

Interim Report January – March 2019

“A solid quarter with positive synergies from the acquisition of Svensk Markservice”

January – March 2019

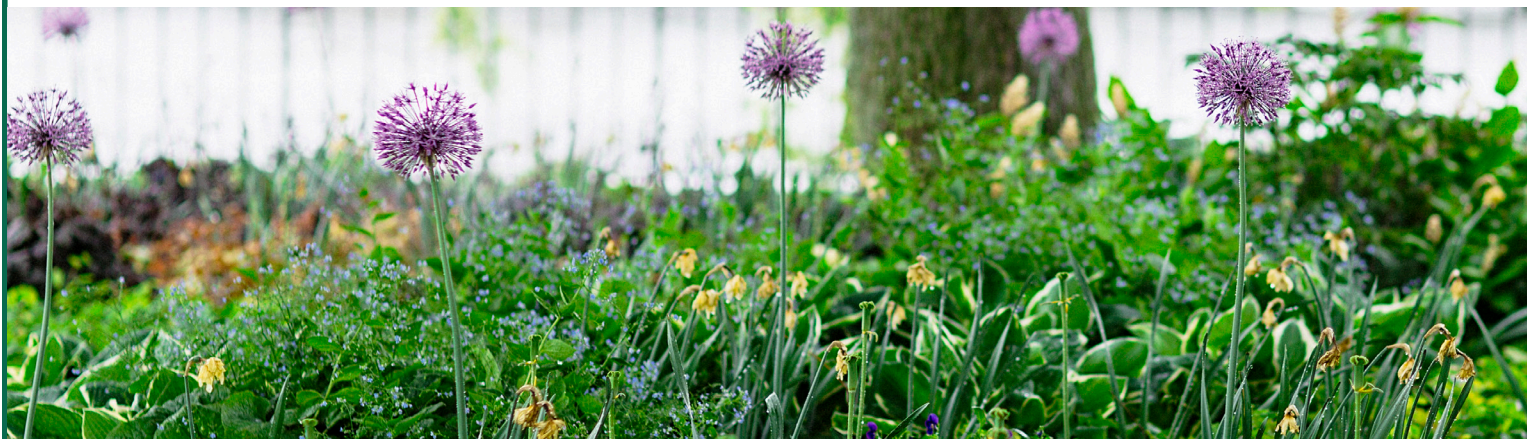
- Sales for the quarter amounted to SEK 461.2 (220.1) million, which is an increase of 109.5 percent.
- Organic growth amounted to 12.7 percent. Adjusted for seasonality, growth was 5.7 percent.
- Adjusted EBITA amounted to SEK 1.3 (–3.8) million.
- Adjusted EBITA margin amounted to SEK 0.3 (–1.7) percent. There was a positive impact on the margin from synergies with Svensk Markservice.
- Cash flow from operating activities amounted to SEK 21.8 (0.6) million. There was a positive impact on cash flow of SEK 10.0 million from implementation of IFRS 16.
- Earnings per share were SEK –0.71. Diluted earnings per share were SEK –0.71.
- Items affecting comparability amounted to 14.1 (16.3) million, which is attributable to the integration of Svensk Markservice and the change of marketplace.
- The impact of IFRS 16 on EBITA amounted to SEK 1.2 million. There was zero impact on net cash flow.
- The integration of Svensk Markservice continues in accordance with plan.
- Green Landscaping’s change of marketplace from Nasdaq First North to Nasdaq Stockholm occurred on 16 April 2019.

Key performance indicators

SEK m	Jan-March 2019	Jan-March 2018	Jan-Dec 2018
Sales	461.3	220.1	1,180.1
EBITA	–12.8	–20.0	17.9
EBT	–24.9	–27.6	–12.0
Items affecting comparability ¹⁾	14.1	6.3	41.9
Adjusted EBITA	1.3	–3.8	59.8
Adjusted EBITA margin, %	0.3	–1.7	5.1
Cash flow from operating activities	21.8	0.6	3.5
Order backlog	3,597	1,488	3,880
Basic earnings per share, SEK	neg	neg	neg
Diluted earnings per share, SEK	neg	neg	neg
Adjusted earnings per share, SEK	neg	neg	1.23
Average number of shares, before dilution	35,849,663	11,030,518	29,482,905

1) See Note 6 for details

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



CEO comments

Green Landscaping has gotten off to a good start in 2019. Sales for the first quarter of 2019 were SEK 461.3 million, which is 109.5 percent higher than the first quarter of 2018. Most of the growth is attributable to the acquisition of Svensk Markservice. Organic growth of 12.7 percent, after an adjustment for the seasonality of our sports landscaping segment, is 5.7 percent. We can also now see that the integration of Svensk Markservice is starting to contribute to profitability. Adjusted EBITA for the quarter amounted to SEK 1.3 million and the margin improved by 2 percentage points.

Positive start to the year

Ordinarily, we have our low season during the winter months. And this year, there was less demand for snow and ice removal compared to last winter, which was more severe. However, the mild winter had a positive impact on landscaping services and we were able to start offering our specialist services for sports and recreational facilities during the first quarter of 2019 as planned. The performance Svensk Jordelit in particular was very strong this quarter compared to last year.

Positive effects from the integration of Svensk Markservice

Efforts to integrate Svensk Markservice got underway in December 2018 and they are progressing as planned. Green Landscaping's successes in recent years are in part attributable to application of Lean Manufacturing. This has been a key component of the integration and it involves breaking down work into various action plans and ensuring that everyone is striving to achieve our shared goals. We can already see that synergy effects have boosted profitability in the first quarter.

Change of marketplace

Subsequent to the end of the quarter, Green Landscaping changed its marketplace from Nasdaq First North to the main market listing, Nasdaq Stockholm, which we had communicated in prior reports. It serves as an additional stamp of quality for the Group, which we benefit from in our engagement with customers and in discussions with potential acquisition candidates. Our clear and focused ambition is to continue consolidating the outdoor environment sector in Sweden. More long term, we also envision expansion beyond the borders of Sweden.



Winning culture

Green Landscaping's culture fosters entrepreneurial spirit, which thrives thanks to our decentralized organizational structure. Our local businesses are able to fully utilize their knowledge of the local markets and because of that, they deliver not only favorable results but also long-term benefits in the form of strong ties with customers and dedicated employees. We are constantly exploring and setting up new forms of collaboration between the subsidiaries, which will become even more important following our major acquisition of Svensk Markservice. By working together, we can compete more effectively and generate even higher growth over time. It also creates a winning culture that everyone – customers, employees and shareholders alike – benefits from.

Johan Nordström
CEO

The Group's performance

Sales and earnings in the first quarter

Sales for the first quarter amounted to SEK 461.3 (220.1) million, which is an increase of 109.5 percent.

Adjusted EBITA for January – March amounted to SEK –12.8 (–20.0) million. Net financial items amounted to SEK –4.5 (–4.6) million. The interest expense on our external loans was SEK 2.9 (3.4) million. Loss for the period amounted to SEK –25.5 (–27.2) million, which means that earnings per share are negative. Tax expense for the quarter was SEK –0.6 (–0.4) million.

Since Q1 2019, the Group consists of the following five segments: Region South, Region West, Region East, Region Middle and Region North. In total, there are 16 profit centers across these regions.

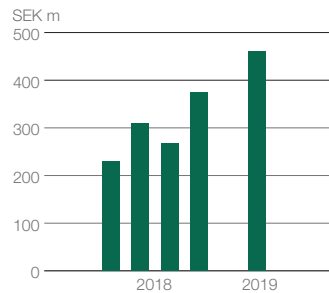
Order backlog

At the end of the first quarter, order backlog amounted to SEK 3,597 (1,488) million, which is an increase of 142 percent compared to last year.

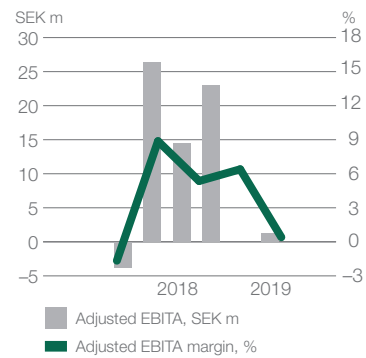
Over time, there is a correlation between the size of order backlog and sales. But this is not necessarily the case over the short term. The reason is that large, long-term contracts are procured with intervals of 5-10 years. When customers renew contracts with Green Landscaping it has a major impact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



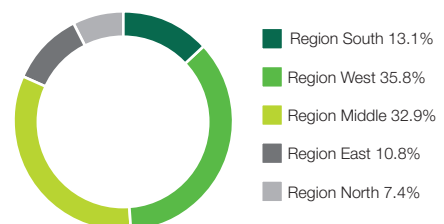
Sales per quarter



Adjusted EBITA



Sales per segment, %
January – March



Segment

Green Landscaping currently has a total of 16 profit centers working with ground maintenance and landscaping, sports and leisure facilities and arborist services. They, in turn, are gathered under five geographic segments. As of 2019, sales and adjusted EBITA are reported by segment.

Sales growth is significant in all segments and it is primarily fueled by acquisitions.

Our assessment is that market conditions remain favorable and growth is robust in all segments.

Typically however, margins are weaker in the first quarter, which is our low season. There was a positive impact on revenue for Region North during the winter season. Companies there have a longer season of activity in snow and ice removal compared to the other regions.

As of 2019, costs for support services and Green Landscaping Holding are allocated to the profit centers. The approach we apply is full allocation of such costs so that we can monitor actual margins. It also facilitates comparability of the profit centers.

The following is a list of new business that was won during the quarter: assignments from Umeå Municipality, Swedish Transport Authority (Norra Roslagen), Kungälv Municipality, Förbo, Helsingborgshem, Malmö Kommunala Bostäder (housing), City of Stockholm Kyrkogårdsförvaltning (churchyards), Vallentuna Municipality, SISAB and new assignments from Akelius Bostäder (housing).

Segment reporting

SEK m	Sales Jan-March 2019	Sales Jan-March 2018	Adjusted EBITA Jan-March 2019	Adjusted EBITA Jan-March 2018
Region South	60.5	31.1	-0.5	1.5
Region West	164.9	102.6	2.2	1.1
Region East	151.4	69.7	-2.3	-0.6
Region Middle	49.5	19.6	-1.3	3.9
Region North	33.9	-	4.7	-
Group	1.0	-2.9	-1.5	-9.7
Total	461.2	220.1	1.3	-3.8



OTHER FINANCIAL INFORMATION

Financial position

Consolidated equity amounted to SEK 180.9 (202.8) million, which corresponds to a decrease of SEK 21.9 million compared to 2018-12-31.

Available liquidity amounts to SEK 119.0 million.

Net debt through adjusted EBITDA pro-forma RTM amounted to 3.4 times, which meets the requirements of the loan facility agreement.

Cash flow, investments and depreciation/amortization

The Group's cash flow from operating activities for the quarter is SEK 21.8 (0.6) million, which is positive, despite NRI (non-recurring items) of SEK 14.1 million. Cash flow from changes in working capital amounted to SEK 22.8 (5.2) million.

Net investments during the period (Q1) amounted to SEK -3.1 (-5.1) million. Investments financed via leasing amounted to SEK -7.8 million.

Depreciation of property, plant and equipment during the period was SEK -24.4 (-3.0) million. The amount has been impacted by the transition to IFRS 16.

Amortization of intangible assets during the period was SEK -7.6 (-9.6) million.

Employees

The average number of employees for the period was 965, compared to 463 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

On 16 April 2019, Green Landscaping changed market-place from Nasdaq First North to the main market listing, Nasdaq Stockholm. Besides that, there were no other significant events that occurred after the end of the period.

Transactions with related parties

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

Parent Company

The Parent Company's net sales for the period amounted to SEK 6.8 (0.3) million. Operating profit (loss) amounted to SEK -4.5 (-17.0) million. The change is primarily attributable to the Parent Company which, from 2019, invoices management fees as incurred. Furthermore, in Q1 2018, costs for the IPO of SEK 16 million were recognized.

Accounting policies

The interim report was prepared in accordance with International Financial Reporting Standards (IFRS). This interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. Disclosures in accordance with IAS 34.16A are provided in the financial statements, notes and other parts of the interim report. For both the Group and Parent Company, the same accounting policies and calculation methods have been applied as in the 2018 annual report. The only exception is that as of 1 January 2019, the Group applies IFRS 16 Leasing (see Note 7 for more information). The Parent Company does not apply IFRS 16, which is in accordance with the exception stated in RFR 2.

Seasonality

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

Share information

Green Landscaping's shares became listed for trading on Nasdaq Stockholm on 16 April 2019. The Certified Adviser before that was 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 would 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	Jan-March 2019	Jan-March 2018	Jan-Dec 2018
Revenue from contracts with customers	2,3	460.0	219.4	1,176.1
Other operating income		1.3	0.7	4.0
Sales	1	461.3	220.1	1,180.1
Operating costs				
Cost of goods and services sold		-230.6	-105.5	-586.6
Other external costs		-39.5	-26.4	-124.3
Employee benefit expenses		-170.2	-82.2	-386.3
Other operating expenses		-9.4	-16.4	-27.6
Depreciation of PPE		-24.4	-9.6	-37.4
Amortization of intangible assets		-7.6	-3.0	-14.2
Operating profit (loss)	1	-20.4	-23.0	3.7
Profit (loss) from financial items				
Financial income		0.0	0.0	0.3
Financial expenses		-4.5	-4.6	-16.0
Total income from financial items	1	-4.5	-4.6	-15.7
Profit (loss) after financial items		-24.9	-27.6	-12.0
Tax	1	-0.6	0.4	6.3
PROFIT (LOSS) FOR THE PERIOD		-25.5	-27.2	-5.7
Other comprehensive income		-	-	-
Total comprehensive income for the period		-25.5	-27.2	-5.7
Earnings per share				
Basic earnings per share, SEK		neg	neg	neg
Diluted earnings per share, SEK		neg	neg	neg

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

Consolidated statement of financial position, in summary

SEK m	Note	31 March 2019	31 March 2018	31 Dec 2018
Assets				
Intangible assets	5	549.9	176.4	557.4
Property, plant and equipment		290.8	77.2	165.5
Financial assets		21.3	16.7	21.5
Inventories		37.0	33.5	23.7
Contract assets		55.5	51.5	41.6
Current receivables		340.3	172.1	372.1
Cash and cash equivalents		92.7	88.0	96.3
TOTAL ASSETS		1,387.5	615.4	1,278.1
Equity and liabilities				
Equity	1	180.9	171.1	202.8
Non-current liabilities		639.1	142.4	605.7
Contract liabilities		79.0	33.3	15.3
Current liabilities		488.5	268.6	454.3
TOTAL EQUITY AND LIABILITIES		1,387.5	615.4	1,278.1

Consolidated statement of changes in equity

SEK m	Share capital	Other contributed capital	Retained earnings including profit/loss 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 period	2.2	220.2	-193.7	28.7
Transactions with owners				
New issues	0.3	84.7	-	85.0
Issue costs	-	-2.1	-	-2.1
Set-off issue	0.4	88.4	-	88.8
Withdrawal of shares	-0.6	-	0.6	0.0
Bonus issue	0.2	-	-0.2	0.0
Premiums for warrants	-	-	2.4	2.4
Closing balance 2018-12-31	2.5	391.3	-191.0	202.8
Opening balance 2019-01-01	2.5	391.3	-191.0	202.8
Profit (loss) for the period	-	-	-25.5	-25.5
Other comprehensive income	-	-	-	-
Comprehensive income for the period	2.5	391.3	-216.5	177.3
Transactions with owners				
Effect of changed accounting policy	-	-	3.6	3.6
Closing balance 2019-03-31	2.5	391.3	-212.9	180.9

All equity is attributable to the parent company's shareholders

Consolidated cash flow statement, in summary

SEK m	Jan-March 2019	Jan-March 2018	Jan-Dec 2018
Operating profit (loss)	-20.4	-23.0	3.8
Adjustment for depreciation/amortization	32.0	12.6	51.6
Capital gain (loss)	0.3	0.3	-6.4
Other non-cash items	-1.3	13.5	-
Interest received	0.1	-	0.3
Interest paid	-4.5	-5.2	-17.1
Paid income tax	-7.2	-2.8	-3.0
Cash flow from operating activities before changes in working capital	-1.0	-4.6	29.2
Change in inventory	-13.2	-2.3	7.8
Change in receivables	24.4	25.6	-6.8
Change in current liabilities	11.7	-18.1	-26.7
Cash flow from operating activities	21.8	0.6	3.5
Acquisition of subsidiaries and operations	-	-0.1	-212.8
Acquisition of PPE	-4.4	-5.7	-49.4
Acquisition of intangible assets	-0.1	-	-2.9
Sale of non-current assets	1.4	0.6	4.4
Cash flow from investing activities	-3.1	-5.2	-260.7
New share issue	-	72.9	72.9
New loans	-	6.3	522.6
Net change in bank overdraft	13.6	0.2	-25.9
Loan amortization	-14.0	-21.6	-248.9
Amortization of lease liability	-21.9	-	-
Fees on new loans	-	-	-3.4
Options	-	1.1	2.4
Cash flow from financing activities	-22.3	58.9	319.8
Cash flow for the period	-3.6	54.3	62.6
Cash and cash equivalents at the beginning of the period	96.3	33.7	33.7
Cash and cash equivalents at the end of the period	92.7	88.0	96.3

Parent Company income statement, in summary

SEK m	Jan-March 2019	Jan-March 2018	Jan-Dec 2018
Net sales	6.8	0.3	18.3
Operating costs			
Other external costs	-8.7	-17.2	-41.4
Employee benefit expenses	-2.6	-0.1	-5.9
Depreciation of property, plant and equipment and amortization of intangible assets	0.0	0.0	0.0
Operating profit (loss)	-4.5	-17.0	-29.0
Financial items	-2.0	-2.6	-11.1
Group contribution received	-	-	27.1
Tax	-	-	4.2
Profit (loss) for the year	-6.5	-19.6	-8.8

Parent Company balance sheet, in summary

SEK m	31 March 2019	31 March 2018	31 Dec 2018
Assets			
Intangible assets	0.5	0.0	0.5
Financial assets	770.3	362.9	781.9
Total non-current assets	770.8	362.9	782.4
Current receivables	43.0	1.3	62.4
Cash and bank	23.4	65.9	0
Total current assets	66.4	67.2	62.4
TOTAL ASSETS	837.2	430.1	844.8
Equity	278.5	263.1	285.1
Non-current liabilities	435.8	60.4	444.7
Current liabilities	122.9	106.6	115.0
TOTAL EQUITY AND LIABILITIES	837.2	430.1	844.8

KPIs for the Group

	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017
Sales, SEK m	461.2	375.0	267.1	309.3	228.8	264.2	224.6	186.8
Adjusted EBITA, SEK m	1.3	23.0	14.4	26.3	-3.8	10.8	16.6	16.9
Adjusted EBITA margin, %	0.3	6.1	5.1	8.5	-1.7	4.0	7.3	9.0
Working capital, SEK m	23.2	42.2	63.2	13.1	-6.7	-30.5	-11.9	2.2
Adjusted working capital, SEK m	23.2	42.2	63.2	13.1	-6.7	14.9	29.2	30.5
Items affecting comparability, SEK m ¹⁾	14.1	25.2	0.0	0.4	16.3	3.2	1.8	4.7
Equity, SEK m	180.9	202.8	207.6	191.1	171.1	34.4	20.9	0.1
Interest-bearing net debt, SEK m ²⁾	-663.2	-540.5	-126.6	-73.8	-75.5	-145.2	-143.6	-92.9
Average no. of employees	965	742	584	605	463	509	492	419

1) See Note 6

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

Reconciliation of KPIs not defined in accordance with IFRS

The company presents certain financial measures in its interim report that are not defined in accordance with IFRS. The company feels that these measures provide valuable, supplementary information to investors and company management. Accordingly, the measures should be regarded as a supplement, rather than a replacement for measures defined in accordance with IFRS. Because Green Landscaping's definitions of these measures might differ from other companies' definitions of the same concepts, an explanation of how they are calculated is provided below. For more information on the purpose of each measure, please see "Definitions and explanations" on page 22.

	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017
EBITA								
Operating profit (loss)	-20.4	-7.5	11.2	23.0	-23.0	5.1	12.7	12.3
Amortization and impairment of intangible assets	7.6	5.3	3.2	2.9	3.0	2.5	1.9	-0.1
Total EBITA	-12.8	-2.2	14.4	25.9	-20.0	7.6	14.6	12.2
Adjusted EBITA								
EBITA	-12.8	-2.2	14.4	25.9	-20.0	7.6	14.6	12.2
Items affecting comparability	14.1	25.2	0.0	0.4	16.3	3.2	1.8	4.7
Total Adjusted EBITA	1.3	23.0	14.4	26.3	-3.8	10.8	16.6	16.9

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

	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017
Working capital								
Inventories	37.0	23.7	25.8	25.2	33.5	31.2	7.7	8.6
Current receivables	395.8	413.7	254.0	246.0	223.5	249.0	206.5	159.0
Accounts payable - trade	-156.1	-169.6	-81.2	-107.2	-108.8	-131.8	-79.7	-60.7
Other liabilities	-46.3	-60.0	-15.1	-18.8	-13.3	-21.8	-27.7	-9.5
Contract liabilities	-79.0	-15.3	-17.0	-29.3	-33.2	-16.5	-13.1	-5.8
Accrued expenses	-128.2	-150.3	-103.3	-102.8	-108.4	-140.6	-105.6	-89.4
Total working capital	23.2	42.2	63.2	13.1	-6.7	-30.5	-11.9	2.2

	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017
Adjusted working capital								
Inventories	37.0	23.7	25.8	25.2	33.5	31.2	7.7	8.6
Current receivables	395.8	413.7	254.0	246.0	223.5	249.0	206.5	159.0
Accounts payable - trade	-156.1	-169.6	-81.2	-107.2	-108.8	-131.8	-79.7	-60.7
Other liabilities	-46.3	-60.0	-15.1	-18.8	-13.3	-21.8	-27.7	-9.5
Contract liabilities	-79.0	-15.3	-17.0	-29.3	-33.2	-16.5	-13.1	-5.8
Accrued expenses	-128.2	-150.3	-103.3	-102.8	-108.4	-140.6	-105.6	-89.4
Interest convertible loans	0.0	0.0	0.0	0.0	0.0	45.4	41.1	28.3
Total adjusted working capital	23.2	42.2	63.2	13.1	-6.7	14.9	29.2	30.5

	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017
Net debt								
Bank overdraft	-31.2	-17.6	-50.4	-9.3	-43.7	-43.5	-57.6	-41.8
Liabilities to credit institutions (non-current)	-442.8	-453.7	-42.3	-41.6	-37.6	-51.1	-52.0	-23.8
Liabilities from finance leases (non-current and current)	-228.3	-112.7	-56.1	-45.1	-45.8	-45.9	-45.0	-31.6
Liabilities to credit institutions (current)	-53.6	-52.8	-6.4	-8.9	-36.3	-38.5	-4.6	-0.4
Cash and cash equivalents	92.7	96.3	28.7	31.2	88.0	33.8	15.6	4.7
Total Net debt	-663.2	-540.5	-126.6	-73.8	-75.5	-145.2	-143.6	-92.9

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)

	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017
Adjusted EBITA								
Adjusted EBITA for the quarter	1.3	23.0	14.4	26.3	-3.8	10.8	16.6	16.9
Total, last 4 quarters	65.0	59.9	47.7	49.9	40.5	40.2	36.9	39.8
Total Adjusted EBITA RTM	65.0	59.9	47.7	49.9	40.5	40.2	36.9	39.8

	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017
Adjusted earnings per share								
Profit (loss) for the period	-25.5	-14.9	16.6	19.9	-27.2	-2.5	7.4	7.3
Items affecting comparability (NRI)	14.1	25.2	0	0.4	16.3	3.2	1.8	4.7
Adjusted earnings	-11.4	10.3	16.6	20.3	-10.9	0.7	9.2	12.0
Average number of shares	35,849,663	35,567,535	35,498,909	35,498,909	11,030,518	7,017,409	6,891,000	6,234,600
Adjusted earnings per share, SEK	neg	0.29	0.47	0.57	neg	0.10	1.33	1.93

Note 1 Effects of the transition to IFRS for the Group

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

IFRS 1 First-time Adoption of IFRS has been applied, which means that all of the applicable standards are applied retrospectively on the periods included in this report. However, the company has elected to apply the allowable exception to this rule by only applying IFRS 3 Business Combinations prospectively as of the transition date. Application

of the exception, to not restate prior acquisitions, means that goodwill is frozen as of 2016-01-01 and goodwill amortization after that date is added back.

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

Reconciliation between prior applied accounting policies and IFRS

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

Statement of comprehensive income	Jan-March 2018		
	As per prior policies	Effect of IFRS	As per IFRS
SEK m			
Revenue from contracts with customers	211.0	17.1	228.1
Change in work-in-progress	12.6	-12.6	-
Other operating income	0.7		0.7
Sales	224.3	4.5	228.8
Operating costs			
Goods for resale and subcontractors	-109.7	-4.5	-114.2
Other external costs	-26.4		-26.4
Employee benefit expenses	-82.2		-82.2
Other operating expenses	-16.4		-16.4
Depreciation of PPE	-3.0		-3.0
Amortization of intangible assets	-13.4	3.8	-9.6
Operating profit (loss)	-26.8	3.8	-23.0
Profit (loss) from financial items			
Financial income	0.0		0.0
Financial expenses	-7.6	3.0	-4.6
Total income from financial items	-7.6	3.0	-4.6
Profit (loss) after financial items	-34.4	6.8	-27.6
Tax	-0.3	0.7	0.4
PROFIT (LOSS) FOR THE PERIOD	-34.7	7.5	-27.2
Total comprehensive income for the period	-34.7	7.5	-27.2

Effect on equity SEK m	2018-03-31
As per prior policy	133.5
Adding back of prior amortization in 2016 on acquisitions made prior to the transition date to IFRS	39.9
Amortization on acquisitions made in 2017 as per IFRS	-6.0
Accrual of refinancing expenses	3.0
Tax effect	0.7
Total equity	171.1

Note 2 Revenue from contracts with customers

SEK m	Jan-March 2019	Jan-March 2018
Services transferred over time		
Region South	60.5	31.1
Region West	131.2	82.8
Region East	151.4	69.7
Region Middle	49.5	19.6
Region North	33.9	-
Total	426.5	203.2
Goods transferred at a specific point in time		
Region West	33.7	19.8
Total	33.7	19.8
Total revenue from contracts with customers	460.2	223.0

All revenue is attributable to the Swedish market.

Note 3 Segment reporting

SEK m	Jan-March 2019	Jan-March 2018
Region South	60.5	31.1
Region West	164.9	102.6
Region East	151.4	69.7
Region Middle	49.5	19.6
Region North	33.9	-
Intra-Group sales and other non-allocated sales	1.0	-2.9
Total revenue from contracts with customers	461.2	220.1
Region South	-0.5	1.5
Region West	2.2	1.1
Region East	-2.3	-0.6
Region Middle	-1.3	3.9
Region North	4.7	-
Group-wide expenses	-1.5	-9.7
Total Adjusted EBITA	1.3	-3.8

Note 4 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.

Note 5 Segment reporting

Green Landscaping Holding did not execute any acquisitions during the first quarter of 2019. In 2018, the following three acquisitions were made: Svensk Markservice Holding AB, Mark & Miljö Projekt i Sverige AB and Jackson Trädvård Sydväst AB. The acquisitions resulted in recognition of goodwill for SEK 279.6 million. Synergy effects are expected to amount to approximately SEK 25 million per year by 2020.

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

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

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

	2019-03-31	2018-03-31	2018-12-31
The assets and liabilities recognized in conjunction with the acquisition are as follows:			
Cash and cash equivalents	-	-	35.7
Cash and cash equivalents (liability)	-	-	-12.5
Total	-	-	23.2
Non-current assets	-	-	74.3
Brands	-	-	42.7
Customer relations/contracts	-	-	67.2
Net operating assets	-	-	13.3
Deferred tax liability	-	-	-24.0
Total identifiable assets	-	-	173.5
Goodwill	-	-	279.6

	2019-03-31	2018-03-31	2018-12-31
Consideration (included in cash flow from investing activities)	-	-	-264.9
Cash equivalents from company acquisitions (included in cash flow from investing activities)	-	-	35.3
Acquisition costs attributable to the acquisition of subsidiaries (included in cash flow from operating activities)	-	-	13.6
Total	-	-	-216.0

Note 6 NRI (Non-Recurring Items)

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

Item	Jan-March 2019	Jan-March 2018
IPO and listing change	4.1	16.0
Restructuring of the business	0.1	0.3
Integration costs for SvMS and previously acquired companies	9.9	–
Total	14.1	16.3

Note 7 Revised accounting policies

As of 1 January 2019, the Group applies IFRS 16 Leasing. IFRS 16 has replaced the prior standard, IAS 17, for 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. For some agreements, the value of the right-of-use asset has been recalculated as of the start of the agreement, which has had an impact on equity of SEK 3.6 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 for assets with a value of USD 5,000 or less (low-value assets) are not included in the reported amounts for assets and liabilities.

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

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

Property, plant and equipment	2019-01-01	2019-03-31
Premises	119.3	114.1
Machinery	53.5	52.6
Cars and equipment	72.3	69.7
Total	245.1	236.4

The change in lease liability is attributable to:

Lease liability	2019-03-31
Opening balance Lease liability as per IFRS 16	235.5
New agreements	13.3
Accrued interest	1.4
Depreciation	–21.9
Lease liability at the end of the period	228.3

The effect of the transition to IFRS 16 for the period Q1 2019 is EBITDA +10.0 EBITA +1.2 SEK m. The impact on cash flow from operating activities was SEK +10.0 million and the impact on cash flow from financing activities was SEK –10.7 million.

SHARE AND SHAREHOLDERS

Green Landscaping has 932 known shareholders. The company has a series of ordinary shares listed on Nasdaq Stockholm¹⁾.

As of 29 March 2019 there were 35,849,663 registered shares. Market Cap as of 29 March 2018 was SEK 1,090 million compared to SEK 1,038 million on 31 December 2018.

1) Green Landscaping's share became listed on Nasdaq Stockholm on 16 April 2019. Before that, it was listed on Nasdaq First North.

Largest shareholders as of 18 April 2019	No. of shares	% of equity
Byggmästare Anders J Ahlström Holding AB	7,385,599	20.6%
Staffan Salén and family via company	6,745,839	18.8%
Johan Nordström via company	3,746,738	10.5%
AFA Försäkring	2,261,000	6.3%
Per Sjöstrand via company	1,668,886	4.7%
AP3, Third Swedish National Pension Fund	1,651,000	4.6%
Peter Lindell via company	1,113,447	3.1%
Roger Carlsson via company	781,727	2.2%
Jenny and Janne Pettersson via company	699,718	2.0%
Coeli	687,948	1.9%
Total, 10 largest shareholders	26,741,902	74.7%
Other shareholders	9,107,761	25.3%
Total	35,849,663	100%

Green Landscaping 1 April 2018 – 31 March 2019



Signatures

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

The information was made available for publication by the contact person set out below on 7 May 2019 at 08.00 CET.

Presentation of the report

Green Landscaping's CEO Johan Nordström and CFO Carl-Fredrik Meijer present the report in a teleconference/audiocast on 7 May at 10.30 CET.

Participants dial in with the following number: +46 8 519 993 83

It is also possible to follow the presentation on <https://tv.streamfabriken.com/green-landscaping-group-q1-2019>

Stockholm 7 May 2019

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
Adjusted EBITA	EBITA adjusted for items affecting profitability.	Adjusted EBITA increases the comparability of EBITA.
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	EBITDA adjusted for items affecting profitability.	Adjusted EBITDA increases the comparability of EBITDA.
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.
Adjusted EBITDA pro forma	EBITDA adjusted for items affecting comparability including EBITDA of acquired companies for the current year prior to the acquisition date.	It provides an indication of the Group's position in future periods.
Adjusted working capital	Working capital not including accrued interest on shareholder loans.	It shows working capital, along with the underlying operation's working capital needs.
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.
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	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.
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.
Items affecting comparability (NRI)	Items that significantly deviate from ordinary business activities and which are limited to a single time (one-off). Examples are the listing on Nasdaq First North in March 2018 and termination of lease agreements in conjunction with acquisitions.	It provides a truer view of the underlying earnings.
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.
Sales (pro forma)	The Group's sales for the current period including sales of acquired companies for the current year prior to the acquisition date.	It provides an indication of the Group's position in future periods.
Working capital	Current assets not including cash and cash equivalents, less current liabilities.	Working capital is used to measure the company's ability to meet short-term capital requirements.



Green Landscaping in brief

Through its 16 subsidiaries, Green Landscaping Group offers the market's most comprehensive service portfolio that aims to make cities more beautiful and also safer. The goal is to add real value by creating environments where people can thrive. The business is divided into the following five regions: South, West, Middle, East and North.

We are professional in everything we do. At the center of it all is our skilled, experienced employees who inspire our customers, helping them realize their dreams of creating beautiful, functional outdoor environments. We also offer care and maintenance services that maximize the lifespan of these outdoor environments. We have approximately 1,200 employees and annual sales of just over SEK 2,000 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

AGM	15 May 2019
Interim Report Q2	28 August 2019
Interim Report Q3	6 November 2019
Year-end report January-December 2019	19 February 2020