 companies, of which Green Landscaping regards approximately 1-2 companies as competitors at the national level and approximately 2-5 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. It is estimated at SEK 22 billion. Of this market, approximately 70 percent is ground maintenance, 25 percent is landscaping and 5 percent is specialist services. The addressable market is expected to have annual average growth of approximately 5 percent over the next few years. That figure results from assessments by our own analysts as well as information taken from external market analyses that were conducted in conjunction with major transactions in the sector during 2018 and 2019.

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 struc-

tured 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

¹⁾ As of February 2020 also in the Norwegian market via the acquisition of Gast Entrepreneur AS.



there is a strong demand for such in urban environments. Several studies have been published documenting the positive health effects from green areas, such as lower stress and motivating people to exercise. Parks, green areas and other easily accessible nature areas greatly impact opportunities for outdoor physical activity. If children spend more time in green areas, it has a positive effect on their ability to concentrate. They also become more active and are healthier. An inactive lifestyle can lead to mental illness, a higher risk of heart disease and obesity. 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 landscaping, 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.

Ground Maintenance & Landscaping

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.

Sports Landscaping

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 of services is becoming increasingly common and the quality requirements are also increasing.

Arborist services

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.



GROUND MAINTENANCE & LANDSCAPING



Green Landscaping's offering

Ground Maintenance & Landscaping is Green Landscaping's largest service area and it accounted for 88 percent of the group's net sales in 2019. Ground maintenance and landscaping, which is also referred to as landscaping, are closely intertwined, since landscaping is often added in the form of upselling linked to the ongoing 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, landscaping and renovation of green areas, along with minor construction projects like playgrounds, sedum roofs and other outdoor structures.

Customers and agreements

Customers in the service area 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, typ-

ically 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. Examples of projects are new construction or renovation of playgrounds and outdoor environments at preschools, parks and residential areas.

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.



SPORTS LANDSCAPING



Green Landscaping's offering

Sports Landscaping accounted for 8 percent of the Group's net sales in 2019. These services are offered via Green Landscaping's subsidiaries, Svensk Jordelit and GML Sport. Svensk Jordelit is currently Sweden's leading company for sports landscaping product sales to golf courses and football facilities. GML Sport is a complete provider of professional solutions for all sports practiced on green surfaces.

Customers and agreements

For both of our companies in the Sports Landscaping segment, their main customers for both product sales and operation & maintenance agreements are in the golf and football sectors. Svensk Jordelit actively engages with 380 of Sweden's 450 golf clubs to offer everything from full-range solutions that include products, service and advice to sale of specific, individual products. Svensk Jordelit currently has a stable customer base and the company has a reputation for very high customer satisfaction. For many years, it has been the leading company in its sector as regards both training and advice. Furthermore, via their collaboration with

the Swedish Football Association and Swedish Greenkeepers Association, they have created a platform for training future maintenance personnel.

GML Sport is currently the largest single company in Sweden providing the professional solutions required for running sports facilities. Its largest customer category is golf courses and they have established a successful concept with long-term contracts. Landscaping work primarily consists of renovation and installation of natural grass pitches. However, the company also has its own hybrid grass agency and is a market leader in that segment.

Market and driving forces

The market is dominated by a few specialist companies in both the service and product segments. Organizations have typically managed their golf courses and football fields themselves. However, outsourcing is becoming increasingly common and the quality requirements are also raising. In recent years, the demand for training has grown, particularly in the football segment, where Svensk Jordelit currently has a strong position in the market.

ARBORIST SERVICES



Green Landscaping's offering

Arborist Services accounted for 4 percent of the group's net sales in 2019. 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 service area 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 high requirements on the quality and expertise necessary for creating a high recreational value, safety requirements and increasing 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.

XEED

Exklusiva gräsprodukter till villaägare!



In conjunction with Green Landscaping’s acquisition of Svensk Jordelit, a concept and vision began to take shape of also offering the consumer market world-class products and advice. We believe that many individuals are looking for easy methods and products and can help them create perfect lawns at their properties. Jordelit is already an established provider of products from the world’s best suppliers of grass, fertilizers and associated products. Its primary focus, however, has been on professional customers such as golf courses and football facilities.

To fill the gap, we created XEED. We created a new concept in a traditional sector that is directed at the consumer market. Now, everyone can have access to Jordelit’s extensive experience and professional products via the e-commerce site: xeed.se. With XEED, our aim was to create something new and unique. It’s an entirely new concept for customers who simply want the best products and solutions available on the market.



SEGMENT

GREEN LANDSCAPING SEGMENTATION

Green Landscaping consists of several profit centers working with ground maintenance and landscaping, sports landscaping and arborist services. The Group is gathered under five geographic segments, which reflects the geographic locations of our profit centers. The results of our staff office are presented separately so that we can provide transparency on the Group's central support functions.

REGION SOUTH

Region South is comprised of the counties of Skåne and Halland, with particular emphasis on the cities of Malmö, Lund, Vellinge, Staffanstorps, Kävlinge, Helsingborg, Varberg and Halmstad. Mark & Trädgård Skottorp AB was acquired in July 2019 and in November 2019, a net asset acquisition of the ground maintenance activities of HD Landscape AB



was made. The service offering in the region consists of ground maintenance and landscaping. For 2019, Region South reported sales of SEK 371.1 (195) million and adjusted EBITA of 25.6 (8.6) million. There were 349 (115) employees in the region. During 2020, we will turn three of the profit centers of Green Landscaping AB and Svensk Markservice AB into subsidiaries that will be added to the region. In February 2020, Park i Syd AB was acquired.

Subsidiaries in Region South

Mark & Miljö Projekt AB

Mark & Miljö creates, constructs and maintains outdoor environments for housing cooperatives and property companies in southwestern Skåne. It primarily offers renovation of residential outdoor environments as a general contractor, taking responsibility for all stages – from planning and design to completion of the project.

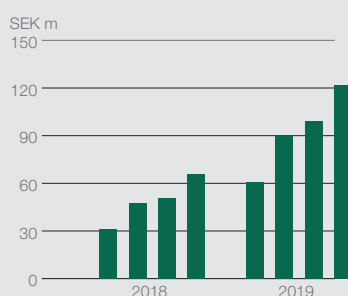
Mark & Trädgård Skottorp

Mark & Trädgård Skottorp AB provides maintenance of outdoor environments. Among its main customers are public housing companies and municipalities. Most of its business is ground maintenance. It also offers landscaping service, however. Geographically, the company serves northwestern Skåne and Halland via its offices in Laholm, Ängelholm and Halmstad.

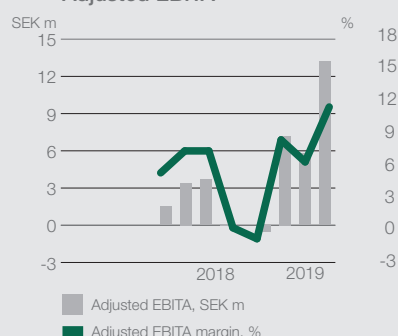
In this region, business is conducted via our subsidiar-

KPIs REGION SOUTH

Sales per quarter



Adjusted EBITA



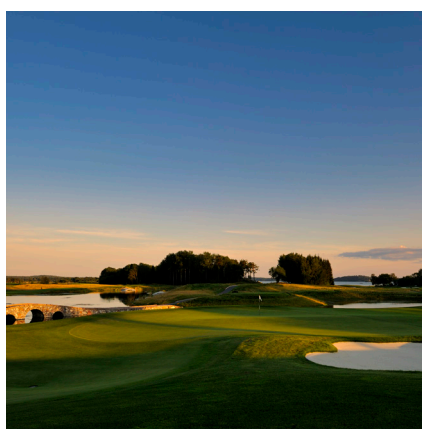
ies, Green Landscaping AB and Svensk Markservice AB, along with three profit centers consisting of a mix of each company. The profit centers are called Malmö, Helsingborg/Halland and Skåne. During 2020, each will be turned into a subsidiary.

Green Landscaping AB

Green Landscaping offers a full range of services related to outdoor environments, such as ground maintenance and landscaping. Customers are primarily county councils, municipalities, property managers, property companies and others who own or manage green areas associated with urban development.

Svensk Markservice AB

Svensk Markservice is a leading provider of ground maintenance and its service offering includes both ground maintenance and landscaping. The company develops and maintains outdoor environments in an efficient way, working in close collaboration with its customers. They are primarily county councils, municipalities, property managers, property companies and others who own or manage green areas associated with urban development.



cities of Gothenburg, Alingsås, Tranemo, Borås, Strömstad and Linköping. The service offering in the region consists of ground maintenance, landscaping and sports landscaping. For 2019, Region West reported sales of SEK 752.9 (548.3) million and adjusted EBITA of 39.9 (24.9) million. There were 383 (237) employees in the region.

Subsidiaries in Region West

Tranemo Trädgårdstjänst AB

Tranemo Trädgårdstjänst specializes in landscaping and gardening. It works with previously undeveloped property, landscaping at existing developments and year-round maintenance. Its customers include construction companies, municipalities, industries, housing cooperatives, smaller companies and individuals. Geographically, the company runs its operations in Tranemo, Borås and Ulricehamn.

GML Sport AB

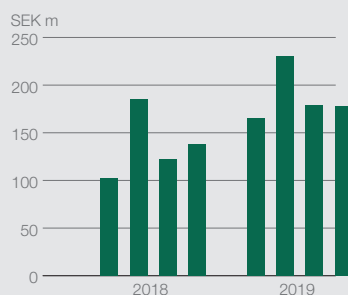
GML Sport is a full-range supplier of specialized services for sports landscaping that includes golf course maintenance, drainage and hydroseeding. It offers consultancy, product sales and maintenance of sports and leisure facilities, such as golf courses and football fields. Other services are offered 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.

REGION WEST

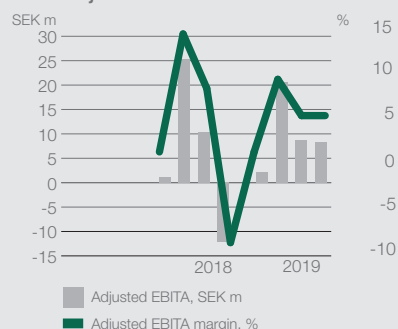
Region West consists of Västra Götaland, Jönköping, Kronoberg and Östergötland with particular focus on the

KPIs REGION WEST

Sales per quarter



Adjusted EBITA



Green Landscaping has a reputation for high quality and focus on the customer. The company has its head office in Gothenburg, but it participates in assignments in all parts of Sweden.

Svensk Jordelit AB

Svensk Jordelit AB has a market-leading position as advisor and supplier of products for sports landscaping, with a particular focus on golf courses and football fields. Its service offering consists of consultation and product sales within, primarily, the golf and football sectors where it has a reputation of high customer satisfaction and a strong presence in the market. In 2019, the company launched a new website, xeed.se, which is an e-commerce site offering professional products to the private market. Svensk Jordelit collaborates with the Swedish Football Association and the Swedish Greenkeepers Association. The company has its head office in Gothenburg, but its sales force covers all of Sweden.



In this region, Green Landscaping AB and Svensk Markservice AB conduct business via a profit center consisting of a mix of each company. It is called the Gothenburg profit center. During 2020, the Gothenburg profit center will be subdivided into the following profit centers: Gothenburg maintenance, Gothenburg landscaping, Bohuslän and

Östergötland.

Green Landscaping AB

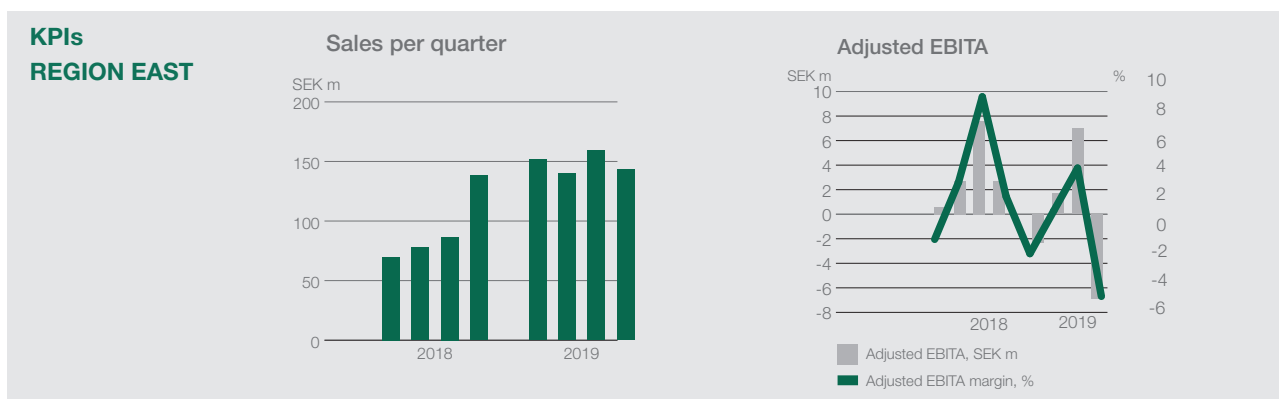
Green Landscaping offers a full range of services related to outdoor environments, such as ground maintenance and landscaping. They are primarily county councils, municipalities, property managers, property companies and others who own or manage green areas associated with urban development.

Svensk Markservice AB

Svensk Markservice is a leading provider of ground maintenance and its service offering includes both ground maintenance and landscaping. The company develops and maintains outdoor environments in an efficient way, working in close collaboration with its customers. They are primarily county councils, municipalities, property managers, property companies and others who own or manage green areas associated with urban development.

REGION EAST

Region East is comprised of the counties of Stockholm and parts of Uppland. The service offering in the region consists of ground maintenance, landscaping and arborist services. For 2019, Region East reported sales of SEK 593.9 (372.6) million and adjusted EBITA of -0.5 (12.4) million. There were 323 (217) employees in the region.



Subsidiaries in Region East

JE Mark AB

JE Mark AB is a leader in landscaping within the Stockholm region. The company offers various sizes of landscaping contracts to its customers, which include housing cooperatives, construction companies, property companies, management companies and municipalities. JE Mark AB performs many types of tasks, ranging from specialized landscaping projects and park landscaping, to maintenance of outdoor environments.

Björntreprenad AB

Björntreprenad AB is a full service company for ground maintenance and landscaping. It runs its operations from the municipality of Bro (north of Stockholm) and serves the surrounding area. Its customers are primarily municipalities and housing cooperatives.

Jackson Trädvård AB

Jacksons Trädvård specializes in arborist services and forest management and nature conservation. 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.

In addition, it 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. Its customers are primarily customers with long-term agreements in place and large property holdings, such as municipalities, property companies and government authorities with framework agreements. The company has offices in Stockholm and Gothenburg. It primarily runs its operations in Stockholm, including the Region Mälardalen, as well as the entire west coast and region surrounding Götene municipality.



In this region, business is conducted via our subsidiaries, Green Landscaping AB and Svensk Markservice AB, along with three profit centers consisting of a mix of each company. The profit centers are called: Ground Maintenance Stockholm, Ground Maintenance Stockholm City and Ground Maintenance Stockholm South.

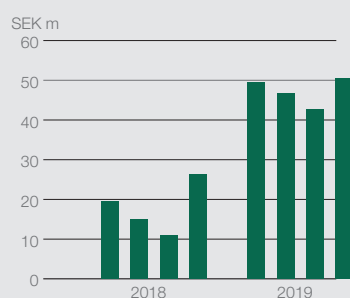
Green Landscaping AB

Green Landscaping offers a full range of services related to outdoor environments, such as ground maintenance and landscaping. They are primarily county councils, municipalities, property managers, property companies and others who own or manage green areas associated with urban development.

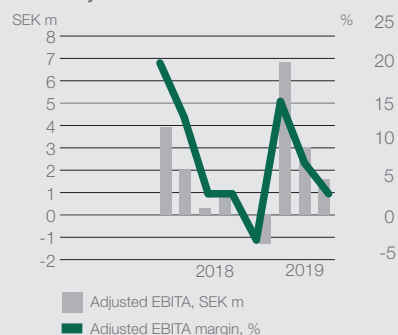
Svensk Markservice AB

**KPIs
REGION MIDDLE**

Sales per quarter



Adjusted EBITA



Svensk Markservice is a leading provider of ground maintenance and its service offering includes both ground maintenance and landscaping. The company develops and maintains outdoor environments in an efficient way, working in close collaboration with its customers. They are primarily county councils, municipalities, property managers, property companies and others who own or manage green areas associated with urban development.

REGION MIDDLE

Region Middle consists of the following counties: Värmland, Örebro, Västmanland, Dalarna, Gävleborg, Uppsala and Roslagen. The service offering in the region consists of ground maintenance and landscaping. For 2019, Region Middle reported sales of SEK 189.4 (71.6) million and adjusted EBITA of 10.1 (7.0) million. There were 87 (12) employees in the region.

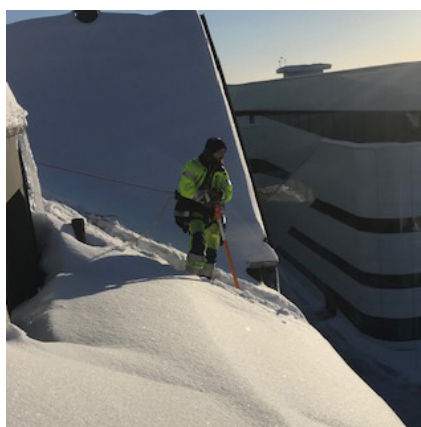
Subsidiaries in Region Middle

Green Landscaping AB

Green Landscaping offers a full range of services related to outdoor environments, such as ground maintenance and landscaping. They are primarily county councils, municipalities, property managers, property companies and others who own or manage green areas associated with urban development.

Svensk Markservice AB

Svensk Markservice is a leading provider of ground maintenance and its service offering includes both ground maintenance and landscaping. The company develops and maintains outdoor environments in an efficient way, working in close collaboration with its customers. They are primarily county councils, municipalities, property managers, property companies and others who own or manage green areas associated with urban development.



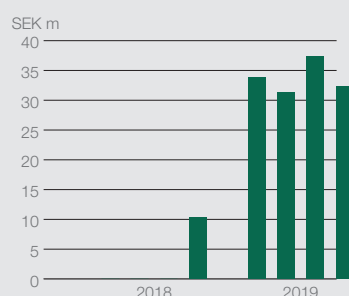
REGION NORTH

Region North covers the counties of Västerbotten, Västernorrland, Jämtland and parts of Gävleborg. Operations are coordinated through the office in Umeå and it serves the entire coast of Norrland from Härnösand, Sundsvall, Örnsköldsvik, Umeå and further north to Skellefteå. The service

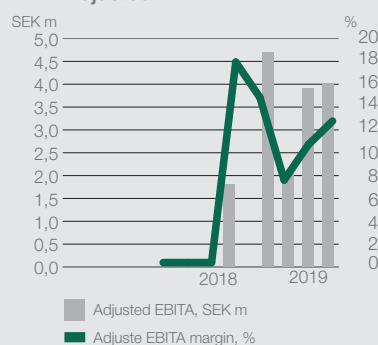
offering in the region consists of ground maintenance and landscaping. For 2019, Region North reported sales of SEK 134.8 (10.3) million and adjusted EBITA of 14.6 (1.8) million. There were 99 (5) employees in the region.

**KPIs
REGION NORTH**

Sales per quarter



Adjusted EBITA



Subsidiaries in Region North

Svensk Markservice AB

Svensk Markservice is a leading provider of ground maintenance and its service offering includes both ground maintenance and landscaping. The company develops and maintains outdoor environments in an efficient way, working in close collaboration with its customers. They are primarily county councils, municipalities, property managers, property companies and others who own or manage green areas associated with urban development.

STAFF OFFICE

The Group consists of a small staff office and shared services for Green Landscaping, Svensk Markservice, and a number of subsidiaries for IT, salary administration and accounting. Sales consist of internal invoicing. For the period January – December 2019, sales were SEK -49.5 (-17.7) million. Adjusted EBITA for the period January – December amounts to SEK 0.4 (5.1) million and there are 5 employees working at the staff office.

SUSTAINABILITY REPORT

SUSTAINABILITY

In order to thrive, human beings require functional environments that are also beautiful, peaceful and safe. We all strive for balance in meeting the demands of everyday life, while also finding time for reflection and relaxation. And, it's important to feel safe when returning home at night. As a developer of outdoor environments, Green Landscaping strives to create safe, clean environments that provide the local residents with a sense of well-being. How we design outdoor environments also impacts the perceived sense of safety and security in society.

The population in Sweden is growing and there is also a trend of increasing urbanization, with more people moving to cities and central locations. This increases the need for more urban green areas and that is where Green Landscaping's operations can add the most value.

We shall contribute with economic, social, environmental and climate-related sustainable investments and initiatives that create a healthy society and thriving entrepreneurship. At Green Landscaping, we believe that it is competitively advantageous to take responsibility for people, the environment and our entire business.

Our point of departure for sustainable entrepreneurship

is to analyze and manage the opportunities and risks that exist in our own most relevant sustainability aspects. We measure and monitor a number of sustainability KPIs, which are presented in this sustainability report.

Green Landscaping's sustainability efforts are also characterized by responsibility, openness, ethical behavior and respect for our stakeholders. We achieve sustainable development via our work with continual improvements, long-term customer relationships, skilled employees and planning of our operations.

Green Landscaping's shared values are presented in our Sustainability Policy and our Code of Conduct. These policy documents provide us with guidance on how we shall create value, contribute to a sustainable society, prevent risks in our operations and manage unexpected events.

The purpose of this report is to provide Green Landscaping's stakeholders with perspectives on how we, as a company, create value for our customers, employees and the communities where we do business.

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



Sustainability principles

We have defined how we work with sustainability in our operations in accordance with three principles:

- Developing environmentally sustainable solutions
- Being an attractive employer
- Making responsible financial decisions

Our business concept and business model provide the basis for our work with sustainability. The target groups for our sustainability efforts are: our customers, current and future employees, suppliers, shareholders and the communities where we do business.

Three principles have been identified, which provide the foundation for Green Landscaping’s sustainable business pursuits. These principles are critical to the company’s profitability and thus, they serve as guidelines for future sustainability efforts. They are: developing environmentally sustainable solutions for our business; being an attractive employer for our existing and potential employees; and making responsible, long-term financial decisions.

Our stakeholders

We have conducted a study to identify our most important stakeholders, which has not only helped us prepare this report, but also prioritize our future sustainability efforts in the right way. We have also designed a plan on how to engage in dialog with each of our important stakeholder groups.

Employees are our most important resource. Their expertise and experience is what enables the company to provide the services we offer to our customers. We also strive to maintain a frequent, open dialog with our customers, the local community and government authorities.

We support the communities where we do business by collaborating with the local authorities on issues that are strategically important to us, or where we can make a specific contribution.

Stakeholder groups	Plan for engagement
Employees	Annual employee surveys, site meetings, performance appraisals
Customers	Regular meetings with customers and annual customer satisfaction surveys.
Subcontractors	Regular contact, planning & coordination meetings for all joint assignments.
Shareholders	Interim reports, annual general meeting and meetings/ events with investors.
Government authorities	Contact and meetings to discuss current matters, as needed.

UN 17 Sustainable Development Goals

In 2015, world leaders met at the UN headquarters and agreed to 17 Global Goals for creating a better world by 2030 by ending poverty, fighting inequality and addressing the urgency of climate change. The concept of sustainable development is comprised of social, economic and environmental aspects. Everyone has equal responsibility for global development, from the individual to global level. Furthermore, to achieve these goals, every member country must act and cooperate with the business community. Each of the 17 SDGs is equally important, but for our initial efforts, we have decided to focus on two of them in particular.

For SDG 8 (Decent Work and Economic Growth), we shall focus on social responsibility. For SDG 11 (Sustainable Cities and Communities), our focus is on creating “attractive living environments”. Green Landscaping shall, with this in



mind, contribute to achievement of the SDGs by putting our efforts into activities that can have the largest impact.

**MANAGEMENT SYSTEM AND POLICIES
IMPLEMENTATION OF THE CODE OF CONDUCT**

The purpose of the Code of Conduct is to communicate our ethical values and business principles to all of our employees, customers, suppliers, business partners and owners. It also provides us with guidance when carrying out our everyday tasks. Areas covered include conflicts of interest, gifts and entertainment, bribery and many other important topics.

The Code of Conduct has been adopted by Green Landscaping’s Board of Directors. The Group’s CEO has delegated responsibility for its implementation and ensuring compliance with the Code to the CEO of each subsidiary.

All employees have been informed of the content of the Code of Conduct. The Code of Conduct was updated during the year and it is based on five main areas:

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

EMPLOYEES

Green Landscaping has approximately 1,300 employees. Most of our employees are working at one of our local subsidiaries, where they meet with customers to discuss

and implement the care and landscaping of their outdoor environments.

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

	2019	2018	2017
Number of employees (FT)	1,245	463	419
Percentage women	21%	17%	18%

Each year, Green Landscaping carries out a survey to assess how its employees feel about the company as an employer.

The most recent employee survey was conducted in August 2019 and the response rate was 70%.

	2019	2018	2017
Employee satisfaction eNPS	-1	-4	-34

NPS = Net Promoter Score. NPS is measured on a scale of -100 to +100

The results from our employee survey provide an important tool for further developing the company and workplace for our employees. The next employee survey will be conducted in 2020.

During 2019, we continued our work with employee training and skill development via Green Academy. More information on the program is provided on 31.

WORK ENVIRONMENT

Green Landscaping’s operations fall within the scope of laws and regulations on health & safety and the work environment. There is a risk that our employees, subcontractors or other third parties fail to comply with health & safety regulations, environmental regulations or that they fail in other ways. In conjunction with providing services, such failures could result in personal injury, or in the worst case, death.

To prevent accidents at work sites, we keep statistics and provide regular training to employees to ensure that the appropriate personal protective equipment is always used.

Through Green Academy (our employee training initiative) we identify the skill areas that our employees would like to

develop within the scope of work environment risks.

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

We actively work with preventive measures aimed and maintaining the well-being of our employees and reducing sick leave. Our aim is to ensure that employees on long-term sick leave, or with recurrent short-term absences, are offered rehabilitation and screening.

We adapted our existing method to the UN Guiding Principles Reporting Framework. The framework has helped us upgrade our method and ensure that we have identified the most important risks with the most serious consequences, along with managing such risks.

	2019	2018	2017
Number of employees (FT)	1,245	463	419
Absence due to illness	3.1%	3.3%	5%
Accidents	61	28	14

SATISFIED CUSTOMERS

Good service is important to us. Satisfied customers is a key success factor for growing the company and developing our business. Otherwise, we face the risk of slow processes, appeals and negative publicity. We also have a responsibility to contribute to social sustainability and tolerance in society.

Our interaction with customers occurs both digitally and directly. The results from customer surveys are taken seriously and we take action to improve our processes and plans so that we can increase value to customers. All efforts to engage more closely with customers, however, also involve exposure to new risks if we fail to listen, provide feedback and follow up. We must ensure that each customer receives the same excellent treatment from every contact they have with the company. Our work to improve existing processes is also ongoing.

	2019	2018	2017
Customer satisfaction NPS	27	34	24

NPS = Net Promoter Score. NPS is measured on a scale of -100 to +100

Sustainable contracts

Every assignment should be carried out such that it serves as a recommendation for new assignments. Fulfillment of these obligations and thus also our motivation for remaining competitive and successful is possible via our resources, organization and work efforts. But even more so, it is reliant on our attitude to quality and our commitment to continually improve our quality assurance system.

All of our obligations, actions and services should demonstrate our commitment to quality.

Our most important measure of quality is the level of customer satisfaction that we achieve. Our customers should always have full confidence in us when they contract our services. Customer requirements and preferences shall be satisfied by ensuring that our efforts meet the agreed terms.

FINANCIAL STABILITY

Much of our sustainability work is focused on making responsible financial decisions. For our customers, it is very important that Green Landscaping has sustainable, stable operations and a good credit rating. Since 2017, Green Landscaping has been focusing on profitable growth via both organic growth and acquisitions. Green Landscaping strives to maintain solid creditworthiness corresponding to at least an “A” rating in the Bisnode Soliditet credit rating system.

PURCHASING

Green Landscaping collaborates with carefully selected suppliers of both goods and services, always striving to set up long-term business relationships. The subcontractors we engage represent us when carrying out their assigned tasks and accordingly, it exposes us to certain quality, environmental and work environment risks. Therefore, we have an accreditation system set up for our subcontractors. The purpose is to ensure compliance with our requirements and commercial terms.

All of our most important suppliers and subcontractors have accepted our “Code of Conduct for Suppliers and Subcontractors”.

ATTRACTIVE LIVING ENVIRONMENTS

Green Landscaping strives to provide sustainable ground maintenance and landscaping in a service package that provides value to our existing and new customers. Green Landscaping endeavors to work in partnership with its customers to create thoughtful, nurturing and pleasant outdoor environments. Through collaboration, opportunities arise for customers to develop their own sustainability efforts, enhance the value or attractiveness of their property holdings, or increase the value of investments they've made in the outdoor environment.

Green Landscaping understands the benefits associated with having good customer references. It strengthens our brand and leads to a higher likelihood of winning even more contracts. It is clear that benefits to society are generated by developing residential property, parks and recreation areas. Both residents and users obtain more sustainable surroundings when health and social aspects are improved.

ENVIRONMENT AND CLIMATE

Green Landscaping's business activities contribute to a more unique cityscape, preservation of natural environments and biodiversity. We help 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, we compensate for the emissions resulting from our operations. The long-term goal is to be a climate-neutral company, which is also a demand from our key customers.

For Green Landscaping, management of environmental risks is a continual, ongoing process. To understand and actively work with our climate impact, we review and document our energy consumption so that we can identify areas to focus on that will enable us to lower our emissions. We also manage waste and chemicals systematically, safely and in an environmentally friendly way, based on the legal requirements.

From our risk assessment, we have concluded that climate change could result in a higher need for ground maintenance as a result of more rainfall and warmer temperatures. A higher level of activity will result in higher costs during summer. However, higher temperatures in winter also

lower the demand for services, and thus our revenue (when we get rain instead of snow). Because climate change could have a direct impact on our operations, we are particularly serious about taking action to lower our greenhouse gas emissions.

There are also risks associated with failure to fully implement and/or comply with external legal requirements, along with policies and guidelines that are relevant to our environmental efforts. We have thus established a sustainability group that is tasked with providing guidance and assistance to Green Landscaping on environmental issues and sustainability. The sustainability group provides in-house training covering the external and internal requirements on environmental work.

We do our part in helping create a green society and circular economy. This means that we:

- Comply with relevant legislation and other requirements
- Have documented environmental goals and requirements
- Ensure that our working method continually prevents pollution and minimizes emissions or other damage to the environment
- Are continually refining our environmental commitment in accordance with our environmental process
- State environmental requirements when purchasing goods and services

Environmental aspects

Based on the flow of materials, resources and energy consumption in our business, we have prepared and maintain an inventory of the environmental aspects. We then set priorities for the business, based on our assessment of the environmental aspects, economic aspects and requirements from our stakeholders. The priorities form the basis for setting targets and designing improvement initiatives for environmental efforts.

Greenhouse gas emissions

Of all our environmental aspects, transports is the most important. As such, the focus of our structured efforts to lower

climate impact in recent years has been on understanding and lowering our fuel consumption.

Green Landscaping benefits in many ways by having a sustainable approach to the environment, economy and society. For example, the company has concentrated all administration of vehicles in a single car pool. It helps ensure that the oldest vehicles are sold first and that newer cars are reallocated within the organization, making adjustments as needed when Green Landscaping's own demand for vehicles fluctuates. We thus focus on gradually renewing our fleet of vehicles and machinery. We are thereby increasing the percentage of fuel-efficient vehicles and machinery. Doing so enhances profitability since we lower our costs. It also lowers the negative environmental and social impact.

Below are some of the other measures taken during the year to lower our greenhouse gas emissions:

- More use of electric cars for shorter transports
- More use of electric power tools
- Implementation of a working method for route planning that results in shorter routes, lower fuel consumptions, cost savings and a lower climate impact.

Management of environmentally hazardous products

Green Landscaping has routines in its management system for storage, use and waste associated with hazardous products, such as chemicals. Management of chemical products is continually monitored. In addition, the safety and product information for the chemical products we use is available in a mobile app so that our employees can easily access the information on site. We continually strive to lower the risks associated with use of chemicals. For example, where possible, we have switched to less hazardous products and we have strict rules and documentation requirements for use of pesticides.

Waste and recycling

Waste is a consequence of Green Landscaping's operations. For example, there is organic waste resulting from ground maintenance along with unsorted waste collected in the bins that are available in public environments. These two types of waste account for a large portion of the total waste.

With landscaping activities, waste is often generated in the form of old, torn-up asphalt, concrete and wood. From the organization's own activities, there is office waste, electronics and some chemical residues and packaging.

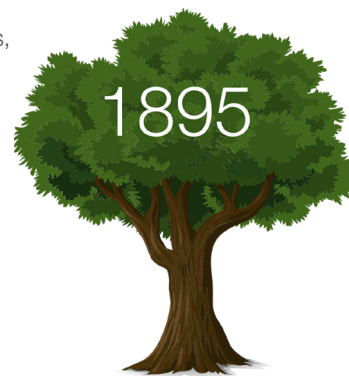
In the company's management system there are routines for how all types of waste are to be managed such that there is the lowest possible environmental impact. Most waste is sorted and handed in for recycling. We also strive to, as much as possible, reuse materials within our own scope of operations.

Green Landscaping has its own permit for transporting non-hazardous waste. We also collaborate with subcontractors that have own permits for transporting the waste that we don't manage ourselves. Furthermore, we strive to, first and foremost, sort and manage waste where it arises, avoiding unnecessary transports.

Energy consumption

Because of its large size, Green Landscaping fall under the scope of the Swedish Law on Energy Audits in Large Companies (2014:266). The work to document energy consumption is time-consuming, since, for example, heating and lighting is included in the total cost of most leases, without specification/separate measurement. The calculations that were possible to make, however, show that the company's largest environmental impact comes from transports and work with machinery, since these things primarily rely on fossil fuels. Accordingly, this is where we have focused most of our efforts in recent years and where we will keep trying to improve.

Energy consumption is a key issue in the contract work we carry out and our customers also care about this very much. We have identified several economic and environmental risks associated with our management of energy consumption. If we do not become even better at informing employees, partners and customers about what we're do-



ing to protect our environment, via, for example, training in environmental and energy issues, there is a risk that we will unintentionally erode their confidence in us. The company's energy consumption associated with offices, garages, storage space and staff areas has a lower environmental impact than its use of machinery and vehicles. However, it is still an important factor. We are thus working to document, impact and lower our energy consumption as much as possible.

	2019	2018	2017
Greenhouse gas emissions	0.0020	0.0025	0.0022
Planting of trees	1,895	760	1,438

ANTI-CORRUPTION

Green Landscaping engages subcontractors to supplement its own staff. There is a risk that subcontractors fail to comply with the laws and requirements applicable to our operations.

When it comes to corruption, we face the greatest risk through interaction with suppliers since collaboration with suppliers on the service side often is relationship-based. This applies to everyone who is in some way involved in purchasing, from the head of purchasing to individual workers.

Because of Green Landscaping's large size, we are able to put requirements on our suppliers as regards quality, reliability and price. Stating requirements helps us ensure that our efforts are sustainable at all levels. We also strive to lower the total number of suppliers so that we can ensure integrity and sustainability throughout the entire supply chain.

For Green Landscaping, anti-corruption efforts are a strategic sustainability goal and we actively pursue anti-corruption initiatives both internally and externally. Our Code of Conduct covers many areas, such as conflict of interest, gifts and entertainment, the environment, work environment, and our relationships with both suppliers and subcontractors.

We have routines in place for assessing and approving our suppliers. The aim is to ensure that our suppliers comply with all binding requirements and that we have control

over our supplier base.

The routines involve checks on the following:

- Reports on the supplier's credit rating and that the supplier has an F-tax certificate
- That the supplier has ID06 (a system for electronic personnel registries in the construction industry for the purpose of creating a safer work environment and ensuring that only a legal workforce is present on the construction site)
- That the supplier has signed an assurance of its compliance with legislation on the topic, along with Green Landscaping's purchasing terms and sustainability documentation

Green Landscaping's Code of Conduct, which has been adopted by the Board of Directors, covers all employees. We renounce the use of unauthorized benefits that manipulate the market or could put our reputation at risk and we forbid all forms of corruption and bribery. Green Landscaping complies with Swedish legislation. We strive for transparency and ethical behavior so that we meet the expectations of our stakeholders.

All employees are informed of the Code of Conduct and required to sign that they have read, understood and are committed to following the principles therein. The Code of Conduct serves as a tool for ensuring that we behave ethically concerning such things as bribery and corruption. None of our behavior should have negative consequences for Green Landscaping.

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

There were no indications of corruption or bribery during the year.

COMPLIANCE WITH LAWS AND REGULATIONS

Green Landscaping's management system has been certified by a third party and audits were conducted during the year. The system covers environmental management in accordance with ISO 14001:2015, quality management

in accordance with ISO-9001:2015 and health & safety management in accordance with OHSAS 18001:2007. The standards, and our management system put demands on us as a company and our employees to follow the applicable legislation, along with other rules and regulations. Examples of such are Swedish laws, regulations issued by the national and/or municipal authorities, industry regulations, etc. We do this by:

- Monitoring changes in the relevant legislation, rules and regulations.
- We then alter our routines and guidelines based on such changes.
- We ensure that our employees are informed about the applicable rules, regulations and legislation.

To meet the new GDPR legislation that entered into force in May 2018, we have studied and documented our processing of personal data, recipients of personal data, and the personal data processors that we engage via external services and procured business.

RESPECT FOR HUMAN RIGHTS

Within the scope of our daily operations, there are certain risks concerning human rights via incorrect or unsuccessful internal processes on social obligations, human error, legal risks and corruption.

We ensure that all aspects of how we run the business respect human rights and we are committed to following international standards stated in the UN Guiding Principles on Business and Human Rights, along with the ILO Declaration on Fundamental Principles and Rights at Work.

Respect for human rights must permeate the entire organization since it is a fundamental building block in society. We rely on such building blocks and have a responsibility to maintain and strengthen them. This is also a fundamental component of how we interact with our customers. Throughout the entire value chain, with suppliers and businesses, there are risk areas where violations of human rights would have a negative impact on the company. For example, if a supplier were to violate our standards on human rights, it would not only damage our reputation, but

also have a negative impact on daily production capacity when severing the relationship.

Our Code of Conduct states that all employees must respect the Universal Declaration of Human Rights adopted by the UN and follow international laws and agreements on child labor. Furthermore, no employee should ever experience discrimination based on age, gender, religion, sexual orientation, political opinions, ethnicity or membership in a trade union. All employees are encouraged to report violations of applicable laws/regulations or lack of compliance with our Code of Conduct.

Our Code of Conduct and policies specify the standards upon which we run the business, along with how our employees and suppliers are expected to behave such that we meet our obligation of respecting human rights. Overall responsibility lies with the CEO and Board of Directors.

Equality and diversity

It is of utmost importance that our employees are treated equally, which has been explained in our HR policy that applies to all employees of the Group.

We value and encourage diversity in the organization, with a desire for it to reflect the diversity in our market. At Green Landscaping, everyone is assessed based on their actual skills and expertise. This applies to employees and job applicants alike. No forms of discrimination or harassment are tolerated and such behavior is proactively counteracted. Green Landscaping shall offer a workplace where all employees treat each other with respect. For all employees, this promotes health, work satisfaction and opportunities for developing their skills. We want to have proud, enthusiastic employees who enjoy their work and are happy in the workplace.

Green Landscaping is convinced that diversity is essential as regards such things as abilities, gender, ethnicity, age and experience. Discrimination and harassment should never occur. These are the prerequisites for creating a healthy, thriving work environment where we can derive the greatest benefits from each employee's expertise, while helping them further develop their skills. It also enables us to improve the company's offering and enhance profitability.

The purpose is to ensure that everyone, regardless of

differences, has the same opportunities regarding employment, working conditions and development opportunities. To achieve that, we need to take responsibility at all levels and focus on the following development areas:

- Ways and options for combining work and family life
- Encouraging women to take leading positions
- Counteracting harassment
- Everyone should be offered the same opportunity for salary growth

INVOLVEMENT IN SOCIETY

Green Landscaping develops outdoor environments, which means that we create safe, clean environments that promote happiness and well-being for urban residents. Through good dialog with our customers, we obtain a thorough understanding of their needs. Our customers also provide us with feedback from the end-users.

Green Landscaping endeavors to contribute to a sustainable society, while generating value to customers via our involvement in society. One way we have done this is through Green Steps. It an initiative for getting new immigrants and the long-term unemployed into the workforce through a combination of training and work experience. Read more about Green Steps on 30.

GREEN STEPS

GREEN STEPS SHOWS THE WAY

Green Landscaping's vision is to create a green city that benefits all via entrepreneurship, social responsibility and sustainable entrepreneurship. One specific example of our efforts to take social responsibility is our Green Steps integration program. It is an initiative whereby we will collaborate with our customers and government authorities to get new immigrants and the long-term unemployed into the workforce. We offer a combination of training and work experience during the 24-month duration of the program. The initiative strives to create an inclusive society and for the company, ensure that we have the expertise we require over the long term.

Candidates who apply are selected much on the basis of their own individual interests. However, other criteria are also evaluated and used in the selection process, such as Swedish language skills and the candidate's own motivation. The program is entirely based on the OCN (Open College Network) method, which is a grass roots movement developed to recognize informal learning achieved by adults. It is a method that is increasingly being used within the outdoor environment sector.

RESULTS IN 2019

Focus during the year has been on developing the Swedish language skills of participants in the Green Steps program. Their skill level is now adequate for being able to understand clear instructions and perform simple tasks. The ultimate goals and language requirements are, however, higher so that participants will be able to receive information and training in the traditional way.

In collaboration with the City of Gothenburg, we started up a pilot project in basic Swedish. It has been well received and we hope to extend the training during the next round of Green Steps in 2020.

- During the year and as part of this same collaboration, we provided Green Steps participants with Swedish language training with a focus on horticulture.
- And, in 2019, the first two Green Steps participants completed their 24-month training in the program. Both were offered seasonal employment in 2020, which they accepted.
- There are currently 25 participants in the program, with the goal of increasing that number to 35 in 2020.



GREEN ACADEMY

SKILL DEVELOPMENT

We also continually strive to ensure that our employees have the right expertise required for the company's own processes while simultaneously meeting all legal requirements. This is a key success factor for winning major public sector tenders, since we must provide evidence that our employees have the necessary skills and knowledge requested by the client.

Green Academy was set up in 2016 as a way of increasing skill development of our employees. We collaborate with suitable third-party suppliers to offer trainings via this forum. We have a continual dialog with employees for the purpose of identifying skill areas that they would like to develop.

All training at Green Academy is evaluated and documents in CV and skills databases. Certifications are stored digitally and presented to potential customers during tendering processes.

RESULTS IN 2019

- The leadership program for team managers and production managers got underway, with 210 participants.
- Mentoring program to help develop talent within the organization. Mentors have been selected from both private industry and the public sector. The program duration is 12 months and there are 10 participants (5 women and 5 men).
- A pilot project for validation of the expertise of skilled workers started up in collaboration with Trädgårdsnäringens Centrala Yrkes Kommitté - TCYK (a voluntary association of organizations in the outdoor environment sector). It will provide the foundation for skill requirements in tendering processes.
- Green Academy Portal, a digital platform for skill development was launched.
- Executive Program was started up for the CEOs of our subsidiaries, heads of profit centers and other key employees to develop their skills in business acumen, strategy, financial expertise and leadership. It is a 10-month program with 9 modules and there are 30 participants.



GREEN LANDSCAPING'S STOCK

Change of marketplace

Green Landscaping changed its marketplace from Nasdaq First North to Nasdaq Stockholm's main listing in April 2019. Shares in Green Landscaping are now traded there.

Share capital

As of 31 December 2019, share capital amounted to SEK 2,556,785, allocated to a total of 36,011,057 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 stock

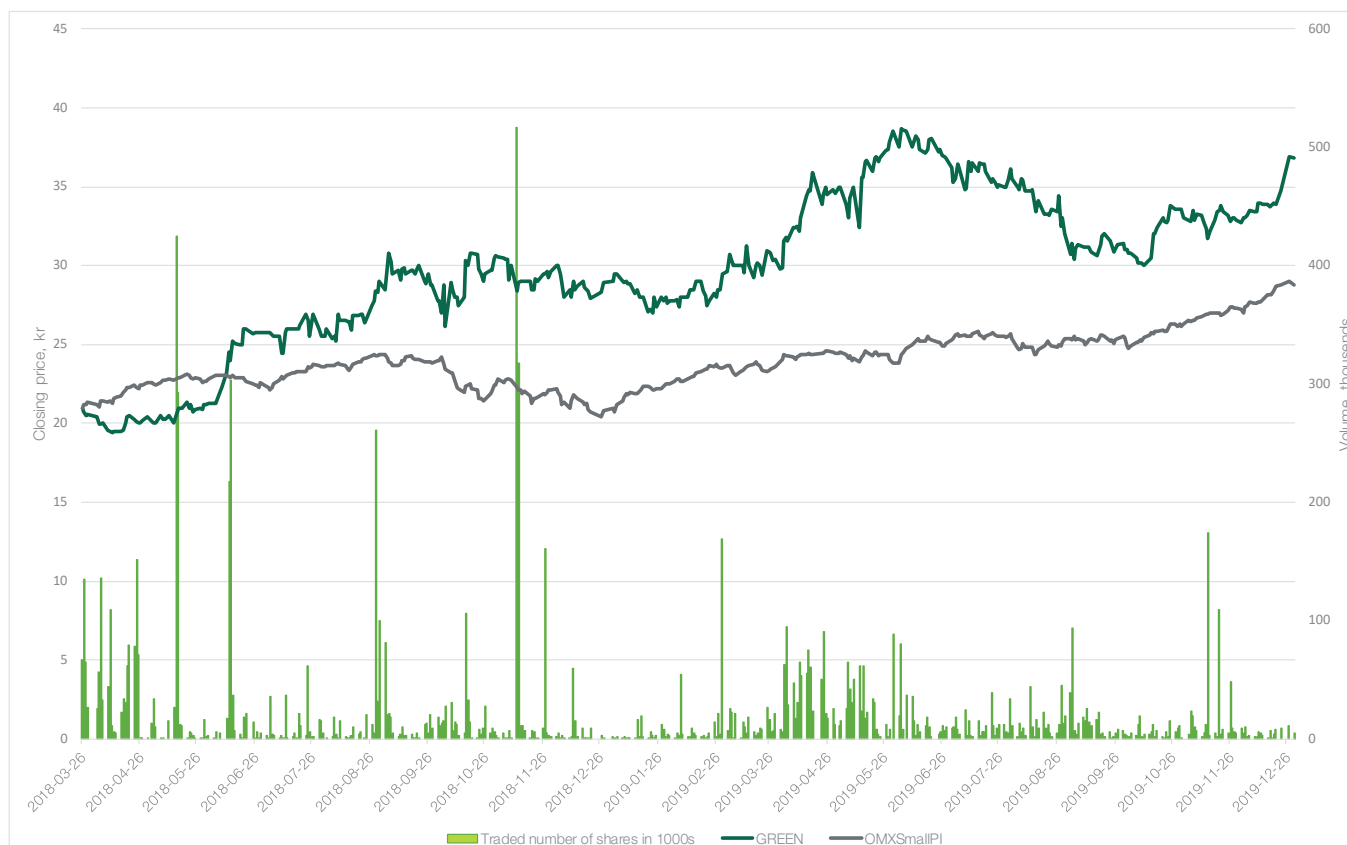
The closing price on the last day of trading, 30 December 2019, was SEK 36.80, corresponding to market capitalization of just over SEK 1.3 billion. In total, 3,998,231 were

traded during the year, corresponding to a value of approximately SEK 114 million. The average number of shares sold per trading day was 13,803.

A repurchase of shares occurred during the year. The AGM's authorization to issue new shares was also implemented.

Shareholders

As of 31 December 2019 there were 1,492 known shareholders. The company's ten largest owners accounted for 75.3 percent of the share capital and votes. Byggmästare Anders J Ahlström Holding AB was the largest single shareholder, with 21.2 percent of the shares.



KEY PERFORMANCE INDICATORS

No. of shares	36,011,057
Earnings per share	0.20
Adjusted earnings per share*	1.12
P/E	184
P/Adj. E*	33

* Earnings adjusted = earnings adjusted for amortization of intangible assets.

FINANCIAL CALENDAR

2020

- Interim Report for Q1 - 6 May
- Annual General Meeting - 14 May
- Interim Report for Q2 - 26 August
- Interim Report for Q3 - 11 November

2021

- Year-end report 2020 - 17 February

Green Landscaping's 10 largest shareholders as of 31 December 2019

	Shareholding	Share in percent
1. Byggmästare Anders J Ahlström Holding AB	7,632,099	21.2%
2. Salén family via company	6,745,839	18.8%
3. Johan Nordström via company	3,746,738	10.4%
4. AFA Försäkring	2,261,000	6.3%
5. Per Sjöstrand via company	1,668,886	4.6%
6. AP3, Third Swedish National Pension Fund	1,650,670	4.6%
7. Peter Lindell via company	998,856	2.8%
8. Coeli	936,727	2.6%
9. Roger Carlsson via company	781,727	2.2%
10. Jan and Jenny Petterson via company	699,718	2.0%
Total	27,122,260	75.5%

REASONS FOR INVESTING IN GREEN LANDSCAPING

1. POTENTIAL FOR INDUSTRY-LEADING PROFITABILITY

- Industrialized processes that have increased profitability since 2015
- Further streamlining possible through Lean
- Synergies from the acquisition of Svensk Markservice
- Strong market position that facilitates good profitability

2. GOOD PREREQUISITES FOR GENERATING RETURNS

- Relatively low need for 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
- Expansion beyond Sweden in conjunction with the acquisition of Gast Entreprenør AS in Norway at the start of 2020.

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

Corporate governance

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

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

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

Swedish Code of Corporate Governance

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

Green Landscaping applies the Swedish Code of Corporate Governance and there were no deviations from the Code in 2019.

Sustainability governance at Green Landscaping

Green Landscaping's sustainability efforts are characterized by responsibility, openness, ethical behavior and respect for our stakeholders. We achieve sustainable development via our work with continual improvements, long-term customer relationships, skilled employees and planning of our operations.

The foundation for our efforts is presented in our Sustainability Policy and our Code of Conduct. These policy documents provide us with guidance on how we shall create value, contribute to a sustainable society, prevent risks in our operations and manage unexpected events.

The Board of Directors and CEO have ultimate responsibility for sustainability efforts within the Group. However, they have delegated some of that responsibility to the various subsidiaries and profit centers. The Sustainability Report for Green Landscaping Group is presented on 20 of the 2019 Annual Report.

Share capital and shareholders

Share capital amounts to SEK 2.6 million, allocated to a total of 36,011,057 shares with a quotient value of SEK 0.071 per share. At the end of 2019, Green Landscaping had 1,492 known shareholders. At year-end, the 10 largest shareholders controlled 75.3 percent of the share capital. The 3 largest owners were: Byggmästare Anders J Ahlström Holding AB (21.2 percent of the share capital and votes), Staffan Salén and family (18.7 percent) and CEO Johan Nordström via Capnorth Invest AB (10.4 percent). Approximately 20 percent of the share capital and votes are owned by employees of the Group (including the CEO).

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

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

Green Landscaping stock has been listed on Nasdaq Stockholm since April 2019. For more information on the Green Landscaping stock and shareholders, please see s 30-32.

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, or if an auditor of the company or owner of at least 10 percent of all shares in the Company submits a written request to hold such a meeting, the Board will then summon shareholders to an extraordinary general meeting.

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

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 2019 Annual General Meeting, the Nomination Committee shall consist of four members - one member appointed by each of the three largest shareholders 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 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. Furthermore, 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.

Of the six Board members elected by the AGM, five of them are independent in relation to the company and its senior executives. Accordingly, there is compliance with the Code in that the majority of the members are independent of the company and its senior executives and at least two of these members are also independent of major shareholders. The CEO is the only Board member involved directly in the company's operations. More information on the members of the Board of Directors is provided on s 39-40.

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

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

Work done by the Board in 2019

- At the beginning of 2019, the Board put particular emphasis on efforts associated with Green Landscaping's listing on Nasdaq Stockholm.
- The following acquisitions were made during the year: Mark & Trädgård Skottorp AB, the ground maintenance activities of HD Landscape AB, Park i Syd AB and Gast Entreprenør AS.
- Adoption of the interim reports and annual report

- Follow-up on the integration of Svensk Markservice.
- Follow-up on Region East due to its weak earnings trend.
- Strategy 2019
- Follow-up on the controls framework.

Remuneration to the Board of Directors

The 2019 AGM resolved that the fees paid to the Board of Directors through the next AGM shall amount to SEK 750,000, of which SEK 250,000 to the Chairman of the Board and SEK 125,000 to each of the ordinary Board members, except for the company's CEO, Johan Nordström. 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 2019, 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 December 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

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	13/13	6/6	1/1
Johan Nordström	Director, CEO	2015	No/No	13/13	-	-
Stefan Dahlbo	Director	2019	Yes/No	8/8	-	-
Monica Trolle	Director	2018	Yes/Yes	12/13	-	-
Staffan Salén	Director	2018	Yes/No	13/13	3/3	1/1
Åsa Källenius	Director	2018	Yes/Yes	12/13	6/6	-
Andreas Bruzelius	Director	2014	Yes/Yes	5/5	2/3	-

The Board of Directors has established an Audit Committee consisting of three members: Per Sjöstrand, Åsa Källenius and Staffan Salén. 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 two members: Per Sjöstrand and Stefan Dahlbo. 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 2019 AGM, the following guidelines for remuneration to senior executives were decided.

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

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

Variable salary shall be paid in cash and based on the results in relation to performance targets within the individual area of responsibility (group or business area) and coincide with the shareholders' interests. Variable salary shall correspond to a maximum of 50 percent of the fixed annual salary for the CEO and a maximum of 35 percent of the fixed annual salary for members of the Group management team. Variable salary shall be pensionable unless otherwise agreed. If variable remuneration is paid out based on information that, upon revision, is later determined to be incorrect, the company shall be entitled to demand repayment of the amount that has been incorrectly paid out.

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

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

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

pay shall decrease in situations where remuneration during the current period is received from another employer. In the event of termination by the executive, the period of notice shall normally be 6 months for the CEO and 3-6 months for other senior executives.

For the 2020 AGM, no major changes have been proposed to principles for remuneration and other terms of employment for senior executives. They will, however, be adapted to the new guidelines in accordance with the Swedish Companies Act.

Incentive programs

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

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

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

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 of Directors has overall responsibility for internal control over the financial reporting. In order to create and maintain a functioning control environment, the Board has adopted a number of policies and governance documents that regulate the financial reporting. These mainly consist of the Board's rules of procedure, instructions for the CEO, instructions for committees established by the

Board and instructions for financial reporting. The Board has also adopted a special authorization/approval hierarchy and a finance policy. Furthermore, the company has an accounting & finance handbook containing principles, guidelines and descriptions of the processes for accounting and financial reporting. The Board has also set up an Audit Committee which has the main task of monitoring Green Landscaping'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 regional managers. In addition to the internal follow-up and reporting, the company's external auditors report to the CEO and Board of Directors during the financial year. The auditors' reporting provides the Board with a good understanding and a reliable basis for the financial reporting in the annual report.

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

Risk assessment and control activities

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

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

companies.

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

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 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:

1,668,886 (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:
3,746,738 shares (via company).
334,544 warrants 2018/21
73,000 warrants 2019/22

**Stefan Dahlbo**

Board member since 2019.

Born in 1959.

Other ongoing assignments: CEO of Fabege AB. Chairman of the Board at Svendborg Aktiebolag. Member of Board of Directors at Byggmästare Anders J Ahlström Holdingbolag AB and Nordstjernan Kredit AB.

Experience: Stefan has previously held the position of CEO at Byggmästare Anders J Ahlström Holding AB, Investment AB Öresund and Hagströmer & Qviberg AB. He has more than 30 years of experience in the investment and financial industry. Stefan has also served as Chairman of the Board at Klöver, Acne Studios, HQ Fonder, HQ Bank and Svenska Tennisförbundet. Companies where he has served on the Board of Directors include Custos/Johnson Pump, J&W, Wihlborgs, HQ and Nobia. M.Sc. in Business and Economics from the Stockholm School of Economics.

Holding in Green Landscaping:

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Översikt av styrelsens arbetsår

Jan	Feb	Mar	Apr	Maj	Jun
	Styrelsemöte <ul style="list-style-type: none"> • Rapportering från revisorerna • Beslut om utdelningsförslag • Bokslutskommuniké • Genomgång av policyer 	Styrelsemöte <ul style="list-style-type: none"> • Förslag till årsstämman • Godkännande av årsredovisning 		Styrelsemöte <ul style="list-style-type: none"> • Delårsrapport jan-mar • Prognos för helåret • Marknads- och konkurrenssituation 	Styrelsemöte <ul style="list-style-type: none"> • Strategidag • Affärsplan
				Årsstämma	



Åsa Källenius

Board member since 2018.

Born in 1967.

Other ongoing assignments:

CFO at Mekonomen AB (along with Board assignments

at subsidiaries), Deputy Board Member at Källenius Invest AB, 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 Womentor. Holding in Green Landscaping: 53,472 shares



Staffan Salén

Board member since 2018.

Born in 1967.

Other ongoing assignments: CEO of Salénia

AB. 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 finan-

cial analyst at Procter & Gamble.

Holding in Green Landscaping:

6,745,839 shares (via company).



Monica Trolle

Board member since 2018.

Born in 1965.

Other ongoing assignments: Manager Facil-

ity & Real Estate at Tetra Pak North Europe. 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 as-

signments 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 Profession-

als 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: 28,472 shares

Styrelsemöte

- Delårsrapport jan-jun

Styrelsemöte

- Delårsrapport jan-sep
- Prognos för helåret
- Genomgång av riskhantering och intern kontroll
- Genomgång av policyefterlevnad
- CSR

Styrelsemöte

- Fastställande av verksamhetsmål för kommande år
- Fastställande av budget
- Utvärdering av styrelsens och VD:s arbete

Jul

Aug

Sep

Okt

Nov

Dec

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: 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:
195,879 shares
145,814 warrants 2018/21
18,416 warrants 2019/22



Robert Brohmander

Regional Manager of Region Middle since 2019.
Born: 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:
330 shares
38,405 warrants 2019/22



Pontus Monthan

Regional Manager of Region East since 2019.
Born: 1967.
Other ongoing assignments: -
Experience: Pontus has more than 20 years of experience from leading positions and during the last seven years in the facility management industry, most recently as CEO at L&T Service. He has a background in the airline and manufacturing industries, has run his own company and worked as a leadership consultant. Pontus has studied at both Uppsala University and IHM Business School.
Holding in Green Landscaping:
20,000 warrants 2019/22



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 Manager and now as Regional Manager. He has a degree from the Swedish Army's school of engineering in Skövde.

Holding in Green Landscaping: 41,000 shares

64,937 warrants 2018/21

10,000 warrants 2019/22



Daniel Linderståhl

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: 8,793 shares

20,000 warrants 2019/22



Henrik Sahlin

Regional Manager of Region North since 2019.

Born: 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: 300 shares

18,406 warrants 2019/22

DIRECTORS' REPORT

The Board of Directors and CEO for Green Landscaping Group AB (publ), CIN: 556771-3465, hereby present the annual report and consolidated financial statements for 2019.

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

As of 31 December 2019, Green Landscaping had a total of 19 profit centers working with ground maintenance and landscaping, sports and leisure facilities and arborist services. The Group is gathered under five geographic segments: Region South, Region West, Region East, Region Middle and Region North.

Holdings of own shares

A repurchase of own shares was carried out during the year for a total of SEK 2.5 million based on authorization granted by the AGM on 15 May 2019. See Note M10 and s 32-34 for more information on Green Landscaping Stock.

Ownership structure

At year-end 2019, Green Landscaping Group AB (publ) had 1,492 known shareholders. The three largest owners are Byggmästare Anders J Ahlström Holding AB with 21.2 percent, Staffan Salén and family (via company) with 18.7 percent and Johan Nordström (via company) with 10.4 percent. Together, the 10 largest owners hold 75.3 percent of the company's shares.

Green Landscaping Group consists of:

Green Landscaping Group AB (publ), 556771-3465

- Björntreprenad 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
- Mark & Trädgård Skottorp AB, 556878-0521
- 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 Svensk Jordelit AB 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 Sustainability Report is presented on s 21-31 of this document.

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 1245, compared to 598 employees during the same period last year.

The guidelines for senior executives are described in the corporate governance report on 35.

For information on the guidelines for remuneration in 2020, please see 38 of the Corporate Governance Report.

Significant events during the financial year

In 2019, the company's shares became listed on Nasdaq Stockholm. The company acquired Mark & Trädgård Skottorp, along with a net asset acquisition of the ground maintenance activities of HD Landscape AB.

Significant events after the financial year

Significant events after the end of the period include acquisition of Park i Syd AB in Skåne and Gast Entreprenør AS in Norway, which is Green Landscaping's first acquisition outside Sweden.

The Board announced its intention to propose a preferential new share issue of SEK 150 million to finance its future acquisitions.

We have given special consideration to how the effects of the COVID 19 pandemic may impact the Group's future performance and/or risks that could impact future financial reports. We have assessed that the impact on the company/Group will be limited.

Sales and earnings

Sales for the year amounted to SEK 1,992.6 (1,180.1) million, which is an increase of 68.9 percent. EBITA amounted to SEK 57.2 (17.9) million. Earnings were affected by non-recurring items for SEK 32.9 million, which consists of the costs associated with the IPO (SEK 7.8 million) and the integrations costs for Svensk Markservice and other acquisitions (SEK 25.1 million). Amortization of intangible assets was SEK 28.6 (14.2) million. Net financial items amounted to SEK -19.2 (-15.7) million. Profit for the year was SEK 7.2 (-5.7) million.

Order backlog

At the end of the year, order backlog amounted to SEK 3,565 (3,880) million, which is a decrease of 8.1 percent compared to last year. 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 219.3 (202.8) million, which corresponds to an increase of SEK 16.5 million compared to 2018-12-31. A repurchase of own shares was carried out during the year for a total of SEK 2.5 million based on authorization granted by the AGM on 15 May 2019.

Cash and cash equivalents amounted to SEK 44.5 (96.3) million.

Cash flow, investments and depreciation/amortization

Consolidated cash flow from operating activities was SEK 98.3 (3.5) million. There was a positive impact on cash flow from operating activities of SEK 35.3 million from the implementation of IFRS 16. Adjusted for non-recurring items, the cash flow from operating activities was higher. The year's net investments were SEK -22.8 (-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 -106.6 (-37.4) million. Amortization of intangible assets during the year was SEK -28.6 (-14.2) million.

Acquisitions and investments

In 2019, the company acquired Mark & Trädgård Skottorp, along with a net asset acquisition of the ground maintenance activities of HD Landscape AB.

Synergy effects are expected to amount to approximately SEK 25 million per year by 2020. See Note 12 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	400,046,471
Retained earnings	-111,440,113
Loss for the year	17,698,371
Total	306,304,729

The Board of Directors and CEO propose the following:

Carried forward	306,304,729
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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 2019, approximately 68 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 con-

structing 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 acquisitions 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.

Risks in the Parent Company are essentially the same as what applies for the Group.

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	2019	2018
Net sales	4	1,973.1	1,176.1
Other operating income		19.5	4.0
Sales	5	1,992.6	1,180.1
<i>Operating costs</i>			
Cost of goods and services sold		-850.5	-586.6
Other external costs	7	-175.9	-124.3
Employee benefit expenses	6	-714.2	-386.3
Other operating expenses	32	-88.1	-27.6
Depreciation of PPE	15.17	-106.6	-37.4
Amortization of intangible assets	14	-28.6	-14.2
Operating profit (loss)		28.6	3.7
<i>Profit (loss) from financial items</i>			
Financial income	8	0.2	0.3
Financial expenses	8	-19.4	-16.0
Total income from financial items		-19.2	-15.7
Profit (loss) after financial items		9.4	-12.0
Tax	9	-2.3	6.3
PROFIT (LOSS) FOR THE YEAR		7.2	-5.7
Other comprehensive income		-	-
Total comprehensive income for the year		7.2	-5.7
<i>Earnings per share</i>			
Basic earnings per share, SEK		0.20	-0.19
Diluted earnings per share, SEK		0.20	-0.19

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	2019-12-31	2018-12-31
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	12,14,16	436.3	418.8
Customer relations	12.14	67.9	83.5
Brands	12.14	52.5	51.5
Other intangible assets	14	9.8	3.6
Total intangible assets		566.5	557.4
Property, plant and equipment			
Expenditure for improvement on unowned property	17	1.5	0.8
Plant and machinery	17	21.3	132.7
Equipment, tools, fixtures and fittings	17	32.9	31.9
Right-of-use assets	15	235.8	–
Total property, plant and equipment		291.5	165.5
Financial assets			
Other non-current receivables		0.3	0.2
Total financial assets		0.3	0.2
Deferred tax asset	9	17.8	21.3
Total non-current assets		876.1	744.4
Current assets			
Inventories, etc.			
Finished goods and goods for resale	19	26.4	23.7
Total inventories, etc.		26.4	23.7
Current receivables			
Accounts receivable	18, 20	294.7	317.2
Contractual asset	20	70.7	41.6
Current tax asset		18.0	5.7
Other receivables		7.0	5.5
Prepaid expenses and accrued income	21	27.2	43.7
Total current receivables		417.6	413.7
Cash and cash equivalents	18, 22	44.5	96.3
Total current assets		488.5	533.7
TOTAL ASSETS		1,364.6	1,278.1

Consolidated statement of financial position, cont.

SEK m	Note	2019-12-31	2018-12-31
EQUITY AND LIABILITIES			
Equity			
Share capital		2.6	2.5
Other contributed capital		397.1	391.3
Retained earnings including (profit/loss for the year)		-180.3	-191.0
Total equity	23	219.3	202.8
Non-current liabilities			
Liabilities to credit institutions	18	429.5	453.8
Lease liability	18, 28, 34	162.0	112.7
Warranty provision	24	1.5	1.9
Deferred tax liabilities	9	35.1	37.3
Total non-current liabilities	25	628.1	605.7
Current liabilities			
Accounts payable - trade	18, 31	161.2	169.6
Contract liabilities	26	22.1	15.3
Bank overdraft	18, 31	19.3	17.6
Liabilities to credit institutions	18	53.5	52.8
Lease liability	18, 28, 34	70.5	0.0
Warranty provision	24	0.0	3.1
Current tax liabilities		13.8	0.9
Other liabilities		40.2	60.0
Accrued expenses and deferred income	18, 27	136.6	150.3
Total current liabilities	13	517.2	469.6
TOTAL EQUITY AND LIABILITIES		1,364.6	1,278.1

Consolidated statement of changes in equity

SEK m	Share capital	Other contributed capital	Retained earnings including profit for the year	Total
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
<i>Transactions with owners</i>				
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
Opening balance 2019-01-01	2.5	391.3	-191.0	202.8
Profit (loss) for the period	-	-	7.2	7.2
Other comprehensive income	-	-	-	-
Comprehensive income for the year	2.5	391.3	-183.8	210.0
<i>Transactions with owners</i>				
New share issue	0.1	5.6	-	5.7
Repurchase of own shares	-	-2.5	-	-2.5
Premiums for warrants	-	2.8	-	2.8
Effect of changed accounting policy	-	-	3.5	3.5
Closing balance 2019-12-31	2.6	397.1	-180.3	219.3

All equity is attributable to the parent company's shareholders

Consolidated cash flow statement

SEK m	Note	2019	2018
Operating profit (loss)		28.7	3.7
Adjustment for depreciation/amortization		136.3	51.6
Capital gain (loss)		-5.0	-6.4
Interest received		0.2	0.3
Interest paid		-19.4	-17.1
Paid income tax		-11.2	-3.0
Cash flow from operating activities before changes in working capital		129.6	29.1
Change in inventory		-2.6	7.8
Change in receivables		15.5	-6.8
Change in current liabilities		-44.2	-26.7
Cash flow from operating activities		98.3	3.4
Business combinations		-15.2	-212.8
Acquisition of PPE		-24.6	-49.4
Acquisition of intangible assets		-6.8	-2.9
Sale of non-current assets		8.6	4.4
Cash flow from investing activities		-38.0	-260.7
New share issue		-	72.9
Net change in bank overdraft		1.7	-25.9
New loans	35	27.8	522.8
Amortization of debt	35	-55.0	-248.9
Amortization of lease liability		-87.0	-
Expenditure related to borrowings		-	-3.4
Repurchase of own shares		-2.5	-
Option premiums		2.9	2.4
Cash flow from financing activities		-112.1	319.9
Cash flow for the year		-51.8	62.6
Cash and cash equivalents at the beginning of the period		96.3	33.7
Cash and cash equivalents at the end of the period		44.5	96.3

Parent company's income statement

SEK m	Note	2019	2018
Net sales		24.9	18.3
Operating costs			
Other external costs	M2	-23.4	-41.4
Employee benefit expenses	M1	-12.7	-5.9
Depreciation of property, plant and equipment and amortization of intangible assets	M6	-0.0	0.0
Operating profit (loss)		-11.2	-29.0
Financial items			
Other interest income and similar profit or loss items	M3	15.3	0.1
Interest expenses and similar profit or loss items	M3	-12.4	-11.2
Profit (loss) after financial items		-8.3	-40.1
Group contribution received		33.6	27.1
Earnings before tax		25.3	-13.0
Tax	M4	-7.6	4.2
Profit (loss) for the year		17.7	-8.8

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

Parent company's balance sheet

SEK m	Note	2019-12-31	2018-12-31
Assets			
Intangible assets			
Software	M6	0.6	0.5
Financial assets			
Shares in subsidiaries	M5	656.2	617.6
Receivables from Group companies		146.5	155.6
Deferred tax asset	M4	4.2	8.6
Total non-current assets		807.5	782.4
Current receivables			
Receivables from Group companies		77.3	60.7
Other receivables		0.0	1.7
Prepaid expenses and accrued income	M8	2.9	0.2
Total current receivables		80.3	62.5
Cash and bank	M9	0.0	0.0
Total current assets	M7	80.3	62.5
TOTAL ASSETS		887.8	844.9

Parent Company's balance sheet

SEK m	Note	2019-12-31	2018-12-31
Equity			
Restricted equity			
Share capital		2.6	2.5
Total restricted equity		2.6	2.5
Non-restricted equity			
Share premium reserve		400.0	394.4
Retained earnings		-111.5	-103.0
Profit (loss) for the year		17.7	-8.9
Total non-restricted equity		306.2	282.5
Total equity	M10	308.8	285.0
Non-current liabilities			
Liabilities to Group companies	M11	1.0	-
Liabilities to credit institutions	M7, M11	420.0	444.8
Other liabilities	M11	2.3	-
Total non-current liabilities		423.3	444.8
Current liabilities			
Liabilities to credit institutions		50.0	36.1
Accounts payable - trade	M7, M14	2.8	14.9
Liabilities to Group companies		85.7	40.7
Current tax liabilities		2.9	-
Other liabilities		0.5	0.5
Accrued expenses	M12	13.8	22.9
Total current liabilities		155.7	115.0
TOTAL EQUITY AND LIABILITIES		887.8	844.9

Parent Company statement of changes in equity

SEK m	Restricted equity	Non-restricted equity			Total
	Share capital	Share premium reserve	Retained earnings	Profit (loss) for the year	
Opening balance 2018-01-01	2.2	219.9	-94.6	-11.2	116.3
Comprehensive income for the period	-	-	-	-18.9	-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
Opening balance 2019-01-01	2.5	394.4	-103.0	-8.9	285.0
Comprehensive income for the period	-	-	-	17.7	17.7
Transactions with owners:					
Transfer of prior year's profit or loss	-	-	-8.9	8.9	0.0
New share issue	0.1	5.6	-	-	5.7
Repurchase of own shares	-	-	-2.5	-	-2.5
Premiums for warrants	-	-	2.9	-	2.9
Closing balance 2019-12-31	2.6	400.0	-111.5	17.7	308.8

All equity is attributable to the parent company's shareholders

Parent Company cash flow statement

SEK m	Note	2019	2018
Operating profit (loss)		-11.3	-29.0
Adjustment for depreciation/amortization		0.0	0.0
Interest received		3.4	0.0
Interest paid		-12.4	-11.1
Paid income tax		-0.2	-
Cash flow from operating activities before changes in working capital		-20.5	-40.1
Change in working capital			
Change in operating receivables		15.5	-60.6
Change in operating liabilities		39.2	13.5
Cash flow from operating activities		34.2	-87.3
Investing activities			
Business combinations		-31.6	-246.5
Acquisition of intangible assets		-0.2	-0.5
Acquisition of financial assets		-	-155.2
Divestment of financial assets		9.1	-
Cash flow from investing activities		-22.7	-402.2
Financing activities			
New share issue		-	72.9
Net change in bank overdraft		13.1	-
New loans	M15	25.0	495.0
Amortization of debt	M15	-50.0	-83.3
Repurchase of own shares		-2.5	-
Option premiums		2.9	2.4
Cash flow from financing activities		-11.5	487.1
Cash flow for the period		0.0	-2.4
Cash and cash equivalents at the beginning of the period		0.0	2.4
Cash and cash equivalents at the end of the period		0.0	0.0

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 Trädvärd AB, Tranemo Trädgårdstjänst AB, Björnentreprenad AB, Svensk Jordelit AB, J E Eriksson Mark & Anläggningsteknik AB, Mark och Miljö Projekt i Sverige AB, Svensk Markservice Holding AB and Mark och Trädgård Skottorp 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.

The consolidated financial statements for the reporting period that ended on 31 December 2019 (including comparison figures) was approved by the Board on 2 April 2020.

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 14 May 2020.

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

In order to prepare reports in accordance with IFRS, management must make a number of estimates for accounting purposes. The areas where many assessments are required, which are complex, or areas where assumptions and estimates are significant to the consolidated financial statements, are described in Note 3. These 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. The carrying amounts on all assets and liabilities have increased. There has also been an impact on the income statement and to financing activities in the cash flow statement. This way of reporting is based on the view that the lessee has an obligation to make lease payments in the future in exchange for the right to use an asset for a specific period of time. For information on how this impacts the Group, please see Note 34. See also Note 15 for more information on right-of-use assets and Note 28 for leasing.

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.

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

A five-step model is used 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 have been satisfied. This occurs when the customer obtains and consumes benefits at the rate that the company perform, the company's performance creates or improves an asset that the customer controls, or the company's performance does not create an asset that has an alternative use for the company and the company has a current right to payment for its performance thus far. 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 five segments, where revenue is recognized as follows:

- Segments Region South, North, Middle and East - 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.
- Segment Region West - 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.

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. 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 are as follows:

- 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. It 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), lease liability, 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 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 vehi-

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

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

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

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

The following depreciation periods are used:

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

With IFRS 16, nearly all leases are reported in the balance sheet in that there is no longer any differentiation made between operating and finance leases. With the new standard, operating leases for machinery, cars and rental agreements (previously reported as an operating expense) are now reported as a right-of-use asset and a lease liability. The Group reports a right-of-use asset and the corresponding lease liability at the inception of the lease.

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

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 with a low value are not included in the reported amounts for assets and liabilities.

Lease liabilities are initially measured at the present value of future unpaid leasing fees from the contract start date. The discount rate used to determine present value should be the rate of interest implicit in the lease. If that cannot be established, the Group's marginal lending rate is used. In most cases, the Group uses its marginal lending rate as the discount rate. The Group establishes its marginal lending rate using a build-up method that is based on the risk-free interest rate, adjusted for the Group's credit spread corresponding to the marginal interest rate that the Group received from the bank, and an adjustment for assets with strong collateral. The lease liability increases thereafter from interest expense on the lease liability and it decreases when lease payments are made. The lease liability is revalued if there is a change in the future lease payments resulting from a change in an index or similar, such as changes in the estimated future payments during the guaranteed remaining lease period, or, in certain cases, changes in the assessment of whether asset purchase and either an extension or cancellation of the lease is likely to occur.

Inventories

Inventories are measured at the lower of cost and net realizable value on the closing date. Net realizable value is the estimated sales price of the

goods less selling expenses. Cost is calculated using the FIFO method. Initial recognition of raw materials and finished products is at the cost of acquisition. The 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 costs associated with leases are expensed on a straight-line basis over the lease period.

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

Financial assets and liabilities are measured at cost.

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 Revenue from contracts with customers**Categorization of contracts with customers**

SEK m	2019	2018
Services transferred over time		
Region South	371.1	195.0
Region West	646.2	451.8
Region East	593.9	372.6
Region Middle	189.4	71.6
Region North	134.8	10.3
Total	1,935.4	1,101.3
Goods transferred at a specific point in time		
Region West	106.7	96.5
Total	106.7	96.5
Total revenue from contracts with customers	2,042.1	1,197.8

All revenue is attributable to the Swedish market.

Summary of contract balances

Contract balances

SEK m	2019-12-31	2018-12-31
Accounts receivable (Note 20)	294.7	317.2
Contract assets (Note 20)	70.7	41.6
Contract liabilities (Note 27)	-22.1	-15.3

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 contractual assets is primarily attributable to the fact that the Group now consists of more companies compared to the prior year. 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. The change in the year's contractual liabilities is primarily attributable to the fact that the Group now consists of more companies than it did last year.

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

	2019	2018
Opening balance, contract assets	41.6	36.0
Performance obligations performed in prior years (contract assets)	-41.6	-36.0
Additional capitalization	70.7	41.6
Closing balance, contract assets	70.7	41.6
Opening balance, contract liabilities	-15.3	-16.5
Amount recognized as revenue during the period and which was included in the balance for contract liabilities at the beginning of the year	15.3	16.5
Additional advances	-22.1	-15.3
Closing balance, contract liabilities	-22.1	-15.3
Contract liabilities	2019	2018
Within one year	22.1	15.3
More than one year	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.

Regions South, Middle, North and East

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 out regularly and payment terms are typically 30 days.

Region West

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.

NOTE 5 Segment information

The Group is divided into the following segments:

- Regions South, Middle and North offer ground maintenance services and landscaping at, for example, daycare centers and outdoor areas at housing cooperatives.
- Region West offer ground maintenance services and landscaping. It also sells products and offers maintenance services and landscaping at, for example, golf courses and football fields.
- Region East offers ground maintenance services and landscaping at, for example, daycare centers and outdoor areas at housing cooperatives. It also offers tree care at parks and other green areas.

The allocation of goodwill by segment is provided in Note 16.

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% or more of the Group's total revenue.

Segment	2019	2018
SEK m		
Region South	371.1	195.0
Region West	752.9	548.3
Region East	593.9	372.6
Region Middle	189.4	71.6
Region North	134.8	10.3
The Group's sales and other non-allocated sales	-49,5	-17.7
Total revenue from contracts with customers	1,992.6	1,180.1
Region South	25.6	8.6
Region West	39.9	24.9
Region East	-0,5	12.4
Region Middle	10.1	7.0
Region North	14.6	1.8
Group-wide expenses	0.4	5.1
Total Adjusted EBITA	90.1	59.8

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 6 Employees and employee benefit expenses

Average number of employees

SEK m	2019		2018	
	Number of employees	Of which men	Number of employees	Of which men
Parent Company	5	60%	3	67%
Subsidiaries	1,240	79%	596	83%
Total, Group	1,245	79%	599	83%

Gender balance, senior executives

SEK m	2019-12-31	2018-12-31
Percentage women, Board of Directors	33%	33%
Percentage men, Board of Directors	67%	67%
Percentage women, other senior executives	0%	0%
Percentage men, other senior executives	100%	100%

Salaries and other remuneration

SEK m	2019	2018
Board, CEO and CEOs of subsidiaries	10.6	8.8
Of which bonuses	0.4	0.2
Other employees	494.3	271.5
Total	504.9	280.3

Social security expenses

SEK m	2019	2018
Pension expenses for the Board and CEO	2.4	1.8
Pension expenses, other employees	37.1	16.4
Other social security expenses	162.3	91.5
Total	201.8	109.7

Pension obligations

SEK m	2019	2018
Board and CEO	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 six members of the Group management team in 2019, along with the CEO. For information on the guidelines for remuneration in 2020, please see 38 of the Corporate Governance Report.

Variable remuneration refers to a bonus that is based on an earnings period of one year and the results achieved during that time compared to pre-determined targets.

Other remuneration refers to benefits, like company car, health insurance and other benefits.

The CEO has a notice period of 12 months when notice is issued by the Group. However, if the CEO wishes to terminate employment, the notice period the CEO must give is 6 months. Pension benefits for the CEO are 30% of pensionable salary. For other senior executives, it is 0 percent.

NOTE 6 *Employees and employee benefit expenses, cont.***Severance pay**

Agreements with the CEO do not contain any severance pay.

Board fees

At the 2019 AGM the following fees were approved: total Board fees to Board members of SEK 750,000, 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

2019	Basic salary/ Board fee	Of which, variable salary	Pension expense	Other remunera- tion	Total
Per Sjöstrand, Chairman of the Board	0.3	–	–	–	0.3
Monica Trolle	0.1	–	–	–	0.1
Staffan Salén	0.1	–	–	–	0.1
Stefan Dahlbo	0.1	–	–	–	0.1
Åsa Källenius	0.2	–	–	–	0.2
Johan Nordström, CEO	2.6	0.4	0.7	–	3.3
Other senior executives (6 in total)	5.7	0.4	1.4	–	7.1

2018	Basic salary/ Board fee	Variable salary	Pension expense	Other remunera- tion	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 in total)	3.7	0.6	1.2	0.1	5.0

Option holdings

2019	Number
Per Sjöstrand, Chairman of the Board	–
Monica Trolle	–
Staffan Salén	–
Stefan Dahlbo	–
Åsa Källenius	–
Johan Nordström, CEO	3,407,544
Other senior executives (6 in total)	335,978

2018	Number
Per Sjöstrand, Chairman of the Board	–
Andreas Bruzelius	–
Monica Trolle	–
Staffan Salén	–
Åsa Källenius	–
Johan Nordström, CEO	334,544
Other senior executives (3 in total)	177,121

NOTE 7 Remuneration to the auditors**Fees to auditors**

	2019	2018
Ernst & Young		
Audit assignment	2.4	1.2
Other audit activities	–	–
Tax advice	–	0.1
Other services	0.2	3.4
Total	2.6	4.7
Other audit firms		
Audit assignment	0.0	0.0
Total	0.0	0.0

Audit refers to the statutory audit of the annual report and accounts, along with the Board's and CEO's management.

It also includes other audit and review tasks that have been performed as agreed. It includes other work that the 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 8 Financial income/expenses**Financial income**

	2019	2018
Other interest income	0.2	0.3
Total	0.2	0.3

Financial expenses

	2019	2018
Other interest expenses	-12.1	-13.7
Interest expenses on finance leases	-6.2	-1.7
Other financial expenses	-1.1	-0.6
Total	-19.4	-16.0

NOTE 9 Tax**Tax on profit for the year**

	2019	2018
Current tax	-4.6	-2.1
Adjustment pertaining to prior years	0.0	0.0
Change in deferred tax asset	-3.5	5.1
Change in deferred tax liability	5.9	3.3
Total	-2.3	6.3

Profit (loss) before tax

	2019	2018
Profit (loss) before tax	9.4	-12.0
Tax on profit for the year according to the applicable tax rate (21.4 % / 22%):	-2.0	2.6
Tax effect of:		
Non-deductible impairment	-	-1.3
Other non-deductible expenses	-1.7	-5.0
Unrecognized loss carryforward	0.0	0.0
Deferred tax, recognized loss carryforward	0.0	4.1
Reversal of loss carryforward	-4.7	0.0
Tax effect of recognized loss carryforward	0.8	0.0
Non-taxable revenue	2.6	0.1
Adjustment due to changed tax rate	0.0	0.4
Group adjustments	2.8	4.9
Other adjustments	-0.1	0.5
Reported tax	-2.3	6.3

Deferred tax liability, Group

	Intangible assets	Property, plant and equipment	Untaxed reserves	Total
As of 1 January 2018	8.5	-	5.8	14.3
Recognized in the income statement	-3.2	-	2.9	-0.4
Added via business combination	23.4	-	-	23.4
Recognized 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
Recognized in the income statement	-5.9	0.0	0.0	-5.9
Added via business combination	3.1	0.0	0.8	3.8
Recognized in other comprehensive income	0.0	0.0	0.0	0.0
As of 31 December 2019	25.8	0.0	9.5	35.1

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

	Deferred tax asset, leasing	Unutilized loss carryforward	Total
As of 1 January 2018	-	16.6	16.6
Recognized in the income statement	-	4.7	4.7
Recognized in other comprehensive income	-	0.0	0.0
As of 31 December 2018	-	21.3	21.3
Recognized in the income statement	1.2	-4.7	-3.5
Recognized in other comprehensive income	0.0	0.0	0.0
As of 31 December 2019	1.2	16.6	17.8

NOTE 10 Earnings per share

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

	2019	2018
Profit (loss) attributable to the Parent Company's shareholders as per the income statement	7.2	-5.7
Total	7.2	-5.7

Average number of shares

	2019	2018
Weighted average number of shares during the period	35,917,758	29,482,905
Effect of dilution from share-option plans	281,992	0.0
Weighted average number of shares during the period after dilution	36,199,750	29,482,905

NOTE 11 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
Björntreprenad AB	100%	100%	1,000	54.1
J E Eriksson Mark & Anläggningsteknik AB	100%	100%	1,750	21.9
Svensk Jordelit AB	100%	100%	1,000	35.9
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
Mark & Trädgård Skottorp AB	100%	100%	500	43.1
Total				807.8

	CIN	Registered office	Equity	Earnings
Green Landscaping AB	556773-4800	Malmö	56.9	-4.6
GML Sport AB	556369-3372	Ljungby	4.6	-0.3
GML Sport Anläggning AB	559092-8601	Ljungby	0.0	-0.0
Tranemo Trädgårdstjänst AB	556177-8472	Tranemo	15.9	0.0
Björntreprenad AB	556379-0723	Kista	13.2	0.1
J E Eriksson Mark & Anläggningsteknik AB	556558-6079	Stockholm	10.5	0.1
Svensk Jordelit AB	556207-6660	Mölnådal	7.8	0.0
Jacksons Trädvård AB	556591-9858	Stockholm	4.2	0.1
Jacksons Trädvård Sydväst AB	556846-9919	Lindome	1.9	0.1
Green Landscaping Incentive AB	559148-3242	Stockholm	0.1	0.0
Svensk Markservice Holding AB	556812-8002	Stockholm	8.0	3.6
Svensk Markservice AB	556420-4823	Solna	57.4	1.6
Mark & Miljö Projekt i Sverige AB	556756-6533	Malmö	5.3	0.0
Mark & Trädgård Skottorp AB	556878-0521	Laholm	12.5	4.2

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

NOTE 12 Business combinations

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

Contingent consideration to be paid by the Group based on the future results of these acquired entities is a maximum of SEK 14.4 million. Of the companies listed below, the only acquisition analysis that is preliminary is for Mark & Trädgård Skottorp AB. Additional consideration is based on the terms in the purchase agreement, the company's knowledge of operations and how the current economic climate is expected to impact them. The fair value of contingent consideration is at Level 3 of the fair value hierarchy in accordance with IFRS. For information on the change in additional consideration, please see Note 13.

Total acquisition costs during the financial year amount to SEK 0.7 (13.6) million.

Conditional additional consideration associated with the acquisition of Mark & Trädgård Skottorp AB amounts to SEK 6 million. The additional consideration is conditional on the company achieving future results over a specified level. The acquisition of Mark & Trädgård Skottorp AB was partially executed via a directed new share issue. The subscription price amounted to SEK 35.3, which is the weighted average price 30 days prior to the transaction date. The company issued 161,394 new shares as payment for the acquisition. Fair value is calculated with consideration given to the share price on the date when the transaction

will be executed. The share price was SEK 35.3, which results in a fair value of SEK 5,697,208.

At the end of February 2020, the Green Landscaping Group made the following two acquisitions: Gast Entreprenør AS and Park i Syd AB. The very first preliminary acquisition analyses were made at around the time when this report was issued, with a resulting goodwill of SEK 83.4 million for both acquisitions.

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

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

The discount rate before tax used for the present value calculation was 8.1 (8.0) percent. Impairment testing has not indicated that there is a need to record any impairment losses. No reasonably possible changes in important assumptions would lead to a write-down requirement. Please see note 16 for more information on goodwill and a sensitivity analysis.

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	Landscaping of outdoor environments	December 2018	100%	3.9	0.2	53.5	7.0
Jackson Trädvård Sydväst AB	Arborist services	June 2018	100%	8.4	1.1	14.6	1.3
Mark & Trädgård Skottorp AB	Maintenance of outdoor environments	July 2019	100%	25.1	3.6	41.5	6.9

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

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

NOTE 13 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.

	2019-12-31		
	Level 1	Level 2	Level 3
	quoted prices	directly or indirectly observable inputs	Non-observable inputs
Financial liabilities			
Additional consideration	-	-	14.4
Total	0.0	0.0	14.4

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

Additional consideration

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

NOTE 14 Intangible assets

	Software	Customer relations/ contracts	Brands	Goodwill	TOTAL
Financial year 2018					
Opening cost	36.3	33.8	8.8	138.1	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	418.8	712.3
Opening amortization	-33.9	-4.3	0.0	-	-138.1
Business combinations	-3.0	-	-	-	-3.0
Amortization for the year	-0.7	-13.3	0.0	-	-14.1
Closing accumulated amortization	-37.5	-17.6	0.0	-	-155.2
Closing carrying amount 2018	3.7	83.5	51.5	418.8	557.5
Financial year 2019					
Opening cost	41.2	101.0	51.5	418.8	712.3
Acquisitions for the year	3.6	-	-	-	3.6
Business combinations	4.1	12.3	1.0	17.6	35.0
Closing accumulated cost	48.9	113.3	52.5	436.3	751.0
Opening amortization	-37.5	-17.6	0.0	-	-155.2
Business combinations	-	-	-	-	-
Amortization for the year	-1.6	-27.8	0.0	-	-29.4
Closing accumulated amortization	-39.1	-45.4	0.0	-	-184.5
Closing carrying amount 2019	9.8	67.9	52.5	436.3	566.5

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

NOTE 15 Right-of-use assets

	Premises	Plant and machinery	Cars and equipment	TOTAL
Financial year 2019				
Opening cost	0	0	0	0
Changed accounting policy	119.4	-48.6	72.1	142.9
Acquisitions for the year	34.0	37.6	33.2	104.8
Acquisitions	-	-	-	0.0
Sales/disposals	-16.0	-5.8	-28.1	-49.9
Reclassifications	0.0	263.1	0.0	263.1
Closing accumulated	137.4	246.3	77.2	460.9
Opening depreciation	0.0	0.0	0.0	0.0
Acquisitions	-	-	-	-
Sales/disposals	6.5	5.3	10.3	22.1
Reclassification	-	-160.9	-	-160.9
Depreciation for the year	-31.7	-26.3	-28.2	-86.2
Closing accumulated	-25.2	-181.9	-17.9	-225.0
Closing carrying amount	112.2	64.4	59.3	235.9

During 2019, there have been some reclassifications pertaining to machinery and manufacturing equipment which, in 2018, was included in the note on property, plant and equipment because they pertained to leasing. With the transition to IFRS 16, they are presented in a separate note on right-of-use assets.

NOTE 16 Goodwill and other intangible assets with an indefinite life

Consolidated goodwill amounts to SEK 436.3 (418.8) million and it is attributable to the acquisition of subsidiaries. Goodwill is allocated to segments as follows: Region South SEK 87.4 million, Region West 123.8 million, Region East 132.9 million, Region Middle 51.8 million and Region North 40.4 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% per year according to PwC Strategy&. When testing for impairment, it has been assumed that growth will be at a low level in 2019, in line with the market in 2021 and at the rate of 2% 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 2020-2021 and thereafter, remain at the same level. The discount rate before tax used for the present value calculation was 8.1 (8.0)%. 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 Region South segment, a change in the discount rate of +/- 2 % would result in a decrease/increase of the value-in-use by SEK 120 million/SEK 238 million. A change in sales of +/- 2.5 % would result in a decrease/increase of the value-in-use by SEK 54 million/SEK 61 million. A change in EBITA of +/- 2 % would result in a decrease/increase of the value-in-use by SEK 129 million.

For the Region West segment, a change in the discount rate of +/- 2 % would result in a decrease/increase of the value-in-use by SEK 181 million/SEK 360 million. A change in sales of +/- 2.5 % would result in a decrease/increase of the value-in-use by SEK 86 million/SEK 97 million. A change in EBITA of +/- 2 % would result in a decrease/increase of the value-in-use by SEK 201 million.

For the Region East segment, a change in the discount rate of +/- 2 % would result in a decrease/increase of the value-in-use by SEK 115 million/SEK 229 million. A change in sales of +/- 2.5 % would result in a decrease/increase of the value-in-use by SEK 59 million/SEK 67 million. A change in EBITA of +/- 2 % would result in a decrease/increase of the value-in-use by SEK 157 million.

For the Region Middle segment, a change in the discount rate of +/- 2 % would result in a decrease/increase of the value-in-use by SEK 64 million/SEK 127 million. A change in sales of +/- 2.5 % would result in a decrease/increase of the value-in-use by SEK 30 million/SEK 34 million. A change in EBITA of +/- 2 % would result in a decrease/increase of the value-in-use by SEK 59 million.

For the Region North segment, a change in the discount rate of +/- 2 % would result in a decrease/increase of the value-in-use by SEK 38 million/SEK 74 million. A change in sales of +/- 2.5 % would result in a decrease/increase of the value-in-use by SEK 18 million/SEK 20 million. A change in EBITA of +/- 2 % would result in a decrease/increase of the value-in-use by SEK 34 million.

NOTE 17 Property, plant and equipment

	Plant and machinery	Equipment, tools, fixtures and fittings	Expenditure for improvement on unowned property	TOTAL
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
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
Financial year 2019				
Opening cost	407.0	85.3	6.9	499.2
Acquisitions for the year	8.5	9.2	1.2	18.9
Acquisitions	4.5	3.8	-	8.3
Sales/disposals	-12.4	-8.9	-0.1	-21.3
Reclassifications	-290.7	4.4	-	-286.3
Closing accumulated cost	116.9	93.8	8.0	218.8
Opening depreciation	-274.3	-53.4	-6.1	-333.8
Acquisitions	-	-	-	-
Sales/disposals	10.8	8.4	0.1	19.3
Reclassifications	175.7	-2.8	-	172.9
Depreciation for the year	-7.8	-13.1	-0.5	-21.4
Closing accumulated depreciation	-95.6	-60.9	-6.5	-163.0
Closing carrying amount 2019	21.3	32.9	1.5	55.7

See Note 28 for more information on leases.

The reclassifications for machinery and equipment, stemming from implementation of IFRS 16, amount to SEK 263.3 million for cost of acquisition and SEK 160.6 million for accumulated depreciation. For the 2018 financial year, those amounts were included in the note on property, plant and equipment since they pertain to leases. With the transition to IFRS 16, they are presented in a separate note on right-of-use assets. See Note 15 for information on right-of-use assets.

NOTE 18 Financial assets and liabilities

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

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

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

Likewise, and also because of their short duration, accounts payable, bank overdraft and other current 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

	2019-12-31		2018-12-31	
	Carrying amount	Fair value	Carrying amount	Fair value
Accounts receivable	294.7	294.7	317.2	317.2
Cash and cash equivalents	44.5	44.5	96.3	96.3
Total	339.2	339.2	413.5	413.5

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

Financial liabilities

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

Additional consideration measured at fair value, see Note 13

Financial liabilities

	2019-12-31		2018-12-31	
	Carrying amount	Fair value	Carrying amount	Fair value
Accounts payable - trade	161.2	161.2	169.6	169.6
Bank overdraft	19.3	19.3	17.6	17.6
Liabilities to credit institutions (non-current and current)	483.0	483.0	506.6	506.6
Lease liability (non-current and current)	232.5	232.5	112.7	112.7
Additional consideration	14.4	14.4	24.0	24.0
Total	910.4	910.4	830.5	830.5

The financial liabilities have the following maturities:

	2019-12-31	< 3 months	3-12 months	1-5 years	> 5 years	Total
Accounts payable - trade	161.2	160.0	1.2	-	-	161.2
Bank overdraft	19.3	19.3	-	-	-	19.3
Additional consideration	14.4	-	-	14.4	-	14.4
Liabilities to credit institutions (non-current and current)	483.0	13.3	40.2	259.2	170.3	483.0
Lease liability (non-current and current)	232.5	20.3	52.9	137.8	21.5	232.5
Total	910.4	212.9	94.3	411.4	191.8	910.4

	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
Lease liability (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

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

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

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

For Green Landscaping, interest rate risk is the most significant of these and a sensitivity analysis has been conducted. This analysis shows the risk associated with financial liabilities as of 2019-12-31. 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

	2019	2018
Total liability to credit institutions	483.0	506.6
Increase in interest rate by 1.0%	4.8	5.1
Decrease in interest rate by 1.0%	-4.8	-5.1

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 2019, approximately 68 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 32 percent of the company's net sales in 2019 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 2019

	2019-12-31	2018-12-31
Expected credit loss, %	0.1	0.1
Carrying amount	367.8	360.5
Expected credit loss	-2.4	-1.7

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

	2019-01-01	Cash flow	Reclassification	Change in fair value	Other	2019-12-31
Additional consideration	24.0	-7.9	-	-	-1.7	14.4

	2018-01-01	Cash flow	Reclassification	Change in fair value	Other	2018-12-31
Additional consideration	36.4	-19.3	-	-	6.9	24.0
Convertible loan	-47.1	47.1	-	-	-	-

Capital management

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

The Group assesses its capital from the perspective of working capital. This key figure is calculated as current assets (not including cash and cash equivalents) less current liabilities. There are seasonal variations, however, which impact working capital from month to month. The Group's long-term goal is to ensure that working capital does not decrease by more than 1% between comparable periods. As of 31 December 2019, working capital was SEK 70.2 (42.2) million.

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. For both 2019-12-31 and 2018-12-31, there was nothing in the Group's inventories measured at net realizable value.

Inventories

	2019-12-31	2018-12-31
Finished goods	26.4	23.7
Total	26.4	23.7

NOTE 20 Accounts receivable and contract assets**Accounts receivable and contract assets**

	2019-12-31	2018-12-31
Accounts receivable from external customers	297.1	318.9
Contract assets	70.7	41.6
Provision for doubtful debts	-2.4	-1.7
Total	365.4	358.8

Accounts receivable are not interest-bearing and payment terms are typically 30 days.

For more information on the change in contract balances, please see Note 4.

Provision for doubtful debts

	2019-12-31	2018-12-31
Opening amount	-1.7	-2.4
Provision for bad debt losses for the year	-1.2	-0.7
Confirmed bad debt losses	0.5	1.4
Total	-2.4	-1.7

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

NOTE 21 Prepaid expenses and accrued income**Prepaid expenses and accrued income**

	2019-12-31	2018-12-31
Prepaid rent	6.5	3.6
Prepaid insurance premiums	2.5	2.5
Accrued income	0.0	14.2
Other prepaid expenses	18.2	23.4
Total	27.2	43.7

NOTE 22 Cash and cash equivalents**Cash and cash equivalents**

	2019-12-31	2018-12-31
Cash on hand	44.5	96.3
Bank overdraft	-19.3	-17.6
Total	25.2	78.7

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 36,011,057 Class A shares, all of which are ordinary shares.

Options plan

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

The first incentive program was set up in 2018. With full utilization of 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.

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

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

	2019-12-31	2018-12-31
Amount at beginning of year	5.0	2.7
Business combinations	-	1.2
Provisions for the year	0.4	2.3
Amount used during the year	-3.9	-1.2
Total	1.5	5.0

Specification of other provisions

	2019-12-31	2018-12-31
Guarantees/warranties	1.5	5.0
Total	1.5	5.0

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**

	2019-12-31	2018-12-31
Liabilities to credit institutions	429.5	453.8
Lease liabilities	162.0	110.8
Total	591.5	566.5

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.

Liabilities to credit institutions

The Group has a bank loan that matures after another 3 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**

	2019-12-31	2018-12-31
Current advance payments from customers	22.1	15.3
Total	22.1	15.3

NOTE 27 Accrued expenses and deferred income**Accrued expenses and deferred income**

	2019-12-31	2018-12-31
Accrued salaries	16.2	17.3
Accrued vacation pay	47.7	42.8
Accrued social security contributions	30.7	32.2
Accrued interest expenses	0.3	1.0
Other accrued expenses	41.7	57.0
Total	136.6	150.3

NOTE 28 Leasing

In 2018 and in accordance with IAS 17, the Group reported operating leases in its role as lessee. There are no comparison figures for the Group in 2019 due to the change in accounting principle to IFRS 16.

With IFRS 16, nearly all leases are reported in the balance sheet in that there is no longer any differentiation made between operating and finance leases. With the new standard, operating leases for machinery, cars and rental agreements (previously reported as an operating expense) are now reported as a right-of-use asset and a lease liability. The Group reports a right-of-use asset and the corresponding lease liability at the inception of the lease. See Note 34 for information on the effects of the transition to IFRS 16.

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
Expensed lease fees for operating leases	43.6
Future minimum lease payments for non-cancellable operating leases	
To be paid within 1 year	33.6
To be paid within 1-5 years	75.2
To be paid in more than 5 years	29.0
Total	137.8

Finance leases as lessor

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

Components of lease liability.

	Premises	Machinery and manufact. equip.	Cars and equipment	TOTAL
Opening balance 2019-01-01, IFRS 16	113.5	51.9	70.1	235.5
Acquisitions	24.3	37.0	22.9	84.2
Interest	2.6	1.8	1.8	6.3
Depreciation	-31.6	-27.3	-34.6	-93.5
Closing balance 2019-12-31	108.8	63.5	60.3	232.5

NOTE 29 Pledged assets and contingent liabilities**Pledged assets**

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

Pledged assets

	2019-12-31	2018-12-31
Chattel mortgages	4.7	2.5
Frozen funds	0.1	2.4
Shares in Group companies	0.0	0.0
Machinery with ownership reservation	5.0	14.0
Total	9.8	18.9

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**

	2019-12-31	2018-12-31
Bank overdraft	19.3	17.6
Accounts payable - trade	161.2	169.6
Total	180.5	187.2

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**

	2019-12-31	2018-12-31
Granted credit	50.0	54.3
Utilized credit	19.3	17.6

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

NOTE 32 Other operating expenses

Other operating expenses	2019	2018
Issue costs	-7,8	-16,0
Acquisition costs/integration costs	-25,1	-8,5
Other	-55,2	-3,1
Total	-88,1	-27,6

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

NOTE 33 Transactions with related parties

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

Remuneration to key employees

Remuneration to key employees is described in Note 6.

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.

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 or revised accounting standards

New and revised accounting standards that entered into force in 2019: As of 1 January 2019, the Group applies IFRS 16 Leasing. IFRS 16 has replaced the prior standard, IAS 17, for reporting of lease agreements.

With the new standard, operating leases for machinery, cars and rental agreements (previously reported as an operating expense) are now reported as a right-of-use asset and a lease liability. The lease payments are allocated between depreciation and interest on the lease liability.

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

The Group has not opted to apply the exemption option whereby leases with a low value are not included in the reported amounts for assets and liabilities. The table below shows the effect that the transition to IFRS 16 has had on the company's financial statements.

See also Note 15 for more information on right-of-use assets and Note 20 for leasing.

	Closing balance 2018-12-31	Reclassification	Opening balance 2019-01-01
Property, plant and equipment	102.2	142.9	245.1
Lease liability, non-current	112.7	51.6	164.3
Lease liability, current	-	71.2	71.2

The reported assets are attributable to the following asset classes.

Right-of-use assets

	2019-01-01	2019-12-31
Premises	119.3	112.1
Machinery	53.5	64.4
Cars and equipment	72.3	59.3
Total	245.1	235.8

The change in lease liability is attributable to:

Lease liability

	2019-12-31
Opening balance Lease liability as per IFRS 16	235.5
New agreements	84.2
Interest	6.3
Depreciation	-93.5
Lease liability at the end of the period	232.5

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

For leases, the Parent Company applies the exception in the Swedish Financial Reporting Board's RFR 2. It means that the Parent Company's accounting policies for reporting leases are unchanged.

New interpretations of accounting standards in 2019

IFRIC 23 Uncertainty over Income Tax Treatments issued by the International Financial Reporting Standards Committee (IFRIC) entered into force on 1 January 2019 and it has not had any material impact on the Group's financial statements.

New and revised accounting standards that enter into force after 2019

There are no other IFRS standards or IFRIC interpretations that have not yet entered into force and are expected to have a significant impact on the Group.

NOTE 35 Specification, cash flow**Reconciliation of items not included in financing activities**

	Liabilities to credit institutions	Leasing	Convertible loan	Total
OB 2018-01-01	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
New loans	27.8	0.0	-	27.8
Loan amortization	-55.0	-87.0	-	-142.0
Not impacting cash flow	3.6	206.8	-	210.4
Acquisitions	-	-	-	-
Closing balance, 2019-12-31	483.0	232.5	0.0	715.5

NOTE 36 Significant events subsequent to the reporting period

Significant events after the end of the period include acquisition of Park i Syd AB in Skåne and Gast Entreprenør AS in Norway, which is Green Landscaping's first acquisition outside Sweden.

The Board announced its intention to propose a preferential new share issue of SEK 150 million to finance its future acquisitions.

We have given special consideration to how the COVID 19 pandemic may impact the Group's future performance and/or risks that could impact future financial reports. We have assessed that the impact on the company/Group will be limited.

NOTE 37 Key performance indicators

	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Sales, SEK m	507.0	492.0	532.3	461.2	375.0	267.1	309.3	228.8
Adjusted EBITA, SEK m	25.2	28.8	34.9	1.3	23.0	14.4	26.3	-3.8
Adjusted EBITA margin, %	5.0	5.9	6.7	0.3	6.1	5.4	8.5	-1.7
Working capital, SEK m	70.2	55.9	22.8	23.2	42.2	63.2	13.1	-6.7
Nonrecurring items, SEK m	10.1	0.0	8.7	14.1	25.2	0.0	0.4	16.3
Equity, SEK m	219.3	220.2	195.5	180.9	202.8	207.6	191.1	171.1
Interest-bearing net debt, SEK m	-690.3	-665.6	-652.9	-663.2	-540.5	-126.6	-73.8	-75.5
Average no. of employees	1,245	1,421	1,233	965	742	584	605	463

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

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.

For more information on the purpose of each measure, please see "Definitions and explanations" at the end of this annual report.

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

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

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

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

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

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

Notes – Parent Company

NOTE M1 Employees and employee benefit expenses

Average number of employees

SEK m	2019		2018	
	Number of employees	Number of employees	Of which men	
Parent Company	5	60%	67%	
Total	5	60%	67%	

The information pertains to circumstances as of the closing date.

Salaries and other remuneration

SEK m	2019	2018
Board and CEO	2.6	1.8
Of which bonuses	0.4	0.0
Other employees	5.2	2.1
Total	7.8	3.9

Social security expenses

SEK m	2019	2018
Pension expenses for the Board and CEO	0.7	0.4
Pension expenses, other employees	1.1	0.3
Other social security expenses	2.4	1.3
Total	4.2	1.9

Pension obligations

SEK m	2019	2018
Board and CEO	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 6.

NOTE M2 Remuneration to the auditors

Fees to auditors	2019	2018
Ernst & Young		
Audit assignment	1.0	0.3
Other audit activities	–	–
Tax advice	0.0	0.1
Other services	0.2	3.4
Total	1.2	3.8

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 Financial income/expenses

Financial income

	2019	2018
Interest income from Group companies	3.3	0.1
Dividends	8.0	–
Other financial income	4.0	–
Total	15.3	0.1

Financial expenses

	2019	2018
Interest expenses to Group companies	-0.1	-0.1
Other interest expenses	-11.5	-6.8
Other financial expenses	-0.8	-4.3
Total	-12.4	-11.2

NOTE M4 Tax

Tax on profit for the year

	2019	2018
Current tax	-3.2	–
Adjustment pertaining to prior years	–	–
Change in deferred tax asset	-4.4	4.2
Change in deferred tax liability	–	–
Total	-7.6	4.2

Profit (loss) before tax

	2019	2018
Profit (loss) before tax	25.3	-13.0
Tax on profit for the year according to the applicable tax rate (21.4 % / 22 %):	-5.4	2.9
Tax effect of:		
Other non-deductible expenses	-0.4	-3.3
Non-taxable revenue	2.6	–
Unrecognized loss carryforward		
Deferred tax, recognized loss carryforward	–	4.2
Reversal of loss carryforward	-4.4	–
Adjustment due to changed tax rate		0.4
Reported tax	-7.6	4.2

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 differ- ences	Total
Opening balance 1 January 2018	4.4	–	4.4
Recognized in the income statement	4.2	–	4.2
Recognized in other comprehensive income	–	–	–
As of 31 December 2018	8.6	0.0	8.6
Recognized in the income statement	-4.4	–	-4.4
Recognized in other comprehensive income	–	–	–
As of 31 December 2019	4.2	0.0	4.2

NOTE M5 Shares in subsidiaries

The Parent Company holds shares in the following subsidiaries:

	Share of equity	Share of voting power	Number of shares	Carrying amount 2019-12-31	Carrying amount 2018-12-31
Green Landscaping AB	100%	100%	100,000	164.6	164.6
Green Landscaping Incentive AB	100%	100%	50,000	0.1	0.1
Jacksons Trädvärd AB	100%	100%	1,000	18.2	18.2
GML Sport AB	100%	100%	1,000	20.7	20.7
Tranemo Trädgårdstjänst AB	100%	100%	2,000	32.5	32.5
Björntreprenad AB	100%	100%	1,000	54.1	54.1
J E Eriksson Mark & Anläggningsteknik AB	100%	100%	1,750	21.9	27.4
Svensk Jordelit AB	100%	100%	1,000	35.9	34.9
Svensk Markservice Holding AB	100%	100%	1,000	223.9	223.9
Mark & Mijö Projekt i Sverige AB	100%	100%	1,000	41.2	41.2
Mark & Trädgård Skottorp AB	100%	100%	500	43.1	–
Total				656.2	617.6

For more information on subsidiaries, please see Note 11.

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

NOTE M6 Intangible assets

	Software	TOTAL
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 amortization	-0.2	-0.2
Closing carrying amount 2018	0.5	0.5
Financial year 2019		
Opening cost	0.7	0.7
Acquisitions for the year	0.2	0.2
Closing accumulated cost	0.9	0.9
Opening amortization	-0.2	-0.2
Amortization for the year	-0.1	-0.1
Closing accumulated amortization	-0.3	-0.3
Closing carrying amount 2019	0.6	0.6

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 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.

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 2019-12-31		Parent Company 2018-12-31	
	Carrying amount	Fair value	Carrying amount	Fair value
Accounts receivable	0.0	0.0	0.0	0.0
Cash and cash equivalents	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.0	0.0

Because of 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

	2019-12-31		2018-12-31	
	Carrying amount	Fair value	Carrying amount	Fair value
Accounts payable - trade	2.8	2.8	14.9	14.9
Liabilities to credit institutions (non-current and current)	472.3	472.3	480.8	480.8
Additional consideration	11.2	11.2	20.2	20.2
Total	486.3	486.3	515.9	515.9

The financial liabilities have the following maturities:

	2019-12-31	< 3 months	3-12 months			Total
			1-5 years	> 5 years		
Accounts payable - trade	2.8	2.8	-	-	-	2.8
Liabilities to credit institutions (non-current and current)	472.3	12.5	37.5	252.3	170.0	472.3
Total	475.1	15.3	37.5	252.3	170.0	475.1

	2018-12-31	< 3 months	3-12 months			Total
			1-5 years	> 5 years		
Accounts payable	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

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 2019-12-31.

Sensitivity analysis, financial liabilities

	2019-12-31	2018-12-31
Total liabilities to credit institutions	470.0	480.8
Increase in interest rate by 1.0%	4.7	4.8
Decrease in interest rate by 1.0%	-4.7	-4.8

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

	2019-01-01	Cash flow	Reclassification	Change in fair value	Other	2019-12-31
Additional consideration	20.2	-7.3	-	-	-1.7	11.2

	2018-01-01	Cash flow	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	-	-	-

NOTE M8 *Prepaid expenses and accrued income***Prepaid expenses and accrued income**

	2019-12-31	2018-12-31
Accrued interest income	2.5	-
Prepaid insurance premiums	0.0	0.0
Other prepaid expenses	0.4	0.2
Total	2.9	0.2

NOTE M9 *Cash and cash equivalents***Cash and cash equivalents**

	2019-12-31	2018-12-31
Cash on hand	0.0	0.0
Total	0.0	0.0

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 36,011,057 Class A shares, all of which are ordinary shares.

Options plan

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

The first incentive program was set up in 2018. With full utilization of 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.

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

NOTE M11 Non-current liabilities**Mature between 1 and 5 years after the closing date**

	2019-12-31	2018-12-31
Liabilities to credit institutions	420.0	445.0
Liabilities to Group companies	1.0	40.7
Other liabilities	2.3	–
Total	423.3	485.7

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.

NOTE M12 Accrued expenses and deferred income**Accrued expenses and deferred income**

	2019-12-31	2018-12-31
Accrued vacation pay	0.4	0.3
Accrued social security contributions	0.3	0.2
Accrued interest expenses	0.3	1.0
Variable additional consideration	11.3	20.2
Other accrued expenses	1.5	1.2
Total	13.8	22.9

NOTE M13 Pledged assets and contingent liabilities**Pledged assets**

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

Pledged assets

	2019-12-31	2018-12-31
Shares in Group companies	–	–
Total	0	0

NOTE M14 Current liabilities**Current liabilities**

	2019-12-31	2018-12-31
Accounts payable - trade	2.8	14.9
Total	2.8	14.9

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**

	2019-12-31	2018-12-31
Granted credit	50.0	50.0
Utilized credit	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
OB 2018-01-01	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
New loans	25.0	–	–	25.0
Loan amortization	-50.0	–	–	-50.0
Change in bank overdraft	13.1	–	–	13.1
Not impacting cash flow	1.1	-39.7	–	-38.6
Closing balance, 2019-12-31	470.0	1.0	–	471.0

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.

Sales and purchase from subsidiaries

For the Parent Company, SEK 24.9 (18.0) million, corresponding to 100 percent (98.4) of the year's sales and SEK 1.2 (6.4) million corresponding to 5.1 (15.5) percent of the year's purchases were transactions with subsidiaries of the Group. Pricing of the purchased goods and services to related companies was at the going market rate.

As of 31 December 2019, the Parent Company's receivables from subsidiaries amounted to SEK 223.8 (216.3) million and liabilities to subsidiaries amounted to SEK 90.5 (40.7) million. Transactions with related parties have been priced at the going market rate.

Credit losses on receivables from Group companies have thus far never occurred and future credit losses are expected to be insignificant.

Remuneration to key employees

Remuneration to key employees is described in Note 6.

Options plan

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

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.

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	400,046,471
Retained earnings	-111,440,113
Profit (loss) for the year	17,698,371
Total	306,304,729

The Board of Directors and CEO propose that profit or loss is appropriated in the following way

Transferred to retained earnings	306,304,729
Total	306,304,729

APPROVAL OF THE FINANCIAL STATEMENTS

The consolidated financial statements for the reporting period that ended on 31 December 2019 (including comparison figures) was approved by the Board on 2 April 2020.

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 give a true and fair view of the Group and the Parent Company's position and results.

The Directors' report for the Group and Parent Company provides a true and fair overview of the Group's and Parent Company's operations, financial position and results and also describes material risks and uncertainties faced by the Parent Company and the companies that comprise the Group.

The Group and the Parent Company's results and financial position in other respects are shown in the income statement and balance sheet, cash flow statements and notes contained in this report.

Stockholm, 2 April 2020

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 2 April 2020

Ernst & Young AB

Alexander Hagberg
Authorized Public Accountant

AUDIT REPORT

To the general meeting of the shareholders in Green Landscaping Group 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 Group AB (publ) for the year 2019, excluding the corporate governance reported contained on pages 35-41. The annual accounts and consolidated accounts of the company are included on s 46-85 of 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, 2019 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, 2019 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinion does not cover the corporate governance reported contained on pages 35-41. The Directors' report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders should adopt the income statements and balance sheets for the Parent Company and the Group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the Parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for opinions

We conducted the audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing practices in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the Parent company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities* for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Revenue from contracts recognized over time

Description of the area	How the area has been covered in the audit
<p>The revenue from contracts in 2019 amounted to SEK 1,935.4 million. Most of the revenue from contracts is recognized over time based on percentage of completion. Accordingly, the recognized revenue and expenses from contracts are based on assumptions and assessments on the future outcome of each project's final forecast. The forecasts contain assessments of such things as the costs of labor, materials, subcontractors and warranty obligations. Updated assessments may be required, even after a project has been completed. It also includes assessments of requirements for alterations and supplementary work that have been stated to customers. Revenue and profit recognition thus require that there are good processes in place for calculation, reporting, analysis and forecasting.</p> <p>Because of the amounts involved and the level of estimation and assessments required, this is a particularly important area for our audit.</p>	<p>Our audit process included, among others, a review of significant agreements, including assessments related to revenue recognition and allocation of costs. We also focused on identifying the risk of incurring fines due to project delays. We evaluated principles, processes and routines for establishing the amounts of warranty obligations that have been reported, along with the assumptions upon which those amounts have been based. We tested the calculations using a random sampling method.</p> <p>We evaluated the processes and routines for project forecasts. We conducted an analytical review of the recognized revenues and margins, along with reviewing management's follow-up of the financial results of the projects. On a random basis, we reviewed revenues and the reported project costs that form the basis for determining percentage of completion. We also tested the mathematical accuracy of the calculations for percentage of completion.</p> <p>Furthermore, we assessed the accuracy of the company's assessments against the final outcome of projects and we reviewed the information in the supplementary information contained in Note 5 Operating Segments and Note 20 Contract Assets and Liabilities.</p>

Goodwill

Description of the area	How the area has been covered in the audit
<p>As of 31 December 2019, the value of goodwill amounted to SEK 436.3 million. Impairment testing is a complex process involving a high level of assessment about future cash flows and other assumptions.</p> <p>The company performs impairment testing on an annual basis. The recoverable amount of each cash flow generating unit is assessed as the value-in-use, which is calculated based on the discounted presented value of future cash flows. Key assumptions when making these calculations are future growth, margins and the discount rate that has been used. This information is detailed in Note 16. Calculations that are complex are based on estimates and assessments. They are also based on assumptions about the company's future operations, growth and profitability. Goodwill is a particularly important area for our audit.</p>	<p>As part of our audit, we evaluated and reviewed key assumptions, application of generally accepted valuation theory, discounted interest rate (WACC - Weighted Average Cost of Capital) and other source data used by the company. We did this by making comparisons with expected inflation or assessments of future market growth and by assessing the sensitivity of the company's valuation model. In particular, we focused on the sensitivity of the calculations and made an assessment of whether there is a risk that events will result in a situation where the recoverable amount would fall below the carrying amounts. As part of this assessment, we also compared the company's historical forecasts from impairment testing to the actual amounts that resulted so that we could assess the historical precision of the company's estimates and assessments. We also engaged internal valuation experts with appropriate specialist expertise when carrying out this part of the audit. Finally, we reviewed the supplementary information contained on Note 16.</p>

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on s 1-32. The Board and the CEO are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

Responsibilities of the Board of Directors and the CEO

The Board of Directors and the CEO 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 CEO 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 CEO 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 CEO intends to liquidate the company, to cease operations, or has no realistic alternative but to do so. The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted

in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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 CEO.
- conclude on the appropriateness of the Board of Directors' and the CEO'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, monitoring and execution of the Group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

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 CEO of Green Landscaping Group AB (publ) for the year 2019 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 Directors' report and that the members of the Board of Directors and the CEO be discharged from liability for the financial year.

Basis for opinions

We conducted our 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 CEO

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 CEO 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 CEO 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 skepticism 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.

The auditor's examination of the corporate governance report

The Board of Directors is responsible for the corporate governance statement on s 33-38 and ensuring that it has been prepared in accordance with the Annual Accounts Act.

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

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

Landscaping Group AB (publ) by the Annual General Meeting of shareholders on 15 May 2019 and has been the company's auditor since 10 March 2009.

Stockholm, 2 April 2020

Ernst & Young AB

Alexander Hagberg

Authorized Public Accountant

Ernst & Young AB was appointed as the auditor for Green

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.
EBT	Earnings before tax.	Earnings before tax provides an overall indication of the profit that was generated before tax.
Nonrecurring items (NRI)	Items that significantly deviate from ordinary business activities and which are limited to a single time (one-off). Examples are the listing on Nasdaq First North in March 2018 and termination of lease agreements in conjunction with acquisitions.	It provides a truer view of the underlying earnings.
Adjusted EBITA	EBITA adjusted for nonrecurring items.	Adjusted EBITA increases the comparability of EBITA.
Adjusted EBITDA pro forma	EBITDA adjusted for nonrecurring items including EBITDA of acquired companies for the current year prior to the acquisition date.	It provides an indication of the Group's position in future periods.
Adjusted EBITA margin	EBITA adjusted for nonrecurring items, as a percentage of sales.	Adjusted EBITA margin excluding the effect of nonrecurring items, which makes it possible to compare the underlying operating profitability.
Order backlog	This is the amount of contracts not yet delivered and potential add-on years.	It provides an indication of the company's future performance.
Organic growth	Sales increase of legal entities owned for the entire financial year.	It shows how current operations are performing.
Working capital	Current assets not including cash and cash equivalents, less current liabilities.	Working capital is used to measure the company's ability to meet short-term capital requirements.

FUTURE REPORTING DATES

Interim report Q1	6 May 2020
AGM	14 May 2020
Interim report Q2	26 August 2020
Interim report Q3	11 November 2020
Year-end report 2020	17 February 2021



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