Green landscaping

Interim Report January – September 2018 [1)]

Q3

"Continued high growth and strategically important acquisition of Svensk Markservice"

Juli – September 2018

- Sales for the quarter amounted to SEK 267.1 (224.6) million, which corresponds to an increase of 19 percent.
- Organic growth amounted to 8 percentage points and acquired growth to 11 percentage points.
- Adjusted EBITDA amounted to SEK 23.8 (24.3) million.
- Adjusted EBITDA margin amounted to SEK 8.9 (10.8) percent.
- Earnings before tax amounted to SEK 9.0 (7.5) million.
- Cash flow from operating activities amounted to SEK –31.5 (–12.7) million.
- Earnings per share were SEK 0.47. Diluted earnings per share were SEK 0.47.
- Adjusted earnings per share were SEK 0.47.
- In conjunction with this interim report, the Group has converted to IFRS, which impacts earnings and the balance sheets of 2016, 2017 and 2018. See Note 2 for more information.

January – September 2018

- Sales amounted to SEK 805.1 (535.1) million, which corresponds to an increase of 50 percent, of which 15 percentage points is organic growth and 35 percentage points is acquired growth.
- Adjusted EBITDA amounted to SEK 63.3 (44.5) million, which is an increase of 42 percent.
- Adjusted EBITDA margin amounted to SEK 7.9 (8.3) percent.
- Earnings before tax amounted to SEK 1.2 (7.5) million.
- Cash flow from operating activities amounted to SEK –21.8 (–18.0) million [2)].
- Earnings per share were SEK 0.29. Diluted earnings per share were SEK 0.29.
- Adjusted earnings per share were SEK 0.81.
- Green Landscaping's shares became listed for trading on Nasdaq First North on 23 March 2018.
- After the end of the quarter, the intention to acquire Svensk Markservice was announced. Its sales are just over SEK 850 million. The acquisition is expected to be concluded after approval by the Swedish Competition Authority.

Key performance indicators

SEK m	July-Sept 2018	July-Sept 2017	Jan-Sept 2018	Jan-Sept 2017	Jan-Dec 2017
Sales	267.1	224.6[3)]	805.1	535.1	799.3
Earnings before tax	9.0	7.5	1.2	7.5	8.3
EBITDA	23.8	22.5	47.2	37.5	55.8
Items affecting comparability	0.0	–1.8	–16.1	–7.0	–10,2
Adjusted EBITDA	23.8	24.3[4)]	63.3	44.5	65.9
Adjusted EBITDA margin, %	8.9	10.8	7.9	8.3	8.2
Adjusted EBITA	13.7	9.5	36.2	29.2	39.9
Adjusted EBITA margin, %	5.1	4.2	4.5	5.5	5.0
Amortization of intangible assets	–3.1	–1.9	–9.0	–2.0	–4.6
Profit (loss) from financial items	–2.2	–5.1	–9.9	–12.7	–17.2
Profit margin, profit (loss) after financial items, %	3.4	3.3	0.2	1.4	1.0
Cash flow from operating activities	–31.5	–12.7	–21.8	–18.0	17.1
Order backlog	1,757	1,881	1,757	1,881	1,856
Basic earnings per share, SEK	0.47	1.07	0.29	1.04	0.64
Diluted earnings per share, SEK	0.47	1.07	0.29	1.04	0.64
Average number of shares	35,498,909	6,891,000	31,213,373	6,453,400	6,624,985

1) In conjunction with this interim report, Green Landscaping has converted to IFRS, which has required us to supplement the report with additional information on first-time application, along with additional information in the notes.
2) Issue costs of SEK 16 million, along with interest and refinancing costs associated with the balance sheet prior to the listing of SEK 7 million had a negative impact on cash flow and earnings.
3) Sales July – Sept 2017 (pro forma) amounted to SEK 252.6 million.
4) Adjusted EBITDA July – Sept 2017 (pro forma) amounted to SEK 29.3 million.

CEO comments

I'm proud to report that Green Landscaping continues to grow at a healthy rate. Sales for the quarter were SEK 267 million, which is 19 percent higher than the preceding quarter. Organic growth was 8 percent, which is considerably higher than growth in the market. Unfortunately though, profitability has not followed the same strong trend, which is explained by the fact that a higher share of new projects have started up. Going forward, we will intensify our focus on customers and efficient project management. Our employees are also gaining experience in running the new projects.

Stronger position in West

During the quarter, our subsidiary, Tranemo Trädgårdstjänst, executed a minor net asset acquisition of Borås Markentreprenad, which strengthens the Group's position in the outdoor environment market in Västra Götaland. We're pursuing our efforts in accordance with our acquisition plan aimed at increasing the level of professionalism in our sector and providing more value to customers.

Additional progress for Green Steps

During the quarter, we took the next step in our integration project, Green Steps. It is an initiative to get new immigrants (and the long-term unemployed) into the workforce. Together with the organization Välkommen till Framtiden, we will be offering employment to up to fifteen individuals, along with training in ground maintenance. For us, it's important that more local authorities raise the requirements on involvement in society and professional delivery in procurement processes. Higher quality and integration generates significant benefits to society.

Acquisition of Svensk Markservice

In October, we announced our intention to acquire Svensk Markservice, which is a nationwide provider of Ground Maintenance & Landscaping services in Sweden. Customers will benefit in the form of a greater local presence, higher productivity and a broader range of services. It should also enable us to increase our commitment to initiatives like Green Steps even further, thereby generating benefits to both customers and society. The acquisition is pending approval by the Swedish Competition Authority and it is expected to be completed during the fourth quarter.

Once the acquisition has been completed, we will focus efforts on how the full integration will be carried out. We already know that we will reach a critical mass that will create opportunities to make our deliveries more efficient over time, thanks to synergy effects.

Efforts to prepare the company for listing on Nasdaq Stockholm are progressing according to plan.

Johan Nordström
CEO

The Group's performance

Sales and earnings in the third quarter
Sales for the third quarter amounted to SEK 267.1 (224.6) million, which is an increase of 18.9 percent.

EBITDA for July – September was SEK 23.8 (22.5) million. Net financial items amounted to SEK –2.2 (–5.1) million. The interest expense on our external loans was SEK –1.3 (–4.7) million. Profit for the period amounted to SEK 16.5 (7.5) million, which corresponds to earnings per share of SEK 0.47. Tax expense for the quarter was SEK 7.5 (–0.1) million.

The Group consists of three segments. Ground Maintenance & Landscaping, Sports Landscaping and Arborist Services.

Sales and earnings, January – September
Sales for the first three quarters amounted to SEK 805.1 (535.1) million, which is an increase of 50.5 percent.

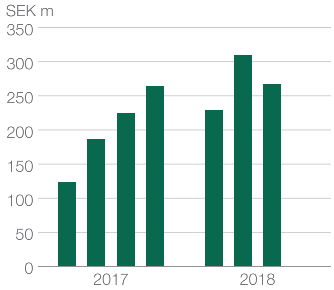
EBITDA for January – September was SEK 47.2 (37.5) million. There was a negative impact on earnings from the costs associated with the IPO (SEK 16 million) along with interest expenses on a higher level of debt prior to the IPO. Net financial items amounted to SEK –9.9 (–12.7) million. The interest expense on our external loans was SEK –7.4 (–10.2) million. Earnings amounted to SEK 9.1 (6.7) million, which corresponds to earnings per share of SEK 0.29. Diluted earnings per share were SEK 0.29. Tax for the period January – September was SEK 7.9 (–0.8) million.

Order backlog
At the end of the second quarter, order backlog amounted to SEK 1,757 (1,881) million, which is a decrease of 7 percent compared to last year.

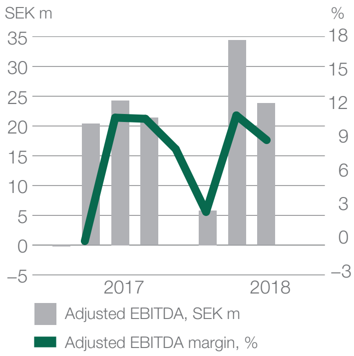
Over time, there is a correlation between the size of order backlog and sales. But this is not necessarily the case over the short term. The reason is that large, long-term contracts are procured with intervals of 5-10 years. When customers renew contracts with Green Landscaping it has a major impact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

Conversion to IFRS
This interim report has been prepared in accordance with IAS 34. It is the first time that the Group is issuing a report in accordance with International Financial Reporting Standards (IFRS).

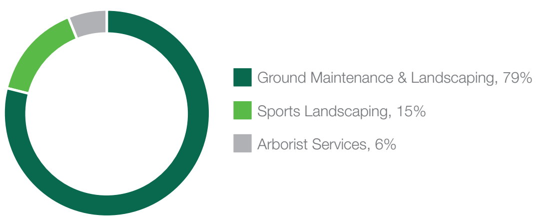
Sales per quarter



Adjusted EBITDA



Sales per business area, %
January – September



Ground Maintenance & Landscaping

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

Sales and earnings in the third quarter

Sales for the third quarter amounted to SEK 223.1 (194.3) million, which is an increase of 15 percent.

Sales in the third quarter were fueled by new contracts and higher demand within the scope of agreements with existing customers.

Adjusted EBITDA amounted to SEK 26.1 (28.6) million, which is a decrease of 9 percent.

Focus is further intensifying on improving efficiency and increasing the margin.

Sales and earnings, January – September

Sales for the first three quarters amounted to SEK 649.3 (450.6) million, which is an increase of 44 percent.

The high level of activity for snow and ice removal had a positive impact on sales during the first quarter. New contracts and high demand from existing customers has fueled organic growth as of the second quarter.
A portion, however, is acquired growth.

Adjusted EBITDA amounted to SEK 69.9 (56.6) million, which is an increase of 23 percent.

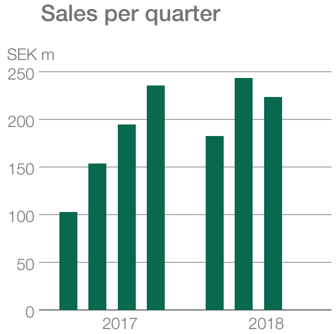
The change is primarily attributable to higher volume.

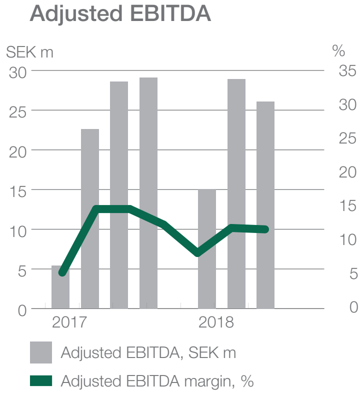
Order backlog

Order backlog amounted to SEK 1,611 (1,730) million, which is a decrease of 6 percent. New orders in the quarter include maintenance in Lindome for Förbo, renovation of the Skånsta playground for Österåker municipality and Specialfastigheter in Linköping, a major land project for a company in Borås, maintenance of district East for Poseidon in Gothenburg and Nolhaga Entré for Alingsås municipality.

Key performance indicators

SEK m	July-Sept 2018	July-Sept 2017	Jan-Sept 2018	Jan-Sept 2017	Jan-Dec 2017
Sales	223.1	194.3	649.3	450.6	686.0
Adjusted EBITDA	26.1	28.6	69.9	56.6	85.7
Adjusted EBITA	20.1	21.4	50.7	45.0	67.3
Order backlog	1,611	1,730	1,611	1,730	1,675





Sports Landscaping

The Sports Landscaping business area 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.

Sales and earnings in the third quarter

Sales for the third quarter amounted to SEK 28.8 (18.4) million, which is an increase of 56 percent. The increase is primarily attributable to the acquisition of Jordelit.

The warm summer had a negative impact on the volume of service projects in the quarter. Product sales, however, were according to plan.

Adjusted EBITDA for the quarter amounted to SEK 2.3 (0.9) million, which is an increase of SEK 1.4 million.

The change is attributable to the acquisition of Jordelit.

Sales and earnings, January – September

Sales for the first three quarters amounted to SEK 124.0 (48.2) million, which is an increase of 157 percent. The increase is primarily attributable to the acquisition of Jordelit.

Adjusted EBITDA for the quarter amounted to SEK 13.5 (5.4) million, which is an increase of SEK 8.1 million.

The change is attributable to the acquisition of Jordelit.

Order backlog

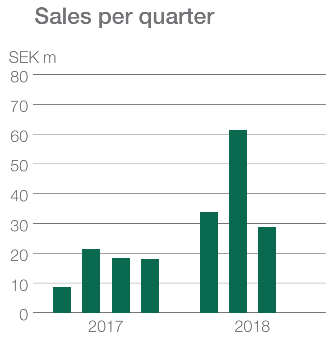
Order backlog amounted to SEK 50 (79) million, which is somewhat lower than last year. Examples of new contracts are renovation of a natural grass sports field for Skövde municipality and spray seeding of Hills Villastad in Gothenburg.

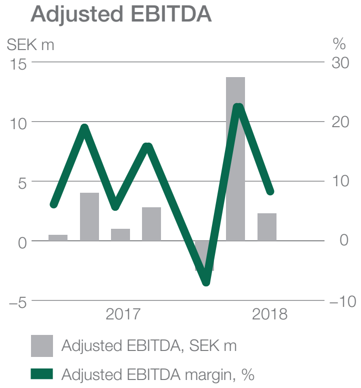
Myresjöhus Arena

During July, GML Sport renovated Myresjöhus Arena in Växsjö. The project involved removal of the old natural grass field, along with laying and sowing of a new hybrid lawn. The entire project, from removal of the old grass until playing of the first match, took just six weeks. Seed and fertilizer was delivered by Jordelit.

Key performance indicators

SEK m	July-Sept 2018	July-Sept 2017	Jan-Sept 2018	Jan-Sept 2017	Jan-Dec 2017
Sales	28.8	18.4	124.0	48.2	66.2
Adjusted EBITDA	2.3	0.9	13.5	5.4	8.2
Adjusted EBITA	0.5	–0.4	8.2	2.8	4.3
Order backlog	50	79	50	79	70





Arborist Services

The Arborist Services business area offers consultation, tree trimming, care of forests in the vicinity of densely populated areas and biomass management. Contracts are typically long-term framework agreements or smaller assignments where an hourly fee is charged.

Sales and earnings in the third quarter

Sales for the third quarter amounted to SEK 18.8 (11.5) million, which is an increase of 63 percent.

Adjusted EBITDA amounted to SEK 2.5 (1.1) million, which is an increase of SEK 1.4 million.

The improvement is due to both high demand and higher efficiency of deliveries.

Sales and earnings, January – September

Sales for the first three quarters amounted to SEK 46.5 (35.5) million, which is an increase of 31.0 percent.

Adjusted EBITDA amounted to SEK 4.2 (3.8) million, which is an increase of SEK 0.4 million.

The improvement is attributable to strong demand in all business areas along with newly won agreements at the end of 2017, which have been successfully carried out during the year. It is not until the third quarter that efficiency rises and a higher level of profitability is achieved.

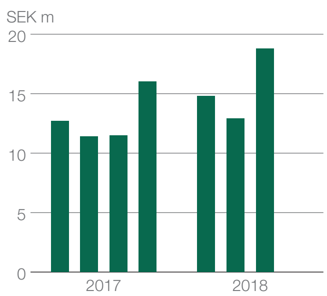
Order backlog

Order backlog amounted to SEK 96 (73) million, which is an increase of SEK 23 million. New new framework agreements were won during the quarter. The major contracts that were won during the quarter were with existing customers.

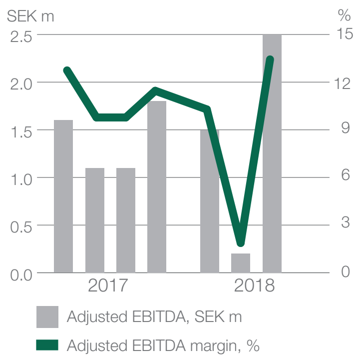
Key performance indicators

SEK m	July-Sept 2018	July-Sept 2017	Jan-Sept 2018	Jan-Sept 2017	Jan-Dec 2017
Sales	18.8	11.5	46.5	35.5	51.5
Adjusted EBITDA	2.5	1.1	4.2	3.8	5.5
Adjusted EBITA	1.4	0.7	1.6	2.3	3.5
Order backlog	96	73	96	73	111

Sales per quarter



Adjusted EBITDA



OTHER FINANCIAL INFORMATION

Financial position

Consolidated equity amounted to SEK 207.6 million, which corresponds to an increase of SEK 170.3 million compared to 2017-12-31. In conjunction with becoming listed on Nasdaq First North, there was a new share issue which generated SEK 72.9 million for the company. There was also a set-off issue, whereby convertible debt of SEK 92.3 million was converted to equity. (Interest on the convertible debt amounted to SEK 2.3 million for the first quarter but because it was converted to equity, it will not impact earnings in the future)

Cash and cash equivalents amounted to SEK 28.7 million. Available bank overdraft amounts to SEK 23.3 million. In addition to that, there is a line of credit for SEK 50 million which has not been utilized.

Cash flow, investments and depreciation/amortization

Consolidated cash flow from operating activities for the quarter was SEK –31.5 million. The need for working capital varies with the season and it increased by SEK 50.1 million in the quarter due to growth and a higher level of activity in projects during the fall.

Net investments during the period (Q3) amounted to SEK –20.5 million.

Depreciation of property, plant and equipment during the period was SEK –9.5 (–7.9) million.

Amortization of intangible assets during the period was SEK –3.1 (–2.0) million.

Employees

The average number of employees for the period was 584, compared to 492 employees during the same period last year.

Risks and uncertainties

Operational risks

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

Financial risks

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

Significant events after the end of the period

Green Landscaping has signed an agreement to acquire all of the outstanding shares in Svensk Markservice from Nalka and certain other minority owners, including members of Svensk Markservice's senior executive team. Svensk Markservice is a nationwide provider of Ground Maintenance & Landscaping services in Sweden. The purchase price amounts to SEK 398 million (total enterprise value) and it has been entirely financed via new credit facilities. Svensk Markservice reported adjusted total operating income of approximately SEK 879 million, adjusted EBITDA of approximately SEK 53 million and adjusted EBITA of approximately 27 million for the last twelve months through August 2018. The acquisition strengthens Green Landscaping's position in Sweden in the Ground Maintenance & Landscaping segment. The acquisition creates significant value to customers in the form of cost synergies, higher productivity and a greater local presence. Run-rate cost synergies of approximately 25 million are expected. The acquisition is pending approval by the Swedish Competition Authority and it is expected to be completed during the fourth quarter of 2018. Accordingly, a final acquisition balance is not yet available and an acquisition analysis has not yet been prepared.

Tranemo Trädgårdstjänst signed an agreement for net asset acquisition of Borås Markentreprenad AB. The acquisition strengthens Tranemo Trädgårdstjänst's position in the outdoor environment market in Västra Götaland. The acquisition is expected to contribute SEK 10 million to the Group's sales on an annual basis. All assets, rights and obligations were taken over on 1 October 2018.

Transactions with related parties

During the first quarter, FSN Capital III L.P. and Johan Nordström converted their convertible loans to shares. The conversion was executed at the going market rate. After that, there were no additional significant transactions with related parties.

Parent Company

The Parent Company's net sales for the period amounted to SEK 0.6 (0.3) million. Operating profit (loss) amounted to SEK –1.3 (0.1) million. The change is primarily attributable to higher costs associated with the IPO, along with investments to strengthen internal controls.

Accounting policies

The interim report was prepared in accordance with International Financial Reporting Standards (IFRS). The transition to IFRS is reported in this interim report.

Seasonal variations

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

Share information

The company became listed on Nasdaq First North on 23 March 2018. The Certified Adviser is Pareto Securities AB.

Share-based incentive program

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

Consolidated statement of comprehensive income, in summary

SEK m	Note	July-Sept 2018	July-Sept 2017	Jan-Sept 2018	Jan-Sept 2017	Jan-Dec 2017	Jan-Dec 2016
Revenue from contracts with customers	3.4	266.6	223.8	802.8	533.5	796.6	680.7
Other operating income		0.5	0.9	2.3	1.6	2.7	0.9
Sales		**267.1**	**224.6**	**805.1**	**535.1**	**799.3**	**681.6**
Operating costs							
Cost of goods and services sold		–134.1	–103.1	–396.8	–246.5	–373.9	–348.7
Other external expenses		–26.4	–25.8	–82.2	–59.9	–93.1	–53.6
Employee benefit expenses		–83.9	–73.1	–263.7	–191.0	–276.4	–252.5
Other operating costs		1.1	0.0	–15.2	–0.1	–0.1	0.0
Depreciation of PPE		–9.5	–8.0	–27.1	–15.3	–25.7	–17.8
Amortization of intangible assets	2	–3.1	–1.9	–9.0	–2.0	–4.6	0.0
Operating profit (loss)		**11.2**	**12.7**	**11.1**	**20.3**	**25.5**	**9.0**
Profit (loss) from financial items							
Financial income		0	0.2	0.1	0.2	2.5	0.6
Financial expenses		–2.2	–5.3	–10.0	–13.0	–19.7	–12.8
Total profit (loss) from financial items		**–2.2**	**–5.1**	**–9.9**	**–12.8**	**–17.2**	**–12.2**
Profit (loss) after financial items		**9.0**	**7.6**	**1.2**	**7.5**	**8.3**	**–3.2**
Tax	2	**7.5**	**–0.2**	**7.9**	**–0.8**	**–4.1**	**–1.3**
PROFIT (LOSS) FOR THE PERIOD		**16.5**	**7.4**	**9.1**	**6.7**	**4.2**	**–4.5**
Other comprehensive income		**–**	**–**	**–**	**–**	**–**	**–**
Total comprehensive income for the period		**16.5**	**7.4**	**9.1**	**6.7**	**4.2**	**–4.5**

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

Consolidated statement of financial position, in summary

SEK m	Note	30 Sept 2018	30 Sept 2017	31 Dec 2017	31 Dec 2016
Assets					
Intangible assets	2	174.0	133.3	179.1	79.3
Property, plant and equipment		88.9	76.4	81.8	43.1
Financial assets	2	22.7	16.5	16.7	17.4
Inventories		25.8	7.7	31.2	9.6
Contract assets		62.4	58.1	36.0	23.5
Current receivables		191.6	148.4	213.0	133.9
Cash and cash equivalents		28.7	15.6	33.7	6.1
TOTAL ASSETS		**594.1**	**456.0**	**591.6**	**312.9**
Equity and liabilities					
Equity	2	207.6	20.9	34.4	0.7
Non-current liabilities	2	111.6	146.1	160.1	83.6
Contract liabilities	2	17.0	13.1	16.5	9.5
Current liabilities	2	257.9	275.9	380.6	219.2
TOTAL EQUITY AND LIABILITIES		**594.1**	**456.0**	**591.6**	**312.9**

Consolidated statement of changes in equity

SEK m	Share capital	Other contributed capital	Retained earnings including profit for the year	Total
Opening balance 2016-01-01	1.9	190.9	–187.7	5.1
Present value of convertible debt		0.1		0.1
Comprehensive income for the period			–4.5	–4.5
Closing balance 2016-12-31	**1.9**	**191.0**	**–192.2**	**0.7**
Correction of present value calculation on convertible loans, prior years		–6.5		–6.5
New share issue	0.2	19.8		20.0
Comprehensive income for the period			6.7	6.7
Closing balance 2017-09-30	**2.1**	**204.3**	**–185.5**	**20.9**
New share issue	0.1	15.9		16.0
Comprehensive income for the period			–2.5	–2.5
Closing balance 2017-12-31	**2.2**	**220.2**	**–188.0**	**34.4**
New share issue	0.2	74.8		75.0
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
Comprehensive income for the period			–7.4	–7.4
Closing balance 2018-06-30	**2.5**	**381.3**	**–192.6**	**191.1**
Comprehensive income for the period			16.5	16.5
Closing balance 2018-09-30	**2.5**	**381.3**	**–176.1**	**207.6**

All equity is attributable to the parent company's shareholders

Consolidated cash flow statement, in summary

SEK m	July-Sept 2018	July-Sept 2017	Jan-Sept 2018	Jan-Sept 2017	Jan-Dec 2017	Jan-Dec 2016
Operating profit (loss)	11.2	12.7	11.1	20.3	25.5	9.0
Adjustment for depreciation/amortization	12.6	9.9	36.1	17.3	30.4	17.8
Other non-cash items	–2.2	0.0	–1.0	–	–1.9	0.4
Interest received and paid	–1.9	–0.7	–10.1	–5.3	–7.6	–5.5
Paid income tax	–5.4	–1.0	–8.6	–1.9	–0.4	–0.2
Cash flow from operating activities before changes in working capital	**14.3**	**20.9**	**27.5**	**30.4**	**46.0**	**21.5**
Cash flow from changes in working capital	–45.8	–33.6	–49.3	–48.4	–28.9	–18.9
Cash flow from operating activities	**–31.5**	**–12.7**	**–21.8**	**–18.0**	**17.1**	**2.6**
Cash flow from investing activities	–21.3	–47.5	–34.7	–48.9	–106.9	–9.7
Cash flow from financing activities	50.4	71.1	51.5	76.4	117.4	9.3
Cash flow for the period	**–2.4**	**10.9**	**–5.0**	**9.5**	**27.6**	**2.2**
Cash and cash equivalents at the beginning of the period	31.1	4.7	33.7	6.1	6.1	3.9
Cash and cash equivalents at the end of the period	28.7	15.6	28.7	15.6	33.7	6.1

Parent Company income statement, in summary

SEK m	July-Sept 2018	July-Sept 2017	Jan-Sept 2018	Jan-Sept 2017	Jan-Dec 2017	Jan-Dec 2016
Net sales	0.6	0.3	1.3	1.0	1.4	1.9
Operating costs						
Other external expenses	0.0	–0.1	–18.0	–0.5	–1.1	–1.6
Employee benefit expenses	–1.9	–0.1	–3.5	–0.3	–0.4	–0.3
Depreciation of property, plant and equipment and amortization of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Operating profit (loss)	**–1.3**	**0.1**	**–20.2**	**0.2**	**–0.1**	**0.0**
Financial items	–1.3	–4.0	–8.6	7.2	–11.1	–6.3
Profit (loss) for the year	**–2.7**	**–3.9**	**–28.8**	**–7.0**	**–11.2**	**–6.3**

Parent Company balance sheet, in summary

SEK m	30 Sept 2018	30 Sept 2017	31 Dec 2017	31 Dec 2016
Assets				
Intangible assets	0.4	0.0	0.0	0.0
Financial assets	361.4	295.0	362.9	208.4
Total non-current assets	**361.8**	**295.0**	**362.9**	**208.4**
Current receivables	53.0	2.2	1.9	0.5
Cash and bank	0.0	0.0	2.4	0.3
Total current assets	**53.0**	**2.2**	**4.3**	**0.8**
TOTAL ASSETS	**414.8**	**297.2**	**367.2**	**209.2**
Equity	257.7	104.5	116.2	99.2
Non-current liabilities	83.1	124.3	132.6	81.3
Current liabilities	74.0	68.4	118.4	28.7
TOTAL EQUITY AND LIABILITIES	**414.8**	**297.2**	**367.2**	**209.2**

KPIs for the Group

	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Sales, SEK m	267.1	309.3	228.8	264.2	224.6	186.8	123.7
Adjusted EBITDA, SEK m	23.8	34.4	5.8	21.4	24.3	20.4	–0.2
Adjusted EBITDA margin, %	8.9	11.1	2.5	8.1	10.8	10.9	–0.1
Adjusted EBITA, SEK m	13.7	26.3	–3.8	10.7	16.4	16.9	–4.1
Adjusted EBITA margin, %	5.1	8.5	–1.7	4.0	7.3	9.0	–3.3
Working capital, SEK m	63.2	13.1	–6.7	–30.5	–11.9	2.2	–30.4
Adjusted working capital, SEK m	63.2	13.1	–6.7	14.9	29.2	30.5	–2.4
Items affecting comparability, SEK m	0.0	0.4	16.3	3.2	1.8	4.7	0.5
Equity, SEK m	207.6	191.1	171.1	34.4	20.9	0.1	7.4
Interest-bearing net debt, SEK m	126.6	73.8	75.5	145.2	143.6	92.9	71.2
Net debt/Adjusted EBITDA RTM (pro forma), times	1.5	0.9	1.1	2.2	2.7	1.9	1.5
Average number of employees	584	605	463	509	492	419	329

Reconciliation of KPIs not defined in accordance with IFRS

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

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

Adjusted EBITDA	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Operating profit (loss)	23.8	34.0	–10.5	18.3	22.5	15.7	–0.7
Items affecting comparability	0.0	0.4	16.3	3.2	1.8	4.7	0.5
Total Adjusted EBITDA	**23.8**	**34.4**	**5.8**	**21.4**	**24.3**	**20.4**	**–0.2**

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

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

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

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

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

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

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

Adjusted earnings per share	July-Sept 2018	Jan-Sept 2018
Profit (loss) for the period	16.6	9.2
NRI	0.0	16.1
Adjusted earnings	**16.6**	**25.3**
Average number of shares	**35,498,909**	**31,213,373**
Total Adjusted EBITA	**0.47**	**0.81**

Note 1 Accounting policies

1.1 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). This interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act.

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

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

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

In order to prepare reports in accordance with IFRS, management must make a number of estimates for accounting purposes. The areas where many assessments are required, which are complex, or areas where assumptions and estimates are significant to the consolidated financial statements, are described in Note 1.2. 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.

1.2 Important assessments and assumptions

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 warranty provisions and contract assets that are based on a project forecast.

1.3 Revised accounting policies

On 1 January 2018, two new standards entered into force that are applied by the Group.

IFRS 9 Financial instruments primarily impacts the following three areas: classification and measurement, impairment losses and hedge accounting. Under IFRS 9, all financial instruments must be classified into one of three main classification categories. Subsequent reporting and measurement of financial instruments is based on this classification. As of 1 January 2018, IFRS 9 replaced the prior standard for reporting and measurement of financial instruments (IAS 39). A new model for calculating a credit loss allowance is also included in IFRS 9. It is a three-step model where the point of departure is changes in the credit risk for financial assets. Transition to the new model for reporting anticipated credit losses in accordance with IFRS 9 has not impacted the consolidated financial statements since the Group has not had any significant credit losses.

IFRS 15 Revenue from Contracts with Customers has replaced prior standards for revenue reporting. This standard must be applied to all contracts with customers. IFRS 15 defines a customer as "…a party that has contracted with an entity to obtain goods or services that are an output of the entity's ordinary activities in exchange for consideration". For current customer contracts, implementation of IFRS 15 has not any significant impact.

On 1 January 2019 the new leasing standard, IFRS 16 Leases, will enter into force. IFRS 16 requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months in the balance sheet, with the exception of low value assets (value under USD 5,000). Green Landscaping is therefore reviewing all of its leases and the impact that implementation of IFRS 16 will have. The carrying amounts on all assets and liabilities is expected to increase. There will also be an impact on profit or loss, along with financing activities in the cash flow statement. However, it has not yet been possible to arrive at a reliable estimate of the relevant amounts.

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.

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.

Business combinations

The cost amount of an acquisition is calculated as the fair value of assets that have been provided as payment along with any liabilities taken over or which have arisen at the acquisition date. With the acquisition method, the fair value of acquired, identifiable assets, assumed liabilities and contingent liabilities in a business combination, regardless of the scope of any minority interest, are measured at fair value as of the acquisition date. Any surplus arising from the difference between cost and fair value on the Group's share of identifiable acquired assets, liabilities and contingent liabilities is reported as goodwill. If the cost amount is less than the fair value of the acquired net assets, it is reported as a negative difference in profit or loss.

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

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

Segment reporting

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

Transactions and balance sheet items in foreign currency

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

Revenue recognition

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

The transaction price is allocated to each performance obligation in the contract based on a standalone selling price. It means that each performance obligation must allocate its share of the revenue based on its standalone selling price in relation to the sum of all the standalone selling prices on all performance obligations. Variable remuneration is typically allocated proportionally to the identified performance obligations, unless there are clear indications that the variable remuneration does not pertain to the identified obligations in the contract.

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

Revenue is recognized at a point in time, when control has been transferred to the customer. Typically, 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 goods has been accepted.

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

Ground Maintenance & Landscaping,

Revenue in this segment is primarily recognized over time as services, based on the percentage of completion. Maintenance contracts typically stretch over 3-4 years, with the option to extend. The services rendered are ground maintenance in accordance with agreed principles (frequency/function-based) and periodicity. Extension periods are not recognized until the option has been utilized. Facility contracts typically have a shorter duration, up to 2 years, and they are for more specific assignments, such as building playgrounds, courtyards, etc.

Sports Landscaping

Revenue in this segment is recognized at a specific point in time, or gradually over time. The method applied depends on the business event which has occurred. There are two types of service assignments: maintenance over a longer period of time and with a fixed invoicing plan; and shorter service assignments that are on a running basis. The sale of goods pertains to machinery, materials and spare parts. The sales price is taken from a fixed price list.

Arborist Services

This segment is primarily comprised of services rendered on a running basis. Revenue in this segment is primarily recognized based on the percentage of completion, gradually, over the duration of the contract.

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

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

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

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

Financial instrument – general
Financial assets and liabilities are reported in the statement of financial position when the company becomes party to the instrument's contractual terms. A financial asset is removed from the statement of financial position when the rights in the contract are realized, mature, or when the company loses control over them. At each reporting occasion, an assessment is made of whether there are objective indicators that a financial asset needs to be written down. A financial liability is removed from the statement of financial position when the stated obligations in the contract have been fulfilled.

Classification and valuation
All financial instruments reported in the balance sheet must be classified in different measurement categories. Measurement of financial instruments is based on this classification. According to IFRS 9, classification of a financial instrument is based on the Group's business model (the objective for holding the financial asset) along with the financial asset's contractual cash flows. The categories of financial assets in accordance with IFRS 9 are:

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

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

Receivables
Receivables, including accounts receivable, are measured at amortized cost. IFRS 9 requires that a loss allowance is set up for expected credit losses. Allowance for credit losses is based on historical data and ratings. Any impairment of receivables is recognized in operating costs. Because the expected maturity for accounts receivables is short, they are typically reported at the nominal amount, without any discounting.

Liabilities
Liabilities to credit institutions (non-current and current) that pertain to finance leases, bank overdraft and accounts payable are classified as other financial 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
Accounts payable are recognized at amortized cost when the invoice has been received.

Impairment
At the end of each reporting period, an assessment is made of whether there is objective criteria indicating that there is a write-down requirement for a financial asset or group of assets. An impairment loss is recognized only if the objective criteria changes due to one or more events that occurred after the asset was initially recognized. The event(s) must also have a significant impact on the anticipated future cash flows for the asset or group of assets.

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 cash-generating units 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 customer contracts

Values identified in acquisition analyses that are associated with customer relations have been assessed as having a life of 1.5-5 years and they are amortized on a straight-line basis.

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

Impairment assessment for intangible assets occurs whenever there is an indication that an asset has declined in value. Impairment is recognized if the carrying amount for an asset or its cash-generating unit exceeds the recoverable amount. The recoverable amount is the value-in-use or fair value less selling expenses, whichever is higher. Value-in-use is calculated as the present value of the estimated future cash flows, after tax. At each closing date, an assessment is made of impairment losses recognized in prior periods to see if there are indications that the write-down requirement has declined or if it no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount after reversal does not exceed the carrying amount that the asset would have had if impairment losses hadn't been recognized, along with the amortization that would have occurred.

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

Property, plant and equipment

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

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

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

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

The following depreciation periods are used:

Expenditure for improvement on unowned property	5 years
Plant and machinery:	
Landscaping machinery	5 years
Vehicles	5 years
Equipment, tools, fixtures and fittings	5 years

Leases, as lessee

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

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

Inventories

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

Receivables and liabilities in foreign currencies

Receivables and liabilities in foreign currencies are measured at the closing day rate. Any exchange differences on operating receivables and operating liabilities is included in operating profit or loss. However, exchange differences on financial receivables and liabilities are recognized in financial items.

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 in the period that the remuneration pertains to and they are reported in the income statement.

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 is reported against shares in the subsidiary.

All lease agreements are reported as operating leases.

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

Note 2 Effects of the transition to IFRS for the Group

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

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

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

Reconciliation between prior applied accounting policies and IFRS

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

Statement of comprehensive income		July-Sept 2016			Jan-Sept 2016			Jan-Dec 2016		
SEK m	Note	As per prior policies	Effect of IFRS	As per IFRS	As per prior policies	Effect of IFRS	As per IFRS	As per prior policies	Effect of IFRS	As per IFRS
Revenue from contracts with customers	d	193.8	–33.3	**160.5**	500.3	–8.8	**491.5**	672.8	7.9	**680.7**
Change in work-in-progress	d	–33.4	33.4	**0.0**	–8.6	8.6	**0.0**	7.6	–7.6	**0.0**
Other operating income		0.1		**0.1**	2.1		**2.1**	0.9		**0.9**
Sales		**160.5**	**0.1**	**160.6**	**493.8**	**–0.2**	**493.6**	**681.3**	**0.3**	**681.6**
Operating costs										
Goods for resale and subcontractors	d	–70.0	–0.1	**–70.1**	–236.4	0.2	**–236.2**	–348.4	–0.3	**–348.7**
Other external expenses		–9.4		**–9.4**	–45.3		**–45.3**	–53.6		**–53.6**
Employee benefit expenses		–61.3		**–61.3**	–185.7		**–185.7**	–252.5		**–252.5**
Other operating costs		–0.1		**–0.1**	–0.1		**–0.1**	0.0		**0.0**
Depreciation of PPE		–3.9		**–3.9**	–12.1		**–12.1**	–17.8		**–17.8**
Amortization of intangible assets	b	–4.5	4.5	**0.0**	–13.4	13.4	**0.0**	–17.8	17.8	**0.0**
Operating profit (loss)		**11.3**	**4.5**	**15.8**	**0.8**	**13.4**	**14.2**	**–8.8**	**17.8**	**9.0**
Profit (loss) from financial items										
Financial income		0.1		**0.1**	0.1		**0.1**	0.6		**0.6**
Financial expenses		–3.8		**–3.8**	–9.6		**–9.6**	–12.8		**–12.8**
Total profit (loss) from financial items		**–3.7**	**0.0**	**–3.7**	**–9.5**	**0.0**	**–9.5**	**–12.2**	**0.0**	**–12.2**
Profit (loss) after financial items		**7.6**	**4.5**	**12.1**	**–8.7**	**13.4**	**4.7**	**–21.0**	**17.8**	**–3.2**
Tax		**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**–1.3**	**0.0**	**–1.3**
PROFIT (LOSS) FOR THE PERIOD		**7.6**	**4.5**	**12.1**	**–8.7**	**13.4**	**4.7**	**–22.3**	**17.8**	**–4.5**
Total comprehensive income for the period		**7.6**	**4.5**	**12.1**	**–8.7**	**13.4**	**4.7**	**–22.3**	**17.8**	**–4.5**

Statement of comprehensive income		July-Sept 2017			Jan-Sept 2017			Jan-Dec 2017		
SEK m	Note	As per prior policies	Effect of IFRS	As per IFRS	As per prior policies	Effect of IFRS	As per IFRS	As per prior policies	Effect of IFRS	As per IFRS
Revenue from contracts with customers	d	201.3	22.3	**223.8**	511.4	22.0	**533.4**	790.9	5.7	**796.6**
Change in work-in-progress	d	22.4	–22.4	**0.0**	22.1	–22.1	**0.0**	11.5	–11.5	**0.0**
Other operating income		0.9		**0.9**	1.6		**1.6**	2.7		**2.7**
Sales		**224.6**	**–0.1**	**224.6**	**535.1**	**–0.1**	**535.1**	**805.2**	**–5.8**	**799.3**
Operating costs										
Goods for resale and subcontractors	d	–103.2	0.1	**–103.1**	–246.6	0.1	**–246.5**	–379.7	5.8	**–373.9**
Other external expenses	d	–25.8		**–25.8**	–58.3	–1.6	**–59.9**	–87.3	–5.8	**–93.1**
Employee benefit expenses		–73.1		**–73.1**	–191.0		**–191.0**	–276.4		**–276.4**
Other operating costs		0.0		**0.0**	–0.1		**–0.1**	–0.1		**–0.1**
Depreciation of PPE		–8.0		**–8.0**	–15.3		**–15.3**	–25.7		**–25.7**
Amortization of intangible assets	b	–5.8	3.9	**–1.9**	–14.5	12.5	**–2.0**	–20.9	16.3	**–4.6**
Operating profit (loss)		**8.7**	**3.9**	**12.7**	**9.3**	**10.9**	**20.3**	**15.0**	**11.4**	**25.5**
Profit (loss) from financial items										
Financial income		0.2		**0.2**	0.3		**0.3**	2.5		**2.5**
Financial expenses	d	–5.3		**–5.3**	–12.1	–1.0	**–13.0**	–18.8	–0.9	**–19.7**
Total profit (loss) from financial items		**–5.1**	**0.0**	**–5.1**	**–11.8**	**–1.0**	**–12.8**	**–16.3**	**–0.9**	**–17.2**
Profit (loss) after financial items		**3.6**	**3.9**	**7.5**	**–2.5**	**9.9**	**7.5**	**–1.2**	**10.5**	**8.3**
Tax		**–0.2**	**0.0**	**–0.2**	**–1.2**	**0.4**	**–0.8**	**–5.0**	**0.9**	**–4.1**
PROFIT (LOSS) FOR THE PERIOD		**3.4**	**3.9**	**7.4**	**–3.7**	**10.3**	**6.7**	**–6.2**	**10.4**	**4.2**
Total comprehensive income for the period		**3.4**	**3.9**	**7.4**	**–3.7**	**10.3**	**6.7**	**–6.2**	**10.4**	**4.2**

Balance sheet		2016-01-01			2016-09-30			2016-12-31		
SEK m	Note	As per prior policies	Effect of IFRS	As per IFRS	As per prior policies	Effect of IFRS	As per IFRS	As per prior policies	Effect of IFRS	As per IFRS
Assets										
Brands	a, b	0.0		**0.0**	0.0		**0.0**	0.0		**0.0**
Customer relations	a, b	0.0		**0.0**	0.0		**0.0**	0.0		**0.0**
Goodwill	a, b	78.3		**78.3**	65.0	13.4	**78.4**	60.5	17.8	**78.3**
Other intangible assets		0.1		**0.1**	0.5		**0.5**	1.0		**1.0**
Property, plant and equipment		50.3		**50.3**	44.7		**44.7**	43.1		**43.1**
Deferred tax assets		18.5		**18.5**	18.6		**18.6**	17.3		**17.3**
Other financial assets		0.0		**0.0**	0.0		**0.0**	0.1		**0.1**
Inventories		9.9		**9.9**	10.2		**10.2**	9.6		**9.6**
Contract asset	d	0.0	5.8	**5.8**	0.0		**0.0**	0.0	23.5	**23.5**
Current receivables	d	152.0	–5.8	**146.2**	159.1		**159.1**	157.4	–23.5	**133.9**
Cash and cash equivalents		3.9		**3.9**	3.3		**3.3**	6.1		**6.1**
Total assets		**313.0**	**0.0**	**313.0**	**301.4**	**13.4**	**314.8**	**295.0**	**17.8**	**312.9**
Equity and liabilities										
Equity	d	4.1		**4.1**	–3.5	13.4	**9.9**	–17.2	17.8	**0.7**
Provisions	d	2.4	–2.4	**0.0**	3.3	–3.3	**0.0**	3.4	–3.4	**0.0**
Non-current liabilities	d	82.0	1.8	**83.8**	114.3	2.8	**117.1**	80.8	2.7	**83.5**
Contract liabilities	d	0.0	8.8	**8.8**	0.0	26.8	**26.8**	0.0	9.5	**9.5**
Deferred tax liability	d	0.0		**0.0**	0.0		**0.0**	0.1		**0.1**
Current liabilities	d	224.5	–8.2	**216.3**	187.3	–26.3	**161.0**	227.9	–8.7	**219.2**
Total equity and liabilities		**313.0**	**0.0**	**313.0**	**301.4**	**13.4**	**314.8**	**295.0**	**17.8**	**312.9**

Balance sheet		2017-09-30			2017-12-31		
SEK m	Note	As per prior policies	Effect of IFRS	As per IFRS	As per prior policies	Effect of IFRS	As per IFRS
Assets							
Brands	a, b	0.0	3.5	**3.5**	0.0	8.9	**8.9**
Customer relations	a, b	0.0	18.1	**18.1**	0.0	29.9	**29.9**
Goodwill	a, b	99.6	10.6	**110.2**	138.3	–0.4	**137.9**
Other intangible assets		1.5		**1.5**	2.5		**2.5**
Property, plant and equipment		76.4		**76.4**	81.8		**81.8**
Deferred tax assets		16.5		**16.5**	16.7		**16.7**
Other financial assets		0.0		**0.0**	0.0		**0.0**
Inventories		7.7		**7.7**	31.2		**31.2**
Contract asset	d	0.0	58.1	**58.1**	0.0	36.0	**36.0**
Current receivables		206.5	–58.1	**148.4**	249.0	–36.0	**213.0**
Cash and cash equivalents		15.6		**15.6**	33.7		**33.7**
Total assets		**423.7**	**32.1**	**456.0**	**553.3**	**38.3**	**591.6**
Equity and liabilities							
Equity	d	–7.4	28.1	**20.9**	5.3	29.1	**34.4**
Provisions	d	2.6	–2.6	**0.0**	2.7	–2.7	**0.0**
Non-current liabilities	d	136.0	1.8	**137.8**	144.1	1.7	**145.8**
Contract liabilities	d	0.0	13.1	**13.1**	0.0	16.5	**16.5**
Deferred tax liability	c	3.5	4.8	**8.3**	5.8	8.5	**14.3**
Current liabilities	d	289.1	–13.1	**275.9**	395.4	–14.8	**380.6**
Total equity and liabilities		**423.7**	**32.1**	**456.0**	**553.3**	**38.3**	**591.6**

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

In 2017, the following acquisitions were made:

- Tranemo Trädgårdstjänst 2017-06-26
- Björnentreprenad 2017-07-18
- JE Mark 2017-11-29
- Jordelit 2017-12-06

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

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

	2017-09-30			2017-12-31		
SEK m	As per prior policies	Effect of IFRS	As per IFRS	As per prior policies	Effect of IFRS	As per IFRS
Cash and cash equivalents	40.5	0.0	**40.5**	71.7	0.0	**71.7**
Cash and cash equivalents (liability)	23.0	–0.9	**22.1**	41.9	–1.4	**40.5**
Equity	20.0	0.0	**20.0**	36.0	0.0	**36.0**
Total consideration paid	**83.5**	**–0.9**	**82.6**	**149.6**	**–1.4**	**148.2**
Net assets	32.5	0.0	**32.5**	55.1	0.0	**55.1**
Brands	0.0	3.5	**3.5**	0.0	8.9	**8.9**
Customer relations/contracts	0.0	20.0	**20.0**	0.0	33.9	**33.9**
Deferred tax liability	0.0	–5.2	**–5.2**	0.0	–9.3	**–9.3**
Total identifiable assets	**32.5**	**18.4**	**50.9**	**55.1**	**33.5**	**88.6**
Goodwill	**55.3**	**–23.5**	**31.7**	**102.5**	**–42.8**	**59.7**

Effect on goodwill SEK m	2016-09-30	2016-12-31	2017-09-30	2017-12-31
Goodwill	**65.0**	**60.5**	**99.6**	**138.4**
Adding back of goodwill amortization on acquisitions prior to the transition to IFRS	13.4	17.8	31.2	**35.6**
Adding back of goodwill amortization on acquisitions prior to the transition to IFRS	0.0	0.0	3.0	**6.9**
Reclassification from goodwill to intangible assets	0.0	0.0	–23.5	**–42.8**
Total effect of IFRS	**13.4**	**17.8**	**10.6**	**–0.4**
New goodwill value	**78.4**	**78.3**	**110.2**	**137.9**

Effect on contracts with customers SEK m	2016-09-30	2016-12-31	2017-09-30	2017-12-31
Reclassification from goodwill to intangible assets	0.0	0.0	20.1	**34.2**
Additional amortization of customer relations	0.0	0.0	–2.0	**–4.3**
Total effect on contracts with customers	**0.0**	**0.0**	**18.1**	**29.9**

B) Other intangible assets

In accordance with IFRS, goodwill is assessed as having an indefinite life, and as such, it is not amortized. Instead, impairment testing is done each year. Impairment testing on goodwill involves assessing whether the recoverable amount is higher than the carrying amount. The recoverable amount has been calculated on the basis of the unit's value-in-use, which is comprised of the present value of the unit's expected future cash flows, without taking into consideration any future plans to expand or restructure the business. The same significant assumptions have been made for all segments. One of the most significant assumptions is future sales. The test of impairment has been based on a discount rate of 6.8 % (10.3 %) . The cash flows have been based on financial forecasts covering 4 years and on a constant rate of growth of 2 % (2 %). With the transition to IFRS, a review has been conducted of acquisitions that were made in 2017. Additional intangible assets were identified in the form of brands, customer relations and customer contracts. The amortization period for customer relations is 1.5-5 years. Brands are written off when they are disposed of or sold. The table below shows the effects.

Effect on amortization SEK m	July-Sept 2016	Jan-Sept 2016	Jan-Dec 2016
Adding back of goodwill amortization	4.5	13.4	**17.8**
Additional amortization on customer relations and brands	0.0	0.0	**0.0**
Total effect of amortization in the statement of comprehensive income	**4.5**	**13.4**	**17.8**

Effect on amortization SEK m	July-Sept 2017	Jan-Sept 2017	Jan-Dec 2017
Adding back of goodwill amortization	5.8	14.5	**20.5**
Additional amortization on customer relations and brands	–1.9	–2.0	**–4.2**
Total effect of amortization in the statement of comprehensive income	**3.9**	**12.5**	**16.3**

C) Deferred tax

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

Effect in the balance sheet for deferred tax liability recalculation, business combinations SEK m	2017-09-30	2017-12-31
Deferred tax liability on additional intangible assets	5.2	**9.4**
Dissolution of deferred tax liability for the year's amortization of intangible assets	–0.4	**–0.9**
Total	**4.8**	**8.5**

D) Reclassification and new headings

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

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

The following changes have been made in the balance sheet

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

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

Effect on change in work-in-progress SEK m	July-Sept 2016	Jan-Sept 2016	Jan-Dec 2016	July-Sept 2017	Jan-Sept 2017	Jan-Dec 2017
Reclassification to Revenue from contracts with customers	33.3	8.8	–7.9	–22.3	–22.0	**–5.7**
Reclassification to Goods for resale and sub-contracts	0.1	–0.2	0.3	–0.1	–0.1	**–5.8**
Total change in work-in-progress	**33.4**	**8.6**	**–7.6**	**–22.4**	**–22.1**	**–11.5**

Effect on other external expenses SEK m	2016-01-01	2016-09-30	2016-12-31	2017-09-30	**2017-12-31**
Adding back of prior capitalized acquisition costs	0.0	0.0	0.0	–1.6	**–5.8**
Total other external expenses	**0.0**	**0.0**	**0.0**	**–1.6**	**–5.8**

Effect on financial expenses SEK m	2016-01-01	2016-09-30	2016-12-31	2017-09-30	**2017-12-31**
Adding back of prior capitalized acquisition costs	0.0	0.0	0.0	–0.9	**–0.9**
Total finance expenses	**0.0**	**0.0**	**0.0**	**–0.9**	**–0.9**

Effect on equity SEK m	2016-01-01	2016-09-30	2016-12-31	2017-09-30	**2017-12-31**
As per prior policy	**4.1**	**–3.5**	**–17.2**	**–7.4**	**5.3**
Adding back of prior amortization in 2016 on acquisitions made prior to the transition date to IFRS	0.0	13.4	17.8	32.3	38.3
Amortization on acquisitions made in 2017 as per IFRS				–1.9	–4.1
Adding back of prior capitalized acquisition costs				–2.5	–6.7
Tax effect				0.4	0.9
Total equity	**4.1**	**9.9**	**0.7**	**20.9**	**34.3**

Effect on contract assets SEK m	2016-01-01	2016-09-30	2016-12-31	2017-09-30	**2017-12-31**
Reclassification from current receivables	5.8	0.0	23.5	58.1	**36.0**
Total contract assets	**5.8**	**0.0**	**23.5**	**58.1**	**36.0**

Effect on provisions SEK m	2016-01-01	2016-09-30	2016-12-31	2017-09-30	**2017-12-31**
Reclassification to non-current liabilities	–1.8	–2.8	–2.7	–1.8	**–1.7**
Reclassification to current liabilities	–0.6	–0.5	–0.7	–0.8	**–1.0**
Total provisions	**–2.4**	**–3.3**	**–3.4**	**–2.6**	**–2.7**

Effect on current liabilities SEK m	2016-01-01	2016-09-30	2016-12-31	2017-09-30	2017-12-31
Reclassification to contract liabilities	–8.8	–26.8	–9.5	–13.1	**–16.5**
Adding back of prior capitalized acquisition costs				–0.9	
Adjustment to additional consideration					**0.7**
Reclassification from provisions	0.6	0.5	0.7	0.8	**1.0**
Total current liabilities	**–8.2**	**–26.3**	**–8.7**	**–13.1**	**–14.8**

Note 3 Revenue from contracts with customers

SEK m	July-Sept 2018	July-Sept 2017	Jan-Sept 2018	Jan-Sept 2017	Jan-Dec 2017
Services transferred over time					
Ground Maintenance & Landscaping	220.7	193.7	639.4	449.8	684.3
Arborist Services	18.0	11.5	44.3	35.5	49.6
Sports Landscaping	23.5	15.2	46.5	35.8	45.9
Total	**262.2**	**220.4**	**730.2**	**521.1**	**779.8**
Goods transferred at a point in time					
Sports Landscaping	4.9	3.2	75.0	12.4	19.5
Total	**4.9**	**3.2**	**75.0**	**12.4**	**19.5**
Total revenue from contracts with customers	**267.1**	**223.6**	**805.2**	**533.5**	**799.3**

All revenue is attributable to the Swedish market.

Note 4 Segment reporting

SEK m	July-Sept 2018	July-Sept 2017	Jan-Sept 2018	Jan-Sept 2017	Jan-Dec 2017
Ground Maintenance & Landscaping	223.1	194.3	649.3	450.6	686.0
Sports Landscaping	28.8	18.4	124.0	48.2	66.2
Arborist Services	18.8	11.5	46.5	35.5	51.5
Intra-Group sales	–3.6	0.5	–14.7	0.8	–4.4
Total revenue from contracts with customers	**267.1**	**224.7**	**805.1**	**531.1**	**799.3**
Ground Maintenance & Landscaping	26.1	28.6	69.9	56.6	85.7
Sports Landscaping	2.3	0.9	13.5	5.4	8.2
Arborist Services	2.5	1.1	4.2	3.8	5.5
Group-wide expenses	–7.1	–8.1	–41.5	–28.3	–42.7
Total Adjusted EBITDA	**23.8**	**22.5**	**46.1**	**37.5**	**56.7**

Note 5 Effects of the transition to IFRS for the Parent Company

The transition to IFRS has only involved reclassification of a refinancing expense that arose in Q1 2018 and amounted to SEK 3.1 million. Accruals are made over the duration of the contract. The effect of reclassification affects interest expenses and liabilities. No other effects have arisen, which is why no tables are provided.

SHARE AND SHAREHOLDERS

Green Landscaping has 613 shareholders. The company has a series of ordinary shares listed on Nasdaq First North. As of 30 September 2018 there were 35,498,909 registered shares. Market Cap as of 30 September 2018 was SEK 1,022 million compared to SEK 905 million on 31 July 2018.

Largest shareholders as of 30 September 2018	No. of shares	% of equity
Byggmästare Anders J Ahlström Holding AB	6,813,957	19.2%
Staffan Salén and family	6,445,839	18.2%
Johan Nordström	3,576,738	10.1%
AFA Försäkring	2,261,000	6.4%
Per Sjöstrand	1,668,886	4.7%
AP3, Third Swedish National Pension Fund	1,651,000	4.7%
Nordnet Pensionsförsäkring	1,380,527	3.9%
Peter Lindell	1,140,000	3.2%
Tranemo Förvaltning AB	781,727	2.2%
Toppstjärnan AB	699,718	2.0%
Total, 10 largest shareholders	**26,419,395**	**74.4%**
Other shareholders	9,079,517	25.6%
Total	**35,498,909**	**100%**

Green Landscaping 29 March – 30 September 2018

Signatures

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

This report contains information that Green Landscaping Holding AB is required to disclose in accordance with the EU Market Abuse Regulation. The information was made available for publication by the contact person set out below on 12 November 2018 at 14.00 CET.

Stockholm 12 November 2018

Johan Nordström
CEO

More information

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Definitions and explanations

General	All amounts shown in tables are in SEK million, unless otherwise stated. All values in parentheses () are comparison figures for the same period last year, unless otherwise stated.	
Key performance indicators	**Definition/calculation**	**Purpose**
EBITA	Operating profit/loss before depreciation, amortization and impairment of property, plant and equipment and intangible assets	EBITA is used to gauge the company's operating profitability.
EBITDA	Operating profit/loss before amortization and impairment of acquisition-related intangible assets along with depreciation, amortization and impairment of property, plant and equipment and intangible assets.	EBITDA and EBITA are used together to gauge the company's operating profitability.
EBITA margin	Operating profit/loss before depreciation, amortization and impairment of acquisition-related intangible assets as a percentage of sales.	EBITA margin is a measure of operating profitability.
EBITDA margin	Operating profit/loss before amortization and impairment of acquisition-related intangible assets along with depreciation, amortization and impairment of property, plant and equipment and intangible assets, as a percentage of sales.	EBITDA margin is a measure of operating profitability.
Adjusted EBITA	EBITA adjusted for items affecting profitability.	Adjusted EBITA increases the comparability of EBITA.
Adjusted EBITDA	EBITDA adjusted for items affecting profitability.	Adjusted EBITDA increases the comparability of EBITDA.
Adjusted EBITA margin	EBITA adjusted for items affecting comparability, as a percentage of sales.	Adjusted EBITA margin excluding the effect of items affecting comparability, which makes it possible to compare the underlying operating profitability.
Adjusted EBITDA margin	EBITDA adjusted for items affecting comparability, as a percentage of sales.	Adjusted EBITDA margin excluding the effect of items affecting comparability, which makes it possible to compare the underlying operating profitability.
Items affecting comparability (NRI)	Items that significantly deviate from ordinary business activities and which are limited to a single time (one-off). Examples are the listing on Nasdaq First North in March 2018 and termination of lease agreements in conjunction with acquisitions.	Provides a truer view of the underlying earnings.
Working capital	Current assets not including cash and cash equivalents, less current liabilities.	Working capital is used to measure the company's ability to meet short-term capital requirements.
Adjusted working capital	Working capital not including accrued interest on shareholder loans.	It shows working capital, along with the underlying operation's working capital needs.

Green Landscaping in brief

Through its eight subsidiaries, Green Landscaping Group offers the market's most comprehensive service portfolio that aims to make cities more beautiful and also safer. The goal is to add real value by creating environments where people can thrive. The business is divided into the following three operating segments: Ground Maintenance & Landscaping, Sports Landscaping and Arborist Services.

We are professional in everything we do. At the center of it all is our skilled, experienced employees who inspire our customers, helping them realize their dreams of creating beautiful, functional outdoor environments. We also offer care and maintenance services that maximize the lifespan of these outdoor environments. We have approximately 600 employees and annual sales of just over SEK 1,000 million.

Our history

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

Contact information

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Future reporting dates

Interim Report Q4	25 February 2019