Annual Report and Sustainability Report for 2023

Green Landscaping Group AB (publ)

GREEN LANDSCAPING GROUP IN BRIEF

A home for entrepreneurs

Green Landscaping Group is a home for entrepreneurs. Business activities cover the areas of green space management and landscaping.

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

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

Contents

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

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

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

Events in 2023

- In April, a financing agreement was signed with SEB, DNB and Svensk Exportkredit, where Svensk Exportkredit is a new party. Compared to a prior agreement, it brings an additional SEK 500 million in loan facilities, with the possibility of further expansion.
- In June, Schmitt & Scalzo was acquired, with head office in Stockstadt am Rhein in Germany.
- In September, it was announced that the Group was opening an office in downtown Munich, which is in the southern part of Germany in Bavaria. It will serve as the hub for further expansion in Germany, Austria and Switzerland.
- In October, Rainer Gartengestaltung & Landschaftsbau was acquired. It is situated in Bavaria, Germany in the town of Senden.
- Also in October, the Group extended its existing credit facilities for yet another year until 2026.
- In December, the acquisition of Viva Gartenbau AG, domiciled in Basel, Switzerland was announced.
- Also in December, Hartmann Ingenieure GmbH, domiciled in Berlin, Germany, was announced.
- In June, October and December, there was a change in the number of shares and votes. The change resulted from the Board's decision to issue a total of 826,879 new shares based on the authority it was granted by the AGM, to be used for payment in conjunction with the acquisition.
- There was a repurchase of shares for SEK 17 million, to be used as part of the consideration for acquisitions and thus limit the dilutive effect for existing shareholders.

Key performance indicators

	JANUARY - DECEMBER		
SEK m	Jan-Dec 2023	Jan-Dec 2022	change
Net sales	5,831	4,810	21%
EBITA	512	407	26%
EBITA margin, %	8.8	8.5	0.3
Operating profit (loss) (EBIT)	394	308	28%
EBIT margin, %	6.8	6.4	0.3
Earnings before tax (EBT)	292	251	16%
Cash flow from operating activities	379	431	-12%
Return on equity, %	15	16	-1
Return on capital employed, %	12	11	1
Net debt	1,975	1,800	10%
Net debt / EBITDA pro-forma, RTM	2.5 times	2.4 times	0.1
Order backlog	8,263	7,762	6%
Basic earnings per share, SEK	3.85	3.41	13%
Diluted earnings per share, SEK	3.85	3.39	14%
Average number of shares, before dilution	56,048,701	53,873,101	4%

See pages 109-111 for KPIs and definitions.

CEO's comments

When we closed the books for 2023, it was apparent that yet another year had been impacted by complexity and uncertainty in the world around us. The war in Ukraine has persisted, along with the outbreak of war in the Middle East. Inflation and interest rates have been the highest they've been in many years, which has required adaptations by companies and organizations in both the public and private sectors, as well as individuals. The intensity and severity of these new circumstances is something that we must all adapt to. Despite the instability in the world around us, the performance of our company has been strong and we are well equipped for the future, regardless of whether these conditions persist or the market outlook improves.

We stuck to our plan and established the business in Germany

It is important that we are well-positioned, making right choices and implementing them with discipline and dedication. This is just as important today as when I wrote CEO comments last year. Doing so shall define our efforts this year as well. I am proud of the way we have dealt with the challenges we encountered in 2023 and that our progress has been aligned with our set plan. We started the year with our focus on allowing the time needed to integrate the new companies acquired during the second half of 2022 into the organization. We also monitored developments in the surrounding world, including uncertainty about interest rates, inflation, the economic situation and how our companies were handling it all. Our efforts to establish the business in Germany also intensified, so that we would have the best prerequisites in place for future growth in the region. We've spent two years analyzing and gaining an understanding of what it required for success there. The German market is many times larger than the Nordic one, yet with many similarities. It is fragmented, and companies have strong local ties and relationships with their customers. In June, we invested in our first company, welcoming Schmitt & Scalzo to the Group. This first step into the new market was followed by several more acquisitions during the second half of the year. By year-end, we had established a regional office in Munich, hired a regional manager, acquired three companies in Germany and announced the acquisition of yet another in Switzerland.

"I am proud of the way we have dealt with the challenges we encountered in 2023 and that our progress has been aligned with our set plan.

Both growth and the profit margin once again exceeded our financial targets
Net sales for the full year 2023 increased by 21 percent and amounted to SEK 5,831 million, which again exceeded our financial target of a 10 percent growth rate. As in prior years, growth was primarily driven by acquisitions, while organic growth contributed 3 percent. Changed exchange rates contributed with -1 percent.

For the second year in a row, we also surpassed our financial profitability target of reaching EBITA of 8.0 percent, with an outcome of 8.8 percent. Our strategy of acquiring the top companies in our industry with the best entrepreneurs certainly contributes to improvement of our margin. Besides that, many of the newly acquired companies have begun their journey with us in an impressive way, delivering profitability significantly above their historic levels. We are also striving to improve profitability in our existing companies. The figures reflect this too. Overall, companies that have been part of the Group since 2018 have managed to increase the EBITA margin from around 3 percent to more than 7 percent in 2023.

Cash flow from operating activities amounted to SEK 379 (431) million. A steady cash flow offers us the freedom of controlling our debt/equity level, which is certainly advantageous when financial conditions, including higher interest rates, tighten up as they have now.

The future is green
Climate change is sometimes presented as a problem for the future. The fact is, however, that more and more of our customers are taking action here and now to manage the impact and disruption on both people and nature stemming from climate change. Having green space, nature and proximity to water helps regulate temperatures. We are more prepared to manage the risk of flooding by setting up drainage, collection and water storage solutions. Our core business focuses on managing the consequences of climate change and promoting people's health by giving them access to green space, which simultaneously generates good business opportunities for us. We are also continuously striving to make our operations more carbon neutral.
In summary, I conclude that 2023 has been a year with good financial growth despite instability in the world around us and somewhat difficult market conditions. Add to that the fact that we established the business on Continental Europe, thereby laying the foundation for an important component of growth in the years ahead. Given how hard and methodically we have worked to get where we are today, I feel that our position and success are deserved. I am looking forward to remaining at the helm for our successful journey and, together with our employees, facing the challenges and opportunities that we will encounter in the year ahead.

Stockholm, March 2024

Johan Nordström
President and CEO

CFO's comments

To a large extent, the past year has involved dealing with the challenges that arose already in 2022. The rate of inflation was initially very high, then gradually subsided during the year, with interest rates remaining at a high level. Many stakeholders in neighboring industries struggled to cope with the consequences of turbulence in the world around us. Our market, on the other hand, has historically been stable and predictable. There are good conditions for it remaining that way, too. Most of the services that Green Landscaping offers are necessary, so the demand for them is relatively unaffected by the overall state of the economy. A large portion of the customer base is also made up of customers in the public sector. Summing up 2023, our attractive market and successful business model has enabled Green Landscaping Group to deliver a good performance, with very little impact from all the turbulence in the surrounding world. Net sales exceeded our financial target, as did profitability expressed as EBITA margin. Diluted earnings per share increased by 14 percent and amounted to SEK 3.85 (3.39). With sales of 5.8 billion, we are by far the biggest player in northern Europe. And, with a profitability level that is approximately double the industry average, I think it confirms the success of our business model. I am thus enthusiastic about helping our companies reach even greater heights.

Indebtedness, expressed as net debt in relation to EBITDA pro-forma RTM amounted to 2.5 (2.4) times, which is in line with our financial target of 2.5 times. For quite some time, the Group has opted for a short fixed interest period on its outstanding loans. Higher interest rates have thus quickly impacted us in the form of higher interest expenses. At the same time, our ability to continuously generate profit and cash flow has been good and further strengthened. Green Landscaping Group's favorable performance, together with stability and predictability in the market, has enabled us to act on business opportunities and continue pursuing our own agenda. It is certainly a strength that we aim to keep.

A value-generating acquisition strategy

The return on total assets from acquisitions is around 20 percent, corresponding to a return on equity of around 35-50 percent. With that in mind, allocating capital to acquisitions is value-creating and it contributes to a higher earnings per share. It leads us to the same conclusion in 2023 as in prior years, namely, that we can generate more value to shareholders by allocating capital to acquisitions rather than distributing it as dividends. The Group's financial target is to distribute up to 40 percent of net profit as dividends and, despite higher the higher interest rates we certainly have the ability to do so, but opt instead to reinvest all of it in operations.

Strong, dedicated owners

There are many of us who are dedicated and devoted to our company. Altogether, the holdings of Green Landscaping Group employees are around 20 percent of the shares and it is an important part of our model and culture. We have also had long-term principal owners with Board representation for many years. We therefore have the privilege of being able to act methodically and with a long-term perspective. During the year, we strengthened our communication to the finance market and the feedback from that has been encouraging. Share performance has been positive and our market capitalization increased to SEK 4.0 (3.5) billion. With nearly 4,000 shareholders, many are enthusiastically following our progress and I welcome all new shareholders to the Green Landscaping Group.

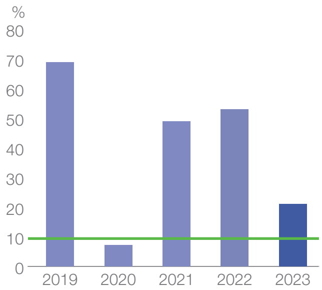
Carl-Fredrik Meijer
CFO

Financial targets

TARGET	RESULT	COMMENTS

NET SALES GROWTH

TARGET: 10%



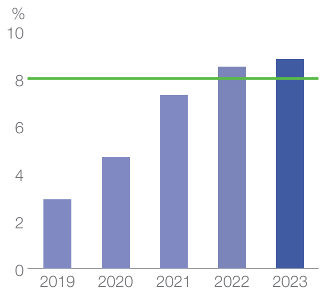
RESULT: 21%

Net sales shall, on average, grow by 10 percent per year (organically and via acquisitions).

Results in 2023: 21 percent, of which 3 percent was organic.

PROFITABILITY

TARGET: 8%



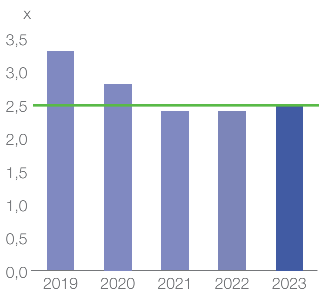
RESULT: 8.8%

EBITA margin shall amount to 8 percent.

Results in 2023: 8.8 percent. The margin strengthened, primarily as a result of additional profitable companies joining the Group.

CAPITAL STRUCTURE

TARGET: 2.5 times



RESULT: 2.5 times

Net debt in relation to EBITDA (gearing ratio) shall over the long term, not exceed 2.5 times.

Results in 2023: 2.5 times.

DIVIDEND POLICY

TARGET: 40%

RESULT: 0%

Approximately 40% of profit for the year shall be distributed as dividends to shareholders. The dividend proposal shall take into account Green Landscaping Group's long-term growth potential, financial position and investment requirements.

Results in 2023: The Board proposes that no dividends shall be paid for the year.

Strategy

Business concept

Green Landscaping Group is a home for entrepreneurs. Operations span the areas of grounds maintenance and green space management, along with landscaping and construction.

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

Business model

Operational model

The market for outdoor environments is fragmented and locally anchored, with solid, long-term customer relationships. Companies typically have very strong ties in the communities where they do business and have established working methods and structures over a long period of time, giving them a distinct identity. Retaining and continuing to nurture that is thus a key element of Green Landscaping's decentralized operational model and subsidiaries have full commercial responsibility and great freedom to run the business under their own brand. The model is based on a high level of trust and freedom with responsibility. The Group and region levels exist primarily to support the individual companies. Collaboration between companies in the Group is encouraged, although it happens at their own initiative. Where synergies have been identified, it is also up to the companies themselves whether or not to act on them, if they feel the commercial prerequisites exist.

Financial model

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

Sustainability model

Much of Green Landscaping Group's core business is devoted to making cities and society more sustainable. The Group thus has ample opportunities for helping to make the world more sustainable, beyond what it can do by improving the sustainability of its own operations. Maintenance and construction of green areas is done with the intention of creating environments that are safe, inclusive and accessible to all, regardless of age, gender, ethnicity and functional ability.

Group structure

Subsidiaries

Subsidiaries have full commercial responsibility and great freedom to run their business independently of each other and the Group. As a rule, they have strong local ties and run the business under their own brand.
Percentage of the number of employees: 99 percent

Group functions

The Group level provides the support and control functions, including the Lean and M&A teams. It also provides access to capital. Regional managers facilitate and encourage contact between subsidiaries. The organization is very streamlined, since individual companies retain business responsibility themselves, which includes a significant portion of the financial control and corporate governance, regulatory compliance, HR and communication.
Percentage of the number of employees: 1 percent

Profitable growth

Organic growth

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

Growth via acquisitions

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

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

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

A home for entrepreneurs. In a nutshell, this summarizes Green Landscaping Group's acquisition strategy. The ownership horizon is indefinite and none of the companies have been acquired with the intention of later divesting them. Gathering a handful of companies in the same geographic area enables their entrepreneurs to exchange knowledge and grow. And when they interact, it spurs innovation and opens up more sales opportunities. It gives them something they had previously lacked, namely, colleagues and a wider network. This is what our entrepreneurs value most. They get to interact on their own terms, while retaining the freedom to run the business as they see fit.

Profitability improvement via Lean

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

Green Landscaping Group has gathered its senior resources centrally in a Lean team. It is available as needed to the Group's companies, their Boards of Directors and regional managers. The team also serves as a catalyst for knowledge transfer between companies, frequently on topics such as costing, production monitoring and invoicing. They are also responsible for building up knowledge on how digitalization can improve the business and promoting the digitalization of processes. Members of the Lean team can also help with the onboarding of new companies and temporarily serve as CEOs to fill a gap when a CEO resigns before a new one can take over.

Digitalization

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

Green Landscaping Group made the following acquisitions during the period January-December 2023

Consolidated as of	Acquisitions	Segment	Assessed annual sales, SEK m	Number of employees
June	Schmitt & Scalzo Garten und Landschaftsbau GmbH	Region Finland and other Europe	155	43
November	Rainer Gartengestaltung & Landschaftsbau GmbH	Region Finland and other Europe	37	19
December	Hartmann Ingenieure GmbH	Region Finland and other Europe	52	55

Schmitt & Scalzo Garten und Landschaftsbau GmbH

with head office in Stockstadt am Rhein in Germany. The company was founded in 1996 and it offers a complete range of maintenance, landscaping and infrastructure services for outdoor environments primarily to customers in the public sector in Hessen, Germany.

Schmitt & Scalzo

Rainer Gartengestaltung & Landschaftsbau GmbH

domiciled in Bavaria, Germany in the town of Senden. The company was founded in 2005 and it offers green space management and landscaping services for outdoor environments to customers in Ulm and Stuttgart.

Rainer
GARTENGESTALTUNG & LANDSCHAFTSBAU

Hartmann Ingenieure GmbH

domiciled in Berlin, Germany. The company is focused on green space management and landscaping for outdoor environments in Berlin.

HARTMANN
INGENIEURE GMBH

In December 2023, the acquisition of Viva Gartenbau AG, domiciled in Basel, Switzerland was announced. The company is focused on green space management and landscaping for customers in Basel. The acquisition had not been finalized as of year-end.

Market overview

Market

Green Landscaping Group's operations span the areas of grounds maintenance and green space management, along with landscaping and construction in Sweden, Norway, Finland, Lithuania and Germany. In total, the addressable market is estimated to be around SEK 325 billion.

Fragmented and stable market

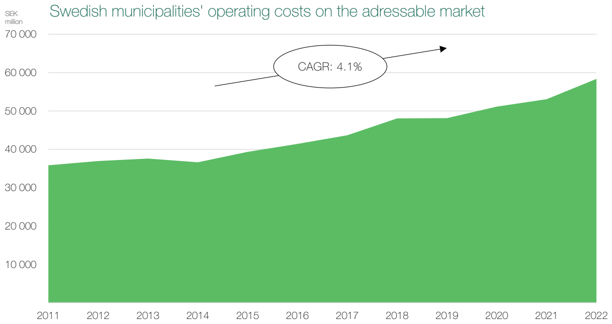
It is also a stable market with sustainable growth and very little variation from one year to the next. The public sector accounts for a significant portion of demand. The percentage of public sector customers' total operating costs spent on outdoor environments is small and it has essentially been unaffected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

The market is positively affected by macro trends such as urbanization, population growth and a general increase in demand for better outdoor environments with a focus on sustainability.

Although the market is large, it is also very fragmented. Most companies are small, serving only their local market. According to GaLaBau Branchenreport Frühjahr 2023, there are more than 19,000 landscaping companies affiliated with a trade association in Germany alone. Green Landscaping Group is one of the few larger players. In both the private and public sectors, long contracts and customer relations stretching over many years is common.

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

Sweden has been Green Landscaping Group's home market since 2009. Since then, the Group has succeeded in expanding operations to Norway (2020), Finland (2021) Lithuania (2022) and Germany (2023).



Source: Statistics Sweden - spending of municipalities, national totals, based on summary financial statements for the years 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022.
Note: Total expenditure includes the total gross amount of operating expenditure by municipalities, along with their annual investments in roads, parks and housing activities.

Addressable market

Green Landscaping Group is active in a large, robust market, where the addressable market amounts to around SEK 325 billion. The addressable market in Sweden is estimated at around SEK 42 billion, SEK 46 billion in Norway, SEK 17 billion in Finland, SEK 6 billion in Lithuania and around SEK 212 billion in Germany. It includes the areas of landscaping and construction, grounds maintenance and green space management, snow & ice removal, as well as water & sewage. On average, there has been average annual growth of around 4-6 percent in the addressable market over the last 15-year period, driven by the strong and lasting megatrends that will be discussed in more detail on the pages that follow. Green Landscaping Group's own and external market analyses reveal that this level of annual growth is expected to persist over the foreseeable future.

Customer categories

Customers are almost exclusively companies and organizations within the public and private sectors. Private individuals are not part of the customer base. Customers that offer major contracts often put specific requirements on suppliers and they use structured tendering processes, which creates barriers to entry for smaller companies in the market. These can be, for example, requirements on the size of operations, certifications, financial strength, a wide range of services, language skills, quality assurance, references from prior projects and also that the company is able to manage several different contracts with the same customer. Customers are either the owners or managers of outdoor environments in or near cities. They thus primarily consist of county councils and regions, municipalities, property managers, property companies.

Key market characteristics

Recurring revenue
Predictable, long-term maintenance contracts

Public customers
Stable, low-risk customer base

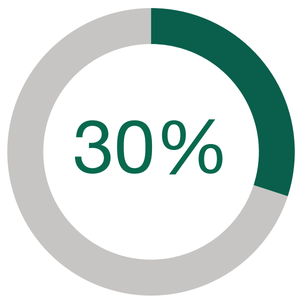
Robust growth
Stable market, with countercyclical elements

Supported by megatrends
Urbanization and focus on outdoor areas

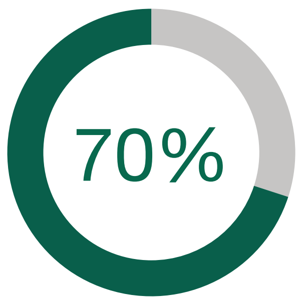
Lack of historical maintenance
Solid order intake

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

PRIVATE COMPANIES



PUBLIC SECTOR



Green Landscaping Group's position

Market drivers

Population growth and urbanization

There has been positive population growth over time in the markets where Green Landscaping Group is active. Growth has primarily occurred in densely populated areas, which has been fueling the urbanization trend for quite some time and is expected to continue.

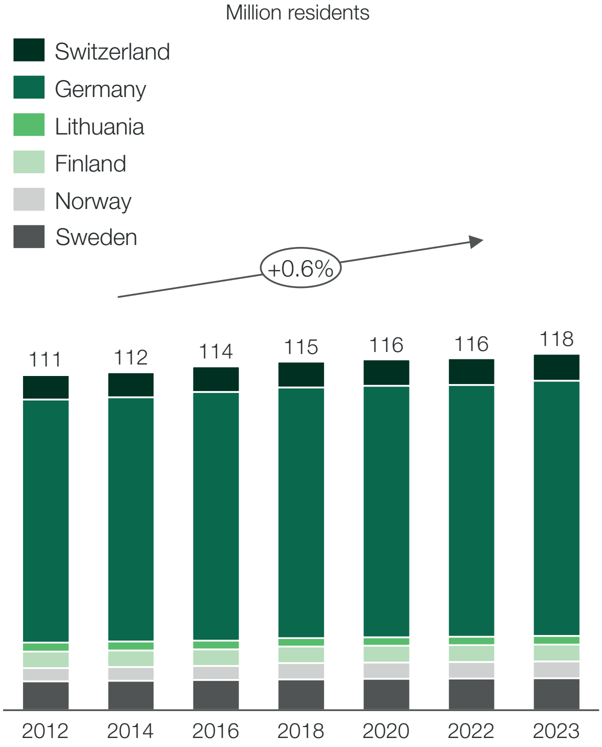
Population growth and a higher level of urbanization fuel a greater demand for accessible and safe outdoor environments. The growing population also contributes to more wear-and-tear on existing parks and outdoor environments, which further increases the need for maintenance.

Expectations on green urban areas

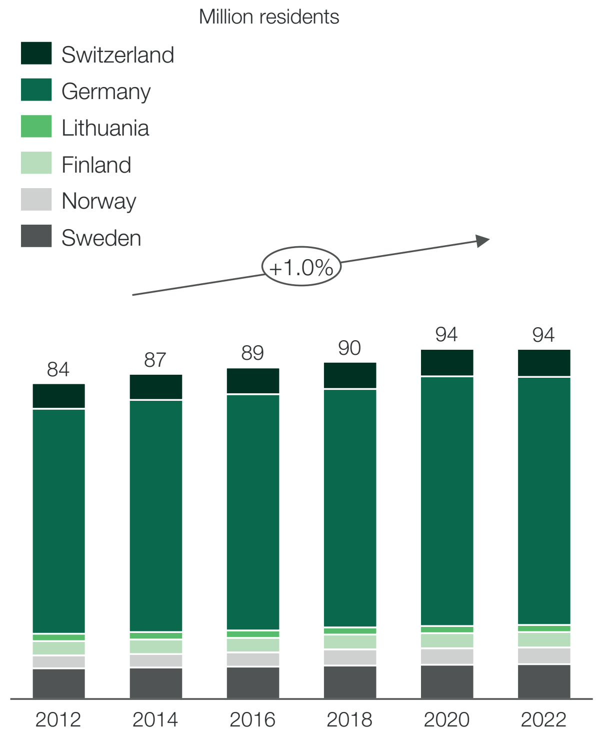
Residents of a city tend to highly value the urban environment. They show much interest and engagement in issues having to do with the design and maintenance of the surrounding area. Several studies have been published documenting the positive health effects from green areas, such as lower stress and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

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

Poulation growth



Urban growth



Source: Market data has been collected from the following sources: bfs.ch, destatis.de, osp.stat.gov.lt, stat.fi, SSB.no, SCB.se.

A popular and accepted analysis model is the 3-30-300 rule for healthier, greener cities. It requires that every citizen should be able to see at least 3 trees from their home, have 30 percent tree canopy cover in their neighborhood and not live more than 300 meters away from the nearest park or green space.

High demand for safety and security

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

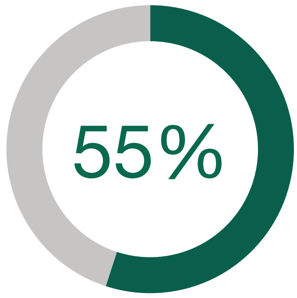
Consequences of climate change

In recent years, European cities have experienced the negative consequences of climate change in the form of poorer air quality and an increase in the occurrence of both heat waves and floods. Asphalt, concrete, and other building materials contribute to cities becoming "heat islands" compared to the countryside, and to poorer stormwater management and air quality. Green outdoor environments play a crucial role in counteracting these negative effects. Besides helping to reduce urban heat island effects and stormwater runoff, trees and other vegetation serve as carbon sinks and air purifiers of urban emissions. Rain gardens, also referred to as bioretention facilities, are another method for increasing the reabsorption of rain runoff into the soil. They also help treat contaminated stormwater.

Service areas

Grounds maintenance and green space management

SHARE OF THE GROUP'S NET SALES



Renovation and maintenance of grounds and green areas

Grounds maintenance and green space management is Green Landscaping Group's largest service area and it accounted for around 55 percent of the Group's net sales in 2023.

In this area, the company offers a wide range of maintenance services for grounds and green spaces, including waste collection, lawn mowing, pruning, planting, leaf removal and road maintenance. During the winter, snow and ice removal services are offered for roads and streets, parking lots, market squares and the grounds surrounding properties. The materials used to prevent slipping, such as gravel and sand, are then collected in the early spring. For this service area, contracts typically stretch over several years covering all seasons. They typically run for three to five years, with the option to extend for an additional two to four years. For housing cooperatives, contracts are typically one year, with annual renewal. In most of our agreements, indexation of prices based on inflation is done.

Customers are primarily county councils and regions, municipalities, property managers, property companies and others who own or manage grounds and green areas in and around urban areas. The business requires good knowledge of the local conditions, planning skills and efficient execution.

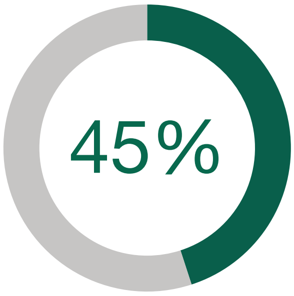
Landscaping and construction is closely associated with grounds maintenance and green space management and it is common for there to be upselling of these services within the scope of such contracts.

A small portion, approximately three percent of the Group's net sales is also derived from the sale of goods in this service area.

Service areas

Landscaping and construction

SHARE OF THE GROUP'S NET SALES



Design and construction of grounds and green areas

Landscaping and construction is Green Landscaping Group's most rapidly growing service area and it accounted for around 45 percent of the Group's net sales in 2023.

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

The Group has extensive expertise and experience in several project areas associated with landscaping, such as landscaping architecture, ground design, plant technology, project management, inspection and construction. Being involved in all phases of a project creates the best conditions for lower operating costs, less maintenance and a longer lifespan for outdoor environments. Market squares, courtyards, parks, churchyards, playgrounds and recreation sites are examples of the project areas.

Landscaping jobs are typically procured as own contracts, with municipalities, municipal companies or construction & property companies. For landscaping projects, payment is typically upon completion of the work, or, for larger projects, in accordance with a payment plan linked to various stages of completion. Landscaping projects are divided into smaller steps, which lowers the project risk. The contract value of these projects is typically in the range of SEK 1 to 20 million and most range from 3 to 6 months.

Segment Sweden

Segment Sweden is the largest in the Group and there are 29 subsidiaries belonging to it. The service offering is wide, covering green space management, arborist services, road maintenance, landscaping, water & sewage, as well as construction and maintenance of sports facilities. The allocation of customers is 75 percent in the public sector and 25 percent in the private sector.

Between 2009 (when Green Landscaping Group was founded) and up until 2019, all of its business came from companies in Sweden. In 2018, the Group's biggest competitor at that time, Svensk Markservice, was acquired. A comprehensive effort then got underway to merge or convert the business units of Svensk Markservice and Green Landscaping, creating a total of 12 independent subsidiaries with their own brands, in accordance with the Group's decentralized strategy. After several years of having reported low profitability, these companies have, via long-term and methodical efforts, managed to gradually improve and overall, increase profitability from an EBITA margin of around 3 percent to more than 7 percent in 2023.

Net sales for 2023 amounted to SEK 2,838 (2,742) million, of which organic growth amounted to 1 percent and acquisitions contributed with 3 percent. The demand for services in the area of green space management has been stable, but conditions in the area of landscaping and construction changed during the year. Several major construction companies primarily active in the housing market have entered the scene, which is likely due to the low level of activity for housing construction. EBITA amounted to SEK 174 (191) million and the EBITA margin decreased to 6.1 (7.0) percent. Companies working with green space management reported good results, but profitability was squeezed for those involved in landscaping and construction. In one of the subsidiaries, it was necessary to make provisions and lump-sum write-down on a project expected to generate a loss, which had a negative impact of approximately 1.5 percentage points on the segment's EBITA margin.

No acquisitions were made during the year.

NET SALES

SEK 2,838 million

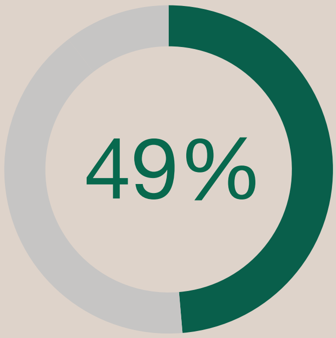
EBITA

SEK 174 million.

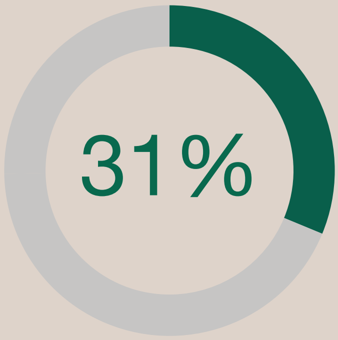
EMPLOYEES

1,343

SHARE OF THE GROUP'S NET SALES

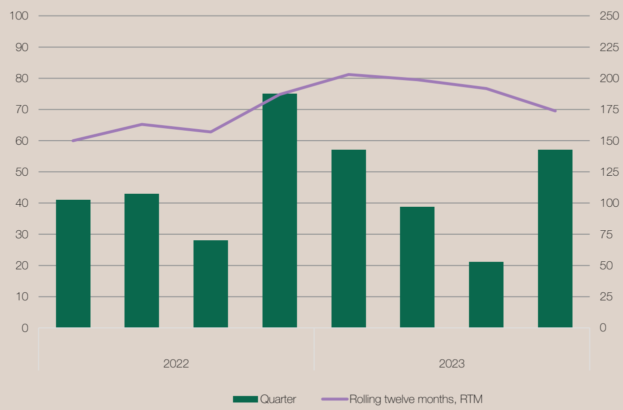


SHARE OF THE GROUP'S EBITA



Net sales, SEK million

EBITA, SEK million



Subsidiaries in Sweden

Utemiljö 12m året runt

Björn Entreprenad AB

Bengtssons Trädgårdsanläggningar AB

GML Sport Est. 1994

Green landscaping Skåne

Green Östergötland

Grön Stad

Gröna Roslagen Drift & Underhåll

Ute Hallandsåsens miljö

Jacksons trädvård

JE Mark

Jordelit

Mark & miljö projekt

Mark & Trädgård

Markbygg

Markservice Sthlm

P.A.R.K – förnyar och vårdar gröna ytor

Park & Trädgård – En del av Green Landscaping Group

Svensk Markservice

Svensk Markservice Svealand

Sorex Entreprenad AB

thormans entreprenad

TMM – Trädgård & Markmiljö

Trädexperterna Biodiversitree

Tranemo Trädgårdstjänst AB – Vi kan utemiljö!

Utemiljö

Västsvensk Markservice

Wiridis

Segment Norway

Segment Norway is home to 12 of the Group's subsidiaries, which together account for 41 percent of the Group's net sales and 43 percent of EBITA. The emphasis is primarily on landscaping and construction, but also road maintenance and green space management. The allocation of customers is 70 percent in the public sector and 30 percent in the private sector.

Green Landscaping Group became established in Norway as the first market outside Sweden. The reputable company, Gast Entreprenör AS, was acquired in 2020. This was followed by a period of intensive expansion, with an additional 11 companies acquired between 2020 and 2022. The strategy of attracting the best entrepreneurs in the industry is reflected in our profitability.

Net sales for 2023 amounted to SEK 2,385 (1,851) million, of which organic growth amounted to 6 percent and acquisitions contributed with 28 percent. Changed exchange rates impacted net sales by -5 percent. Organic growth was strong at the beginning of the year, which is primarily attributable to the high rate of inflation, along with some new contracts that were won. It slowed down towards the end of the year however, due to a lower inflation rate, higher competition from housing construction companies and stronger comparison figures. EBITA amounted to SEK 242 (248) million and the EBITA margin decreased to 10.1 (13.4) percent. Companies that joined the Group during the second half of 2022 have profit margins aligned with the Group's targets, but below the level that the segment had been reporting previously, which is the main reason behind the lower margin. Although the acquisitions are value-creating, there is nevertheless a negative mix effect, where the margin for the segment is entirely diluted.

No acquisitions were made during the year.

NET SALES

SEK 2,385 million

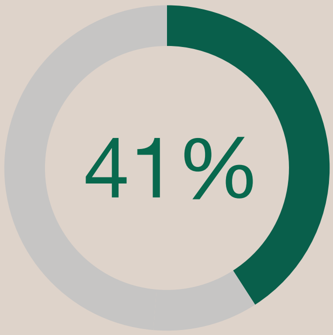
EBITA

SEK 242 million

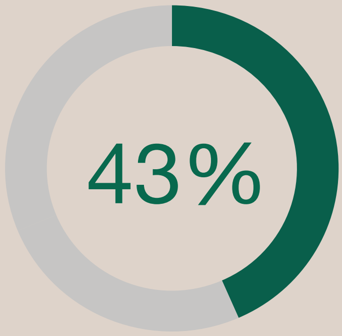
EMPLOYEES

880

SHARE OF THE GROUP'S NET SALES



SHARE OF THE GROUP'S EBITA



Net sales, SEK million

EBITA, SEK million

Subsidiaries Norway

Segment Finland and other Europe

Segment Finland and other Europe is the Group's newest, most rapidly growing segment. This segment is home to 8 of the Group's subsidiaries, which together account for 11 percent of the Group's net sales and 25 percent of EBITA in 2023. The emphasis is primarily on landscaping and construction, but also green space management and tree planting. The allocation of customers is 60 percent in the public sector and 40 percent in the private sector.

Green Landscaping Group became established in Finland during 2021 with the acquisition of Viher-Pirkka Oy, a landscaping company based in Helsinki. In 2022, the Group expanded to Lithuania and since 2023, Green Landscaping Group is also represented in Germany, where it has three subsidiaries.

Net sales for 2023 amounted to SEK 610 (227) million, of which organic growth amounted to 5 percent and acquisitions contributed with 155 percent. Changed exchange rates impacted net sales positively by 8 percent. The segment's subsidiaries in Lithuania and Germany delivered a very positive performance during the year. In Finland however, companies were impacted by a weaker market due to difficult conditions primarily in the housing and construction industry, causing there to be higher competition in the landscaping market. EBITA amounted to SEK 141 (23) million and the EBITA margin increased to 23.1 (10.2) percent. Newly acquired companies made a significant contribution to the segment's profitability, which reflects the Group's strategy of attracting the best, most profitable players.

The following acquisitions were made in Germany during the year: Schmitt & Scalzo GmbH, Rainer Gartengestaltung & Landschaftsbau, and Hartmann Ingenieure GmbH. A regional manager was hired and a regional office was established in Munich. It will serve as the hub for further expansion in Germany, Austria and Switzerland.

NET SALES

SEK 610 million

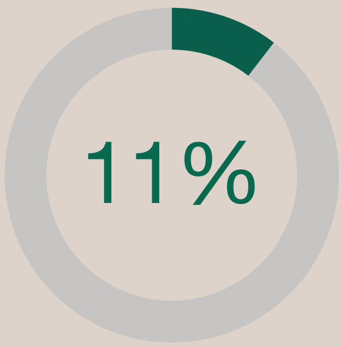
EBITA

SEK 141 million

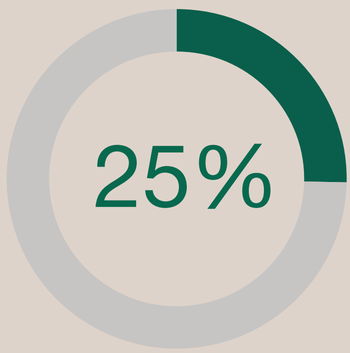
EMPLOYEES

447

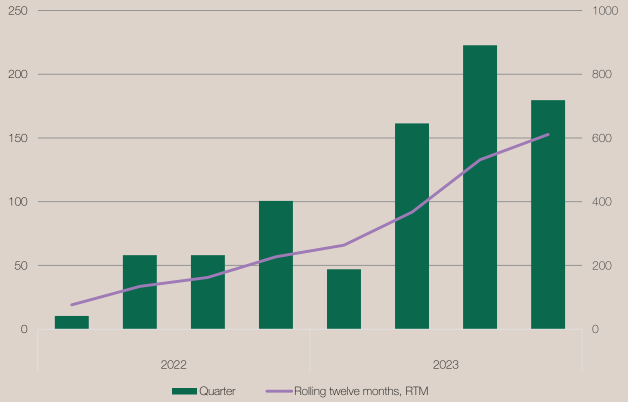
SHARE OF THE GROUP'S NET SALES



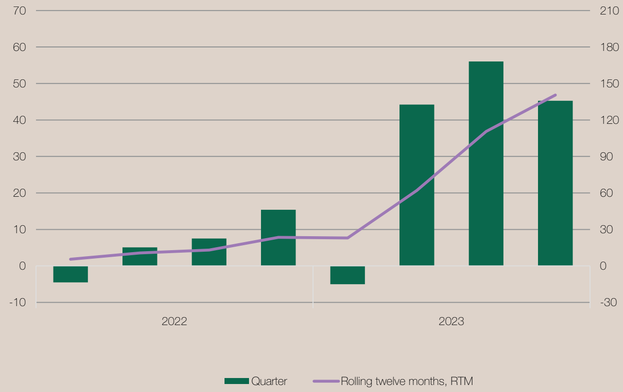
SHARE OF THE GROUP'S EBITA



Net sales, SEK million



EBITA, SEK million



Subsidiaries Finland and other Europe

SUSTAINABILITY REPORT

Sustainable green space management and landscaping

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

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

Sustainability platform

Much of Green Landscaping Group's core business is devoted to making cities and society more sustainable. The Group thus has ample opportunities for helping to make the world more sustainable, beyond what it can do by improving the sustainability of its own operations. Green Landscaping Group's sustainability platform has been established in order to develop and improve the Group's sustainability efforts in an effective and structured way. It is based on the 17 Sustainable Development Goals of the UN and consists of the three focus areas: 1. Climate-adapted production, 2. Safe, stimulating and inclusive workplace, 3. Sound business relations and stable financial development. There are strategic sustainability targets and KPIs for each focus area.

Sustainability efforts are characterized by responsibility, openness, ethical behavior and respect for our stakeholders. Sustainable development shall be achieved via our work with continual improvements, long-term customer relationships, skilled employees and goal-oriented planning of our operations. The Green Landscaping Group Code of Conduct and Sustainability Policy serve as the foundation for sustainability efforts. These policy documents provide us with guidance on how the Group shall create value, contribute to a sustainable society, prevent risks in our operations and manage unexpected events.

The 2023 report covers 44 companies, compared to 38 in 2022. The larger scope also affects some of the KPIs.

Expectations on green urban areas

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

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

A popular and accepted analysis model is the 3-30-300 rule for healthier, greener cities. It requires that every citizen should be able to see at least 3 trees from their home, have 30 percent tree canopy cover in their neighborhood and not live more than 300 meters away from the nearest park or green space.

High demand for safety and security

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

Consequences of climate change

In recent years, European cities have experienced the negative consequences of climate change in the form of poorer air quality and an increase in the occurrence of both heat waves and floods. Asphalt, concrete, and other building materials contribute to cities becoming "heat islands" compared to the countryside, and to poorer stormwater management and air quality. Green outdoor environments play a crucial role in counteracting these negative effects. Besides helping to reduce urban heat island effects and stormwater runoff, trees and other vegetation serve as carbon sinks and air purifiers of urban emissions. Rain gardens, also referred to as bioretention facilities, are another method for increasing the reabsorption of rain runoff into the soil. They also help treat contaminated stormwater.

Sustainability governance and monitoring

In line with Green Landscaping Group's decentralized organizational structure, sustainability work is an integral part of the subsidiaries' business operations. Each subsidiary has full commercial responsibility and great freedom to run their operations independently of each other and the Group. To a large extent, the Group's sustainability efforts are thus governed and executed by the subsidiaries. The Group's role is to then monitor that those effort are aligned with its sustainability platform. Monitoring and evaluation of sustainability efforts is thus an ongoing process primarily at the company level, yet integrated with other goal monitoring. Results are discussed and action plans are implemented whenever there are deviations. Once per year, a more thorough evaluation is carried out of the current performance indicators and ongoing activities.

Stakeholders and stakeholder engagement

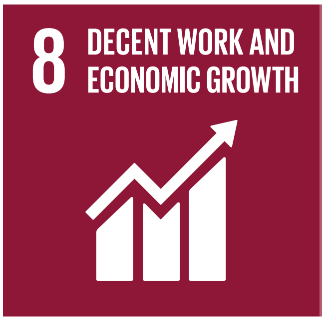
Green Landscaping Group creates value for stakeholders via responsible business practices simultaneous to its efforts of achieving sustainable, profitable growth. Stakeholders have been identified based on the business conducted, how that impacts the surrounding world and those who impact the Group. Some stakeholders, primarily employees, customers and suppliers are essential to daily operations. Others are important to long-term growth, such as stakeholders in the finance market, local and national government authorities/organizations and legislators.

The stakeholder groups that are most affected by Green Landscaping Group's operations, or that affect the operations the most, are:

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

UN Sustainable Development Goals most relevant to Green Landscaping Group

An analysis of operations has been carried out to establish which UN Sustainable Development Goals the Group can contribute most effectively to. Green Landscaping Group has decided to focus on SDGs 8, 9, 11, 12 and 15 as the guiding principles for its sustainability efforts and ensuring continuity of those efforts. The Group strives to make as few changes as possible to the measurement methods so that there is comparability over time.



SDG 8 Decent work and economic growth
In its role as employer, client of subcontractors and owner of subsidiaries, Green Landscaping Group is responsible for ensuring that individuals involved in operations work in an environment that is safe, secure, stimulating and non-discriminatory.
By running a well-founded and financially sound business, Green Landscaping Group can also contribute to economic growth for individuals and society.

SDG 9 Industry innovation and infrasctructure
A significant portion of Green Landscaping Group's business contributes to sustainable infrastructure. This occurs primarily through maintenance and construction of parks and green areas, along with road maintenance, including snow & ice removal services. It order to be relevant in these areas, innovation is an integral part of the company's business model. Green Landscaping Group strives to, at all times, develop more efficient and sustainable methods in order to meet the requirements and expectations of its clients.

SDG 11 Sustainable cities and communities
In many ways, this is the Group's core business. Green Landscaping Group maintains and constructs green areas with the intention of creating environments that are safe, inclusive and accessible to all, regardless of age, gender, ethnicity and functional ability.

SDG 12 Resonsible consumption and production
Through responsible waste management activities and essentially no use of chemicals in operations, Green Landscaping Group works in a focused way to contribute to sustainable consumption and production within the area of green space management. Fossil-fueled vehicles and tools are also being phased out and replaced by electric ones. Digitalization also offers new opportunities by making production even more resource efficient.

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

Materiality assessment

For several years, Green Landscaping Group been reporting sustainability information based on a materiality assessment of the ESG issues that are most significant to its business and stakeholders. A materiality assessment was carried out in 2021 to identify the areas where the Group can make the most meaningful contribution to sustainable development. No significant changes have occurred, which is why the assessment is still deemed relevant for 2023. The following served as the starting point for the materiality assessment: its most important stakeholders' expectations and requirements on the Group, the UN Sustainable Development Goals prioritized by the Group and how well equipped the organization is to deal with future challenges in the area of sustainability. It resulted in identification of the following three focus areas: 1. Climate-adapted production, 2. Safe, stimulating and inclusive workplace, 3. Sound business relations and stable financial development. There are strategic sustainability targets and KPIs for each focus area.

In 2024, the Group will carry out a Double Materiality Assessment (DMA), as required by the European Sustainability Reporting Standards.

Green Landscaping Group's three focus areas are presented above, along with how they relate to the five SDG's it has chosen to focus on and its strategic sustainability goals.

1

Focus area 1: Climate-adapted production

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

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

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

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

PERFORMANCE INDICATORS

KPI	2023	2022	Goal	Goal fulfillment	Comments
CO_2 emissions, Scope 1, as a percentage of sales	2.45	2.95	5% annual decrease	✓	A higher percentage of electric cars in existing companies, along with acquisition of new companies that have a higher proportion of electric cars.

Unit: X tons CO_2 equivalents/SEK million in sales.
Data includes the companies that were part of the Green Landscaping Group at the beginning of each year.

Measures for lowering energy consumption and greenhouse gas emissions

Green Landscaping Group must comply with the Swedish legislation, Energy Audits In Large Enterprises (2014:266), which is part of fulfilling the requirements that the EU's energy efficiency directive, EED (Directive 2012/27/EU) places on the member states. The calculations show that the company's largest climate impact comes from transports and work with machinery, since these things primarily rely on fossil fuels. That is why it is within this area that measures are being prioritized.

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

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

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

Management of environmentally hazardous products

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

Waste, recycling and reuse

Green Landscaping Group's business generates various types of waste, such as organic waste from land management and unsorted waste from bins. With landscaping activities, waste is often generated in the form of old, torn-up asphalt, concrete and wood. From the organization's own activities, there is office waste, electronics and some chemical residues and packaging. In the companies' management systems, there are routines for how the various types of waste are to be managed such that there is the lowest possible environmental impact. Sorting and depositing waste for recycling is therefore a very important function. Many of the subsidiaries have systems in place for sorting, depositing and reuse of organic material.

Risk inventory

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

It is a risk that can be partially mitigated by hiring temporary employees so that quick adaptations to capacity and costs are possible when there are sudden changes in demand.

2

Focus area 2: Safe, stimulating and inclusive workplace

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

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

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

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

PERFORMANCE INDICATORS

KPI	2023	2022	Goal	Goal fulfillment	Comments
Number of incidents* per FTE**	0.20	0.24	Reduction	✓	More focus on incident reporting
Number of accidents FTE**	0.04	0.05	Reduction	✓	Increased focus has raised awareness and boosted safety efforts
Accidents resulting in death per FTE**	0.00	0.00	0	✓	No deaths have occurred.

Unit: Number/FTE**

* Incident = Events that might have resulted in an LTA
** FTE = Full-Time Equivalent
*** LTA = Lost Time Accident (accidents where a person needs be put on sick leave)

UN Principles on Human Rights

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

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

Safe environment and healthy employees

Green Landscaping Group's operations fall within the scope of laws and regulations on health & safety and the work environment. Accident statistics are used to help prevent workplace accidents. Employees at subsidiaries receive continuous training to ensure that appropriate protective equipment is always used, and used correctly. Through our training initiatives and input from TCYK, we identify the skill areas that employees would like to develop that would mitigate the work environment risks. As part of our management of accidents and incidents, we identify root causes and remedy problems at the source. We also improve the quality of our work and prevent both risks and recurring problems.

Equality and diversity

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

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

A workplace with diversity, free from discrimination and harassment, creates a thriving work environment where employees' skills are utilized and developed and the company's customer offering and profitability are improved. The purpose is to ensure that everyone, regardless of differences, has the same opportunities regarding employment, working conditions and development opportunities.

Skill development

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

Employee surveys

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

Risk inventory

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

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

In practice, each subsidiary is responsible for the work with human rights and ensuring compliance with relevant policies and legislation. Risk management is done by making sure that safety regulations, along with health & environmental standards are up-to-date and available, incident reporting and by implementing measures to limit or eliminate the risks.

3

Focus area 3: Sound business relations for stable financial development

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

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

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

PERFORMANCE INDICATORS

KPI	2023	2022	Goal	Goal fulfillment	Comments
Confirmed cases of corruption, number	0	0	0	✓	No cases of corruption were reported or otherwise discovered.
Reported whistleblower cases, number	1	2	0	✗	Upon investigation, no cases have revealed violations.
Total revenue, SEK m	5,831	4,810	+10%	✓	Revenue increased by 21 percent, primarily as a result of having made several acquisitions. Organic growth was 3 percent.
EBITA margin, %	8.8	8.5	8%	✓	Primarily due to acquisition of new companies with high margin.
Gearing ratio, times	2.5	2.4	< 2.5	✓	The gearing ratio was maintained in line with the target.

Code of Conduct

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

The Code of Conduct is based on five main areas:

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

Green Landscaping Group's Code of Conduct has been published on the company's website, https://www.greenlandscaping.com/about-us/sustainabililty/code-of-conduct/

Measures to combat corruption

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

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

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

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

Whistleblower function

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

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

Third-party certified management system

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

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

Purchasing

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

Satisfied customers

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

Stable financial development

Much of the sustainability work is focused on making responsible financial decisions. For customers, it is very important that Green Landscaping Group has sustainable, stable operations and a good credit rating. Since 2017, Green Landscaping Group has been focusing on profitable growth via both organic growth and acquisitions. Green Landscaping Group strives to maintain a stable credit rating.

Risk inventory

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

- Corruption risks primarily arise through interactions in the supply chain, since collaborations there are often relationship-based. This risk exists in all parts of the organization that work with purchasing.
- Subsidiaries engage subcontractors to supplement their own staff. There is a risk that subcontractors fail to comply with the laws and requirements applicable to our operations concerning such things as quality, the environment and work environment.

In practice, each subsidiary is responsible for the work to counteract corruption and ensure compliance with relevant policies and legislation. During the acquisition process, a great deal of effort goes into assessing the company culture of the acquisition target, which encompasses its business relationships, customers, suppliers and employees. It is essential that all companies joining the Green Landscaping Group have sound values.

Fulfillment of strategic sustainability goals

TARGET	RESULT	GOAL FULFILL-MENT	COMMENTS
Lowering emissions of CO_2 equivalents per SEK sales by five percent each year (base year 2021)	-17%	✓	A higher percentage of electric cars in existing companies, along with acquisition of new companies that have a higher proportion of electric cars
Lower the number of workplace accidents each year/ FTE	-22%	✓	Increased focus has raised awareness and boosted safety efforts
Zero tolerance for corruption	0	✓	No cases of corruption were reported or otherwise discovered

EU Taxonomy Regulation

Background

The Taxonomy Regulation is a classification system intended as a guide that will be used to direct investments towards sustainable projects and activities across the EU. It is part of the Green Deal and has been designed to help the EU meet key 2030 and 2050 climate goals. Climate change mitigation and climate change adaptation (environmental objectives 1-2) are covered, as before. In 2023, the EU Commission adopted a new set of taxonomy criteria (environmental objectives 3-6). Companies must disclose the following: EU taxonomy-compliant share of sales (turnover), capital expenditure (CapEx) aligned with the EU taxonomy and operating expenses (OpEx) aligned with the EU Taxonomy.

Analysis

Much of Green Landscaping Group's core business is devoted to making cities and society more sustainable. It means that the Group has ample opportunities for helping to make the world more sustainable. A closer look at the business reveals however that only a small percentage is aligned with the EU Taxonomy, in its current form. Only 1 percent of Green Landscaping Group's sales (turnover) and CapEx is aligned with the EU Taxonomy. The majority of sales (turnover) and CapEx is thus not covered. It has been concluded that OpEx is not covered by the EU Taxonomy.

The portion that is covered by the Taxonomy is: Collection and transport of non-hazardous waste in source-segregated fractions (NACE code E38.1.1). It involves collection and transport of non-hazardous waste into source-segregated fractions so that the waste can be reused or recycled. For Green Landscaping Group, it involves the collection of gravel and other organic material, emptying waste bins and similar activities. These are minor, yet regular activities performed within the scope of maintenance assignments by many of the Group's companies. It is not possible to financially distinguish these types of activities with precision. Because of this, the assessment has been based on qualified assessments.

Reporting 2023 - KPI sales (turnover)

				Criteria for substantial contribution						Criteria for Do No Significant Harm (DNSH)										
Economic activities	Codes	Absolute sales (SEK m)	Percentage of sales (%)	Climate change mitigation (%)	Climate change adaptation (%)	Water and marine resources (%)	Circular economy (%)	Pollution (%)	Biodiversity and ecosystems (%)	Climate change mitigation (Yes/No)	Climate change adaptation (Yes/No)	Water and marine resources (Yes/No)	Circular economy (%)	Pollution (Yes/No)	Biodiversity and ecosystems (Yes/No)	Minimum protective measures (Yes/No)	Taxonomy-eligible percentage of sales, year N (%)	Taxonomy-eligible percentage of sales, year N -1 (%)	Category (enabling activities) (E)	Category (transition activities) (T)
A. ACTIVITIES COVERED BY THE TAXONOMY																				
A.1 Environmentally sustainable activities (Taxonomy-eligible)																				
N/A			-	-	-	N/A	N/A	N/A	N/A	-	-	-	-	-	-	-	-	-		
Sales of environmentally sustainable activities (Taxonomy-eligible) (A.1)			-	-	-	N/A	N/A	N/A	N/A	-	-	-	-	-	-	-	-	-		
A.2 Activities covered by the taxonomy but which are not environmentally sustainable (non Taxonomy-eligible)																				
5.5 Collection and transport of non-hazardous waste in source-segregated fractions.	E38.1.1	60	1%																	
Sales of the activities covered by the Taxonomy but which are not environmentally sustainable (non Taxonomy-eligible (A.2))		60	1%																	
Total (A.1 + A.2)		**60**	**1%**														**0**		**-**	**-**
A. ACTIVITIES NOT COVERED BY THE TAXONOMY																				
Sales of the activities not covered by the Taxonomy (B)		5,771	99%																	
Total (A + B)		**5,831**	**100%**																	

* Sales have been defined as follows: net sales for the company during the period.

Reporting 2023 - KPI CapEx

				Criteria for substantial contribution						Criteria for Do No Significant Harm (DNSH)										
Economic activities	Codes	Absolute CapEx (SEK m)	Percentage of CapEx (%)	Climate change mitigation (%)	Climate change adaptation (%)	Water and marine resources (%)	Circular economy (%)	Pollution (%)	Biodiversity and ecosystems (%)	Climate change mitigation (Yes/No)	Climate change adaptation (Yes/No)	Water and marine resources (Yes/No)	Circular economy (%)	Pollution (Yes/No)	Biodiversity and ecosystems (Yes/No)	Minimum protective measures (Yes/No)	Taxonomy-eligible percentage of CapEx, year N (%)	Taxonomy-eligible percentage of CapEx, year N -1 (%)	Category (enabling activities) (E)	Category (transition activities) (T)
A. ACTIVITIES COVERED BY THE TAXONOMY																				
A.1 Environmentally sustainable activities (Taxonomy-eligible)																				
N/A			-	-	-	N/A	N/A	N/A	N/A	-	-	-	-	-	-	-	-	-	-	
CapEx of environmentally sustainable activities (Taxonomy-eligible) (A.1)			-	-	-	N/A	N/A	N/A	N/A	-	-	-	-	-	-	-	-	-	-	
A.2 Activities covered by the taxonomy but which are not environmentally sustainable (non Taxonomy-eligible)																				
5.5 Collection and transport of non-hazardous waste in source-segregated fractions.	E38.1.1	2	1%																	
CapEx of the activities covered by the Taxonomy but which are not environmentally sustainable (non Taxonomy-eligible (A.2))		2	1%																	
Total (A.1 + A.2)		**2**	**1%**														**0%**	**0%**	**-**	**-**
A. ACTIVITIES NOT COVERED BY THE TAXONOMY																				
CapEx of the activities not covered by the Taxonomy (B)		189	99%																	
Total (A + B)		**191**	**100%**																	

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

Reporting 2023 - KPI OpEx

				Criteria for substantial contribution						Criteria for Do No Significant Harm (DNSH)										
Economic activities	Codes	Absolute OpEx (SEK m)	Percentage of OpEx (%)	Climate change mitigation (%)	Climate change adaptation (%)	Water and marine resources (%)	Circular economy (%)	Pollution (%)	Biodiversity and ecosystems (%)	Climate change mitigation (Yes/No)	Climate change adaptation (Yes/No)	Water and marine resources (Yes/No)	Circular economy (%)	Pollution (Yes/No)	Biodiversity and ecosystems (Yes/No)	Minimum protective measures (Yes/No)	Taxonomy-eligible percentage of OpEx, year N (%)	Taxonomy-eligible percentage of OpEx, year N -1 (%)	Category (enabling activities) (E)	Category (transition activities) (T)
A. ACTIVITIES COVERED BY THE TAXONOMY																				
A.1 Environmentally sustainable activities (Taxonomy-eligible)																				
N/A			-	-	-	N/A	N/A	N/A	N/A	-	-	-	-	-	-	-	-	-	-	
OpEx of environmentally sustainable activities (Taxonomy-eligible) (A.1)			-	-	-	N/A	N/A	N/A	N/A	-	-	-	-	-	-	-	-	-	-	
A.2 Activities covered by the taxonomy but which are not environmentally sustainable (non Taxonomy-eligible)																				
5.5 Collection and transport of non-hazardous waste in source-segregated fractions.	E38.1.1																			
OpEx of the activities covered by the Taxonomy but which are not environmentally sustainable (non Taxonomy-eligible (A.2))																				
Total (A.1 + A.2)																	**0%**	**0%**	**-**	**-**
A. ACTIVITIES NOT COVERED BY THE TAXONOMY																				
OpEx of the activities not covered by the Taxonomy (B)		2,521	100%																	
Total (A + B)		**2,521**	**100%**																	

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

Other disclosures

	Nuclear energy-related activities	Yes/No
1	The company conducts, finances or is exposed to research, development, demonstration and deployment of innovative power generation facilities that produce energy from nuclear energy processes with minimal waste from the fuel cycle.	No
2	The company carries out, finances or is exposed to the construction and safe operation of new nuclear facilities for the production of electricity or process heat, including for district heating or industrial processes, such as hydrogen production, as well as for safety upgrades of these, using best available technology.	No
3	The company performs, finances or is exposed to the safe operation of existing nuclear facilities that produce electricity or process heat, including for district heating or industrial processes, such as hydrogen production from nuclear energy, as well as safety upgrades of these.	No

	Fossil gas-related activities	Yes/No
4	The company performs, finances or is exposed the operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The company performs, finances or is exposed to the construction, refurbishment and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The company performs, finances or is exposed the operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

GrantThornton

Auditor's report on the statutory sustainability report

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

Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2023 on pages 26–43 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

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

Opinion

A statutory sustainability report has been prepared.

Stockholm on the day stated in our electronic signature

Grant Thornton Sweden AB

Camilla Nilsson

Authorized Public Accountant

Share information

Green Landscaping's share became listed on Nasdaq First North under the ticker "GREEN" in March 2018.

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

Share capital

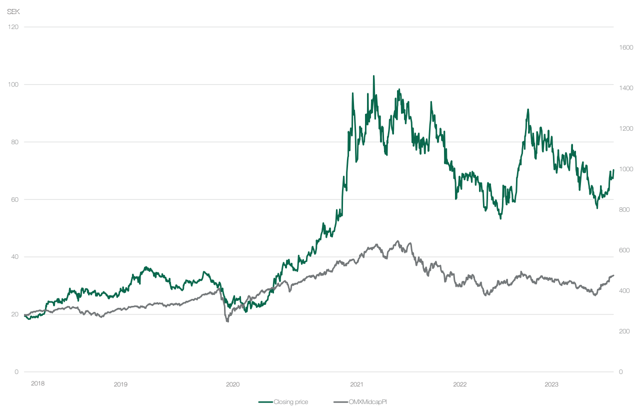
As of 30 December 2023, share capital amounted to SEK 4,033 million, allocated to a total of 56,799,575 shares with a quotient value of SEK 0.071. Since the IPO, a number of new share issues have been executed in conjunction with acquisitions, as well as one rights issue. All shares are of the same class, with equal voting rights and share of the Group's capital and profits.

Date	Event	Change	No. of shares	Dilution	Price
2023-06-13	Issue acquisition	+612,558	56,007,275	1.1%	74.70
2023-06-28	Issue LTIP*	+577,979	56,585,254	1.0%	73.50
2023-10-27	Issue acquisition	+110,517	56,695,771	0.2%	58.50
2023-12-28	Issue acquisition	+103,804	56,799,575	0.2%	68.70
2023	Total	1,404,858		4.9%	

* LTIP - Long Term Incentive Plan. Warrants scheme 2020/2023, see Note M13 page 101.

Trading in Green Landscaping share

The closing price on the last day of trading, 29 December 2023, was SEK 70.30, corresponding to market capitalization of SEK 4 billion. At total of 11,179,583 shares were traded during the year. The average number of shares sold per trading day was 44,540. A total of 256,693 shares were repurchased during the year.



During the trading day 03-23-2018 and 06-08-2018, 2.9 respective 10.1 million shares was traded.

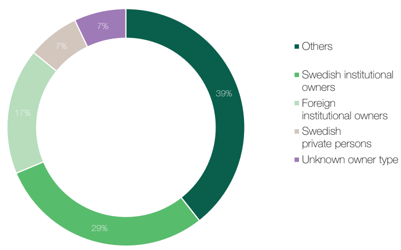
Shareholders

As of 29 December 2023 there were 3,978 known shareholders. The Group's ten largest owners accounted for 61.1 percent of the share capital and votes. The Salén family was the largest owner, with 15.9 percent of the shares.

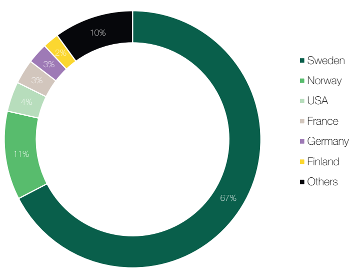
Largest shareholders as of 29 December 2023	No. of shares	% of share capital
Salén family via company	9,032,298	15.9%
Byggmästare Anders J Ahlström Invest AB	9,030,123	15.9%
Johan Nordström via company	3,681,536	6.5%
AFA Försäkring	3,611,339	6.4%
Handelsbanken Fonder	2,380,922	4.1%
Capital Group	1,977,759	3.5%
ODIN Fonder	1,650,000	2.9%
Paul Gamme via companies	1,174,131	2.1%
Amiral Gastion	1,131,421	2.0%
SilverCross Investment Management B.V.	1,006,453	1.8%
Total, 10 largest shareholders	**34,672,282**	**61.1**
Other shareholders	22,123,293	38.9
Total	**56,799,575**	**100%**

Range in the number of shares, 29 December 2023	Number of known owners	Holding	No. of shares
1 - 1,000	3,475	0.8%	474,856
1,001 - 2,000	148	0.4%	219,496
2,001 - 5,000	124	0.7%	401,522
5,001 - 10,000	67	0.8%	461,670
10,001 - 20,000	42	1.1%	621,666
20,001 - 50,000	43	2.4%	1,348,247
50,001 - 100,000	24	3.0%	1,694,522
100,001 - 500,000	37	14.1%	8,001,237
500,001 - 1,000,000	8	9.1%	5,177,276
1,000,001 - 5,000,000	8	29.3%	16,620,861
5,000,001 - 10,000,000	2	31.8%	18,062,421
Anonymous ownership	-	6.5%	3,715,801

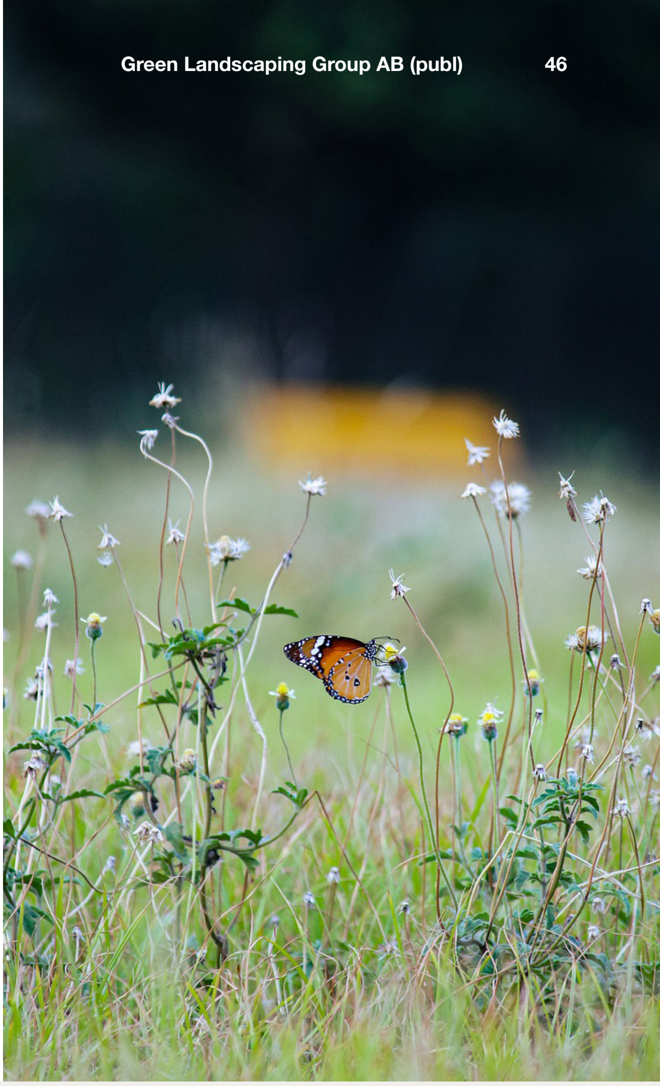
Owernship distribution per category



Ownership distribution by country



Share data	2023-12-29
Share capital, SEK	4,032,770
No. of outstanding shares	56,799,575
Quotient value, SEK	0.071
Share price, SEK million	3,993
Share price, SEK	70.30
Highest closing price, SEK	92.10
Lowest closing price, SEK	56.00
Basic earnings per share, SEK	3.85
Diluted earnings per share, SEK	3.85
No. of outstanding warrants	1,505,207
Number of repurchased shares during the year	256,693



Why invest in Green Landscaping Group?

1 INDUSTRY LEADING PROFITABILITY

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

2 M&A FOCUS

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

3 ORGANIC GROWTH SUPPORTED BY MEGATRENDS

- A market with low cyclicity that is supported by favorable megatrends

4 PREREQUISITES FOR GENERATING RETURNS

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

5 LARGE AND DIVERSIFIED CONTRACT PORTFOLIO LOWERS RISK

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

6 SUSTAINABLE, FUTURE-SAFE GREEN ACTIVITIES

- Creating green cities
- Contributing to safer outdoor environments and biodiversity
- Continuously striving to lower CO2 emissions

Corporate Governance Report

Corporate Governance Report

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

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

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

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

Green Landscaping Group AB applies the Swedish Corporate Governance Code and there were no deviations from the Code in 2023.

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

The Board of Directors and CEO have ultimate responsibility for sustainability efforts within the Group. However, they have delegated some of that responsibility to the various subsidiaries. The Sustainability Report for Green Landscaping Group is presented on page 26-43 of the 2023 Annual Report.

Share capital and shareholders
Share capital amounts to SEK 4.0 million, allocated to a total of 55,799,575 shares with a quotient value of SEK 0.071. At the end of 2023, Green Landscaping had 3,976 known shareholders. At year-end, the 10 largest shareholders controlled 61.3 percent of the share capital. The three largest owners were: Staffan Salén with family via Westindia AB (15.9%), Byggmästare Anders J Ahlström Invest AB (15.9%), and CEO Johan Nordström via Johan Nordström Invest AB (6.5%).

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

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

The share is listed on Nasdaq Stockholm Mid Cap. For more information on the Green Landscaping share and shareholders, please see pages 45-46.

Annual General Meeting

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

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

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

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

The 2023 AGM resolved, among other things, on the establishment of an incentive program 2023-2026, authorization for the Board to make private placements up to 10% of the share capital and authorization for the Board to acquire and transfer own shares.

Nomination Committee

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

According to a resolution at the 2019 Annual General Meeting, the Nomination Committee shall consist of the Chairman of the Board and three members appointed by the three largest shareholders in the company (in terms of the number of votes that they control). If any of these shareholders chooses to waive their right to appoint a member, the privilege will go to the next largest shareholder (in terms of the number of votes that they control).

The nomination committee consists of:

- Erik Salén (appointed by the Salén family via company)
- Tomas Bergström (appointed by Byggmästare Anders J Ahlström Holding AB)
- Anders Thomasson (appointed by Johan Nordström via company)
- Per Sjöstrand (Chairman of the Board)

The Nomination Committee bases its work on the Swedish Corporate Governance Code when preparing proposals to Board members, all of it aimed at setting up the best possible Board of Directors. Selection is based on such factors as expertise, experience, etc.

Board of Directors

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

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

Of the five Board members elected by the AGM, five of them are independent in relation to the company and its senior executives. Accordingly, there is compliance with the Code in that the majority of the members are independent of the company and its senior executives and at least two of these members are also independent of major shareholders. More information on the members of the Board of Directors is provided on pages 54-55.

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

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

Work done by the Board in 2023

- The following acquisitions were made during the year: Schmitt & Scalzo GmbH, Rainer Gartengestaltung & Landschaftsbau, and Hartmann Ingenieure GmbH. All of these companies are domiciled in Germany. In December, the acquisition of Viva Gartenbau AG, domiciled in Switzerland was announced.
- Adoption of the interim reports and annual report
- Annual strategy day with management.
- Internal control

Remuneration to the Board of Directors

The 2023 AGM resolved that the fees paid to the Board of Directors through the next AGM shall amount to SEK 1,250,000 (1,250,000), of which SEK 350,000 (350,000) to the Chairman of the Board and SEK 225,000 (225,000) to each of the ordinary Board members. The AGM also resolved that a fee of SEK 75,000 (75,000) shall be paid to the Chairman of the Audit Committee. Otherwise, no fees are paid to members of the Board's committees.

Evaluation of the Board

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

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

The Board's committees

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

Audit committee

The Board has established an Audit Committee consisting of two members: Åsa Källenius and Per Sjöstrand. The Audit Committee shall, without it impacting the Board's responsibilities and tasks in general, among other things, monitor the company's financial reporting, monitor the effectiveness of the company's internal control, internal audit (if such function is established in the future) and risk management, keep informed about the audit of the annual report and the consolidated financial statements and on the conclusions of the Swedish Inspectorate of Auditors' quality control.

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

The Audit Committee is headed by Åsa Källenius.

Remuneration Committee

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

The Remuneration Committee is headed by Per Sjöstrand.

Director	Position	When elected	Independent to the company and management team	Independent of the major shareholders	Attendance at Board meetings	Attendance at Audit Committee meetings	Attendance at Remuneration Committee meetings
Per Sjöstrand	Chairman	2012	Yes	Yes	8/8	4/4	1/1
Staffan Salén	Director	2018	Yes	No	8/8	-	1/1
Åsa Källenius	Director	2018	Yes	Yes	5/8	4/4	1/1
Monica Trolle	Director	2018	Yes	Yes	8/8	-	1/1
Tomas Bergström	Director	2020	Yes	No	8/8	-	1/1

CEO and other senior executives

The company's CEO is responsible for, in accordance with the Swedish Companies Act, the day-to-day management of the company in accordance with the Board's guidelines and instructions. The CEO is also responsible for taking the actions necessary to ensure that the company's accounting complies with law and that assets are managed in a satisfactory manner. In relation to the Board of Directors, the CEO has a subordinated position and the Board may also decide itself on matters having to do with day-to-day management of the company. The CEO's work and role, as well as the division of labor between the Board of Directors and the CEO on the one hand, are stated in a written instruction adopted by the Board (the CEO instructions) and the Board of Directors regularly evaluates the work done by the CEO.

Guidelines for remuneration to senior executives

At the 2023 AGM, guidelines for remuneration to senior executives were decided. The guidelines are presented in the Directors' Report, on pages 61-68 of the Annual Report. Remuneration to the CEO and executive management team, along with other benefits and employment terms are detailed in Note 6.

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

Incentive programs

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

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

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

2023/26. With full utilization of the program, a maximum of 550,000 shares will be issued (after the rights issue), which would have a maximum dilutive effect of approximately 1.0 percent. The subscription price for shares that are subscribed to via the warrants is SEK 96.00 per share. The premium per warrant, which has been calculated in accordance with the Black & Scholes model amounted to SEK 7.49. Subscription of shares may occur during the period 29 March 2026 through 12 June 2026. With full utilization of the warrants, the Parent Company's share capital will increase by SEK 39,051.

Audit

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

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

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

The Board's report on internal control over financial reporting

The Board's responsibility for internal control is regulated in the Swedish Companies Act, the Annual Accounts Act and the Swedish Corporate Governance Code. Among other things, the Board shall ensure that the company has good internal control and formalized procedures to ensure that established principles for financial reporting and internal control are complied with, and that there are appropriate systems for monitoring and controlling the company's operations along with the risks associated with the company and its operations.

The company has not established any special function for internal control. Instead, the Board of Directors as a whole performs that task. Internal control includes control of the company's organization, procedures and measures. The purpose is to ensure that reliable and accurate financial reporting takes place, that the company's and the Group's financial reporting is prepared in accordance with law and applicable accounting standards and that other requirements are complied with.

The internal control system also aims to monitor compliance with the company's policies, guidelines and principles.

In addition, the company's assets are monitored and the company's resources are used in a cost-effective and appropriate manner. Furthermore, internal control takes place through follow-up in IT and ERP systems and through continuous analysis of risks.

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

Control environment

The Board of Directors has overall responsibility for internal control over the financial reporting. In order to create and maintain a functioning control environment, the Board has adopted a number of policies and governance documents that regulate the financial reporting. These mainly consist of the Board's rules of procedure, instructions for the CEO, instructions for committees established by the Board and instructions for financial reporting. The Board has also adopted a special authorization/approval hierarchy and a finance policy. The company has an HR policy that also covers diversity. Furthermore, the company has an accounting & finance handbook containing principles, guidelines and descriptions of the processes for accounting and financial reporting. The Board has also set up an Audit Committee which has the main task of monitoring the company's financial reporting and effectiveness of its internal control and risk management, as well as reviewing and monitoring the auditor's impartiality and independence.

The CEO is responsible for the day-to-day work of maintaining the control environment, and reports on an ongoing basis to the Board in accordance with established instructions.

Each local unit is organized as a subsidiary with its own board and CEO that has responsibility for managing the local operations according to guidelines and instructions from the Group level. In addition to the internal follow-up and reporting, the company's external auditors report to the CEO and Board of Directors during the financial year.

The auditors' reporting provides the Board with a good understanding and a reliable basis for the financial reporting in the annual report.

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

Risk assessment and control activities

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

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

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

Information and communication

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

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

Only authorized individuals in the company have access to the tool.

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

Follow-up

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

Board of Directors

Per Sjöstrand

Chairman of the Board since 2012.

Born in 1958.

Other ongoing assignments: Chairman of the Board for Instalco AB (publ.), Uniwater AB and Håndverksgruppen AS. Board member of ByggPartnerGruppen AB (publ.) and Nordic Climate Group.

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

Holdings in Green Landscaping Group AB:
200,000 shares (via company).

Tomas Bergström

Board member since 2020.

Born in 1971.

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

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

Holdings in Green Landscaping Group AB:
Represents 9,030,123 shares owned by Byggmästare Anders J Ahlström Invest AB.

Åsa Källenius

Board member since 2018

Born in 1967.

Other ongoing assignments: CFO of Polygon Group, Chairman of the Board at Do My Pizza Sweden AB, Board member of Cinis Fertilizer AB, and Deputy Board member of Källenius Invest AB, KAAX Investment AB with subsidiaries, Scylla och Charybdis AB, and ANNMAKA AB. Member of the Board of Directors at subsidiaries of Polygon Group.

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

Holdings in Green Landscaping Group AB:
60,000 shares

Staffan Salén

Board member since 2018.

Born in 1967.

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

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

Holdings in Green Landscaping Group AB:
9,032,298 shares (via company).

Monica Trolle

Board member since 2018.

Born in 1965.

Other ongoing assignments:
Strategic Advisor for FM & Workplace Strategy at Tenant & Partner.

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

Holdings in Green Landscaping Group AB:
35,590 shares

Management

Johan Nordström

CEO since 2015.
Board member 2018-2022.

Born: 1965

Other ongoing assignments:
Board member for several of Green Landscaping Group's subsidiaries.

Experience: More than 25 years of experience from leading positions at several companies with international operations. Has been the CEO of Green Landscaping Group since 2015 and before that, CEO and Chairman of the Board at Car-O-Liner Group AB. MBA from Copenhagen Business School.

Holdings in Green Landscaping Group AB:
3,681,536 shares (via company).
24,500 warrants 2021/24.
31,520 warrants 2022/25.
45,000 warrants 2023/26.

Carl-Fredrik Meijer

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

Born: 1980

Other ongoing assignments:
Chairman of the Board and member of the Board of Directors at several of the Green Landscaping Group subsidiaries. Board member of Nepa AB (publ)

Experience: More than 15 years of experience from positions in accounting & finance, strategy and business development in both Sweden and other countries. For example, he worked at PwC in London and Coor Service Management AB (publ). Engineering degree in Technology Management from LTH Faculty of Engineering and a degree in Corporate Finance from Lund University, School of Economics and Management.

Holdings in Green Landscaping Group AB:
299,323 shares
29,500 warrants 2021/24.
30,000 warrants 2022/25.
25,000 warrants 2023/26.

Jakob Körner

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

Born: 1976.

Other ongoing assignments: Chairman of the Board and member of the Board of Directors at several of the Green Landscaping Group subsidiaries.

Experience: Previously worked at Svevia as Manager and Business Controller. M.Sc. in Engineering and M.Sc. in Business and Economics from Lund University.

Holdings in Green Landscaping Group AB:
240,001 shares
34,500 warrants 2021/24.
30,000 warrants 2022/25.
22,000 warrants 2023/26.

Pierre Kubalski

Head of Lean & Business Development since 2015.

Born: 1971.

Other ongoing assignments: Member of the Board of Directors at several of the Green Landscaping Group subsidiaries.

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

Holdings in Green Landscaping Group AB:
221,000 shares
9,800 warrants 2021/24.
20,000 warrants 2022/25.
25,000 warrants 2023/26.

Auditor´s report on the corporate governance statement

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

Engagement and responsibility

It is the board of directors who is responsible for the corporate governance statement for the year 2023 on pages 47–56 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

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

Opinions

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

Stockholm on the day stated in our electronic signature

Grant Thornton Sweden AB

Camilla Nilsson

Authorized Public Accountant

GREEN LANDSCAPING GROUP AB

Financial statements

Financial Statements

Directors' Report

The Board of Directors and CEO for Green Landscaping Group AB (publ), CIN: 556771– 3465, hereby present the annual report and consolidated financial statements for 2023. The annual report has been prepared in SEK. Unless otherwise stated, all amounts are SEK million.

Operations

Green Landscaping Group is a home for entrepreneurs. Operations span the areas of landscaping and construction, grounds maintenance and green space management, as well as road maintenance, including snow & ice removal. It is becoming multi-national, with the spirit of small company entrepreneurship by acquiring successful companies with these qualities: skilled in their trade and professionally run, sound values and a track record of high profitability. Entrepreneurial spirit is a central theme in the Green Landscaping family. Once acquired, companies run their business as before, yet with the benefits of a larger group and access to a network of colleagues working in the same field, along with more opportunities to develop on a professional level. They become part of an environment with access to the larger company's resources. As the Group grows and develops, benefits flow to customers, employees and owners alike. The Group has a long-term perspective and the companies that belong to it have a home here.

Green Landscaping Group conducts business in Sweden, Norway, Finland, Lithuania and Germany. Green Landscaping's share became listed on Nasdaq First North under the ticker "GREEN" in March 2018. In April 2019, Green Landscaping Group changed its marketplace to Nasdaq Stockholm Small Cap and since January 2022, its shares have been traded on Nasdaq Stockholm Mid Cap.

Organization

As of 2023-12-31, the organization consisted of 49 operating subsidiaries and business units focused on creating and maintaining outdoor environments and other infrastructure..

The Group is gathered under three geographic segments: Sweden, Norway and Finland and other Europe.

As of 2023, segmentation changed to better reflect how the Group is managed and monitored. In 2022, we acquired our first subsidiary outside the Nordics, which was UAB Stebule in Lithuania. In 2023, the Group continued to expand beyond the Nordics with the acquisition of subsidiaries in Germany and an acquisition in Switzerland was also announced.

Holdings of own shares

A repurchase of own shares was carried out during the year for a total of SEK 17 million based on authorization granted by the AGM on 17 May 2023. At year-end, the number of own shares amounted to 256,693 (0). The repurchase of own shares was for the purpose of being able to use them as part of the consideration when making acquisitions. See Note M13 and page 45 for more information on Green Landscaping Group AB's share.

Share capital

As of 31 December 2023, share capital amounted to SEK 4,032,771, allocated to 56,799,575 shares with a quotient value of SEK 0.071.

Ownership

Green Landscaping Group AB had 3,976 known shareholders as of 30 December 2023. The three largest owners are Staffan Salén with family via company with 15.9 percent, Byggmästare Anders J Ahlström Invest AB (publ) with 15.9 percent and Johan Nordström via company with 6.5 percent.

Together, the 10 largest owners hold 61.3 percent of the company's shares.

Climate, quality and environment

Much of Green Landscaping Group's core business is devoted to making cities and society more sustainable. The Group thus has ample opportunities for helping to make the world more sustainable, beyond what it can do by improving the sustainability of its own operations. Maintenance and construction of green areas is done with the intention of creating environments that are safe, inclusive and accessible to all, regardless of age, gender, ethnicity and functional ability.

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

Having a quality management system is an import part of quality and environmental efforts. Several of the companies in the Group have obtained ISO certification, such as ISO 9001 Quality Management, ISO 14001 Environmental Management, ISO 45001 Occupational Health and Safety, as well as BF9K, which is a management and product certification specific to the construction sector.

Sustainability Report

In accordance with Chapter 6, Section 11 of the Annual Accounts Act, Green Landscaping has decided to prepare a statutory sustainability report as a separate report. The Sustainability Report is presented on pages 26-43 of this document.

Corporate Governance Report

Green Landscaping Group AB's Corporate Governance Report is presented on pages 47-58 of this document.

Work Environment

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

Employees

The average number of employees during the year was 2,712, compared to 2,145 employees during the same period last year.

Guidelines for remuneration to senior executives

At the 2023 AGM, the following guidelines for remuneration to senior executives were decided.

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

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

Each senior executive shall be offered a market-competitive fixed salary that is based on the degree of difficulty for that position, their experience, responsibility, expertise and effort. Fixed salary shall by revised annually.

In addition to fixed salary, senior executives shall also be offered variable salary, paid in cash and based on the outcome compared to pre-established, measurable criteria that can be financial or non-financial, associated with the individual's area of responsibility. These criteria shall promote the Company's long-term value creation and generate incentives for promoting its business strategy, long-term interests and sustainability. It shall be possible to measure fulfillment of the criteria for payment over a one-year period. At the conclusion of the measurement period for determining whether or not the criteria for payment of variable remuneration have been met, an assessment shall be made of the extent to which the criteria have been fulfilled. The Remuneration Committee is responsible for the assessment of criteria for payment of variable remuneration to the CEO. For other senior executives, the CEO is responsible for the assessment. Variable salary shall correspond to a maximum of 50 percent of the fixed annual salary. If variable remuneration is paid out based on information that, upon revision, is later determined to be incorrect, the company shall be entitled to demand repayment of the amount that has been incorrectly paid out. Variable cash remuneration shall be pensionable to the extent required by collective agreements applicable to the senior executive.

Senior executives shall, unless otherwise specifically agreed, be offered defined-contribution pension terms at the going market rate in the country where the senior executive has their permanent residence. The maximum allowed amount for the defined-contribution pension premiums is 35 percent of the fixed salary.

Other benefits, such as company car, extra health insurance or occupational health services, shall be of limited value in relation to other remuneration and may be paid to the extent that this is judged to be at the going rate in the labor market for senior executives in corresponding positions. The maximum allowed amount for such benefits is 15 percent of the fixed salary.

In the event of termination by the Company, the notice period for all senior executives shall be a maximum of 12 months with the right to severance pay after the end of the notice period, corresponding to a maximum of 100 percent of the fixed salary for a maximum of 12 months, i.e. fixed salary during the period of notice and severance pay for the senior executives shall not exceed 24 months of the fixed salary amount. As a general rule, any right to severance pay shall decrease in situations where remuneration during the current period is received from another employer. In the event of termination by the executive, the period of notice shall normally be 6 months for the CEO and 3-6 months for other senior executives.

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

Please see Note 6, page 86 for additional information on remuneration to senior executives.

Significant events during the financial year
In April, a financing agreement was signed with SEB, DNB and Svensk Exportkredit, where Svensk Exportkredit is a new party. Compared to a prior agreement, it brings an additional SEK 500 million in loan facilities, with the possibility of further expansion. The duration of the agreement is 2.5 years with the option of a one-year extension for a total amount of SEK 2,450 million, of which SEK 1,500 million is loan facilities and SEK 950 million is a revolving credit facility. The terms are essentially the same as in the prior agreement.

In June, Schmitt & Scalzo was acquired, with head office in Stockstadt am Rhein in Germany. The company was founded in 1996 and it offers a complete range of maintenance, landscaping and infrastructure services for outdoor environments primarily to customers in the public sector in Hessen, Germany. Net sales amounted to approximately EUR 13 million in 2022, with a profit margin exceeding that achieved by Green Landscaping Group. The acquisition marked the Group's entry into the continental European market.

In June, October and December, there was a change in the number of shares and votes. The change was prompted by the Board's decision to issue a total of 826,879 new shares, based on the authority it was granted by the AGM, to be used for payment in conjunction with the acquisition of Schmitt & Scalzo GmbH, Rainer Gartengestaltung & Landschaftsbau, and Hartmann Ingenieure GmbH, along with the Board's decision to issue a total of 577,979 new shares, based on the authority it was granted by the AGM, to be used for the LTIP 2020/2023 incentive program. As of 31 December, the total number of shares and votes in Green Landscaping Group AB (publ) amounted to 56,799,575.

In September, it was announced that the position of Regional Manager for Germany was being set up and that the Group was opening an office in downtown Munich, which is in the southern part of Germany in Bavaria. It will serve as the hub for further expansion in Germany, Austria and Switzerland.

In October, Rainer Gartengestaltung & Landschaftsbau was acquired. It is situated in Bavaria, Germany in the town of Senden The company was founded in 2005. It currently has 19 employees and is being run by its founder, Matthias Rainer. It offers green space management and landscaping services for outdoor environments in the Ulm-Stuttgart region. Net sales amounted to approximately EUR 3 million in 2022 with a profit margin exceeding that achieved by Green Landscaping Group.

In October, existing credit facilities were extended by one year to mature in 2026 instead of 2025. A program for repurchase of own shares for a maximum of SEK 30 million was initiated in November, based on authorization granted by the AGM on 17 May 2023. The purpose is for Green Landscaping Group to be able to use the repurchased shares to finance future acquisitions and avoid dilution for existing shareholders.

In December, the acquisition of Viva Gartenbau AG, in Basel, Switzerland was announced. It offers green space management and landscaping services to customers in Basel, Switzerland. The company was established in 1992 by Heinz Gutjahr and Severin Brenneisen. It is currently being run by the two founders and their 20 employees. Net sales in 2022 amounted to approximately CHF 3.2 million in 2022 with a profit margin exceeding that achieved by Green Landscaping Group. The acquisition is expected to be completed during the first quarter of 2024.

In December, Hartmann Ingenieure GmbH in Germany was acquired. It is in the business of green space management and landscaping for outdoor environments in Berlin, Germany. The company was founded in 1985. It currently has 55 employees and is being run by its founder, Christoph Hartmann. Net sales in 2022 amounted to approximately EUR 4.5 million in 2022 with a profit margin exceeding that achieved by Green Landscaping Group.

Sales and earnings
Net sales for the year amounted to SEK 5,831 (4,810) million,

which is an increase of 21 percent. Organic growth amounted to 3 (7) percent, most of which is attributable to good demand and indexation adjustments. Acquired growth amounted to 19 (44) percent, which was concentrated in Norway, Finland, Lithuania and Germany. Changed exchange rates impacted net sales by -1 (2) percent.

EBITA amounted to SEK 512 (407) million, corresponding to a profit margin of 8.8 (8.5) percent. Acquired companies accounted for the majority of the earnings improvement, which was particularly noteworthy in Segment Finland and other Europe. Changed exchange rates impacted EBITA by -1 percent. Transaction costs associated with acquisitions amounted to SEK -10 (-19) million.

Operating profit increased and amounted to SEK 394 (308) million. Financial items amounted to SEK -101 (-57) million and were negatively impacted by, primarily, higher interest expenses. Financial items were impacted by interest on loans and lease liabilities of SEK -121 (-49) million, currency gains/ losses of SEK 12 (-10) million, discounting of the liability for additional consideration of SEK -19 (-3) million and other financial items of SEK -7 (-4) million. Revaluation of the assessed outcome for additional consideration impacted net financial items positively by SEK 25 (8) million. Profit for the period amounted to SEK 218 (184) million, which corresponds to basic earnings per share of SEK 3.85 (3.41). Tax for the period was SEK -75 (-67) million.

MULTI-YEAR OVERVIEW (SEK million)

	2023	2022	2021	2020	2019
Net sales	5,831	4,810	3,139	2,135	1,993
EBITA	512	407	232	101	57
Equity	1,513	1,336	896	468	219
Balance sheet total	5,364	5,023	3,171	2,012	1,365
Average number of employees	2,712	2,145	1,623	1,357	1,245

Order backlog

At the end of the year, order backlog was SEK 8,263 (7,762) million. The volume of our order backlog has increased compared to last year, primarily due to the Group having grown via new acquisitions.

Over time, there is a correlation between the size of order backlog and sales. But this is not necessarily the case over the short term. The reason is that large, long-term contracts are procured with intervals of 5– 10 years. When large contracts are renewed within the Group, it has a significant impact on the order backlog.

Financial position and liquidity

Consolidated equity attributable to the Parent Company's shareholders amounted to SEK 1,479 (1,301) million, which corresponds to an increase of SEK 178 million compared to 2022-12-31. A repurchase of own shares was carried out during the year for a total of SEK 17 million based on authorization granted by the AGM on 17 May 2023. They were then used as a means of payment for acquisition of subsidiaries.

Available liquidity amounted to SEK 459 (526) million, which includes cash and cash equivalents, along with bank overdraft of SEK 43 (50) million.

The company's net debt increased by SEK 175 million to SEK 1,975 million due to acquisitions that were made. Net debt, not including lease liabilities, amounted to SEK 1,435 (1,356) million. The higher level of indebtedness is primarily attributable to the increasing lease liabilities. Net debt in relation to EBITDA pro-forma RTM amounted to 2.5 (2.4) times.

Cash flow, investments and depreciation/amortization

Consolidated cash flow from operating activities was SEK 379 (431) million, of which changes in working capital amounted to SEK -128 (-25) million SEK m. Business combinations for the year amounted to SEK -220 (-728) million. Other net investments were SEK -59 (-85) million, which consisted primarily of machinery, vehicles and tools used in operations. Cash flow from financing activities for the year amounted to SEK -137 (492) million, of which new loans were SEK 770 (744) million and amortized loans were SEK -723 (-100) million. The amount of amortization on lease liabilities during the year was SEK -188 (-137) million. Depreciation of property, plant and equipment during the year was SEK -228 (-160) million. Amortization of intangible assets during the year was SEK -119 (-99) million.

Acquisitions and investments

In 2023, the following three acquisitions were made in Germany: Schmitt & Scalzo Garten- und Landshaftsbau GmbH, Rainer Gartengestaltung und Landshaftsbau GmbH, and Hartmann Ingenieure GmbH. In December, the acquisition of Viva Gartenbau AG in Switzerland was announced. The acquisition is expected to be completed during the first quarter of 2024. See Note 12 for more information on the acquisitions.

Green Landscaping Group primarily invests in property plant and equipment in the form of machinery and vehicles.

Parent Company

The Parent Company's sales for the year amounted to SEK 36 (36) million, with an operating profit of SEK -37 (-13) million. Impairment of subsidiaries, SEK -20 (-134) million was recorded in the Parent Company financial statements and dividends were received for a net amount of SEK 281 (169) million. Net interest amounted to SEK -98 (-33) million, discounting of the liability for additional consideration to SEK -14 (–) million and currency gains/losses to SEK 41 (-10) million. Financial assets increased by SEK 324 million, which is primarily attributable to the acquisition of subsidiaries. Liabilities increased by SEK 180 million during the year. The higher borrowings have primarily been used to finance the acquisition of subsidiaries.

Limitations on the right to transfer shares, etc.

When Green Landscaping Group AB acquires subsidiaries, the owners of those companies typically receive a portion of the consideration in the form of shares in Green Landscaping Group AB as payment. Purchase agreements also stipulate that the shares may not be divested during a specified period of time. Besides that, the company is not aware of any agreements between shareholders limiting the right to transfer shares. The Articles of Association for Green Landscaping Group AB do not contain any special conditions on the appointment or termination of Board members. Instead, it follows what is stipulated in the Companies Act, without any additions. Neither are there any special conditions on changes to the Articles of Association.

Appropriation of earnings

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

Unrestricted share premium reserve	1,148,874,398
Retained earnings	-300,578,676
Profit (loss) for the year	234,781,115
Total	**1,083,076,837**
The Board proposes that:	
Carried forward	1,083,076,837

Management of risks and uncertainties

Operational risks

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

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

Tendering

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

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

Growth and continued profitability

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

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

Risks related to continued expansion through acquisitions

Green Landscaping Group pursues an active acquisition strategy and it is expected that a large portion of future growth will also consist of acquisitions aimed at, among other things, expanding the business and entering new markets.

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

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

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

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

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

Weather and seasonal variations

Operations are affected by seasonal variations and the service offering also varies with each season. During the spring, summer and fall, a full range of green space management and grounds maintenance services are offered such as waste collection, lawn mowing, pruning, planting, leaf removal and road maintenance. Also offered is a wide assortment of construction and landscaping services for creating outdoor environments. Weather variations during this time have only had a limited impact on net sales and earnings, since the services that Green Landscaping Group offers also vary with the weather. During the winter however, weather conditions have a greater impact on the Group's sales and earnings. Snow and ice removal, along with pruning work is done in the winter, as well as some construction work. In general, less snow and ice removal is needed when the winter is cold and dry. Ground frost and cold also limit the opportunities for doing construction work in the winter. A milder winter with recurring precipitation provides the opposite conditions. The financial outcome in the quarter is impacted by the seasons. Winter occurs in the first quarter of the year. It is thus low season for most of Green Landscaping Group's operations, which negatively impacts net sales and earnings, although cash flow is typically strong. The level of activity increases as of April and the second quarter is high season for most of the Group's operations. The activity level decreases somewhat at the beginning of the third quarter because of summer vacation. August and September are when many construction and landscaping projects start up, requiring capital-intensive efforts by the company. Cash flow is thus also weaker. In the fourth and last quarter of the year, many customers are striving to wrap up their projects before year-end. Typically, this causes the activity level to rise.

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

Financial risks

Through its operations, the Group is exposed to a variety of financial risks, such as credit risk, market risks (interest rate risk and other price risks) and liquidity risk. The Group's overall risk management is focused on unpredictability in the financial markets and efforts are aimed at limiting the potential negative effects on the Group's financial results.

The Group's financial transactions and risks are managed by the CFO and the Parent Company's other senior executives, along with the board of directors. The Group's overall goal for financial risks is to limit the negative effects on the Group's earnings due to market changes or other factors in the surrounding world.

Credit risk
Changes in the economic situation in 2022 and 2023 have meant that, in general, credit risk has increased and it is thus being carefully monitored. The percentage of both bad and doubtful debts was insignificant during the period, well in line with historical patterns. The majority of the Group's customers are in the public sector in terms of its net sales, thus, the risk of this customer group having difficulty paying is assessed as low.

Market risk
Market interest rates have risen significantly since mid-2022. For quite some time, the Group has opted for a short fixed interest period on its outstanding loans. Changed interest rates have thus had a quick impact, causing an increase in interest expenses. Since interest rates started rising, the Group has been able to continue generating a profit. Cash flow has also been good and even improved. The Group's interest-bearing liabilities are recognized at amortized cost. As of the closing date, there was no difference between the carrying amount and fair value of the liabilities. Historically, Green Landscaping Group's market has been stable and predictable. Management's assessment is that the conditions are good for it remaining so. Most of the services that Green Landscaping offers are necessary, so the demand for them is relatively unaffected by the overall state of the economy. A large portion of the customer base is also made up of customers in the public sector. Considering the Group's good performance, market stability and predictability, the company's performance and decision-making has thus only been marginally impacted by the higher interest rates.

Currency risk
The Group is exposed to changed exchange rates, primarily the NOK currency, but to a smaller extent, also the EUR relative to SEK. The currency exposure is associated with the foreign subsidiaries' sales, earnings and equity, along with goodwill that has arisen in conjunction with acquisitions. The revenue and expenses of foreign subsidiaries is primarily in their own local currencies, which means that the direct impact of currency fluctuations in the subsidiaries themselves is limited. The percentage of consumables used in the business that are impacted by currency fluctuations is low and thus, thereby only having a limited impact on the Group's position.
As of Q3 2023, hedge accounting is applied for hedges of net investments in foreign operations. Gains and losses attributable to the effective part of the hedge are reported in other comprehensive income and accumulated in the exchange rate reserve in equity. The ineffective portion of gains and losses is reported in profit (loss) for the year. Gains and losses are reported in the exchange rate reserve and recycled to profit (loss) for the year in conjunction with any divestment of foreign operations. Beyond this, the Group does not hedge currencies by buying or selling currency on futures or with other financial instruments.

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

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

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

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

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

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

Significant events after the end of the financial year

In February, the repurchase program of own shares was expanded based on authorization granted by the AGM on 17 May 2023. The maximum amount for that is limited to SEK 30 million.

Expected future growth and development

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

Consolidated statement of comprehensive income

SEK m	Note	2023	2022
Net sales	4, 5	5,831	4,810
Other operating income		54	38
Total income		**5,885**	**4,848**
Operating costs			
Direct costs of goods and services sold		-2,624	-2,263
Other external costs	7	-750	-639
Costs for remuneration to employees	6	-1,755	-1,354
Other operating expenses	31	-15	-25
Depreciation of PPE	16.17	-228	-160
Amortization of intangible assets	14	-119	-99
Operating profit (loss)	5	**394**	**308**
Profit (loss) from financial items			
Financial income	8	63	24
Financial expenses	8	-164	-81
Total income from financial items		-101	-57
Profit (loss) after financial items		**293**	**251**
Tax	9	-75	-67
PROFIT (LOSS) FOR THE YEAR		**218**	**184**
Other comprehensive income			
Items that have been transferred or can be transferred to profit for the year			
Translation gains or losses		-132	51
Gains/losses from hedging of net investments in foreign operations		29	–
COMPREHENSIVE INCOME FOR THE YEAR		**115**	**235**
Earnings per share			
Basic earnings per share, SEK	10	3.85	3.41
Diluted earnings per share, SEK	10	3.85	3.39
Profit (loss) for the period attributable to the Parent Company's shareholders		216	184
Profit (loss) for the period attributable to non-controlling interests		2	0
Total comprehensive income attributable the Parent Company's shareholders		115	235
Total comprehensive income attributable to non-controlling interests		0	0

Consolidated statement of financial position

SEK m	Note	2023-12-31	2022-12-31
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	12,14,15	1,888	1,771
Customer relations	12.14	272	373
Brands	12.14	255	233
Other intangible assets	14	11	13
Total intangible assets		**2,426**	**2,390**
Property, plant and equipment			
Buildings and land	16	13	12
Expenditure for improvement on unowned property	16	2	2
Plant and machinery	16	278	234
Equipment, tools, fixtures and fittings	16	51	49
Right-of-use assets	17	653	558
Total property, plant and equipment		**997**	**855**
Financial assets			
Deferred tax asset	9	18	19
Other non-current receivables		6	5
Total financial assets		**24**	**24**
Total non-current assets		**3,447**	**3,269**
Current assets			
Inventories, etc.			
Finished goods and goods for resale	19	80	67
Total inventories, etc.		**80**	**67**
Current receivables			
Accounts receivable	18, 20	1,059	972
Contract assets	20	220	128
Current tax asset		30	26
Other receivables		62	33
Prepaid expenses and accrued income	21	50	52
Total current receivables		**1,421**	**1,211**
Cash and cash equivalents	18, 22	416	476
Total current assets		**1,917**	**1,754**
TOTAL ASSETS		**5,364**	**5,023**

Consolidated statement of financial position, cont.

SEK m	Note	2023-12-31	2022-12-31
EQUITY AND LIABILITIES			
Equity			
Share capital		4	4
Share premium reserve		1,150	1,074
Translation reserve		-21	80
Retained earnings including (profit/loss for the year)		346	143
Total equity attributable to the Parent Company's shareholders	23	**1,479**	**1,301**
Equity attributable to non-controlling interests		34	35
Total equity	23	**1,513**	**1,336**
Non-current liabilities			
Liabilities to credit institutions	18, 25	1,749	1,747
Lease liability	18, 25, 28	371	355
Provisions	24	20	9
Deferred tax liabilities	9	200	203
Other non-current liabilities	25	149	91
Total non-current liabilities		**2,489**	**2,405**
Current liabilities			
Accounts payable - trade	18, 30	393	366
Contract liabilities	26	69	68
Liabilities to credit institutions	18	102	84
Lease liability	18, 28	168	90
Current tax liabilities		77	83
Other liabilities	33	244	317
Accrued expenses and deferred income	18, 27	309	274
Total current liabilities	13	**1,362**	**1,282**
TOTAL EQUITY AND LIABILITIES		**5,364**	**5,023**

Consolidated statement of changes in equity

SEK m	Note	Share capital	Share premium reserve	Translation reserve	Retained earnings including profit for the year	Total equity attributable to the Parent Company's shareholders	Non-controlling interests	Total
Opening balance 2022-01-01		**4**	**907**	**29**	**-44**	**896**	**–**	**896**
Profit (loss) for the period					184	184		184
Other comprehensive income				51		51		51
Comprehensive income for the year				**51**	**184**	**235**	–	**235**
Transactions with owners	23							
Non-cash issue		0	138			138		138
Repurchase of own shares*					-48	-48		-48
Divestment of own shares					48	48		48
Exercise of warrants		0	29			29		29
Premiums for warrants					3	3		3
Non-controlling interests arising from the acquisition of subsidiaries							35	35
Closing balance 2022-12-31		**4**	**1,074**	**80**	**143**	**1,301**	35	**1,336**
Opening balance 2023-01-01		**4**	**1,074**	**80**	**143**	**1,301**	35	**1,336**
Profit (loss) for the period					216	216	2	218
Other comprehensive income				-101		-101	-2	-103
Comprehensive income for the year				**-101**	**216**	**115**	**0**	**115**
Transactions with owners	23							
Dividend							-0	-0
Non-cash issue		0	60			60		60
Repurchase of own shares					-17	-17		-17
Redemption of options		0	16			16		16
Premiums for warrants					4	4		4
Non-controlling interests that have changed due to a change in ownership during the year							-1	-1
Closing balance 2023-12-31		**4**	**1,150**	**-21**	**346**	**1,479**	**34**	**1,513**

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

Consolidated cash flow statement

SEK m	Note	2023	2022
Operating profit (loss)		394	308
Adjustment for depreciation/amortization		346	259
Capital gain (loss)		-15	-7
Other non-cash items		1	17
Interest received		8	1
Interest paid		-125	-40
Paid income tax		-102	-82
Cash flow from operating activities before changes in working capital		**507**	**456**
Change in inventory		-12	14
Change in receivables		-181	82
Change in current liabilities		65	-121
Cash flow from operating activities		**379**	**431**
Business combinations	12	-220	-728
Acquisition of PPE	16	-97	-99
Acquisition of intangible assets	14	-1	-3
Sale of non-current assets		39	17
Sale of financial assets		-0	2
Cash flow from investing activities		**-279**	**-811**
Net change in bank overdraft		7	-
New loans	34	764	744
Amortization of debt	34	-723	-100
Amortization of lease liability	28, 34	-188	-137
Repurchase of own shares		-17	-47
Option premiums and option redemptions		20	32
Cash flow from financing activities		**-137**	**492**
Cash flow for the year		**-37**	**112**
Cash and cash equivalents at the beginning of the period		476	352
Translation difference in cash and cash equivalents		-23	12
Cash and cash equivalents at the end of the period		**416**	**476**

Parent company's income statement

SEK m	Note	2023	2022
Net sales	M1, M20	36	36
Other operating income		0	0
Total operating income		**36**	**36**
Operating costs			
Other external costs	M3, M19	-34	-26
Employee benefit expenses	M2	-39	-23
Depreciation of property, plant and equipment and amortization of intangible assets	M8, M9	-1	-0
Operating profit (loss)		**-37**	**-13**
Financial items			
Profit (loss) from participations in Group companies	M4	261	35
Other interest income and similar profit or loss items	M5	45	10
Interest expenses and similar profit or loss items	M5	-121	-56
Total income from financial items		**185**	**-11**
Profit (loss) after financial items		**148**	**-24**
Provision to tax allocation reserve		-20	–
Group contributions		120	28
Earnings before tax		**248**	**4**
Tax	M6	-13	-2
Profit (loss) for the year		**235**	**2**

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

Parent company's balance sheet

SEK m	Note	2023-12-31	2022-12-31
Assets			
Intangible assets			
Software	M8	1	2
Property, plant and equipment			
Expenditure for improvement on unowned property	M9	0	0
Equipment, tools, fixtures and fittings	M9	1	1
Financial assets			
Shares in Group companies	M7	3,240	2,942
Receivables from Group companies	M20	40	15
Deferred tax asset	M6	4	3
Total non-current assets		**3,287**	**2,963**
Current receivables			
Receivables from Group companies	M20	199	53
Current tax asset		–	3
Other receivables		0	1
Prepaid expenses and accrued income	M11	2	1
Total current receivables		**201**	**58**
Cash and bank	M12	35	4
Total current assets	M10	**236**	**62**
TOTAL ASSETS		**3,523**	**3,025**

Parent Company’s balance sheet

SEK m	Note	2023-12-31	2022-12-31
Equity			
Restricted equity			
Share capital		4	4
Fund for development expenditure		1	2
Total restricted equity	M13	**5**	**6**
Non-restricted equity			
Unrestricted share premium reserve		1,149	1,073
Retained earnings		-301	-291
Profit (loss) for the year		235	2
Total non-restricted equity		**1,083**	**784**
Total equity	M13	**1,088**	**790**
Untaxed reserves		20	–
Non-current liabilities			
Liabilities to credit institutions	M10, M14	1,685	1,679
Other liabilities	M10, M14	149	95
Total non-current liabilities		**1,834**	**1,774**
Current liabilities			
Liabilities to credit institutions	M10	91	75
Accounts payable - trade	M10	4	4
Liabilities to Group companies	M20	451	266
Current tax liabilities		11	–
Other liabilities	M10, M22	10	97
Accrued expenses and deferred income	M15	14	19
Total current liabilities		**581**	**461**
TOTAL EQUITY AND LIABILITIES		**3,523**	**3,025**

Parent Company statement of changes in equity

		Restricted equity		Non-restricted equity			
SEK m	Note	Share capital	Fund for development expenditure	Unrestricted share premium reserve	Retained earnings	Profit (loss) for the year	Total
Opening balance 2022-01-01		**4**	**0**	**906**	**-82**	**-211**	**618**
Transfers within equity							
Transfer of prior year's profit or loss					-211	211	**0**
Capitalization of development expenditure, change			2		-2		**0**
Comprehensive income for the period						2	**2**
Transactions with owners:	M13						
New share issue							
Non-cash issue		0		138			**138**
Repurchase of own shares					-48		**-48**
Divestment of own shares					48		**48**
Redemption of options		0		29			**29**
Premiums for warrants					3		**3**
Closing balance 2022-12-31		**4**	**2**	**1,073**	**-291**	**2**	**790**
Opening balance 2023-01-01		**4**	**2**	**1,073**	**-291**	**2**	**790**
Transfers within equity							
Transfer of prior year's profit or loss					2	-2	**0**
Capitalization of development expenditure, change			-1		1		**0**
Comprehensive income for the period						235	**235**
Transactions with owners:	M13						
Non-cash issue		0		60			**60**
Repurchase of own shares					-17		**-17**
Redemption of options		0		16			**16**
Premiums for warrants					4		**4**
Closing balance 2023-12-31		**4**	**1**	**1,149**	**-301**	**235**	**1,088**

Parent Company cash flow statement

SEK m	Note	2023	2022
Operating profit (loss)		-37	-13
Adjustment for depreciation/amortization		1	0
Other non-cash items		-1	2
Interest received		4	3
Interest paid		-106	-27
Paid income tax		-1	-3
Cash flow from operating activities before changes in working capital		**-139**	**-38**
Change in working capital			
Change in operating receivables		2	10
Change in operating liabilities		24	-71
Cash flow from operating activities		**-113**	**-99**
Investing activities			
Acquisition of participations in subsidiaries	12	-328	-923
Acquisition of property, plant and equipment and intangible assets	M8, M9	0	-2
Change in non-current receivables, Group		0	112
Cash flow from investing activities		**-328**	**-813**
Financing activities			
Dividend received	M4	244	169
Group contribution received		36	–
Group contributions made		-4	-4
Repaid shareholder contribution from subsidiaries		10	–
Change in utilized bank overdraft		7	–
New loans	M18	876	738
Amortization of debt	M18	-700	-56
Repurchase of own shares		-17	-48
Option premiums		20	32
Cash flow from financing activities		**472**	**831**
Cash flow for the year		**31**	**-81**
Cash and cash equivalents at the beginning of the period		4	85
Cash and cash equivalents at the end of the period		**35**	**4**

Notes

NOTE 1 General information

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

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

The consolidated financial statements for the reporting period that ended on 31 December 2023 (including comparison figures) were approved by the Board on 25 March 2024. The annual report and consolidated financial statements, along with the Parent Company's income statement and balance sheet, will be brought forth for adoption at the AGM on 25 April 2024.

NOTE 2 Applied accounting policies

2.1 Basis for preparation of financial statements

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

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

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

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

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

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

2.2 Changes in accounting policies and disclosures

New standards and interpretations applied by the Group as of 1 January 2023

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

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

The following revised standards enter into force and impact the Group as of 1 January 2024:

- IAS 1, Presentation of Financial Statements. The amendments clarify the criteria for classifying liabilities with covenants as current or non-current, along with new disclosure requirements on these. The aim of the new disclosure requirements is to clarify when a liability with covenants matures, along with providing details about those covenants and compliance with them. Green Landscaping Group is already providing information on that in the Annual Report for 2023.

2.3 Significant accounting and valuation principles

Consolidated financial statements and business combinations

Subsidiaries are those companies in which the Parent Company, directly or indirectly, has a controlling influence based on ownership of more than 50 percent of the voting rights of the shares or otherwise has the right to design financial and operational strategies in the Group. All subsidiaries are consolidated using the acquisition method. The compensation that is transferred to obtain a controlling influence over a subsidiary is calculated as the sum of the fair values on the acquisition date of transferred assets, assumed liabilities and the equity instruments issued by the Group. The cost amount includes the fair value of an asset or liability that has arisen from contractual conditional consideration. Acquisition costs are expensed as soon as they arise. If the Group acquires a controlling influence in a business in which it previously owned shares, these are revalued at fair value on the date of acquisition, with the profit or loss recognized in the income statement or other comprehensive income, as appropriate. The consideration transferred as part of the business combination does not include amounts related to the payment for the previous holding. The profit or loss from the prior existing holding is recognized in earnings. Acquired assets, assumed liabilities and contingent liabilities from a business combination 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.

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

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

Segment reporting

An operating segment is a part of the Group that conducts operations from which it can generate revenue and incur costs and for which independent financial information is available. The Group's operations are divided into different segments based the geographic locations of the companies. Those segments are: Sweden; Norway; Finland and other Europe. Segmentation was altered in 2023. Last year, Sweden was divided into four segments (regions) and as of 2023, they are reported collectively as segment Sweden. The other two segments are unchanged compared to prior years. All of the comparison figures in this annual report and the interim reports published during the year have been restated in accordance with the new segmentation. The Group's CEO has been identified as the company's highest decision-making authority, responsible for monitoring the results of operations and deciding on the distribution of resources based on the services performed and the goods sold in each geographical region. The Group's operating segments are its geographic regions. In each segment, the revenue streams and cost structures are essentially the same. Internal pricing is on market terms.

Currency effects

Translation of foreign subsidiaries' financial statements

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

Transactions in foreign currency

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

Revenue recognition

The Group's revenue is primarily derived from the performance of service assignments. There is also revenue from the sale of goods. The following types of revenue streams exist.

Construction contracts are at a fixed price, involving a specific obligation for construction of such things as a playground or courtyard. There is typically a performance obligation associated with a construction contract. The length of such contracts varies between a few months and up to 2 years. Revenue is recognized by the Group when its performance creates or improves an asset controlled by the customer, which, for construction contracts, typically happens when the work is performed at the property or facility owned by customer. The customer thus obtains benefits from the company's performance as the work is completed. Accordingly, the Group gradually completes and recognizes revenue by applying the percentage of completion method of accounting. The percentage of completion on a construction project is calculated by comparing expenses incurred as of the closing date to the total expected expenditure required to complete the work. The resulting percentage is then used as the basis for calculating earned revenue. Estimates of revenue, expenditure or percentage of completion on a project are revised whenever the conditions change. Increases or decreases in the anticipated revenue or expenditure stemming from a revised estimate are recognized in the income statement in the period when the circumstances that motivated the revised estimate became known.

Maintenance contracts typically stretch over 3-4 years, with the option to extend. The services rendered are green space management and grounds maintenance in accordance with specific terms and periodicity. There are also maintenance contracts covering shorter service assignments that are on a running basis, invoiced per hour or at a set price per service. Revenue is recognized over time at the rate that the Group delivers the services specified in the contract.

The sale of goods pertains to machinery, materials and spare parts. Revenue is recognized when control over the sold good is transferred to the customer in accordance with the delivery terms detailed in the various types of customer agreements used by the Group.

The Group's revenue from contracts with customers is divided into three geographic segments and reported in Net sales. All revenue streams exist in each segment. For contracts with customers, revenue is recognized in accordance with a 5-step model:

1. Identify the type of contract with the customer
2. Identify the performance obligation
3. Establish the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognize revenue at the point when the performance obligation has been met

Agreements

The Group defines an agreement as either an oral or written agreement between two or more parties. The Group's agreements for sales to customers consist of both framework agreements and individual agreements. For framework agreements, the contract with the customer consists of the call-off order, together with the framework agreement.

Modifications of existing contracts commonly occur (Alterations or additions) Examples of alterations are a change to the scope of the contract, such as by adding additional products/services or making a changes to the existing products/services. Alteration of a contract is typically reported as part of the original contract. When that happens, the alterations become part of the general contract and are entered into the project calculation, which is then updated, thereby impacting the basis for both incurred expenditure and revenues (margin).

Customers are typically also offered opportunities to extend the duration beyond the originally agreed contract period. For revenue recognition, the extended agreement is regarded as a new agreement.

Performance obligations

The Group's performance obligations consist of providing the goods and services specified in the agreements. Each agreement could contain one or more performance obligations that are met when control is transferred to the customer. For each contract, an assessment is made of which performance obligation(s) are covered.

Transaction price and allocation between performance obligations

The transaction price for assignments is established at the start of the contract. The Group's assignments are typically associated with fixed-price contracts, although it also renders some services on a running basis. The transaction price is allocated to each performance obligation in the contract based on a standalone selling price. If, during the entire process, the Group is entitled to compensation for performance rendered, including a margin, the revenue will be recognized over time for these types of assignments. If the transaction price has a variable component, what will be included is only the portion of the amount expected to materialize, which is determined using an experience-based probability assessment. Variable remuneration is typically allocated proportionally to the identified performance obligations, unless there are clear indications that the variable remuneration does not pertain to the identified obligations in the contract. The transaction price is regularly updated if the conditions upon which the estimate was made have changed.

The sale of goods pertains to machinery, materials and spare parts. The sales price is taken from a fixed price list.

Typically, the Group does not have clauses on variable remuneration (i.e. Bonus, kick-backs and similar) in its customer agreements.

Timing of revenue recognition

The timing of revenue recognition is based on the type of revenue stream, described above. For construction and maintenance contracts, revenue is recognized over time and for the sale of goods, it is recognized at a specific point in time.

Reporting of warranties and right-of-return

The Group's agreements could contain warranties on the work performed, in line with what is standard for the industry. Warranties are not revenue-generating transactions. Warranties are recognized by making provisions to a reserve. An experience-based probability assessment is used when making warranty provisions.

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

Contract balances

The Group typically receives payments in accordance with fixed payment plans. Whenever payment relates to an unfulfilled performance obligation, the Group will report a contract liability, which is classified as other liabilities in the Consolidated statement of financial position. If the Group fulfills a performance obligation prior to receiving payment, it will report a contract asset in the Consolidated statement of financial position. Contract balances arise for both construction and maintenance contracts.

Tax

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

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

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

Financial instrument – general

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

Classification and valuation

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

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

Financial liabilities are measured at amortized cost or fair value via profit or loss. Hedged net investments in foreign operations are reported in other comprehensive income.

Receivables

Receivables, including accounts receivable, are measured at amortized cost. It requires that a loss allowance is set up for expected credit losses. The Group applies the simplified approach regarding accounts receivable and contract assets when calculating the reserve for expected credit losses. This approach requires recognition of a reserve for expected credit losses on accounts receivable and contract assets over the entire remaining life of the asset. Allowance for credit losses is based on historical data and ratings. Any impairment of receivables is recognized in operating costs. Because the expected maturity for accounts receivables is short, they are typically reported at the nominal amount, without any discounting.

Liabilities

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

The Group's liabilities that are measured at fair value via profit or loss consist of additional consideration associated with the acquisition of subsidiaries. Amortized cost is the amount at which the asset or liability was originally recognized less amortization and any impairment losses, plus accruals for the initial difference between the cost of acquisition and the amount expected to be received on the maturity date.

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

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

Cash and cash equivalents

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

Cash pool

Green Landscaping Group AB (publ) is the holder of the Group account. The total amount in the Group account is reported as cash and cash equivalents in the Parent Company. Subsidiaries' share of the Group account is reported by the Parent Company as a receivable/payable to Group companies. The Group also has a cash pool in Norway, for which the Norwegian service company is the top account holder. The net amount of this cash pool is reported in the Group's cash and cash equivalents.

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.

Hedge accounting

As of Q3 2023, Green Landscaping Group applies hedge accounting for hedges of net investments in foreign operations. Financial liabilities are used as hedging instruments. The hedging documentation that has been prepared includes identification of the relationship between the hedging instrument and the hedged item or transaction, along with the extent to which the hedging instrument used is effective in countering changes in the fair value attributable to the hedged item. Gains and losses attributable to the effective part of the hedge are reported in other comprehensive income and accumulated in the exchange rate reserve in equity. The ineffective portion of gains and losses is reported in profit (loss) for the year. Gains and losses reported in the exchange rate reserve are recycled to profit (loss) for the year in conjunction with divestment of foreign operations.

Beyond this, the Group does not hedge currencies by buying or selling currency on futures or with other financial instruments.

Intangible assets

Goodwill

Goodwill is made up of the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortized, since it has an indefinite useful life. Instead, it is tested for impairment at least once per year or whenever there is an indication of a write-down requirement. Goodwill is allocated to segments when assessing any impairment need. Allocation is to the cash-generating units that are expected to benefit from the business combination that gave rise to the goodwill.

Brands

Values identified in acquisition analyses that are associated with brands are assessed as having an indefinite useful life. Externally acquired brands are also included. Brands with an indefinite useful life are not amortized. They are, however, tested for impairment at least once per year or whenever there is an indication of impairment. Impairment is recognized if the carrying amount for the brand 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. The strong positions of the brands and analyses that have been conducted support management's perception that the brands generate cash flows over an indefinite period of time. The assessment of an indefinite useful life is tested annually to determine whether it is still defensible. If not, it will be changed to a finite useful life.

Customer relations

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

Other intangible assets

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

Impairment of non-financial assets

Impairment assessment for intangible assets occurs whenever there is an indication that an asset has declined in value. Impairment is recognized if the carrying amount for an asset or its cash-generating unit exceeds the recoverable amount. The recoverable amount is the value-in-use or fair value less selling expenses, whichever is higher. Value-in-use is calculated as the present value of the estimated future cash flows, after tax. At each closing date, an assessment is made of impairment losses recognized in prior periods to see if there are indications that the write-down requirement has declined or if it no longer exists. 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 and brands have been allocated and whenever there are indications of a write-down requirement. Impairment assessment and recognition of impairment losses on goodwill occurs in the same way as with intangible assets. However, impairment losses on goodwill are not reversed.

Property, plant and equipment

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

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

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

The following depreciation periods are used:

Buildings	5-50 years
Plant and machinery	
- Landscaping machinery	5-20 years
- Vehicles	5 years
Equipment, tools, fixtures and fittings	5 years
Expenditure for improvement on unowned property	3-7 years

Leasing

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

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

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

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

The lease liability is revalued if there is a change in the future lease payments resulting from a change in an index or similar, such as changes in the estimated future payments during the guaranteed remaining lease period, or, in certain cases, changes in the assessment of whether asset purchase and either an extension or cancellation of the lease is likely to occur.

Parent company accounting policies

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

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

NOTE 3 Significant assumptions, estimates and assessments

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

- For impairment testing of goodwill, it is necessary to make a number of significant assumptions and assessments in order to calculate the cash-generating unit's value-in-use. These assumptions and assessments are of the expected future discounted cash flows. Forecasts for future cash flows are based on the best possible assessments of future revenue and operating expenses, based on historical trends, general market conditions, developments in, and prognoses for, the sector and other available information. Senior executives compile their assumptions, which are then reviewed by the Board of Directors.
- An assessment of the future cash flow for intangible assets with an indefinite life (brands) is also made and used to assess any write-down requirement. The same as with goodwill, there is a level of uncertainty with the assessment pertaining to such things as future earnings and the discount rate that is used.
- In the Parent Company, testing of impairment is done on the item, Shares in Group companies. Impairment testing is based on the value of the discounted cash flows from forecasted earnings of each subsidiary. Assessments are made for both the forecasts and discount rate that is applied.
- Revenue recognition on contracts with customers involves several steps where assumptions must be made. On projects for example, an estimate of the final cost of the project is required, along with ongoing assessments of the percentage of completion in order to arrive at a true and fair amount for revenue recognition.
- When calculating deferred tax and the tax liability, assessment must be made to determine both current and deferred tax assets and liabilities. This applies in particular to deferred tax assets. For the latter, an assessment is made of the likelihood that the deferred tax assets will be available to be used against future taxable profits. The fair value of these future taxable profits may deviate based on the future business climate, earnings capacity or revised tax rules.
- The Group's calculations pertaining to legal disputes and contingent liabilities refer to a number of minor disputes and legal proceedings within the scope of its operating activities. Management engages legal expertise for these issues. When the financial outcome of legal disputes has been assessed as significant, it is reported separately.
- When subsidiaries are acquired, it is common for a portion of the consideration to be conditional. Conditional consideration is typically settled within 1-3 years of the acquisitions date and the amount paid is based on performance of the subsidiary in accordance with set criteria during that period. In conjunction with the acquisition, an assessment is made of the anticipated amount of conditional consideration that will be paid. The amount is then reassessed and, if needed, revised at each closing date.

NOTE 4 Revenue from contracts with customers

CATEGORIZATION OF CONTRACTS WITH CUSTOMERS

The amounts reported below include Intra-Group sales.

SEK m	2023	2022
Services transferred over time		
Sweden	2,737	2,570
Norway	2,380	1,718
Finland and other	564	222
Unallocated amounts and eliminations	-4	-10
Total	**5,678**	**4,500**
Goods transferred at a specific point in time		
Sweden	101	172
Norway	5	133
Finland and other	47	5
Total	**152**	**310**
Total revenue from contracts with customers	**5,831**	**4,810**

Allocation of revenue by country		
Sweden	2,838	2,742
Norway	2,385	1,851
Finland and other	610	227
Unallocated amounts and eliminations	-4	-10
Total revenue from contracts with customers	**5,831**	**4,810**

Summary of contract balances

CONTRACT BALANCES

SEK m	2023-12-31	2022-12-31
Accounts receivable (Note 20)	1,059	972
Contract assets (Note 20)	220	128
Contract liabilities (Note 26)	69	68

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

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

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

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

CONTRACT ASSETS

	2023	2022
Opening contract assets	128	39
Business combinations	7	40
Increase due to recognized revenue	187	90
Decrease due to decrease in accounts receivable	-97	-41
Translation gains or losses	-5	0
Closing balance, contract assets	**220**	**128**

Contract assets	2023	2022
Invoiced within one year	219	125
Invoiced later than one year	1	3

CONTRACT LIABILITIES

	2023	2022
Opening balance, contract liabilities	68	25
Business combinations	2	18
Additional advances	47	42
Decrease due to recognized revenue	-46	-17
Translation gains or losses	-1	0
Closing balance, contract liabilities	**69**	**68**

Contract liabilities	2023	2022
Work to be done within one year	68	68
Work to be done in more than one year	1	0

Performance obligations

Below is a summary of the Group's performance obligations There are no significant financing components in customer contracts. For this reason, the Group does not adjust the transaction price for the effect of any significant financing components. The amount of the Group's performance obligation that will not be invoiced within one year is SEK 1 (3) million.

Sale of services

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

Sale of goods

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

NOTE 5 Segment information

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

Segment division is geographic. For more information, please see the description on each segment on pages 20-25 in the annual report.

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

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

The Group's segmentation has changed since the most recently published annual report. Sweden then consisted of four regions, where are now reported together as one. All figures for the comparison figures have been restated based on the new segmentation.

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

2023	Region Sweden	Region Norway	Region Finland and other	Unallocated amounts and eliminations	Total
Net sales	2,838	2,385	610	-4	5,831
Operating expenses	-2,664	-2,144	-469	-40	-5,318
EBITA	**174**	**242**	**141**	**-44**	**512**
Amortization of intangible assets	-22	-71	-25	-1	-119
Operating profit (loss)	**151**	**171**	**116**	**-45**	**394**
Financial items					-101
Profit (loss) after financial items					**292**
Tax					-75
PROFIT (LOSS) FOR THE PERIOD					**218**
Goodwill	768	752	367	0	1,888
Property, plant and equipment	251	628	108	10	997
Investments	39	49	8	0	97
Working capital	-29	280	121	-110	262
Average no. of employees	1,351	880	461	20	2,712

2022	Region Sweden	Region Norway	Region Finland and other	Unallocated amounts and eliminations	Total
Net sales	2,742	1,851	227	-10	4,810
Operating expenses	-2,551	-1,602	-205	-45	-4,403
EBITA	191	248	23	-55	407
Amortization of intangible assets	-27	-61	-10	-1	-99
Operating profit (loss)	**164**	**187**	**13**	**-56**	**308**
Financial items					-57
Profit (loss) after financial items					**251**
Tax					-67
PROFIT (LOSS) FOR THE PERIOD					**184**
Goodwill	698	810	201	62	1,771
Property, plant and equipment	232	586	46	-8	856
Investments	32	61	4	1	99
Working capital	58	119	44	-143	79
Average no. of employees	1,379	615	131	21	2,145

NOTE 6 Employees and employee benefit expenses

AVERAGE NO. OF EMPLOYEES

	2023		2022	
	Number of employees	Of which women %	Number of employees	Of which women %
Sweden				
- Parent Company	10	27	9	14
- Other companies	1,360	19	1,391	19
Norway	880	15	615	13
Finland	115	37	81	27
Lithuania	315	56	50	10
Germany	31	2	–	–
Total for the Group	**2,712**	**19**	**2,145**	**18**

SALARIES AND OTHER REMUNERATION

SEK m	2023	2022
Board of Directors, CEO and other senior executives	15	11
of which bonuses	5	2
Other employees	1,334	1,008
Total	**1,349**	**1,019**

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

Variable remuneration to senior executives pertains to the estimated and expensed bonuses for 2023. During the year, SEK 1.3 million was paid out to the CEO and 1.3 million to other senior executives.

SALARIES, REMUNERATION AND SOCIAL SECURITY EXPENSES

SEK m	2023	2022
Salaries and other remuneration	1,349	1,019
Pension expenses for senior executives	2	2
Pension expenses for others	62	62
Other social security expenses	299	226
Total	**1,712**	**1,309**

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.

GENDER BALANCE, SENIOR EXECUTIVES

	2023	2022
Percentage women, Board of Directors	40%	40%
Percentage men, Board of Directors	60%	60%
Percentage women, other senior executives	0%	0%
Percentage men, other senior executives	100%	100%

Decision processes for remuneration

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

Remuneration and terms for senior executives

Remuneration to the CEO and other senior executives consists of fixed salary, variable remuneration, pension benefits and other benefits. In the context of this note, other senior executives are the three members of the Group management team in 2023, along with the CEO. For information on the guidelines for remuneration in 2023, please see page 50 of the Corporate Governance Report. Variable remuneration refers to a bonus that is based on an earnings period of one year and the results achieved during that time compared to pre-determined targets. Other remuneration refers to benefits, like company car, health insurance and other benefits. The CEO has a notice period of 12 months when notice is issued by the Group. However, if the CEO wishes to terminate employment, the notice period the CEO must give is 6 months. Pension benefits for the CEO are 30% of pensionable salary. Other senior executives have pension benefits in accordance with the ITP plan.

Severance pay

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

Board fees

At the 2023 AGM the following fees were approved: total Board fees to Board members of SEK 1,250,000, of which SEK 350,000 to the Chairman and SEK 225,000 to each of the other Board members who are not employees of the Group, along with a fee of SEK 75,000 to the Chairman of the Audit Committee.

DISCLOSURES ON REMUNERATION TO SENIOR EXECUTIVES

2023	Basic salary/ Board fee	Variable remuneration	Pension expense	Other remuneration	Total
Per Sjöstrand, Chairman of the Board	0.4	-	-	-	**0.4**
Tomas Bergström	0.2	-	-	-	**0.2**
Monica Trolle	0.2	-	-	-	**0.2**
Staffan Salén	0.2	-	-	-	**0.2**
Åsa Källenius	0.3	-	-	-	**0.3**
Johan Nordström, CEO	3.5	2.2	1.1	0.2	**7.0**
Other senior executives (3 in total)	5.1	2.9	1.3	0.4	**9.7**
Total	**10.0**	**5.1**	**2.4**	**0.6**	**18.1**

2022	Basic salary/ Board fee	Variable remuneration	Pension expense	Other remuneration	Total
Per Sjöstrand, Chairman of the Board	0.3	-	-	-	**0.3**
Tomas Bergström	0.2				**0.2**
Monica Trolle	0.2	-	-	-	**0.2**
Staffan Salén	0.2	-	-	-	**0.2**
Åsa Källenius	0.3	-	-	-	**0.3**
Johan Nordström, CEO	2.7	1.2	0.5	0.0	**4.4**
Other senior executives (3 in total)	4.6	1.3	1.6	0.3	**7.8**
Total	**8.4**	**2.5**	**2.1**	**0.3**	**13.4**

OPTION HOLDINGS, NUMBER

	2023	2022
Per Sjöstrand, Chairman of the Board	–	–
Monica Trolle	–	–
Staffan Salén	~	–
Tomas Bergström	–	–
Åsa Källenius	–	–
Johan Nordström, CEO	101,020	139,001
Other senior executives	225,800	228,800
Total	**326,820**	**367,801**

NOTE 7 Remuneration to the auditors

	2023	2022
Grant Thornton Sweden AB		
Audit assignment	5	4
Other services	0	0
Total Grant Thornton	**5**	**4**
Ernst & Young		
Audit assignment	0	0
Other services	0	0
Total Ernst & Young	**0**	**0**
BDO		
Audit assignment	2	2
Tax advice	0	–
Other services	0	0
Total BDO	**3**	**2**
Other audit firms		
Audit assignment	1	2
Tax advice	0	0
Other services	0	0
Total other	**1**	**2**
Total audit	**9**	**8**

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

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

NOTE 8 Financial income/expenses

FINANCIAL INCOME

	2023	2022
Other interest income	8	1
Present value of additional consideration	–	7
Fair value of change in additional consideration	24	8
Exchange rate gains	29	7
Other financial income	2	1
Total	**63**	**24**

FINANCIAL EXPENSES

	2023	2022
Other interest expenses	-101	-41
Interest expenses, lease liability	-20	-9
Present value of additional consideration	-19	-10
Exchange rate losses	-17	-17
Other financial expenses	-7	-4
Total	-164	-81

NOTE 9 Tax

TAX ON PROFIT FOR THE YEAR

	2023	2022
Current tax	-89	-72
Deferred tax	14	5
Total	**-75**	**-67**

RECONCILIATION BETWEEN THEORETIC AND REPORTE TAX EXPENSE

	2023	2022
Profit (loss) before tax	292	251
Tax as per the applicable Swedish tax rate of 20.6% (20.6%).	-60	-51
Tax effect of:		
Different tax rates for foreign subsidiaries	-3	-2
Tax expense from prior years	-3	-1
Non-deductible expenses	-15	-19
Tax-exempt revenue	2	5
Prior non-reported tax deficits and temporary differences for the current year	3	0
Non-reported tax deficits and temporary differences for the current year	0	-0
Other adjustments	2	1
Reported tax	-75	-67

The effective tax for the year amounted to 25.7% (26.7%)..

Deferred tax assets and tax liabilities

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

As of 2023-12-31 the Group's tax deficits amounted to SEK 41 (91) million. Deferred tax assets associated with loss carryforwards amount to SEK 8 (15) million. For loss carryforwards amounting to SEK 1 (13) million, no tax assets have been recognized.
There is no time limitation on utilization of the loss carryforwards.

DEFERRED TAX ASSET, GROUP

	Deferred tax asset, leasing	Unutilized loss carryforward	Acquired assets and liabilities	Total
As of 1 January 2022	**2**	**17**	**–**	**19**
Reclassification	2	-2	–	**0**
Recognized in the income statement	-1	0	1	**0**
Recognized in other comprehensive income	0	0	–	**0**
As of 31 December 2022	**3**	**15**	**1**	**19**
As of 1 January 2023	**3**	**15**	**1**	**19**
Reclassification	–	–	–	**0**
Recognized in the income statement	1	-7	5	**-1**
Recognized in other comprehensive income	-0	–	–	**0**
As of 31 December 2023	**4**	**8**	**6**	**18**

DEFERRED TAX LIABILITY, GROUP

	Intangible assets	Property, plant and equipment	Leasing	Untaxed reserves	Total
As of 1 January 2022	**75**	**8**	**12**	**10**	**106**
Recognized in the income statement	-21	5	4	7	**-5**
Added via business combination	72	18	9	–	**99**
Recognized in other comprehensive income	3	1	-0	–	**3**
As of 31 December 2022	**129**	**32**	**25**	**17**	**203**
As of 1 January 2023	**129**	**32**	**25**	**17**	**203**
Recognized in the income statement	-25	6	1	3	**-15**
Added via business combination	16	–	–	–	**16**
Recognized in other comprehensive income	-3	-1	0	–	**-4**
As of 31 December 2023	**117**	**37**	**26**	**20**	**200**

GROSS AMOUNT OF DEFERRED TAX ASSETS/LIABILITIES PERTAINING TO LEASING

Deferred tax asset	2023	2022
Right-of-use asset - liability	63	49
Lease liability - receivable	67	52
Net Deferred tax asset	**4**	**3**

Deferred tax liability	2023	2022
Right-of-use asset - liability	76	67
Lease liability - receivable	49	42
Net Deferred tax liability	**26**	**25**

NOTE 10 Earnings per share

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

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

PROFIT (LOSS) ATTRIBUTABLE TO ORDINARY SHAREHOLDERS

	2023	2022
Profit (loss) attributable to the Parent Company's shareholders as per the income statement	216	184
Profit (loss) attributable to non-controlling interests	2	0
Total	**218**	**184**

AVERAGE NUMBER OF SHARES

	2023	2022
Weighted average number of shares during the period before dilution	56,048,701	53,873,101
Effect of dilution from share-option plans	–	359,207
Weighted average number of shares during the period after dilution	**56,048,701**	**54,232,308**

EARNINGS PER SHARE

	2023	2022
Basic earnings per share, SEK	3.85	3.41
Diluted earnings per share, SEK	3.85	3.39

NOTE 11 Group information

The Group's Annual Report contains, in addition to the Parent Company, the following directly and indirectly owned subsidiaries:
The carrying amount for the Parent Company is SEK 3,240 (2,942) million.

Shares are held in the following subsidiaries:	CIN	Registered office	Share of equity	Share of the voting power	Number of shares
Akershusgartneren AS	993,961,809	Gjerdrum, Norway	100%	100%	100
Stein og Utemiljø AS	931,088,882	Klofta, Norway	100%	100%	30
Aktiv Veidrift AS	990,679,886	Drammen, Norway	100%	100%	500,000
Aktiv Veidrift Utleie AS	989,374,224	Drammen, Norway	100%	100%	500,000
Bengtssons Trädgårdsanläggning AB	556839-7227	Malmö	100%	100%	1,000
Björnentreprenad AB	556379-0723	Stockholm	100%	100%	1,000
Braathen Landskapsentreprenør AS	981,291,751	Ytre Enebakk, Norway	100%	100%	900
EF Drift AS	998,822,173	Sørum, Norway	100%	100%	300
GAST Entreprenør AS	987,627,484	Gran, Norway	100%	100%	200
GL Interest Norway AS	925,854,328	Gran, Norway	100%	100%	3,000
GL Management Services AB	556773-4800	Stockholm	100%	100%	100,000
Glenn Syvertsen AS	920,509,185	Gran, Norway	100%	100%	30
GML Sport AB	556369-3372	Ljungby	100%	100%	1,000
SEK 12 million, Utemiljö AB	559236-7428	Malmö	100%	100%	500
Green Landscaping Deutschland GmbH	HRB 288695	Munich, Germany	100%	100%	25,000
Hartmann Ingenieure GmbH	HRB 49423	Berlin, Germany	100%	100%	26,000
Green Landscaping Group Finland Oy	3355030-8	Helsinki, Finland	100%	100%	1,000
Green Landscaping Incentive AB	559148-3242	Stockholm	100%	100%	50,000
Green Landscaping Skåne AB	559236-7394	Malmö	100%	100%	500
Green Östergötland AB	559270-3440	Linköping	100%	100%	500
GRÖN STAD Mark och Anläggning AB	559270-3507	Stockholm	100%	100%	500
Gröna Roslagen Drift & Underhåll AB	559328-1008	Norrtälje	100%	100%	500
H&K Sandnes AS	980,038,661	Larvik, Norway	100%	100%	96
No Dig Vestfold AS	921,359,721	Larvik, Norways	80%	80%	600
H.T. Vike AS	998,590,604	Sandefjord, Norway	70%	70%	21
Hadeland Maskindrift AS	991,100,296	Brandbu, Norway	100%	100%	70
Hallandsåsens Utemiljö AB	556747-8309	Laholm	100%	100%	1,000
Hermansen Maskin AS	990,710,430	Sande, Norway	100%	100%	100
HMD Maskin AS	916,184,999	Brandbu, Norway	100%	100%	300
Håkonsen og Sukke Landskapsentreprenør AS	999,001,335	Tønsberg, Norway	100%	100%	1,000
J E Eriksson Mark & Anläggningsteknik AB	556558-6079	Stockholm	100%	100%	1,750
Jacksons Trädvård AB	556591-9858	Stockholm	100%	100%	1,000
Mark & Miljö Projekt i Sverige AB	556756-6533	Malmö	100%	100%	11,000
Mark & Trädgård Skottorp AB	556878-0521	Laholm	100%	100%	500
Markbygg Anläggning Väst AB	556581-2491	Uddevalla	100%	100%	10,000
Markservice STHLM AB	559270-2608	Stockholm	100%	100%	500
Oveland Utemiljø AS	984,130,457	Froland, Norway	100%	100%	4,500
P.A.R.K. i Syd AB	556750-1357	Helsingborg	100%	100%	1,500
Park & Trädgård i Bohuslän AB	559270-3473	Gothenburg	100%	100%	500
Rainer Gartengestaltung und Landshaftsbau GmbH	HRB 14991	Senden, Germany	100%	100%	25,000
Rainset Oy	1839588-0	Tuusula, Finland	100%	100%	200
Schmitt und Scalzo Garten und Landschaftsbau GmbH	HRB 54245	Stockstadt am Rhein, Germany	100%	100%	25,000
Schmitt und Scalzo Strassenabu GmbH	HRB 55188	Stockstadt am Rhein, Germany	100%	100%	1
SOREX Entreprenad AB	556433-9959	Stockholm	100%	100%	5,000
Svensk Jordelit AB	556207-6660	Mölndal	100%	100%	1,000
Svensk Markservice AB	556420-4823	Stockholm	100%	100%	1,200
Svensk Markservice Svealand AB	559270-3499	Uppsala	100%	100%	500
Taimisto Huutokoski Oy	0630039-7	Huutokoski, Finland	100%	100%	2,500
Thormans Entreprenad AB	556720-0745	Linköping	100%	100%	1,500
Tranemo Trädgårdstjänst AB	556177-8472	Tranemo	100%	100%	2,000
Håkans Trädgårdstjänst AB	556742-8460	Borås	100%	100%	1,000
Trädgård & Markmiljö i Väst AB	559270-3481	Gothenburg	100%	100%	500
Trädexperterna Biodiversitree AB	556846-9919	Kungsbacka	100%	100%	500
UAB Stebule	122211549	Vilnius, Lithuania	100%	100%	753
Utemiljö Skellefteå AB	556642-0427	Skellefteå	100%	100%	1,000
Viher Pirrka Oy	0697930-1	Helsinki, Finland	100%	100%	150
Vihermuuri Oy	2389534-5	Helsinki, Finland	100%	100%	100
Viherpojat Oy	0881403-3	Helsinki, Finland	100%	100%	53
Wiridis AB	559236-7402	Malmö	100%	100%	500
Västsvensk Markservice AB	559270-2616	Gothenburg	100%	100%	500

NOTE 12 Business combinations

Green Landscaping Group carried out three acquisitions in 2023 and a fourth has been announced but not yet completed. In addition, some minor adjustments have been made to the acquisition analyses, primarily having to do with acquired liabilities, for companies acquired in 2022 and during Q2 of 2023. The consideration for the year's acquisitions amounts to a total of SEK 365 million, of which SEK 178 million has been allocated to goodwill. During the previous financial year, a total of 11 subsidiaries were acquired. The total consideration was SEK 1,190 million, of which SEK 617 million was allocated to goodwill. For one of the acquired companies last year, there were non-controlling interests of 20% and for another, there were non-controlling interests of 30%.

According to agreements on contingent additional consideration, the Group must make additional cash payments based on future results. Additional consideration is based on the terms in the purchase agreement, the company's knowledge of operations and how the current economic climate is expected to impact them. Typically, if the terms and conditions have been met, additional consideration is paid within 1-3 years of the acquisition date. Contingent consideration to be paid by the Group based on the future results of current and prior year acquisitions is a maximum of SEK 182 (222) million. On the transaction date, additional consideration is measured at fair value by calculating the present value of the likely outcome using a discount rate of 7.1% (7.1%). The discounted value of not-yet-paid contingent consideration associated with the year's acquisitions amounts to SEK 159 (186) million. The fair value of contingent consideration is at Level 3 of the fair value hierarchy in accordance with IFRS. An assessment has been made of how the valuation of the additional consideration is impacted by changes in non-observable inputs or the correlation between them. Neither the changes in these nor the correlation has been assessed s having a material impact on the valuation of the consideration.

Goodwill of SEK 178 (617) million that has arisen from acquisitions represents future economic benefits that are neither individually identified nor separately reported. The Group's goodwill is tested for impairment each year by looking at each cash-generating unit. The goodwill reported for acquisitions primarily refers to the synergy effects expected when integrating these companies into the Group. When the acquired companies become part of the Green Landscaping Group, knowledge and experience regarding business development, customers and suppliers are exchanged. Efficiencies resulting from such things as digitalization are shared within the Group. Green Landscaping Group also adds experience around growth and structural capital. Companies are given the opportunity to benefit from each other's strong market positions, which helps develop both the business and employees. Tax deductible goodwill amounts to SEK 38 (39) million.

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

Acquisition-related expenditure refers to fees for advice in conjunction with due diligence. These fees have been reported as other operating expenses in the statement of comprehensive income and other comprehensive income. The total acquisition-related expenditure for acquisitions that were made during the year is SEK 10 (19) million.

Company name	Segment	Consolidated as of	Full-year sales	Number of employees
Hartmann Ingenieure GmbH	Finland and rest of Europe	December 2023 (balance sheet)	52	55
Rainer Gartengestaltung und Landshaftsbau GmbH	Finland and rest of Europe	November 2023	37	19
Schmitt & Scalzo Garten und Landschaftsbau GmbH	Finland and rest of Europe	June 2023	155	43
Markbygg Anläggning Väst AB	Sweden	January 2022	280	60
Rainset OY	Finland and rest of Europe	January 2022	40	13
Hallandsåsens Utemiljö AB	Sweden	February 2022	30	18
Glenn Syvertsen AS	Norway	February 2022	35	14
Aktiv Veidrift AS and Aktiv Veidrift Utleie AS	Norway	May 2022	252	100
Braathen Landskapsentreprenør AS	Norway	September 2022	313	19
Sorex Entreprenad AB	Sweden	September 2022	70	3
H&K Sandnes AS and No Dig Vestfold AS	Norway	November 2022	148	50
UAB Stebule	Finland and rest of Europe	November 2022	142	330
Taimisto Huutokoski Oy	Finland and rest of Europe	November 2022	38	30
H.T. Vike AS	Norway	December 2022	63	3

Hartmann Ingenieure GmbH was acquired on 28 December. The company's balance sheet is included in the Group's balance sheet as of 31 December. None of the company's earnings are included. Because we have not yet received the final financial statements for the company as of 31 December, the acquisition analysis that has been prepared is preliminary.

The acquisition of Viva Gartenbau AG (Switzerland) was announced during the year. In 2022, the company's sales were approximately CHF 3.2 million. The transaction had not yet been fully completed at the date of publication for this annual report. The acquisition analysis for the company has not yet been prepared.

The other acquisition analyses have been finalized.

NOTE 12 Business combinations, cont.

Effects of acquisitions

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

Breakdown of the consideration (SEK m)	2023	2022
Cash and cash equivalents	305	833
Contingent additional consideration	-	186
Remuneration shares	60	171
Total consideration	**365**	**1,190**

Distribution of acquired assets and liabilities		
Brands	30	128
Customer relations	30	214
Other fixed assets	0	213
Inventories	34	11
Net other assets and liabilities	11	-77
Cash and cash equivalents	98	195
Deferred tax liability	-18	-75
Non-controlling interests	1	-35
Net identifiable assets and liabilities	**187**	**573**
Goodwill	178	617

Impact on cash and cash equivalents		
Cash consideration (included in cash flow from investing activities)	-305	-833
Cash and cash equivalents of acquired companies (included in cash flow from investing activities)	98	195
Settled additional consideration (included in cash flow from investing activities)	-12	-90
Acquisition costs (included in cash flow from operating activities)	-10	-19
Total impact on cash and cash equivalents	**-230**	**-747**

Impact on net sales and operating profit (loss)		
During the holding period		
Net sales	108	882
Operating profit (loss)	29	98
As of 1 January		
Net sales	281	1,752
Operating profit (loss)	62	191

Additional consideration		
Opening amount	186	110
Discounting	19	2
Added additional consideration	–	171
Revaluation of additional consideration	-27	-9
Paid additional consideration	-12	-90
Exchange rate change	-6	2
Closing amount	**159**	**186**

NOTE 13 Measured at fair value

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

Additional consideration

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

2023-12-31	Level 1	Level 2	Level 3
Financial liabilities	quoted prices	directly or indirectly observable inputs	Non-observable inputs
Additional consideration	0	0	159
Total	**0**	**0**	**159**

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

ADDITIONAL CONSIDERATION

	2023-12-31	2022-12-31
Opening amount	186	110
Discounting	19	2
Revaluation of additional consideration	-27	-9
Added additional consideration	–	171
Paid additional consideration	-12	-90
Exchange rate change	-6	2
Closing amount	**159**	**186**

Measured at fair value

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

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

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

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

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

See Note 12 for changes due to acquisitions.

NOTE 14 Intangible assets

	Other intangible assets	Customer relations	Brands	Goodwill	TOTAL
Financial year 2022					
Opening cost	31	407	103	1,130	**1,671**
Acquisitions for the year	7	-	-	-	**7**
Business combinations	0	214	128	617	**960**
Sales/disposals	-10	-	-	-	**-10**
Reclassifications	-5	-	-	1	**-3**
Translation difference	-	11	1	23	**35**
Closing accumulated cost	**25**	**632**	**232**	**1,771**	**2,660**
Opening depreciation	-17	-161	-	-	**-178**
Sales/disposals	9	-	-	-	**9**
Amortization for the year	-3	-97	-	-	**-100**
Translation gains or losses	-	-2	-	-	**-2**
Closing accumulated amortization	**-11**	**-260**	**–**	**–**	**-271**
Closing carrying amount 2022	**13**	**372**	**233**	**1,771**	**2,390**
Financial year 2023					
Opening cost	25	632	232	1,771	**2,660**
Acquisitions for the year	1	-	-	-	**1**
Business combinations	1	30	30	178	**240**
Sales/disposals	-0	-	-	-	**-0**
Reclassifications	-1	-	-	-	**-1**
Translation difference	-0	-25	-8	-61	**-95**
Closing accumulated cost	**25**	**638**	**255**	**1,888**	**2,805**
Opening depreciation	-11	-260	-	-	**-271**
Sales/disposals	0	-	-	-	**0**
Amortization for the year	-3	-116	-	-	**-119**
Reclassifications	1	-	-	-	**1**
Translation gains or losses	0	9	-	-	**9**
Closing accumulated amortization	**-14**	**-366**	**-**	**-**	**-379**
Closing carrying amount 2023	**11**	**272**	**255**	**1,888**	**2,426**

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

Goodwill and other assets with an indeterminate useful life (brands) are allocated to segments when assessing the need for impairment. Allocation is to the cash-generating units that are expected to benefit from the business combination that gave rise to the goodwill. Impairment testing on goodwill involves assessing whether the unit's recoverable amount is higher than the carrying amount. The recoverable amount has been calculated on the basis of the unit's value-in-use, which is comprised of the present value of the unit's expected future cash flows, without taking into consideration any future plans to expand or restructure the business. The same significant assumptions have been made for all segments. The cash flows have been based on financial forecasts covering 5 years and on a constant rate of growth.

Impairment testing has revealed that there is no write-down requirement. The recoverable amount exceeds the carrying amount for all of the tested cash-generating units, see Note 15.

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

NOTE 15 Goodwill and brands

Consolidated goodwill amounts to SEK 1,888 (1,771) million and it is attributable to the acquisition of subsidiaries. Goodwill is allocated to segments as follows: Region Sweden SEK 768 (698) million, Region Norway SEK 752 (810) million, and Region Finland and other SEK 367 (201) million. Goodwill is tested for impairment annually, or more often, if there is an indication of impairment. Impairment testing is done at the segment level.

Impairment testing on goodwill involves assessing whether the unit's recoverable amount is higher than the carrying amount. The recoverable amount has been calculated on the basis of the unit's value-in-use, which is comprised of the present value of the unit's expected future cash flows, without taking into consideration any future plans to expand or restructure the business. The same significant assumptions have been made for all segments. The assumptions deemed most important for expected future cash flows are growth in sales, discount rate and operating margins (EBITA). The input data used in the calculations is based on prior experience and the prevailing conditions in the markets where the companies do business.

The cash flows have been based on financial forecasts covering 5 years and on a constant rate of growth of 2% (2%). The market is expected to grow by 3-6 % per year. For impairment testing, the forecasts submitted by each subsidiary for 2024 were used along with an anticipated growth rate of 3% per year for the period 2025-2028. Future operating margins are individual for each segment and they are based on the market conditions in the various regions. The data used to test impairment is based on previous experience.

The discount rate before tax used for the present value calculation was 8.2-8.4% (8-8.2%). Impairment testing has not indicated that there is a need to record any impairment losses. Our assessment is that it is unlikely that there would be adverse changes in all of the important assumptions described in the sensitivity analyses below occurring simultaneously. The difference between the value-in-use and the carrying amount (goodwill) for the cash generating segments amounts to: Region Sweden SEK 1,492 million, Region Norway SEK 1,127 million, and Region Finland and other SEK 816 million.

For the Region Sweden segment, a change in the discount rate of +/– 2% would result in a decrease/increase of the value-in-use by SEK 666 million/SEK 1,298 million. A change in sales of +/– 2.5% would result in an increase/decrease of the value-in-use by SEK 318 million/SEK 285 million. A change in EBITA of +/– 2% would result in a decrease/increase of the value-in-use by SEK 729 million.

For the Region Norway segment, a change in the discount rate of +/– 2 % would result in a decrease/increase of the value-in-use by SEK 679 million/SEK 1,292 million. A change in sales of +/– 2.5% would result in an increase/decrease of the value-in-use by SEK 291 million/SEK 266 million. A change in EBITA of +/– 2% would result in a decrease/increase of the value-in-use by SEK 574 million.

For the Region Finland and other segment, a change in the discount rate of +/– 2% would result in a decrease/increase of the value-in-use by SEK 357 million/SEK 696 million. A change in sales of +/– 2.5% would result in an increase/decrease of the value-in-use by SEK 154 million/SEK 141 million. A change in EBITA of +/– 2% would result in a decrease/increase of the value-in-use by SEK 183 million.

Other intangible assets with an indeterminate useful life (brands) are also tested for impairment in a similar way to goodwill. There is no write-down requirement for these assets.

NOTE 16 Property, plant and equipment

	Buildings and land	Plant and machinery	Equipment, tools, fixtures and fittings	Expenditure for improvement on unowned property	TOTAL
Financial year 2022					
Opening cost	–	226	128	0	354
Acquisitions for the year	1	68	29	1	99
Business combinations	11	61	5	2	79
Sales/ disposals	0	-21	-20	-	-41
Reclassifications	–	24	-22	3	5
Translation difference	1	6	1	-	8
Closing accumulated cost	**13**	**364**	**121**	**5**	**503**
Opening depreciation	–	-106	-70	-0	-177
Sales/ disposals	0	17	15	0	32
Reclassifications	–	-9	6	-3	-6
Translation difference	–	-3	-1	-	-4
Depreciation for the year	-1	-29	-22	-	-52
Closing accumulated depreciation	**-1**	**-129**	**-72**	**-3**	**-205**
Closing carrying amount 2022	**12**	**235**	**49**	**2**	**298**
Financial year 2023					
Opening cost	13	364	121	5	503
Acquisitions for the year	0	70	26	0	97
Business combinations	0	35	2	0	37
Sales/ disposals	–	-47	-11	0	-59
Reclassifications	1	8	-18	0	-9
Translation difference	0	-19	-2	0	-22
Closing accumulated cost	**14**	**410**	**118**	**5**	**548**
Opening depreciation	-1	-129	-72	-3	-205
Sales/ disposals	0	24	5	0	28
Reclassifications	0	10	20	0	30
Translation difference	–	6	2	0	8
Depreciation for the year	–	-43	-23	0	-66
Closing accumulated depreciation	**-1**	**-132**	**-68**	**-3**	**-204**
Closing carrying amount 2023	**13**	**278**	**51**	**2**	**344**

NOTE 17 Right-of-use assets

	Premises	Plant and machinery	Cars and equipment	TOTAL
Financial year 2022				
Opening cost	160	155	174	489
Acquisitions for the year	9	44	18	71
Business combinations	52	222	18	292
Sales/disposals	-16	-40	-30	-86
Reclassifications	–	–	–	–
Translation difference	2	2	1	5
Closing accumulated cost	**208**	**383**	**181**	**771**
Opening depreciation	-66	-45	-58	-168
Sales/disposals	16	18	29	63
Reclassifications	0	-1	–	-1
Depreciation for the year	-36	-43	-28	-107

Translation difference	0	-1	0	-1
Closing accumulated depreciation	**-85**	**-71**	**-57**	**-213**
Closing carrying amount	**122**	**312**	**124**	**558**
Financial year 2023				
Opening cost	208	383	181	771
Acquisitions for the year	49	180	77	306
Business combinations	12	0	1	13
Sales/disposals	-3	-30	-12	-45
Translation difference	-2	-24	-1	-26
Closing accumulated cost	**264**	**509**	**244**	**1,018**
Opening depreciation	-85	-71	-57	-213
Sales/disposals	2	1	0	3
Depreciation for the year	-44	-63	-54	-161
Translation difference	1	4	1	5
Closing accumulated depreciation	**-126**	**-129**	**-110**	**-365**
Closing carrying amount	**137**	**381**	**134**	**653**

See Note 28 for more information on leases.

NOTE 18 Financial assets and liabilities

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

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

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

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

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

Financial assets

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

FINANCIAL ASSETS

	2023-12-31		2022-12-31	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-current receivables	6	6	5	5
Accounts receivable	1,059	1,059	972	972
Other current receivables	35	35	16	16
Cash and cash equivalents	416	416	476	476
Total	**1,516**	**1,516**	**1,469**	**1,469**

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

Financial liabilities

Green Landscaping Group has the following categories of financial liabilities (shown in the table). Additional consideration has been classified and measured at fair value and the other categories of financial liabilities have been classified and measured at amortized cost.

FINANCIAL LIABILITIES

	2023-12-31		2022-12-31	
	Carrying amount	Fair value	Carrying amount	Fair value
Accounts payable - trade	393	393	366	366
Liabilities to credit institutions (non-current and current)	1,851	1,851	1,831	1,831
Lease liability (non-current and current)	540	540	445	445
Additional consideration (non-current and current)	159	159	186	186
Other financial liabilities	33	33	11	11
Total	**2,976**	**2,976**	**2,839**	**2,839**

The financial liabilities have the following maturities:

	2023-12-31	< 3 months	3–12 months	1–5 years	> 5 years	Total
Accounts payable - trade	393	382	7	4	0	393
Liabilities to credit institutions (non-current and current)	1,851	9	91	1,751	1	1,851
Lease liability (non-current and current)	539	13	141	349	36	539
Additional consideration (non-current and current)	182	0	10	172	0	182
Other financial liabilities	33	11	22	0	0	33
Total	**2,999**	**415**	**271**	**2,276**	**37**	**2,999**

Of the liabilities to credit institutions (in the table above), SEK 1,749 million matures within a maximum of 3.5 years.

	2022-12-31	< 3 months	3–12 months	1–5 years	> 5 years	Total
Accounts payable - trade	366	360	6	-	-	366
Liabilities to credit institutions (non-current and current)	1,831	24	63	1,741	3	1,831
Lease liability (non-current and current)	445	39	112	249	45	455
Additional consideration (non-current and current)	222	-	107	115	-	222
Other financial liabilities	11	1	1	9	-	11
Total	**2,875**	**424**	**289**	**2,114**	**48**	**2,875**

Risks

Market risk

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

For Green Landscaping, interest rate risk is the most significant of these and a sensitivity analysis has been conducted. This analysis shows the risk associated with financial liabilities as of 2023- 12-31. A change in market interest rates impacts the consolidated income statement. Green Landscaping follows an approach whereby it has short fixed interest periods over a business cycle. However, the Group may decide on longer fixed interest periods if doing so is strategically advantageous. The CFO is responsible for suggesting such measures to the Board. Once or twice per year, the Board is required to make decisions on the maturities for all or part of the loans. The fixed interest period for the Group's non-current and current liabilities to credit institutions amounted to three months at year-end.

SENSITIVITY ANALYSIS, FINANCIAL LIABILITIES

	2023-12-31	2022-12-31
Total liability to credit institutions	1,851	1,831
Increase in interest rates by 1.0%	19	18
Decrease in interest rates by 1.0%	-19	-18

Currency risks

Many of the investments in foreign operations that Green Landscaping Group makes are partly financed by loans in the same currency as the investment. This is how currency hedging on the investment is achieved. As of Q3 2023, Green Landscaping Group applies hedge accounting for hedges of net investments in foreign operations. Financial liabilities are used as hedging instruments. Gains and losses attributable to the effective part of the hedge are reported in other comprehensive income and accumulated in the exchange rate reserve in equity. The ineffective portion of gains and losses is reported in profit (loss) for the year. Gains and losses reported in the exchange rate reserve are recycled to profit (loss) for the year in conjunction with divestment of foreign operations.

There is no ineffective portion for the accounting period where hedge reporting has been applied in 2023.

Currency	Average exchange rate for the hedge period	Hedged balance sheet item, net investment in foreign currency (SEK m)	Hedging instrument, Loans, in local currency	Hedging instrument, Loans, carrying amount (SEK m)	Change in value of hedged balance sheet item (SEK m)	Change in value of hedging instrument, Loans (SEK m)
EUR	11.5826	453	250	247	-10	-6
NOK	1.007	517	35	383	-32	-24

Credit risk

Credit risk is the risk that a counterparty will not be able to fulfill its contractual obligations, which leads to a credit loss. The Group is exposed to credit risk via its operating activities, particularly as regards accounts receivable and contract assets. Based on net sales, the majority of the Group's customers belong to the public sector and the credit risk is assessed as low in this customer group. Operations are affected by seasonal variations and the service offering also varies with each season. There is also risk associated with financing activities attributable to cash balances at credit institutions. During the winter however, weather conditions have a significant impact on the Group's sales and earnings. It also impacts the size of accounts receivable and contract assets, the volumes of which are typically larger during the winter months.

Accounts receivable and contract assets

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

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

MATURITY ANALYSIS FOR ACCOUNTS RECEIVABLE AND CONTRACT ASSETS

	2023-12-31	2022-12-31
Expected credit loss, %	2.4	2.0
Carrying amount	1,279	1,100
Expected credit loss	-30	-22

Liquidity risk

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

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

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

Refinancing risk

Refinancing risk is the risk that financing cannot be obtained or renewed upon maturity, or that it can only be obtained or renewed at a significantly higher cost. The Group primarily finances its operations through equity, borrowings and the Group's own cash flows. If the Group fails to obtain the necessary financing in the future, or if financing can only be obtained on terms that are much more disadvantageous to the Group, it could have a negative impact on the Group's operations, financial position and earnings. The Group has guidelines in place for its refinancing activities and it maintains a constant dialog with its creditors to ensure that refinancing is ensured over the long term, and in a sustainable way.

CHANGES ATTRIBUTABLE TO FINANCING ACTIVITIES

	2023-01-01	Additional consideration	Paid additional consideration	Revaluation of additional consideration	Exchange rate change	Discounting	2023-12-31
Additional consideration	186	0	-12	-27	-7	19	159

	2022-01-01	Additional consideration	Paid additional consideration	Revaluation of additional consideration	Exchange rate change	Other	2022-12-31
Additional consideration	110	171	-90	-9	2	2	186

Capital management

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

The Group's capital management is based on its need for working capital This key figure is calculated as current assets (not including cash and cash equivalents) less current liabilities. There are seasonal variations, however, which impact working capital from month to month. As of 31 December 2023, working capital was SEK 262 (171) million.

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

NOTE 19 Inventories

INVENTORIES

	2023-12-31	2022-12-31
Work-in-progress	29	19
Finished goods and goods for resale	51	48
Total	**80**	**67**

NOTE 20 Accounts receivable and contract assets

ACCOUNTS RECEIVABLE AND CONTRACT ASSETS

	2023-12-31	2022-12-31
Accounts receivable from external customers	1,089	994
Contract assets	220	128
Provision for doubtful debts	-30	-22
Total	**1,279**	**1,100**

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

AGING ANALYSIS ACCOUNTS RECEIVABLE

	2023-12-31	2022-12-31
Not yet due	793	846
0-30 days	194	77
31-90 days	37	21
> 90 days	65	50
Total	**1,089**	**994**

PROVISION FOR DOUBTFUL DEBTS

	2023-12-31	2022-12-31
Opening amount	-22	-13
Business combinations	-0	-7
Provision for bad debt losses for the year	-16	-13
Confirmed bad debt losses	3	10
Reversal of unutilized reserve	4	1
Currency translation	1	0
Total	**-30**	**-22**

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

NOTE 21 Prepaid expenses and accrued income

PREPAID EXPENSES AND ACCRUED INCOME

	2023-12-31	2022-12-31
Prepaid property expenses	8	6
Prepaid insurance premiums	9	5
Accrued income	9	12
Supplier bonus	10	11
Other prepaid expenses	14	18
Total	**50**	**52**

NOTE 22 Cash and cash equivalents

CASH AND CASH EQUIVALENTS

	2023-12-31	2022-12-31
Cash deposits with banks and cash-on-hand	416	476
Total	**416**	**476**

For more information on bank overdraft, please see Note 30.

NOTE 23 Share capital and other contributed capital

Share capital

The Parent Company's share capital consists solely of fully paid ordinary shares at a nominal value (quotient value) of SEK 0.071/share.
The Group has 56,799,575 Class A shares that are ordinary shares.

Incentive programs

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

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

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

2023-2026
With full utilization of the program, a maximum of 550,000 shares will be issued (after the rights issue), which would have a maximum dilutive effect of approximately 1.0 percent. The subscription price for shares that are subscribed for via
the warrants is SEK 96.00 per share. The premium per warrant, which has been calculated in accordance with the Black & Scholes model amounted to SEK 7.49. Subscription of shares may occur during the period 29 March 2026 through 12 June 2026. With full utilization of the warrants, the Parent Company's share capital will increase by SEK 39,051.

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

CHANGE IN NUMBER OF SHARES

	2023	2022
Opening number of shares	55,394,717	52,658,037
Non-cash issues	826,879	1,964,495
New share issue	0	-
Redemption of options	577,979	772,185
Closing number of shares	**56,799,575**	**55,394,717**

HOLDINGS OF OWN SHARES

	2023	2022
Opening number of shares	0	404
Acquired own shares	256,693	624,028
Divested own shares	0	-624,432
Closing number of shares	**256,693**	**0**

Non-cash issues have been carried out in connection with acquisition of subsidiaries and they are usually part of the consideration for an acquisition.
Own shares are used as part of payment in connection with acquisitions of subsidiaries. Transactions with own shares are reported in retained earnings as a component of equity.
During the year, three non-cash issues were carried out in connection with the acquisition of subsidiaries. A total of 826,879 shares have been issued at an average price of SEK 73 per share.

NOTE 24 Provisions

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

PROVISIONS

2022-12-31	Warranty provision	Other provisions	Total
Amount at beginning of year	3	1	4
Business combinations	–	–	–
Provisions for the year	7	1	8
Reversal of unutilized provision	-1	–	-1
Amount used during the year	-2	–	-2
Exchange rate change	0	0	0
Total	7	2	**9**

PROVISIONS

2023-12-31	Warranty provision	Other provisions	Total
Amount at beginning of year	7	2	9
Business combinations	2	6	8
Provisions for the year	5	0	5
Reversal of unutilized provision	-1	–	-1
Amount used during the year	-1	–	-1
Exchange rate change	-0	-0	-0
Total	12	8	**20**

Provisions that are reported as of the acquisition date for a business combination are included in “Business Combinations” above. Warranty provisions cover legal claims from customers to remedy faults. Typically, claims are settled within 1 to 36 months of when the claim is made, depending on the type of problem and remedy required. Other provisions include other types of claims from customers or other counterparties. These are also expected to be settled within 36 months.

NOTE 25 Non-current liabilities

NON-CURRENT LIABILITIES

	2023-12-31	2022-12-31
Liabilities to credit institutions maturing between 1 and 5 years	1,749	1,747
Lease liabilities maturing between 1 and 5 years	371	355
Other non-current provisions and liabilities mature between 1 and 5 years	149	91
Total	**2,269**	**2,193**

Liabilities to credit institutions

Since 2021, the Group has had a credit facility agreement maturing in 2025, with the option of a one-year extension. In April 2023, a new financing agreement was signed with the same counterparties as before (SEB, DNB), yet with the addition of a new counterparty, Svensk Exportkredit. The credit limits, which had previously been SEK 1,950 million, where expanded by SEK 500 million. The duration is 2.5 years, with the option of a one-year extension. The bank loan is on market terms similar to those in the prior agreement. The agreement contains the ordinary terms and conditions for this type of credit, including covenants linked to such things as the gearing ratio in relation to adjusted EBITDA. There are also terms and conditions on termination/cancellation. It also contains terms and conditions pertaining to missed or early repayment in conjunction with such things as a change in ownership at the Group. There are also limitations on taking new loans over a certain amount from other creditors. As of the closing date, the covenants were fulfilled.

NOTE 26 Contract liabilities

CONTRACT LIABILITIES

	2023-12-31	2022-12-31
Current advance payments from customers	69	68
Total	**69**	**68**

NOTE 27 Accrued expenses and deferred income

ACCRUED EXPENSES AND DEFERRED INCOME

	2023-12-31	2022-12-31
Employee benefit expenses	227	212
Deferred income	4	2
Project costs	63	27
Other accrued expenses	15	33
Total	**309**	**274**

NOTE 28 Leasing

The Group has lease agreements in place for vehicles and machinery, office equipment, other equipment and premises. For more a breakdown on the categories of right-of-use assets, please see Note 17. For more information on the duration of lease liabilities, please see Note 18. For information on the effect of leasing on the Group’s cash flow, please see Note 34.

COMPONENTS OF LEASE LIABILITY

	Premises	Plant andmachinery	Cars and equipment	TOTAL
Opening balance 2022-01-01	92	114	60	266
Acquisitions	42	56	58	156
Acquisitions	20	116	21	157
Reclassifications	–	–	–	–
Amortization	-35	-77	-26	-137
Translation difference	1	1	1	3
Closing balance 2022-12-31	**121**	**210**	**113**	**445**
Opening balance 2023-01-01	121	210	113	445
Acquisitions	51	147	97	294
Acquisitions	12	0	1	13
Amortization	-45	-94	-49	-188
Reclassification	–	-7	–	-7
Translation difference	-2	-13	-2	-17
Closing balance 2023-12-31	**137**	**242**	**160**	**539**

EXPENSED LEASING

	2023	2022
Depreciation, right-of-use assets	161	108
Interest expenses attributable to lease liabilities	20	9
Total	**181**	**117**

During the year, the Group expensed leases with a low value for a total amount of SEK 5 (4) million.

NOTE 29 Pledged assets and contingent liabilities

Pledged assets

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

PLEDGED ASSETS

	2023-12-31	2022-12-31
Chattel mortgages	56	11
Machinery with ownership reservation	379	177
Accounts receivable	270	57
Other pledged assets	31	27
Total	**736**	**272**

See also Note 25 for terms on finance agreements

CONTINGENT LIABILITIES

	2023-12-31	2022-12-31
Performance guarantees	225	90
Total	**225**	**90**

NOTE 30 Current liabilities

CURRENT LIABILITIES

	2023-12-31	2022-12-31
Bank overdraft	7	-
Accounts payable - trade	393	366
Total	**400**	**366**

Accounts payable - trade

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

BANK OVERDRAFT

	2023-12-31	2022-12-31
Granted credit	50	50
Utilized credit	7	0

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

NOTE 31 Other operating expenses

OTHER OPERATING EXPENSES

	2023	2022
Exchange rate loss	-2	-1
Loss on divested equipment	-3	-5
Acquisition costs	-10	-19
Total	**-15**	**-25**

NOTE 32 Transactions with related parties

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

Remuneration to key employees

Remuneration to key employees is described in Note 6.

Incentive programs

Incentive programs for key employees are described in Note 23.

Loans

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

See also Note M19 for a description of the Parent Company's related party transactions.

NOTE 33 Other current liabilities

OTHER CURRENT LIABILITIES

	2023-12-31	2022-12-31
VAT liability	92	108
Other taxes and social security contributions	109	101
Additional consideration	10	95
Other current liabilities	33	13
Total	**244**	**317**

NOTE 34 Disclosures on the cash flow statement

RECONCILIATION OF ITEMS INCLUDED IN FINANCING ACTIVITIES

	Liabilities to credit institutions	Leasing	Total
Opening balance 2022-01-01	1,122	266	1,388
New loans	744	–	744
Loan amortization	-100	-137	-237
Not impacting cash flow			
Loans in acquired subsidiaries	55	–	55
New leases	–	156	156
Leases in acquired subsidiaries	–	157	157
Reclassifications	–	–	–
Other, not impacting cash flow	10	3	13
Closing balance 2022-12-31	**1,831**	**445**	**2,276**
Opening balance 2023-01-01	1,831	445	2,276
New loans	771	–	771
Loan amortization	-723	-188	-911
Not impacting cash flow			
New leases	–	294	294
Leases in acquired subsidiaries	–	13	13
Reclassifications	–	-7	-7
Other, not impacting cash flow	-28	-18	-46
Closing balance 2023-12-31	**1,851**	**539**	**2,390**

NOTE 35 Significant events after closing date

In February, the repurchase program of own shares was expanded, based on authorization granted by the AGM on 17 May 2023. The maximum amount for that is limited to SEK 30 million.

Notes – Parent Company

NOTE M1 Net sales

The Parent Company's net sales consist of services performed for the subsidiaries in Sweden, Norway, Finland and Lithuania. The companies acquired in 2023 will pay for services rendered in 2024 and onwards.

NOTE M2 Employees and employee benefit expenses

AVERAGE NUMBER OF EMPLOYEES

	2023		2022	
SEK m	Number of employees	Of which women %	Number of employees	Of which women %
Parent Company	10	27	9	14
Total	**10**	**27**	**9**	**14**

SALARIES AND OTHER REMUNERATION

SEK m	2023	2022
Board and CEO	7	5
Of which bonuses	2	1
Other employees	18	9
Total	**25**	**14**

SOCIAL SECURITY EXPENSES

SEK m	2023	2022
Salaries and other remuneration	25	14
Pension expenses for the Board and CEO	1	1
Pension expenses, other employees	3	2
Other social security expenses	9	6
Total	**38**	**23**

PENSION OBLIGATIONS

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

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

NOTE M3 Remuneration to the auditors

Fees to auditors	2023	2022
Grant Thornton Sweden AB		
Audit assignment	2	2
Other audit activities	0	–
Other services	0	0
Total	**2**	**2**

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

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

NOTE M4 Profit (loss) from participations in Group companies

	2023-12-31	2022-12-31
Dividends	281	169
Impairment of shares in subsidiaries	-21	-134
Total	**261**	**35**

NOTE M5 Profit (loss) from financial items

OTHER INTEREST INCOME AND SIMILAR PROFIT OR LOSS ITEMS

	2023	2022
Interest income from Group companies	1	3
Other interest income	3	-
Currency gains	40	6
Other financial income	–	1
Total	**45**	**10**

INTEREST EXPENSES AND SIMILAR PROFIT OR LOSS ITEMS

	2023	2022
Interest expenses to Group companies	-7	–
Other interest expenses	-95	-36
Discounting of liabilities for additional consideration	-15	–
Exchange rate losses	0	-16
Other financial expenses	-4	-4
Total	**-121**	**-56**

NOTE M6 Tax

TAX ON PROFIT FOR THE YEAR

	2023	2022
Current tax	-14	-2
Deferred tax	1	-
Total tax	**-13**	**-2**

PROFIT (LOSS) BEFORE TAX

	2023	2022
Profit (loss) before tax	**248**	**4**
Tax on profit for the year according to the applicable tax rate 20.6%,(20.6%):	-51	-1
Tax effect of:		
Tax expense for the previous year	-0	-1
Non-deductible impairment	-4	-28
Other non-deductible expenses	-16	-7
Non-taxable dividends	58	35
Other non-taxable revenue	0	0
Reported tax	**-13**	**-2**

The effective tax rate is not applicable as there are large non-deductible impairment losses, interest expenses and non-taxable dividends in 2023 and 2022.

NOTE M6 Tax, cont.

Deferred tax assets and tax liabilities

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

DEFERRED TAX ASSET, PARENT COMPANY

	Unutilized Loss carry-forward	Temporary differ-ences	Total
Opening balance 1 January 2022	3	0	3
Recognized in the income statement	–	–	–
Recognized in other comprehensive income	–	–	–
As of 31 December 2022	**3**	**0**	**3**
Opening balance 1 January 2023	3	0	3
Recognized in the income statement	1	0	1
Recognized in other comprehensive income			
As of 31 December 2023	**4**	**0**	**4**

NOTE M7 Shares in Group companies

SHARES IN GROUP COMPANIES

	2023-12-31	2022-12-31
Opening cost	3,289	1,952
Acquired companies	338	1,216
Capital contribution to subsidiaries	8	122
Closing cost	**3,635**	**3,289**
Opening value adjustment	-347	-205
Value adjustment	-48	-142
Closing value adjustment	-395	-347
Closing carrying amount	**3,240**	**2,942**

Of the value adjustment, SEK 21 (134) million pertains to impairment of shares and SEK 27 (8) million to adjustment of the liability for additional consideration.

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

NOTE M8 Intangible assets

	Software	TOTAL
Financial year 2022		
Opening cost	1	1
Acquisitions for the year	1	1
Closing accumulated cost	3	3
Opening amortization	-1	-1
Amortization for the year	-0	-0
Closing accumulated amortization	-1	-1
Closing carrying amount 2022	**2**	**2**
Financial year 2023		
Opening cost	3	3
Acquisitions for the year		
Closing accumulated cost		
Opening amortization	-1	-1
Amortization for the year	-1	-1
Closing accumulated amortization	-2	-2
Closing carrying amount 2023	**1**	**1**

NOTE M9 Property, plant and equipment

	Equipment, tools, fixtures and fittings	Expenditure for improvement on unowned property	TOTAL
Financial year 2022			
Opening cost	1	0	1
Acquisitions for the year	-0	-0	-0
Closing accumulated cost	**1**	**1**	**1**
Opening depreciation			
Depreciation for the year	-0	-0	-0
Closing accumulated depreciation	-0	-0	-0
Closing carrying amount 2022	**1**	**1**	**1**

	Equipment, tools, fixtures and fittings	Expenditure for improvement on unowned property	TOTAL
Financial year 2023			
Opening cost	1	0	1
Acquisitions for the year	0	0	0
Closing accumulated cost	**1**	**0**	**1**
Opening depreciation	0	0	0
Depreciation for the year	0	0	0
Closing accumulated depreciation	**0**	**0**	**0**
Closing carrying amount 2023	**1**	**0**	**1**

NOTE M10 Financial assets and liabilities

FINANCIAL ASSETS

	Parent Company 2023-12-31		Parent Company 2022-12-31	
	Carrying amount	Fair value	Carrying amount	Fair value
Cash and bank	35	35	4	4
Total	**35**	**35**	**4**	**4**

FINANCIAL LIABILITIES

	2023-12-31		2022-12-31	
	Carrying amount	Fair value	Carrying amount	Fair value
Accounts payable - trade	4	4	4	4
Liabilities to credit institutions (non-current and current)	1,776	1,776	1,754	1,754
Additional consideration (non-current and current)	158	158	190	190
Total	**1,938**	**1,938**	**1,948**	**1,948**

The financial liabilities have the following maturities:

	2023-12-31	< 3 months	3–12 months	1–5 years	> 5 years	Total
Accounts payable - trade	4	4	–	–	–	4
Liabilities to credit institutions (non-current and current)	1,776	7	84	1,685	–	1,776
Additional consideration (non-current and current)	158	-	9	149	–	158
Total	**1,938**	**11**	**93**	**1,834**	**–**	**1,938**

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

See also Note 30 for information on the Group's bank overdraft.

For Green Landscaping Group AB, interest rate risk is the most significant of these and a sensitivity analysis has been conducted. This analysis shows the risk associated with financial liabilities as of 2023-12-31.

SENSITIVITY ANALYSIS, FINANCIAL LIABILITIES

	2023-12-31	2022-12-31
Total liabilities to credit institutions	1,776	1,754
Increase in interest rates by 1.0%	18	18
Decrease in interest rates by 1.0%	-18	-18

CHANGES ATTRIBUTABLE TO FINANCING ACTIVITIES

	2023-01-01	Additional additional consider-ation	Paid additional consideration	Revaluation of additional consideration	Exchange rate change	Discount-ing	2023-12-31
Additional consider-ation	190	–	-12	-27	-6	13	158

	2022-01-01	Additional additional consider-ation	Paid additional consideration	Revaluation of additional consideration	Exchange rate change	Discount-ing	2022-12-31
Additional consider-ation	117	171	-90	-9	2	-1	190

NOTE M11 Prepaid expenses and accrued income

PREPAID EXPENSES AND ACCRUED INCOME

	2023-12-31	2022-12-31
Prepaid insurance premiums	1	1
Other prepaid expenses	1	0
Total	**2**	**1**

NOTE M12 Cash and cash equivalents

CASH AND CASH EQUIVALENTS

	2023-12-31	2022-12-31
Cash on hand	35	4
Total	**35**	**4**

For more information on bank overdraft, please see M17.

NOTE M13 Share capital and other contributed capital

Share capital

The Parent Company's share capital consists solely of fully paid ordinary shares at a nominal value (quotient value) of SEK 0.071/share. The Group has 56,799,575 Class A shares that are ordinary shares.

Incentive programs

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

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

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

2023-2026
With full utilization of the program, a maximum of 550,000 shares will be issued (after the rights issue), which would have a maximum dilutive effect of approximately 1.0 percent. The subscription price for shares that are subscribed for via
the warrants is SEK 96.00 per share. The premium per warrant, which has been calculated in accordance with the Black & Scholes model amounted to SEK 7.49. Subscription of shares may occur during the period 29 March 2026 through 12 June 2026. With full utilization of the warrants, the Parent Company's share capital will increase by SEK 39,051.

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

CHANGE IN NUMBER OF SHARES

	2023	2022
Opening number of shares	55,394,717	52,658,037
Non-cash issues	826,879	1,964,495
Redemption of options	577,979	772,185
Closing number of shares	**56,799,575**	**55,394,717**

HOLDINGS OF OWN SHARES

	2023	2022
Opening number of shares	0	404
Acquired own shares	256,693	624,028
Divested own shares	–	-624,432
Closing number of shares	**256,693**	**0**

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

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

During the year, three non-cash issues were carried out in connection with the acquisition of subsidiaries. A total of 826,879 shares have been issued at an average price of SEK 73 per share.

NOTE M14 Non-current liabilities

NON-CURRENT LIABILITIES

	2023-12-31	2022-12-31
Liabilities to credit institutions maturing between 1 and 5 years	1,685	1,679
Other non-current liabilities maturing between 1 and 5 years	149	95
Total	**1,834**	**1,774**

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

NOTE M15 Accrued expenses and deferred income

ACCRUED EXPENSES AND DEFERRED INCOME

	2023-12-31	2022-12-31
Accrued personnel costs	13	5
Accrued consulting fees	1	1
Accrued interest expenses	0	13
Other accrued expenses and deferred income	0	0
Total	**14**	**19**

NOTE M16 Pledged assets and contingent liabilities

PLEDGED ASSETS

	2023-12-31	2022-12-31
Pledged assets on behalf of subsidiaries for their liabilities to credit institutions	11	11
Total	**11**	**11**

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

CONTINGENT LIABILITIES

	2023-12-31	2022-12-31
Performance guarantees for the benefit of subsidiaries	1	1
Total	**1**	**1**

NOTE M17 Current liabilities

BANK OVERDRAFT

	2023-12-31	2022-12-31
Granted credit	50	50
Utilized credit	7	0

See also M12 for information on cash and cash equivalents.

NOTE M18 Specification, cash flow

RECONCILIATION OF ITEMS INCLUDED IN FINANCING ACTIVITIES

	Liabilities to credit institutions	Intra-Group loans	Total
Opening balance 2022-01-01	**1,068**	**–**	**1,068**
New loans	738	–	738
Loan amortization	-56	–	-56
Not impacting cash flow	4	–	4
Closing balance 2022-12-31	**1,754**	**–**	**1,754**
Opening balance 2023-01-01	**1,754**	**–**	**1,754**
New loans	747	136	883
Loan amortization	-700	0	-700
Not impacting cash flow	-25	-3	-28
Closing balance 2023-12-31	**1,776**	**133**	**1,909**

NOTE M19 Transactions with related parties

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

Remuneration to key employees

Remuneration to key employees is described in Note 6.

Options plan

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

Other

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

NOTE M20 Purchases and sales between Group companies

Sales and purchase from subsidiaries

For the Parent Company, SEK 36 (36) million, corresponding to 100% (100%) of the year's sales and SEK 11 (0.8) million corresponding to 15% (3%) of the year's purchases were transactions with subsidiaries of the Group. The increase in expenses compared to 2022 is attributable to the invoiced service fee from the subsidiary, Green Landscaping Management Services AB. The pricing of purchased goods and services to related companies has been on market terms.

As of 31 December 2023, the Parent Company's receivables from subsidiaries amounted to SEK 239 (68) million and liabilities to subsidiaries amounted to
SEK 451 (266) million. Transactions with related parties have been priced at the going market rate.
Credit losses on receivables from Group companies have thus far never occurred and future credit losses are expected to be insignificant.

The change in intra-Group receivables compared to the comparison year is primarily attributable to intra-Group loans used to finance share acquisitions in sub-Groups. Changes in Group liabilities are attributable to short-term borrowing from subsidiaries that are not part of the Group's cash pool. The increase is also partly due to the increase in receivables and liabilities having to do with Group contributions.

NOTE M21 Leasing

Operating leases as lessor

The Parent Company has entered into operating leases for such things as office machines, other equipment and vehicles. The duration of these leases is 3-5 years.

The Parent Company leases office premises and leasing costs are primarily associated with office rent.

OPERATING LEASES

	2023	2022
Expensed lease fees for operating leases	2	2
Future minimum lease payments for non-cancellable operating leases		
To be paid within 1 year	2	2
To be paid within 1-5 years	2	3
To be paid in more than 5 years	-	-
Total	**4**	**5**

NOTE M22 Other current liabilities

OTHER CURRENT LIABILITIES

	2023-12-31	2022-12-31
Taxes and social security contributions	1	1
Additional consideration	9	95
Other current liabilities	0	-
Total	**10**	**97**

During the year, there was a reclassification of the liability for additional consideration from current to non-current for SEK 75 million.

NOTE M23 Appropriation of profit or loss

The following funds are at the disposal of the Parent Company:

FUNDS AT THE DISPOSAL OF THE PARENT COMPANY (SEK)

Unrestricted share premium reserve	1,148,874,398
Retained earnings	-300,578,676
Profit (loss) for the year	234,781,115
Total	**1,083,076,837**

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

Carried forward	**1,083,076,837**
Total	**1,083,076,837**

Approval of the financial statements

The consolidated financial statements for the reporting period that ended on 31 December 2023 (including comparison figures) was approved by the Board on 27 March 2024.

Board's affirmation

The Board of Directors and the CEO affirm that the consolidated financial statements and the annual report have been prepared in accordance with the international accounting standards referred to in Regulation (EC) No 1606/2022 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards and generally accepted accounting principles and give a true and fair view of the Group's and Parent Company's position and results.

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

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

Stockholm, 25 March 2024

Per Sjöstrand
Chairman of the Board

Tomas Bergström
Director

Åsa Källenius
Director

Staffan Salén
Director

Monica Trolle
Director

Johan Nordström
CEO

Our audit report was submitted on the date shown together with our electronic signature

Grant Thornton Sweden AB

Camilla Nilsson
Authorized Public Accountant

Auditor’s report

N.B. The English text is a translation of the official version in Swedish. In the event of any conflict between the Swedish and English version, the Swedish shall prevail.

To the general meeting of the shareholders of Green Landscaping Group AB (publ)

Corporate identity number 556771 - 3465

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Green Landscaping Group AB (publ) for the year 2023 except for the statutory sustainability report and the corporate governance statement on pages 26 – 43 respective 47 – 56.

The annual accounts and consolidated accounts of the company are included on pages 58 - 101 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act.

The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

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

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities* section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period, and include, among other things, the most important assessed risks of material misstatement. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Revenue recognition of agreements with customers

The Group recognize significant revenues from agreements with customers over time, which means that revenues and cost are reported as the assignments are fulfilled. Revenues and results are recognised in relation to the percentage of completion based on actual costs at year end in relation to the total projected cost for completing the project. Anticipated customer losses are recognized as soon as they are known.

Revenue recognition is based on assessments of actual cost, estimated costs to complete the work and follow-up against the forecast of final outcome. Changes in assessments during the implementation of the assignment may give rise to a significant impact on the Group's earnings and financial position, which is why we have assessed this as a particularly significant area.

For further information and description of the area, see Note 4 Revenues from agreements with customers, Note 5 Segment information and Note 20 Accounts receivable and contract assets as well as accounting and valuation principles in Note 2 Applied accounting principles in the annual accounts and consolidated accounts.

Response in the audit

As part of our audit related to revenue recognition of customer agreements, we have implemented a number of audit procedures. Our audit procedures included, but were not limited to, the following:

* Evaluation of routines and processes for revenue recognition of agreements with customers. Random review of calculations made for recorded values based on calculations, reporting, analyses and forecasts as well as underlying assumptions.

* Review of significant agreements; including review of assessments related to reprocessing rate and completion.

* Random review of project revenues and project costs that form the basis for determining recorded revenues.

* Audit of information provided in the annual report and that these are in all material respects in accordance with the requirements of the Annual Accounts Act and IFRS.

Goodwill

The Group's carrying amount for intangible fixed assets in the form of goodwill as of 31 December 2023 amounts to SEK 1,888 million, which constitutes approximately 35 percent of total assets. Goodwill shall, upon indication of impairment and at least annually, be subject to impairment testing. Testing for impairment involves calculations that are based on assumptions and assessments of such things as discount rates, growth factors, operating margins and forecasted cash flows. A test of impairment is complex and contains significant elements of assessments and assumptions about future operating profit and an appropriate discount rate, which is why we have assessed this as a particularly significant area.

For further information and description of the area, see Note 12 Business acquisitions, Note 14 Intangible fixed assets and Note 15 Goodwill as well as accounting and valuation principles in Note 2 Applied accounting principles in the annual accounts and consolidated accounts.

Response in the audit

As part of our audit related to valuation of goodwill in the Group, we have performed a number of audit procedures. Our audit procedures included, but were not limited to, the following:

* Assessment of the reasonableness of future cash flows by taking note of and evaluating Group management's assumptions and forecasts as well as previous years' assessments in relation to actual results.

* Engagement of our own valuation specialists in terms of methodology and discount rates as well as sensitivity analysis.

* Audit of information provided in the annual report and that these are in all material respects in accordance with the requirements of Annual Accounts Act and IFRS.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1 – 57, 106 – 110. The renumeration report for the financial year 2023, which will be submitted after the date of this auditor's report, also constitutes of other information. The Board of Directors and the Managing Director are responsible for this other information.

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

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

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

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

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

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

Report on other legal and regulatory requirements

The auditor's audit of the administration of the Board of Directors and the Managing Director and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Green Landscaping Group AB (publ) for the year 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

The auditor's examination of the Esef report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Green Landscaping Group AB (publ) for the year 2023. Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the *Auditors' responsibility* section. We are independent of Green Landscaping Group AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor’s responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), based on the procedures performed. RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements. Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report. The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHMTL format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts. Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

Grant Thornton Sweden AB, Kungsgatan 57, 103 94 Stockholm, was appointed auditor of Green Landscaping Group AB (publ) by the general meeting of the shareholders on the 17 May 2023 and has been the company’s auditor since the 19 May 2021.

Stockholm, according to the date indicated by the electronic signature.
Grant Thornton Sweden AB

Camilla Nilsson
Authorised Public Accountant

KPIs for the Group

	2023	2022	2021	2020	2019
Net sales, SEK million	5,831	4,810	3,139	2,113	1,973
EBITA, SEK m	512	407	232	102	57
EBITA margin, %	8.8	8.5	7.4	4.8	2.9
EBITDA, SEK m	740	567	345	201	164
EBITDA margin, %	12.7	11.8	11.0	9.5	8.3
Working capital, SEK m	262	161	21	-37	70
Capital employed, SEK m	3,905	3,612	2,284	1,356	935
Return on capital employed, %	11.8	10.7	8.6	5.1	3.3
Capital employed, not including goodwill, SEK m	2,017	1,841	1,154	608	499
Return on capital employed, not including goodwill, %	22.9	21.1	17.7	10.6	6.3
Equity attributable to the Parent Company's shareholders, SEK m	1,479	1,304	822	365	116
Return on equity, %	15.2	16.5	13.5	10.9	3.4
Interest-bearing net debt, SEK m	-1,975	-1,800	-1,036	-797	-690
Net debt, not including lease liabilities, SEK m	1,435	1,356	770	611	458
Gearing ratio, times	1.3	1.3	1.2	1.7	3.1
Net debt/Proforma EBITDA , RTM, times	2.5	2.4	2.4	2.8	3.3
Equity/assets ratio, %	28	27	28	24	16
Number of shares, in thousands	56,049	53,873	49,979	41,796	35,918
Average no. of employees	2,712	2,145	1,623	1,357	1,245

Reconciliation of KPIs not defined in accordance with IFRS

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

EBITA	2023	2022	2021	2020	2019
Operating profit (loss)	394	308	155	59	29
Amortization and impairment of intangible assets	119	99	77	43	29
Total EBITA	**512**	**407**	**232**	**102**	**57**

Key performance indicators, Group, cont.

Working capital	2023	2022	2021	2020	2019
Inventories	80	67	38	28	26
Contract assets	220	128	39	71	71
Current receivables	1,202	1,083	722	433	347
Accounts payable - trade	-393	-366	-226	-173	-161
Other liabilities and non-current interest-bearing liabilities	-469	-409	-306	-225	-54
Contract liabilities	-69	-68	-25	-29	-22
Accrued expenses	-309	-274	-221	-142	-137
Total working capital	**262**	**161**	**21**	**-37**	**70**

Net debt	2023	2022	2021	2020	2019
Bank overdraft	-7	–	–	-5	-19
Liabilities to credit institutions (non-current)	-1,749	-1,747	-1,043	-568	-429
Liabilities from finance leases (non-current and current)	-540	-445	-266	-185	-233
Liabilities to credit institutions (current)	-95	-84	-79	-134	-54
Cash and cash equivalents	416	476	352	95	45
Total Net debt	**-1,975**	**-1,800**	**-1,036**	**-797**	**-690**

Earnings per share	2023	2022	2021	2020	2019
Profit (loss) for the period	216	184	92	37	7
Average number of shares	56,048,701	53,873,101	49,978,855	41,796,063	35,917,758
Basic earnings per share, SEK	**3.85**	**3.41**	**1.84**	**0.90**	**0.20**
Diluted earnings per share, SEK	**3.85**	**3.39**	**1.81**	**0.89**	**0.20**

Definitions

General	All amounts shown in tables are in SEK million, unless otherwise stated. All values in parentheses () are comparison figures for the same period last year, unless otherwise stated.

Key performance indicators	Definition/calculation	Purpose
EBITA	Operating profit (loss) before depreciation, amortization and impairment of property, plant and equipment and intangible assets	EBITA provides an overall picture of the profit generated from operating activities.
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 depreciation, amortization and impairment.	EBITDA provides an overall picture of the profit generated from operating activities before depreciation.
EBITDA margin, %	Operating profit (loss) before depreciation, amortization and impairment, as a percentage of sales.	EBITDA margin is a measure of operating profitability.
Order backlog	This is the amount of contracts not yet delivered and potential add-on years.	It provides an indication of the Group's future performance.
Organic growth	Sales increase of legal entities owned for the entire financial year.	It shows how current operations are performing.
Working capital	Current assets not including cash and cash equivalents, less current liabilities.	Working capital is used to measure the company's ability to meet short-term capital requirements.
Return on equity	Comprehensive income in relation to average equity.	Shows the company's return on the owners' investments.
Equity/assets ratio	Equity in relation to total assets.	Shows the proportion of assets funded with equity. Facilitates an assessment of the Group's long-term solvency.
Capital employed, incl./not incl. goodwill	Total assets, incl./not including goodwill, at the end of the period less non interest-bearing operating liabilities and provisions.	Measures capital usage and efficiency.
Return on capital employed incl./not incl. goodwill	Operating profit plus financial income for the most recent 12-month period as a percentage of average capital employed not incl./incl. goodwill.	Shows the Group's return, independent of financing.
Net debt	Interest-bearing liabilities less cash and cash equivalents.	Net debt is an indication of the Group's financial position.
EBITDA proforma	EBITDA incl. acquired companies for the current year prior to the acquisition date.	It provides an indication of the Group's position in future periods.
Net debt / proforma EBITDA	Net debt as a percentage of proforma EBITDA.	Shows financial risk and facilitates assessment of the level of indebtedness.
Net debt not including lease liabilities	Net debt not including lease liabilities.	Shows the financial position, not including leases.
Gearing ratio	Net debt in relation to equity, including minority interest.	This figure is reported to show our financial position.

Financial calendar

The AGM for Green Landscaping Group AB (publ) will be held on Wednesday, 24 April 2024.

The Group's interim reports will be published on these dates:

25 April 2024	Interim report January-March 2024
23 August 2024	Interim report January-June 2024
25 October 2024	Interim report January-September 2024
30 January 2025	Year-end report 2024

Green
landscaping group

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