



Green
landscaping group

Annual Report and Sustainability Report for 2021

Green Landscaping Group AB (publ)

GREEN LANDSCAPING GROUP IN BRIEF

Outdoor environments for everyone

Green Landscaping Group AB (publ) works with outdoor environments and infrastructure. Through our subsidiaries, we offer the Nordic region's most comprehensive service portfolio on the market, aimed at making outdoor environments more sustainable and safe.

With dedication and collaboration, we develop independent, competitive companies with a focus on customer value, quality and sustainability. We conduct business in Sweden, Norway and Finland.

We are professional in everything we do. At the center of it are all our skilled, experienced employees who inspire our customers and satisfy their need for beautiful, functional outdoor environments.



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



Events in 2021

Nine companies were acquired in 2021, with annual sales of approximately SEK 800 million.

Expansion into Finland via the acquisition of Viher-Pirkka Oy and Viherpojat Oy.

A directed issue of new shares was executed during the year, which generated SEK 150 million for the company, before transaction costs.

Significant events after the end of the year

Green Landscaping Group's share was moved to Nasdaq Stockholm Mid Cap.

The acquisition of Markbygg Anläggning Väst AB was completed. The company has annual sales of approximately SEK 280 million.

Bolagen Rainset Oy, Hallandsåsens Utemiljö AB and Glenn Syvertsen AS were acquired, with total annual sales of approximately SEK 100 million.

An agreement has been entered into to acquire Aktiv Veidrift AS with annual sales of approximately NOK 240 million. Access is expected take place during the first half of 2022.

KEY PERFORMANCE INDICATORS

SEK m	2021	2020	Change, %
Sales	3,181.5	2,134.7	49
EBITA	231.9	101.1	129
EBITA margin	7.3%	4.7%	2.6
Basic earnings per share, SEK	1.84	0.90	104
Diluted earnings per share, SEK	1.81	0.89	103
Order backlog	5,125	4,434	16

CEO's comments

2021 was an intensive and exciting year for Green Landscaping Group. With our focus on developing our existing companies while simultaneously growing through acquisitions, we successfully strengthened our position as the Nordic region's leading company for outdoor environments. Our model, which is based on a decentralized structure driven by entrepreneurial spirit, creates the conditions for continued success.

During the year, we gained new ground in the Norwegian market by acquiring five companies. We also expanded into Finland by acquiring three companies there. We are thus now represented in three markets.

Growth in 2021 was strong, which was driven by many new companies having joined the Group, along with the favorable growth that occurred in our existing companies. Profitability also improved in 2021 and we are now approaching the Group's profitability target of 8 percent. Through the sustainability work that has gone on in many of our companies, the prerequisites are in place for additional improvements in profitability as well.

We are both happy and proud that customers continue to put their trust in us, year after year. Our focus on customer value, efficiency and quality is the proven recipe for success that we will continue to pursue.

High growth and significantly improved profitability

Sales for the full year 2021 were SEK 3,181 million, which was an increase of 49 percent and far exceeded our growth target of 10 percent. It means that, since 2015, when the Group's current strategy was adopted, we have increased our sales by 324 percent, which corresponds to an average growth rate of 27 percent per year. Growth is primarily driven by acquisitions, although organic growth contributed 12.4 percent during the year.



In 2021, nine new companies joined the Group, five of which are in Norway, two in Sweden and three in Finland.

Continued focus on profitability

EBITA in 2021 amounted to SEK 232 (101) million, which is an increase of 129 percent. The margin increased 2.6 percentage points to 7.3 (4.7) percent. It is a significant improvement and we are thus close to achieving the Group's strategic goal of 8 percent.

Our assessment is that the pandemic has only had a limited impact on the Group during the year.

Order intake improved and many companies noticed a higher level of activity from their customers after a somewhat sluggish start to 2021 stemming from the pandemic. We can also see that the underlying demand for our services is high, with more focus being put on green, functional and sustainable outdoor environments in cities and towns.

In 2021, nine new companies joined the Group, five of which are in Norway, two in Sweden and three in Finland. It means that we are now established in the Finnish market, as well as having strengthened our position in our existing markets. The nine acquisitions in 2021, along with the four that have been completed so far in 2022, brings the total to 41 operating subsidiaries for Green Landscaping Group, all of which are run by skilled, dedicated entrepreneurs.

Strong entrepreneurship and local decision-making are our success factors

One very important and successful part of our strategy is to acquire profitable, well-run companies led by dedicated entrepreneurs. When we acquire companies, their entrepreneurs become owners of Green Landscaping Group and they continue leading and developing their local companies.

We are convinced that independent companies, with a local leadership that knows their market and the company's conditions, have the best prerequisites for success. Companies that join the Group follow our strategy, but have the autonomy to act independently, based on the priorities set by their local leadership. By joining a larger organization, they gain access to new expertise, new development and collaboration opportunities, joint purchasing and supplier agreements, new tools and opportunities for cross-selling. These acquisition and integration priorities have proven to be

successful. Local entrepreneurs want to become part of the Green Landscaping Group because it injects new energy, expertise and abilities, without limiting their authority to make own decisions.

The nine companies acquired in 2021 have contributed annual sales of approximately SEK 800 million, with good profitability. The balance sheet grew stronger during the past year thanks to a rights issue that was carried out, generating approximately SEK 150 million in capital. At year end, pro forma Net debt/Adjusted EBITDA was 2.4 times (2.8). Our assessment is that based on its position, there are good opportunities for Green Landscaping Group to further consolidate the Nordic market for green infrastructure.

Focus on the future

Now, we close the chapter on a successful year and turn our sights to the future, excited about what we can achieve by continuing to focus on profitability improvement and generating value to our customers. We continuously evaluate and challenge ourselves, thereby ensuring that our companies and entrepreneurs have all the prerequisites in place for success.

We are also proud of the economic, social, environmental and climate benefits that we generate for society via the work we do every single day of the year. Read more about the Sustainability Report on page 26-49.

I would like to thank everyone who has contributed to our success in 2021 and I look forward to taking the company even further in 2022. Together with my colleagues, we will continue working diligently to create well-managed, sustainable and safe outdoor environments for all of our customers.

Johan Nordström
CEO



Carl-Fredrik Meijer
CFO

CFO's comments

In 2021, Green Landscaping Group made great strides towards becoming a top-notch company, characterized by robustness and good profitability, which I am proud of. Earnings per share were SEK 1.84 (0.90) which is an increase of 104 percent. Return on average equity amounted to 13.5% (10.9%).

Cash flow from operating activities amounted to SEK 174.5 (192.8) million. Although it was lower in 2021 compared to 2020, EBITA increased by SEK 130 million to SEK 232 million. The need for working capital varies from one year to the next and it was higher at the end of 2021 compared to 2020, due to all of the snow and ice removal activities this past winter.

In June, we carried out a directed share issue through an accelerated book building process, which generated SEK 150 million for the Group, prior to issue costs.

Cash flow from operating activities and the capital generated from the directed share issue were used to acquire new companies and in total, the cash portion of consideration for those acquisitions amounted to SEK 555 million for the year. We also use newly issued shares in Green Landscaping Group as part of the payment, aimed at creating a shared commitment to our future success.

Net debt/EBITA was 2.4 (2.8) times as of 31 December 2021, which means that we achieved our target of it not exceeding 2.5 times.



More potential and more decentralization

The EBITA margin for 2021 was 7.3 (4.7) percent, which is an increase of 2.6 percentage points compared to 2020. The increase in 2020 was 1.8 percentage points on the 2019 EBITA margin of 2.9 percent. There has thus been an upward margin trend since 2018, which supports our financial profitability target of reaching EBITA of 8.0 percent.

Our profitability improvement is attributable to two main factors: (1) the success of having integrated, created companies out of, and in many cases transformed, the old parts of Green Landscaping AB and Svensk Markservice AB; (2) higher profitability in the companies we have acquired (compared to the Group overall), which has had a positive impact.

Within the Group, we benchmark the profitability of our subsidiaries using a ranking list, which has revealed that there is much variation among them and room for improvement. We encourage a healthy atmosphere of competition between our companies, helping and supporting them to become better, together.

The profitability-improvement initiative of converting business units into independent companies started back in 2020 and was completed in 2021. In total, 12 subsidiaries have been created from Green Landscaping AB and Svensk Markservice AB. The last one was in place as of 1 January 2022. Having independent companies, rather than business units, creates better conditions for fostering a strong, local culture, clearer mandates to develop the business and better opportunities for communication (e.g. via websites and social media) with customers and employees.

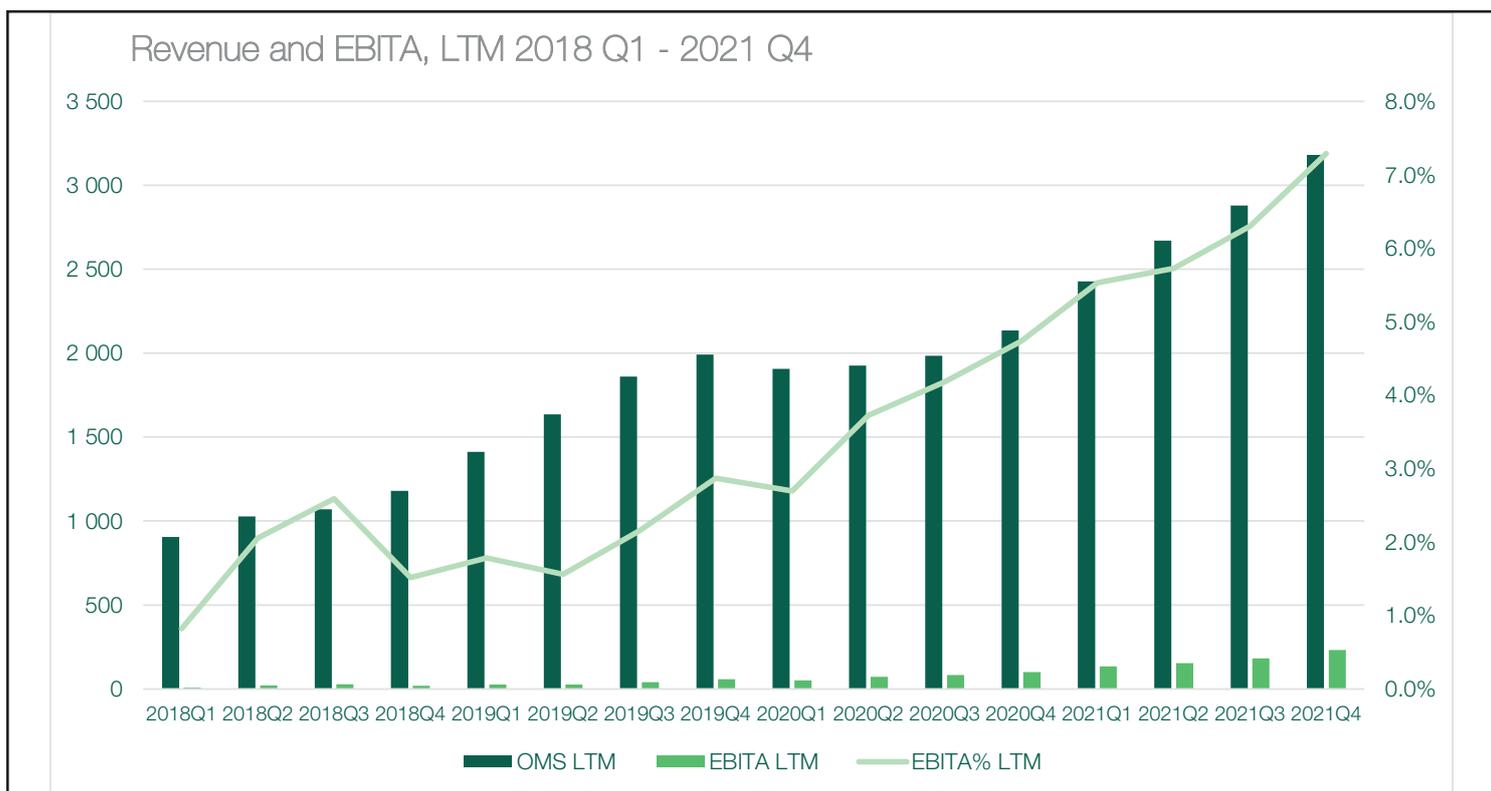
Growth before dividends

Our goal is to distribute 40 percent of net profit as dividends. In 2021 however, we concluded that we would be able to generate more value to our shareholders by allocating capital to acquisitions and prioritizing that above dividends.

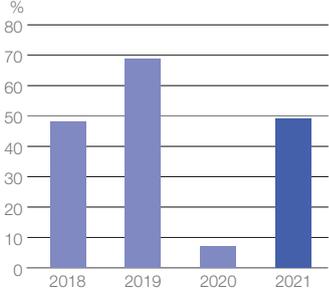
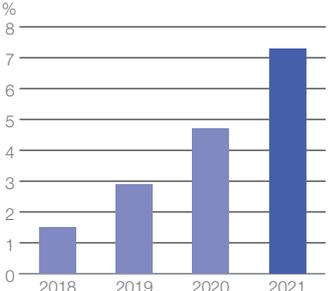
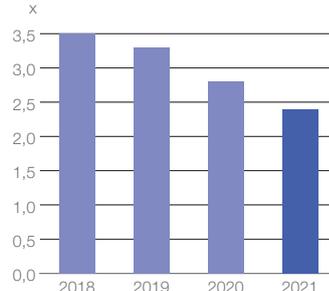
Market cap and shareholders

Among the Group's largest shareholders are some of our own employees, with a combined shareholding of just over 20 percent, which is an important part of our model and culture. Growth in both the number of shares and stock price has resulted in market cap growing from SEK 1.9 billion to 4.6 billion, which is an increase in 142 percent.

We are delighted to have added so many new shareholders during the year (just over 2,500 bringing the total to 4,390). They are both private investors and large institutions, who want to be a part of our journey. We welcome all of the new shareholders to Green Landscaping Group.



Goals & Strategies

GOAL	RESULT	COMMENTS
SALES GROWTH		
<p>10%</p> 	<p>49.0%</p>	<p>Sales shall, on average, grow by 10 percent per year (organically and via acquisitions).</p> <p>Results in 2021: 49.0% of which 12.4% was organic. Sales growth was positively impacted by acquisitions along with the higher level of activity in the existing companies.</p>
PROFITABILITY		
<p>8%</p> 	<p>7.3%</p>	<p>EBITA margin shall amount to 8 percent.</p> <p>Results in 2021: 7.3 percent. Many profitable companies joined the Group, which favorably impacted the margin, along with higher profitability in the existing companies.</p>
CAPITAL STRUCTURE		
<p><2.5 times</p> 	<p><2.4 times</p>	<p>Net debt in relation to EBITDA (gearing ratio) shall over the long term, not exceed 2.5 times.</p> <p>Results in 2021: 2.4 times. The level of indebtedness is assessed as being satisfactory and it meets our financial target.</p>
DIVIDEND POLICY		
<p>40%</p> 	<p>0%</p>	<p>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.</p> <p>Results in 2021: Having considered the growth opportunities and potential value creation in the future, the Board proposes that no dividends shall be paid for the year.</p>



Acquisitions

We are a home for entrepreneurs

Green Landscaping Group's acquisition strategy, simply put, is for us to offer a home for entrepreneurs. By gathering several companies in the same geographic area, we are able to offer entrepreneurs something they have been lacking in the past, namely, colleagues and a larger context. When these entrepreneurs meet, opportunities are created for sharing experiences and developing. The rate of innovation is higher at the interface between companies, there are more sales opportunities and above all, healthy competition arises, pushing us all to continuously increase our competitiveness and sharpen our customer offering.

For the full-year 2021, we made nine acquisitions with total annual sales of approximately SEK 800 million. We opened up a new market with our entry into Finland. The first step was the platform investment of Viher-Pirkka Oy, followed by our acquisition of Viherpojat Oy. We can already see that there is much interest in Finland for our model and our outlook on the plans for acquiring even more successful companies there is very bright. In Norway, we added five entrepreneurial companies to our existing core of successful companies and in the Swedish market, two acquisitions were made.



Jakob Körner
Head of M&A

We remain optimistic about our opportunities for acquiring more companies that will be a good fit with the Group. In total, we have identified around 3,500 companies in our current markets. For acquisitions however, it is important to pick those with a culture that matches our own. Ethics, a long-term approach, decentralization and the desire to work as a team to build something great are examples of the qualities we look for. Raising our sights a bit, we see opportunities for expanding the Group into both new business areas within our existing markets and new markets outside the Nordic region.

Our decentralized model grows stronger with a growing Group. Key elements are that all companies we acquire get to retain their brand, culture and way of running the company. What we add is a new context and longevity, which significantly lowers the risks that each company faces over time. The Group staff or other companies in the Group offer services and assistance with purchasing, Lean, sustainability, digitalization and more. We welcome all of the new companies to the Green Landscaping family!

Acquisition strategy

Acquisitions are an important component of Green Landscaping Group's growth strategy. The sweet spot is companies with sales of SEK 30-200 million.

SEK 30-200 MILLION COMPANIES (BOLT-ONS)

- Sales of SEK 30-200 million
- Continue operating as before, but now as a subsidiary of the Group
- Retain the same leadership and brand
- Ability to generate synergies with both deliveries and purchasing
- Focus on profitable contract portfolios
- Strong local brand
- In the same geographic region where we currently operate.



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

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

Green Landscaping may acquire larger companies for the purpose of becoming established in new geographic regions, or if a company meets the criteria stated above.



Lean

Internal control, follow-up and measures

To achieve the goals, along with improving and streamlining operations, Green Landscaping Group uses the internal control system LEAN, which is based on these four cornerstones: planning, daily management, continuous improvements 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.

Higher collaboration within the Group and its regions contributes to higher cost efficiency and a more sustainable Green. Although these efforts were hampered during the pandemic, we have remained steadfast in training our employees on the importance of continuous improvement and elimination of waste as a way of creating higher customer value. The units that have been a part of this already for several years are convinced of the fact that everything can and must be continuously improved in order to live up to, and even exceed our customers' expectations. New companies that join the Group share their experiences and factors that have contributed to their success.



Pierre Kubalski
Head of Lean & Business Development

In 2021, we expanded the team working with knowledge transfer and helping companies improve their processes so that they can achieve better results. Companies receive help and support over the long term to ensure that they have a sustainable corporate governance structure in place. Because the model has been successful, we will continue and intensify these efforts in 2022.

1 | PLANNING

2 | DAILY CONTROL

3 | CONTINUOUS IMPROVEMENT

4 | CONTINUOUS FOLLOW-UP

Market overview

Market

The market in brief

Green Landscaping Group is currently active in the Swedish, Norwegian and Finnish markets, which are estimated to have a total value of approximately SEK 280 billion, of which SEK 90 billion is an addressable market for us.

Our addressable market can be divided into the following service areas: construction/landscaping, ground maintenance and road maintenance. Our addressable market in Sweden is estimated to have a value of approximately SEK 37 billion, SEK 39 billion in Norway and SEK 15 billion in Finland. Around 70 percent of the market is comprised of customers in the public sector. The market is fragmented and consists of around 16,000 companies, most of which are small.

The market is characterized by long-term contracts and customer relationships in both the private and public sectors, with the latter being the largest with a share of approximately 60-70 percent depending on the market. Over time, the market has been quite stable even during

recessions. One of the reasons for this is that most business is via contracts, along with the fact that both private and public organizations invest in and maintain 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.

As of a few years ago, Green Landscaping Group has also been working with road maintenance. We have many years of experience and expertise in maintaining streets, foot paths and biking paths for our customers as part of our offering for maintenance of parks and outdoor environments. A few years ago, we also began offering road maintenance services to customers such as the Swedish Transport Administration and Oslo municipality.

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 & focus on outdoor areas



Maintenance lag

Solid pipeline of work that must be conducted

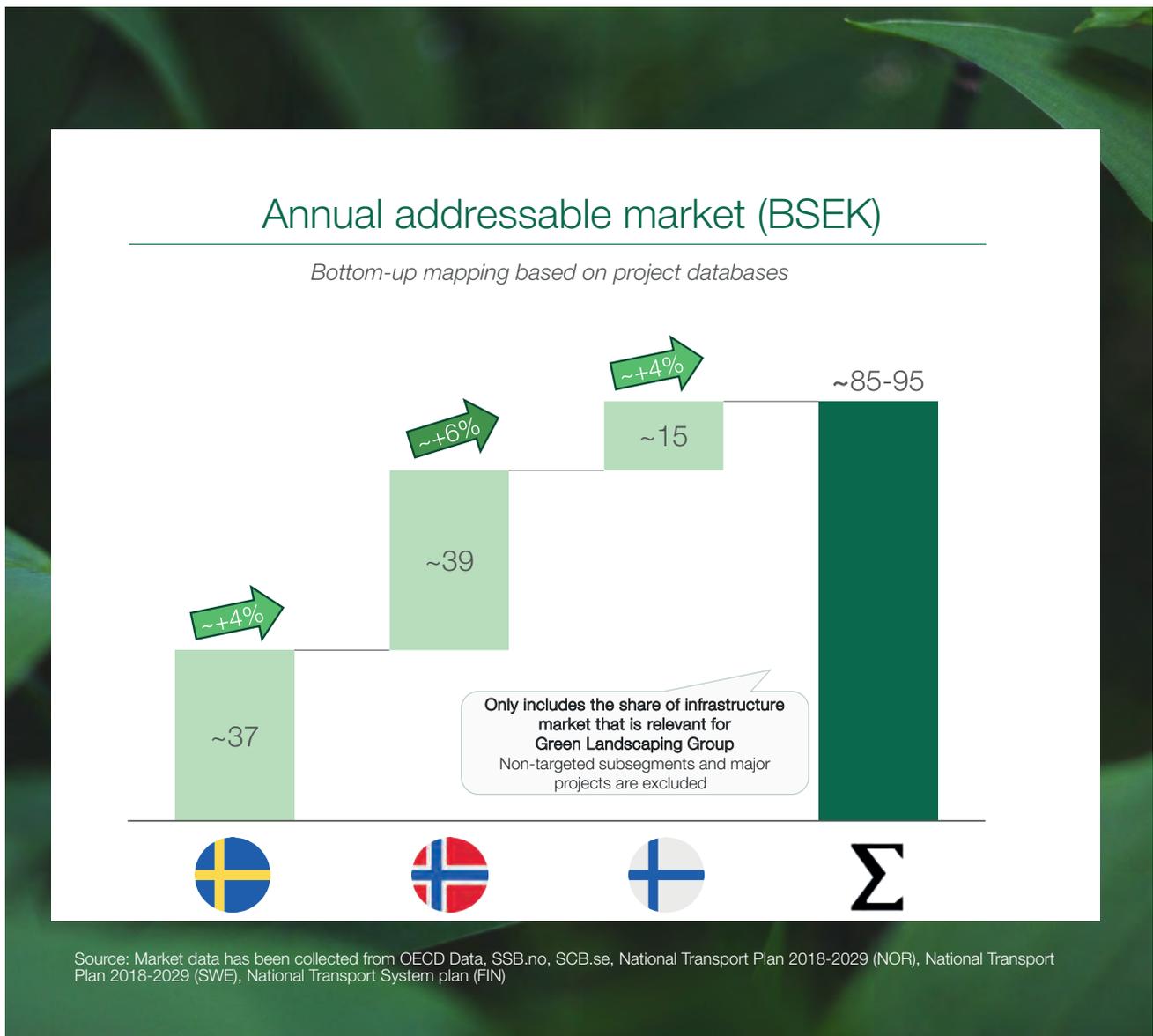
Since 2021, Green Landscaping Group is also active in the Finnish market.

Addressable market

Green Landscaping Group is positioned in a large, robust market valued at around SEK 90 billion. The market areas are construction/landscaping, ground maintenance, road maintenance, water & waste. There are around 16,000 companies, of which approximately 3,500 have annual sales of SEK 30-200 million. The addressable market is expected to have average annual growth of approximately 4-6 percent over the next few years. This is based on Green's own analyses, along with external market analyses. An important driving force is the favorable demographic trends.

Customer categories

Customers in the market are in both the private and public sectors. Customers that offer major contracts often put specific requirements on companies 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.



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)

Green Landscaping Group’s position

Market drivers

Population growth and urbanization

During the last 10 years, there has been positive population growth in Sweden, Norway and Finland, which is expected to continue. Growth has primarily occurred in densely populated areas, which has fueled the urbanization trend and is expected to continue. During the COVID-19 pandemic, the rate of urbanization slowed down somewhat in some places. It is a temporary phenomenon that is not expected to impact the rising trend that we’ve seen for several decades.

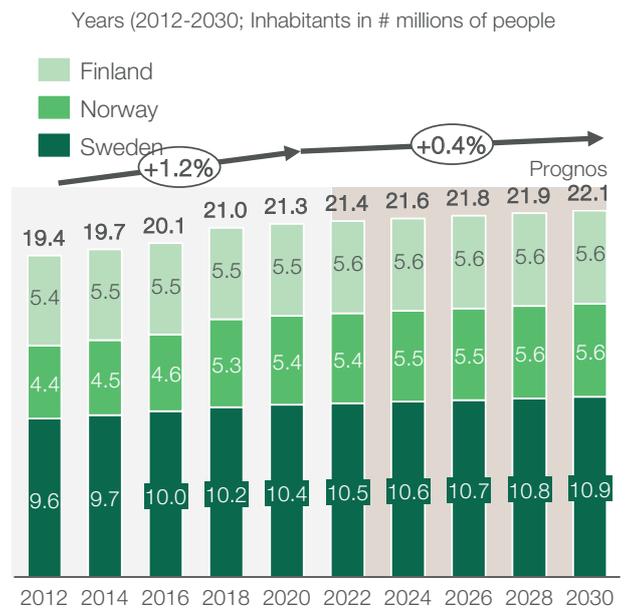
Population growth, and a higher level of urbanization result in a greater demand for available and safe outdoor environments. The rapidly growing population also contributes to more wear-and-tear on existing parks and outdoor environments, which further increases the need for maintenance.

Expectations on green urban areas

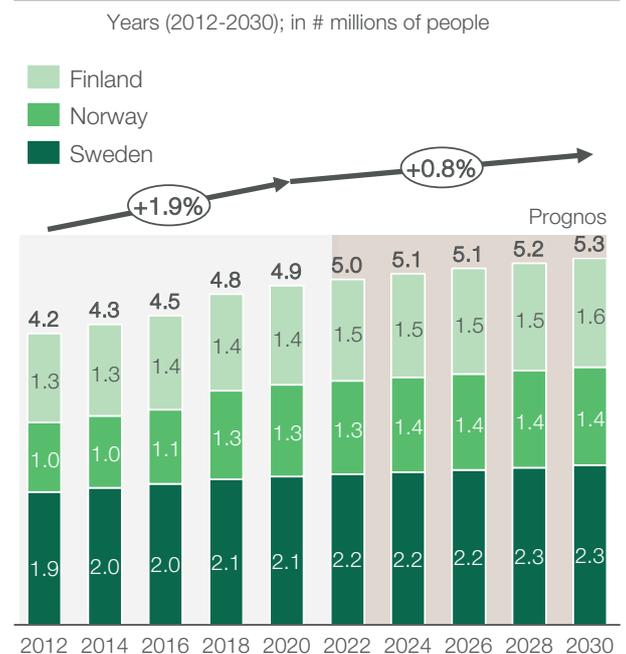
Residents of a city tend to highly value the urban environment. They show much interest and engagement in issues having to do with the design and maintenance of the surrounding area. Several studies have been published documenting the positive health effects from green areas, such as lower stress and 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 the Nordic region have high expectations when it comes to green areas and the ability to engage in outdoor activities in cities, without having to travel long distances. This has become increasingly important. According to a survey, approximately 60 percent of the Swedish population would be willing to pay more for their housing if they could be closer to green areas.

Green Landscaping Group has concluded that cities and municipalities will continue: making investments in green areas since doing so adds variety to the cityscape, offering nature experiences to their residents, lowering the dangerous effect of pollution and serving as social venues. Residential property near green areas is in higher demand, which is reflected in housing prices. There is also a higher demand on such things as advanced playgrounds, outdoor gyms, landscaping and

Population growth



Urban growth



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)

artificial turf playing fields, which is driving municipalities to make investments there.

Rising investments in infrastructure

During the period 2011-2018, investments in infrastructure have generally increased by an average of 5.8 percent, driven by growing population and urbanization. Our assessment is that these factors should continue contributing to a stable rate of investment in the future as well.

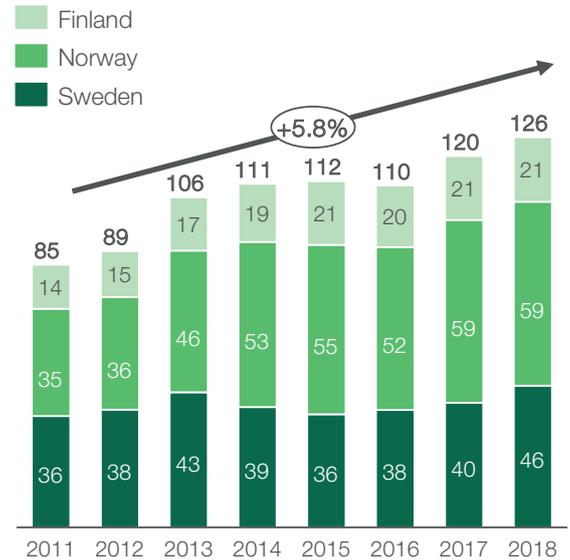
High demand for safety and security

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 a part of creating safer environments. Municipalities stipulate high requirements that playgrounds should be safer and meet specific criteria.

Green Landscaping Group has a full-service offering in landscaping, ground maintenance, snow & ice removal and road maintenance. Through our wide service offering, we are able to take overall responsibility for the design, construction and maintenance of parks and urban areas, thereby increasing the value to customers and simultaneously benefiting from economies of scale.

Infrastructure investment

Years 2011-2018; Infrastructure investment (BSEK)



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)



Service offering



Landscaping and construction

The Group has a strong team of landscape architects, landscape engineers and gardeners. A full range of services is offered, from the design and planning of outdoor environments right through to construction.

Green Landscaping 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.

By being involved in all phases of a project, Green Landscaping Group creates the best conditions for lower operating costs, less maintenance and a longer lifespan for outdoor environments. Marketplaces, residential outdoor environments, parks, churchyards, playgrounds and recreation sites are just some examples of project areas.

Landscaping jobs are typically procured as own contracts, with municipalities, municipal companies or construction 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 1–20 million. Landscaping accounted for 35 percent of Green Landscaping Group's net sales in 2021.



Ground maintenance

Ground Maintenance is Green Landscaping Group's largest sub-segment and it accounted for around 50 percent of the Group's net sales in 2021.

In the area of Ground Maintenance, the company offers a wide range of green area maintenance services, including cleaning, lawn mowing, pruning, planting, harvesting and road maintenance. During winter, the company offers snow and ice removal services. For ground maintenance, contracts typically stretch over several years covering all seasons. They typically run for three to five years, with the option to extend for an additional two to four years. For housing cooperatives, contracts are typically one year, with annual renewal. Customers are primarily county councils, municipalities, property managers, property companies and others who own or manage green areas associated with urban development.

Ground Maintenance and Landscaping are closely intertwined since landscaping is often an add-on sale to the running contract for ground maintenance.



Road maintenance and snow & ice removal

For winter activities, it is necessary to have both management resources and drivers on hand, as needed. Preparedness for this is typically established around September/October, based on the particular contract and geographic location, and it is maintained through the end of April/May.

As needed, snow and ice removal services are offered on roads, streets, park areas, marketplaces and the grounds surrounding properties. For the vast majority of these contracts, there is a fixed price for having these resources on hand, but remuneration for the actual snow and ice removal is per occasion. Snow removal on major roads is done using plows, but on smaller road networks, streets and marketplaces, smaller tractors, wheeled loading shovels and trucks are used. Essentially all snow removal also involves de-icing, where salt is used on major road networks. In other places salt/sand/gravel mixtures are used or only sand and gravel. Snow and ice removal is done manually at school playgrounds, entryways and on stairs. Once winter is over, sweepers are used to collect the sand and gravel. Sand removal services are typically at a fixed price. Most winter road maintenance is carried out in collaboration with a large number of subcontractors/machine owners. Winter and Road Activities accounted for 15 percent of Green Landscaping Group's net sales in 2021.



Region South

Region South is comprised of the counties of Skåne and Halland, with particular emphasis on the cities of Malmö, Lund, Vellinge, Staffanstorps, Halmstad, Kävlinge and Helsingborg. The service offering in the region consists of design and planning, ground maintenance and landscaping. For 2021, Region South reported sales of SEK 543.3 (491.9) million and EBITA of 38.3 (28.0) million. There were 290 (303) employees in the region.

During 2021, the region's focus was on increasing the earnings capacity of the business units that had been turned into independent companies, and continuing the positive development of other companies.

SALES 2021

SEK 543.3 million

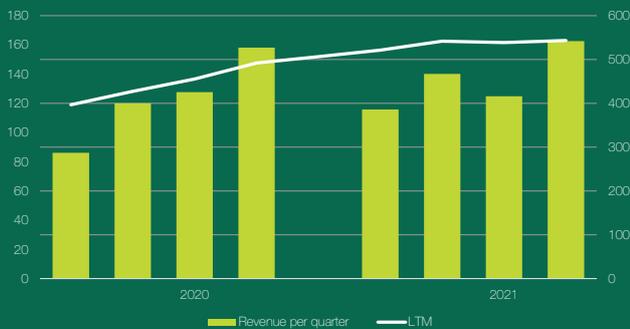
EBITA

SEK 38.3 million

EMPLOYEES

290

Revenue per quarter and LTM, SEK million



EBITA per quarter and LTM, SEK million



Subsidiaries Region South



Region Mid

Region Mid consists of Västra Götaland, Jönköping, Kronoberg and Östergötland with particular focus on the cities of Gothenburg, Alingsås, Tranemo, Borås, Strömstad and Linköping. The service offering in the region consists of ground maintenance, landscaping, construction, water & waste and sports landscaping. For 2021, Region Mid reported sales of SEK 920.3 (714.7) million and EBITA of 27.0 (35.4) million. There were 493 (398) employees in the region.

During the year, the companies Green Östergötland AB, Park & Trädgård i Bohuslän AB, Trädgård & Markmiljö i Väst AB and Västsvensk Markservice AB were formed through a business transfer from Green Landscaping AB and Svensk Markservice AB. It is part of our strategy of creating strong, independent companies and ensuring that the right prerequisites are in place for higher profitability.

SALES 2021

SEK 920.3 million

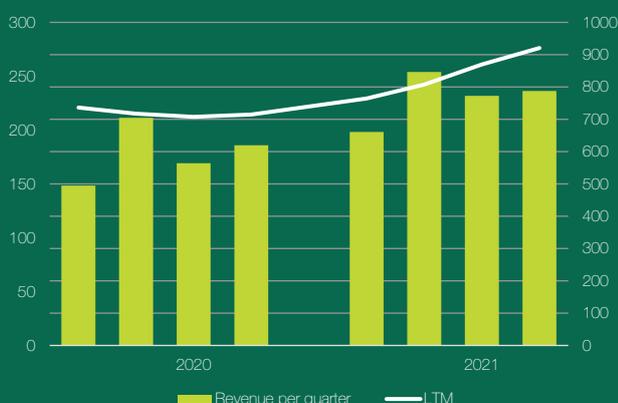
EBITA

SEK 27.0 million

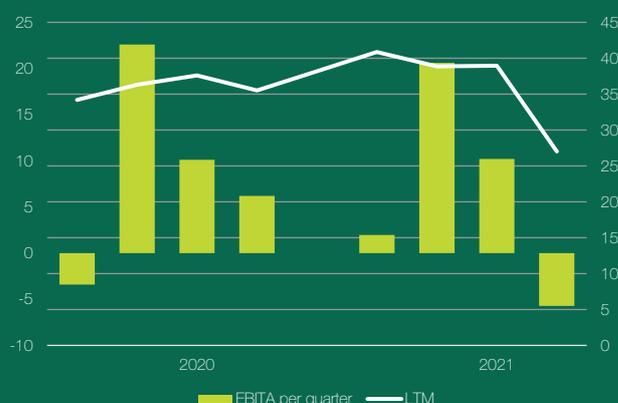
EMPLOYEES

493

Revenue per quarter and LTM, SEK million



EBITA per quarter and LTM, SEK million



Subsidiaries Region Mid



Region Stockholm

Region Stockholm is comprised of the counties of Stockholm and parts of Uppland. The service offering in the region consists of ground maintenance, landscaping and arborist services. For 2021, Region Stockholm reported sales of SEK 580.9 (514.9) million and EBITA of -0.9 (-13.1) million. There were 293 (288) of employees in the region.

The region is reporting both higher sales and earnings compared to last year. Order intake is good and a higher profitability focus is part of this. Some units in the region were turned into independent subsidiaries during the year, with better prerequisites now in place for achieving higher profitability. Besides that, one unit was discontinued, since it was concluded that the likelihood of it achieving higher profitability was low.

SALES 2021

SEK 580.9 million

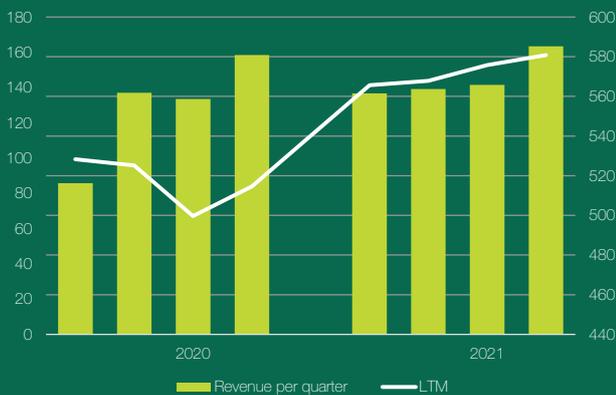
EBITA

SEK -0.9 million

EMPLOYEES

293

Revenue per quarter and LTM, SEK million



EBITA per quarter and LTM, SEK million



Subsidiaries Region Stockholm



Region North

Region North covers northern Sweden, from the counties of Värmland, Örebro and Uppsala and northwards. The service offering in the region consists of ground maintenance, road operations and landscaping. For 2021, Region North reported sales of SEK 353.4 (289.7) million and EBITA of 31.2 (19.7) million. There were 223 (175) employees in the region.

The sales increase is attributable to heavy snowfall at the start of 2021, which resulted in higher add-on sales.

Svensk Markservice Svealand AB was created out of the former business unit during the year.

Utemiljö Skellefteå AB was acquired and it is now part of Region North.

SALES 2021

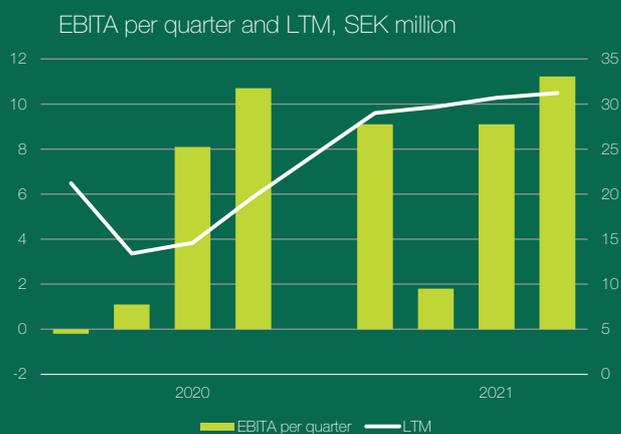
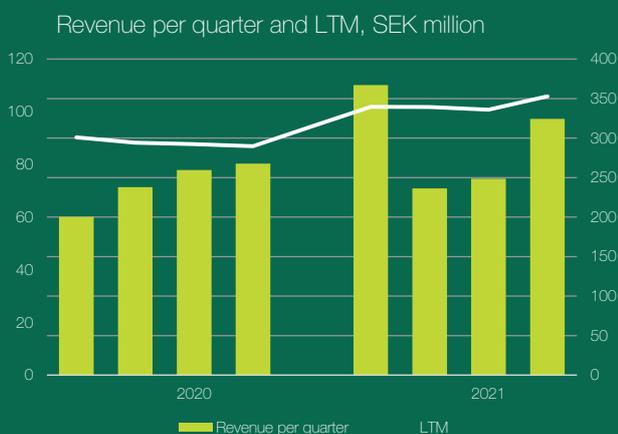
SEK 353.4 million

EBITA

SEK 31.2 million

EMPLOYEES

223



Subsidiaries Region North



Norway

As of 2021, Region Norway is reported as its own segment. Several companies were acquired in Norway during the year. At year end, the total had come to eight. The companies primarily do business in the Oslo region. During the year, the region reported sales of SEK 900.4 (228.2) million and EBITA of 144.9 (41.0) million. There were 272 (55) employees.

There was significant growth in Region Norway for both sales and earnings, which was driven by both acquisitions and positive growth in the existing companies.

SALES 2021

SEK 900.4 million

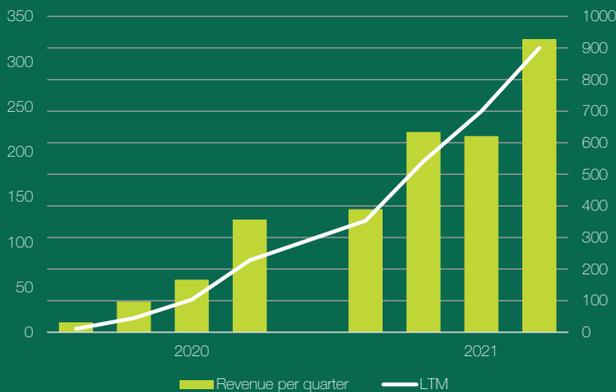
EBITA

SEK 144.9 million

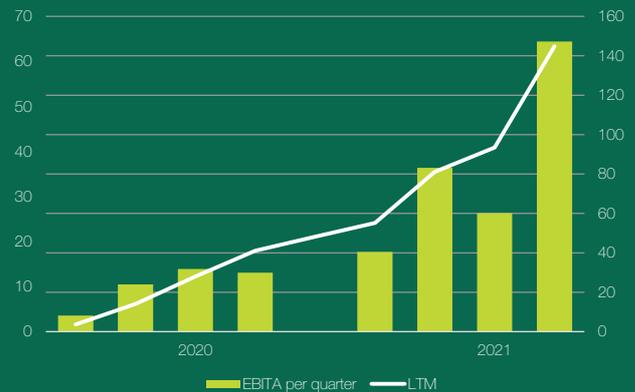
EMPLOYEES

272

Revenue per quarter and LTM, SEK million



EBITA per quarter and LTM, SEK million



Subsidiaries Norway



Finland

Region Finland was established as a new geographic segment during the year in conjunction with our entry into Finland. At year-end 2021, the region consisted of these companies: Viher Pirkka Oy with the subsidiary Viher Muuri Oy, and Viherpojat Oy. All of them offer landscaping services to the Helsinki metropolitan area.

For 2021, Region Finland reported sales of SEK 65.7 (-) million and EBITA of 9.9 (-) million. There were 30 (-) employees.

SALES 2021

SEK 65.7 million

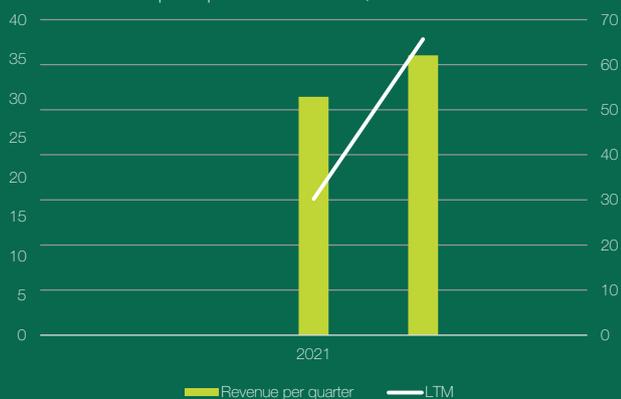
EBITA

SEK 9.9 million

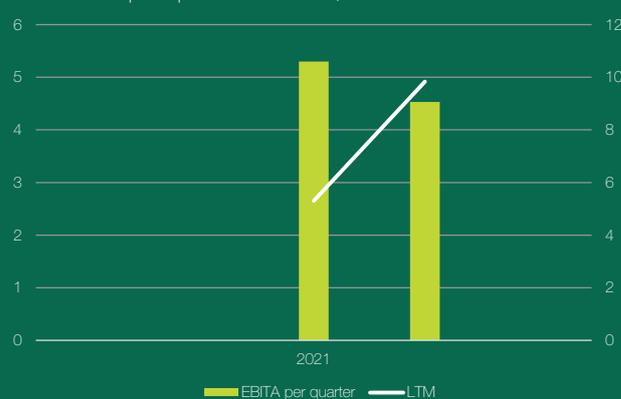
EMPLOYEES

30

Revenue per quarter and LTM, SEK million



EBITA per quarter and LTM, SEK million



Subsidiaries Region Finland





SUSTAINABILITY REPORT

Sustainable ground maintenance for people and the environment

For maintenance and landscaping of outdoor environments, the basic starting point is responsibility for people and the environment. Upon the foundation of a safe, secure and stimulating work environment for our employees, we supply safe, functional and beautiful outdoor environments for residents and users in residential areas and cities.

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

Green Landscaping Group's sustainability platform

In order to work efficiently and in a structured way to continuously develop and improve our sustainability efforts, we have developed a sustainability platform that is based on the 17 Sustainable Development Goals of the UN.

We have conducted a materiality analysis, that has also provided insight and a decision basis for prioritization. Our sustainability platform consists of 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.



Climate adapted production

1

Safe, stimulating and inclusive workplace

2

Sound business relations for stable financial development

3



Strategic Sustainability Goals

Reduce CO2 emissions equivalents of 5% annually from 2021

Annually reduce the number of workplace accidents

Zero tolerance for corruption

At least 5 new projects annually for increased biodiversity

Three people are hired after the implementation of the Green Steps program

Governance and materiality

Strategic sustainability goals

Green Landscaping Group has, based on our priority focus areas, decided to govern sustainability efforts based on five strategic sustainability goals:

1

Lowering emissions of CO₂ equivalents by 5 percent each year (base year 2021)

2

Lower the number of workplace accidents each year

3

Zero tolerance for corruption

4

At least five new projects each year focused on increasing biodiversity

5

Three of the participants from the Green Steps program were employed

Sustainability governance

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

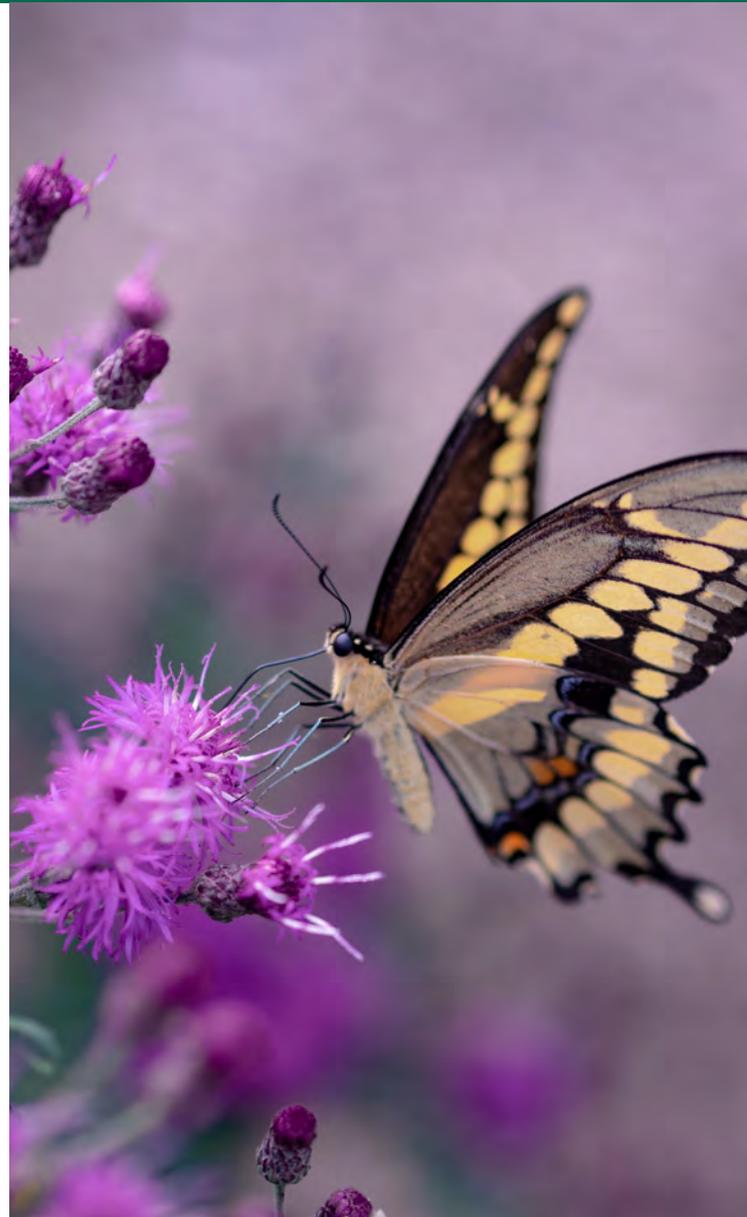
Sustainability efforts are based on Green Landscaping Group's values and regulated via the Group's policies, where the Code of Conduct and Sustainability Policy serve as the foundation for this work. These policy documents provide us with guidance on how we shall create value, contribute to a sustainable society, prevent risks in our operations and manage unexpected events.

The Board is regularly updated on the sustainability platform (including the CSR and ESG strategy) and its progress.

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

Follow-up of sustainability efforts

Follow-up and evaluation of sustainability efforts is on a regular basis that occurs at the business unit level in conjunction with other goal monitoring. It is also aggregated at the Group level. 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. In 2021, it resulted in a revision to the number of performance indicators, among other things. Updates were also made to comply with the EU Taxonomy Regulation.



UN Sustainable Development Goals most relevant to Green Landscaping Group

Green Landscaping Group has studied its own operations to identify the SDGs where it can make the most significant contribution. This was done during winter 2020/2021.

The conclusion was that Green Landscaping Group should focus its sustainability efforts on SDG 8, 9, 11, 12 and 15 in order to make the most significant contribution.

8 DECENT WORK AND ECONOMIC GROWTH



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 strategically well-founded and financial sound business, Green Landscaping Group can also contribute to economic growth for individuals and society.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



SDG 9 Industry, innovation and infrastructure

Through its operations, Green Landscaping Group contributes to sustainable infrastructures. This occurs through maintenance and construction of parks and green areas, along with maintenance and snow & ice removal on roads, for example. In 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.

11 SUSTAINABLE CITIES AND COMMUNITIES



SDG 11 Sustainable cities and communities

This is part of the company's business model. 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.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



SDG 12 Sustainable consumption and production

Through responsible waste management activities and essentially zero use of chemicals in operations, Green Landscaping Group works in a very focused way to contribute to sustainable consumption and production within the area of ground maintenance. Diesel-fueled cars and petrol-powered tools are also being phased out and replaced by electric vehicles and tools. The digital transformation of society offers new opportunities in ground maintenance for making production even more resource efficient.

15 LIFE ON LAND



SDG 15 Ecosystems and biodiversity

When Green Landscaping Group is involved in a project, it typically involves giving consideration to, protecting and developing biodiversity by, for example, establishing meadows and eradicating 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.

Stakeholder engagement

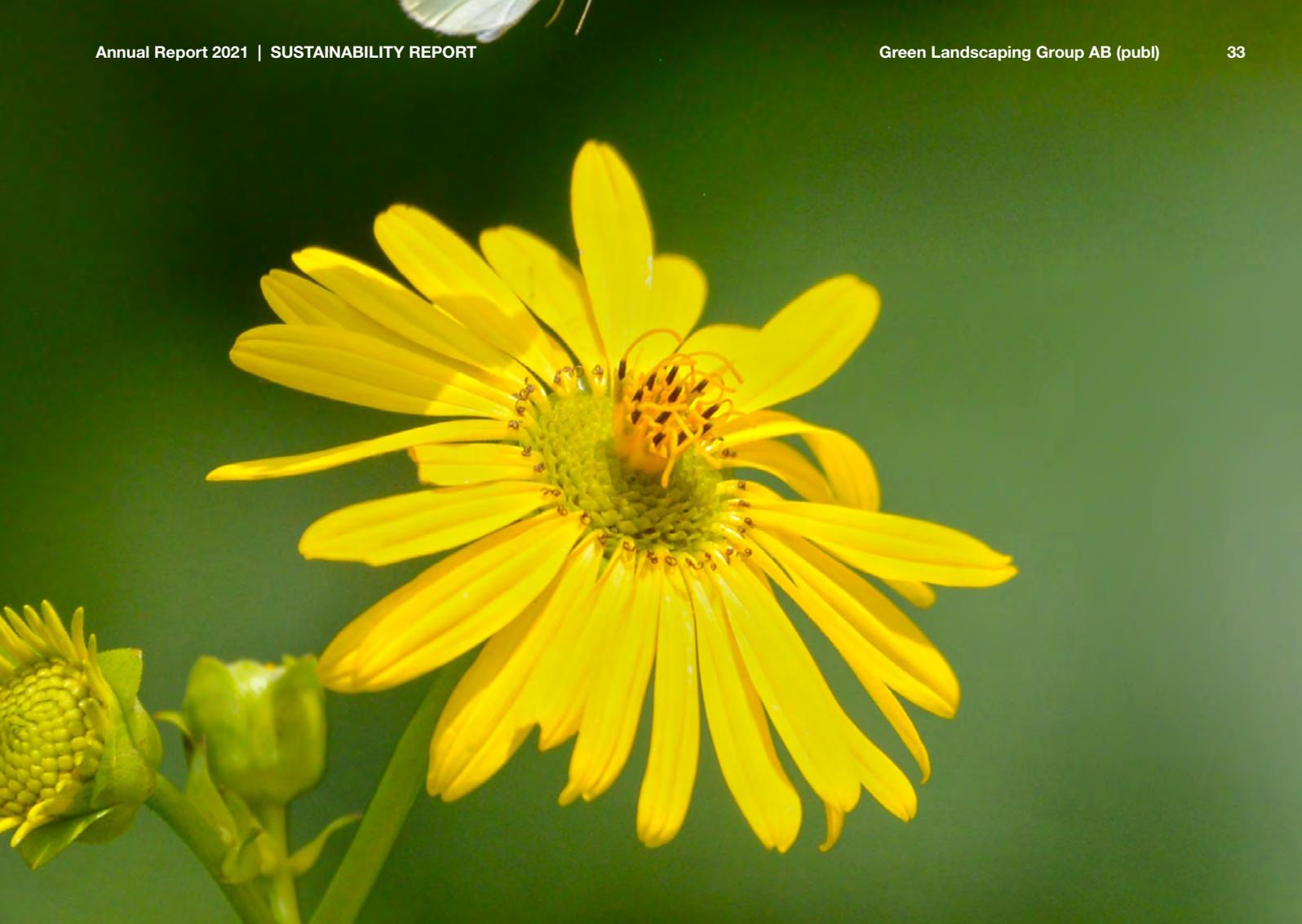
Stakeholder engagement is based on interviews with employees, customers, owners, suppliers and investors. Other stakeholders, such as government authorities, trade unions, industry associations and specialist networks, also have influence and expectations on the company's sustainability work, but the perspectives of these stakeholder groups have not been acquired specifically on this occasion. Feedback from these interviews served as the basis for the materiality analysis and it has influenced the selection of our focus areas. These experiences are also the basis for decisions in coming years.

Plan for engagement

Our strategy is based on decentralized decision-making and activities at the subsidiary level. It is important that customer communication occurs at the local level, to the greatest extent possible. Besides these in-depth interviews, Green Landscaping Group regularly collects various stakeholders' perspectives on the company's operations. An overall description of how this works is provided below.

Stakeholder groups	Plan for engagement
Employees	Annual employee surveys, site meetings, performance appraisals, collaboration with unions
Customers	Regular meetings with customers, evaluation meetings and annual customer satisfaction surveys
Suppliers	Recurring contacts, procurements, requests for quotations, follow-up meetings, planning and coordination meetings
Shareholders and investors	Interim reports, annual general meeting and meetings/events with investors
Interest groups	Membership and participation in various industry organizations and interest groups
Society	Contact with government authorities, legislators and municipalities and meetings to discuss current matters, as needed





Materiality analysis

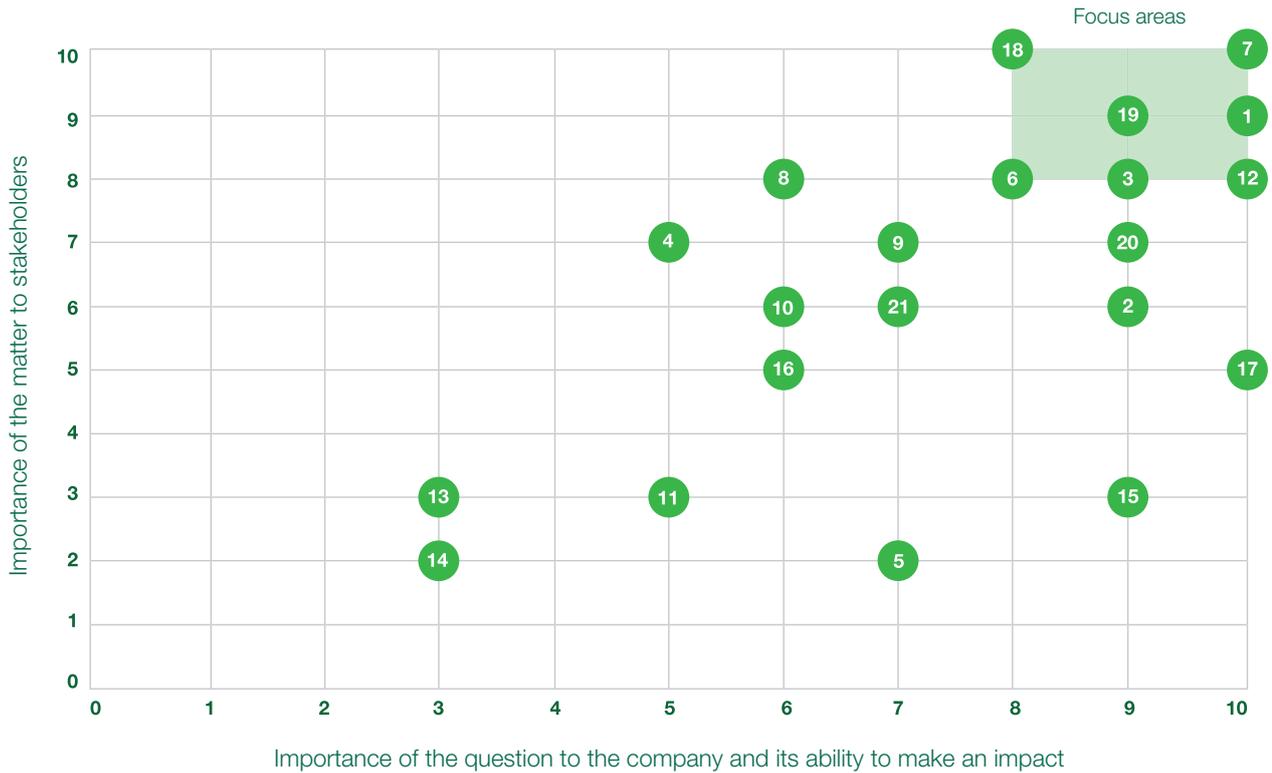
The point of departure for preparing the materiality analysis is Green Landscaping Group's business, the UN Sustainable Development Goals that the Group has decided to prioritize, along with feedback collected from engagement with stakeholders and perspectives of the Group's other stakeholders on the material sustainability issues that Green Landscaping Group should focus on.

The interviews carried out as part of the stakeholder engagement process focused on the sustainability issues that Green Landscaping Group has determined it can contribute the most to, or those most relevant to the Group's operations.

Green Landscaping Group has evaluated the results of its engagement with stakeholders and compared them to its own assessment of the company's ability to contribute to, and impact, the various sustainability issues. The results uncovered the issues that are most relevant to the Group's operations and thus the areas that the Group should focus on when pursuing its sustainability work.

Green Landscaping Group has decided to summarize these issues into three focus areas:

- 1** | Climate-adapted production
- 2** | Safe, stimulating and inclusive workplace
- 3** | Sound business relations for stable financial development



ENVIRONMENTAL SUSTAINABILITY

1. On a scale of 1-10, how important do you feel that it is for Green to be working to lower the negative climate impact of its operations?

2. On a scale of 1-10, how important do you feel that it is for Green to be working to lower energy consumption?

3. On a scale of 1-10, how important do you feel that it is for Green to be working to lower resource consumption and for higher circularity?

4. On a scale of 1-10, how important do you feel that it is for Green to be working on responsible waste management?

5. On a scale of 1-10, how important do you feel that it is for Green to be working to preserve biodiversity?

6. On a scale of 1-10, how important do you feel that it is for Green to be working to lower the use of chemical pesticides and other chemicals?

SOCIAL SUSTAINABILITY

7. On a scale of 1-10, how important do you feel that it is for Green to be working to create a safe and secure work environment for its employees?

8. On a scale of 1-10, how important do you feel that it is for Green to be working for good health and well-being among its employees?

9. On a scale of 1-10, how important do you feel that it is for Green to be working on equality between men and women in its workplaces?

10. On a scale of 1-10, how important do you feel that it is for Green to be working on diversity among its employees?

11. On a scale of 1-10, how important do you feel that it is for Green to be actively working with initiatives to achieve better social integration in society?

12. On a scale of 1-10, how important do you feel that it is for Green to be working to achieve a high level of

employee engagement?

13. On a scale of 1-10, how important do you feel that it is for Green to prioritize activities that create security, within the scope of its work with maintenance of green areas and other public areas?

14. On a scale of 1-10, how important do you feel that it is for Green to prioritize activities that increase accessibility, within the scope of its work with maintenance of green areas and other public areas?

BUSINESS SUSTAINABILITY

15. On a scale of 1-10, how important do you feel that it is for Green to be working to achieve a higher level of entrepreneurship in society/within its business?

16. On a scale of 1-10, how important do you feel that it is for Green to be working to achieve a higher level of innovative power in society/within its business?

17. On a scale of 1-10, how important do you feel that it is for Green to be working with responsible purchasing and

relationships with its sub-suppliers and subcontractors?

18. On a scale of 1-10, how important do you feel that it is for Green to be working to counteract corruption?

19. On a scale of 1-10, how important do you feel that it is that Green strives to have a sound and stable financial position?

20. On a scale of 1-10, how important do you feel that it is for Green to be working to achieve a good level of profitable economic growth through ethically and morally responsible operations?

21. On a scale of 1-10, how important do you feel that it is for Green to deliver cost-effective ground maintenance with focus on the user?

1

Focus area 1: Climate-adapted production

Green Landscaping Group shall run the business and carry out ground maintenance assignments 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 through work planning. Digitalization is a tool for achieving that.



Conscientious efforts to lower the amount of waste produced by the organization to 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	2021	2020	Goal	Goal fulfillment	Comments
CO2 emissions, Scope 1, as a percentage of sales	2.55	2.69	5% annual decrease		Positive trend, attributable to electrification and newer machinery. Compared to last year, it corresponds to a decrease of 5.2%, which means that the target of an annual decrease of at least 5.0% has been achieved.

Unit: X tons CO2 equivalents/SEK million in sales.
Data includes the companies that were part of the Green Landscaping Group at the beginning of each year.

Measures to lower energy consumption and greenhouse gas emissions

Green Landscaping Group falls under the scope of the Swedish Law on Energy Audits in Large Companies. 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.

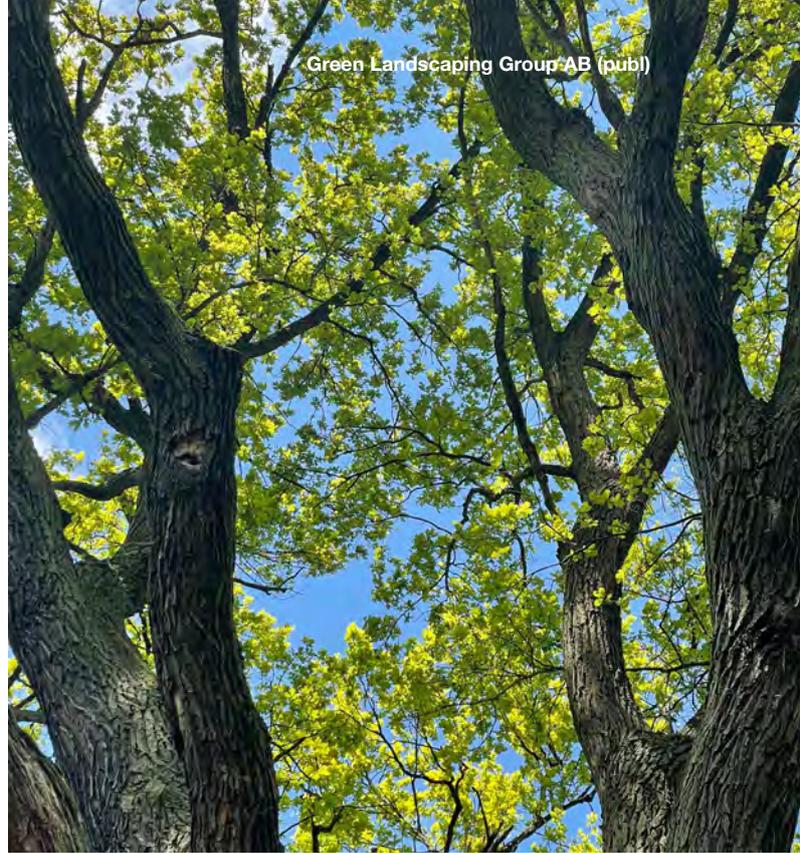
Subsidiaries are focusing on selling their oldest vehicles first and reallocating newer cars within the organization, to balance a higher need at one subsidiary with a lower need in another. Through the rejuvenation of the vehicle and machinery fleet, the proportion of fuel-efficient and fossil-free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

Examples of other 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 consumption and cost savings.
- Studies of, and measures to impact and lower, our energy consumption at office premises, storage facilities and staff rooms.
- Within the scope of its operations, Green Landscaping Group plants trees, bushes and sedum, which partially compensates for the company's own emissions.

Management of environmentally hazardous products

The subsidiaries have routines in their management systems for storage, use and waste management of environmentally hazardous products. Management of chemical products is continually monitored. In addition, the safety and product information for the chemical products we use is available in a mobile app so that our employees can easily access the information on site. Chemical products are generally used to a very small extent. For ground maintenance, essentially all of the work is based on mechanical methods. When that is not possible however, we always choose the least hazardous products and have strict rules and documentation requirements for our use of chemical pesticides.



Waste and recycling

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 company's management system there are routines for how all types of waste are to be managed such that there is the lowest possible environmental impact. Most of the waste is sorted and left for recycling. Organic waste is reused in the company's own operations.

Risk inventory

The Group has primarily 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 as a result of more rainfall and warmer temperatures. A higher level of activity will result in higher costs during summer. However, higher temperatures in winter also lower the demand for services, and thus our revenue (when we get rain instead of snow).

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 its 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	2021	2020	Goal	Goal fulfillment	Comments
Number of incidents* per FTE**	0.17	0.20	Reduction	✓	More focus on injury risks.
Number of accidents FTE**	0.08	0.11	Reduction	✓	More training initiatives
Accidents resulting in death per FTE**	0.00	0.00	0	✓	

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)

Regular employee surveys

Most of our employees are working at one of our local subsidiaries, where they meet with customers to discuss and implement the maintenance and landscaping of their outdoor environments.

During the year, 52 percent of our subsidiaries carried out some form of employee survey.

The results from our employee survey provide an important tool for further developing the company and workplace for our employees.

Skill development

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

Skill development in combination with social integration

Green Landscaping Group has developed an integration program, called Green Steps where, in collaboration with customers and government authorities, we help get new immigrants and the long-term unemployed into the workforce. We offer a combination of training and work experience during the 24-month duration of the program.

The initiative strives to create an inclusive society and for the Group, ensure that we have the expertise we require over the long term. Candidates who apply are selected much on the basis of their own individual interests. However, other criteria are also evaluated and used in the selection process, such as Swedish language skills and the candidate's own motivation. The program is entirely based on the OCN (Open College Network) method. It is a method that is increasingly being used within the outdoor environment sector.

The results were achieved within the scope of Green Academy in 2021:

- There are currently 12 participants in the Green Steps program.
- Of the four participants who completed the program in 2021, three have obtained employment within the Group.
- The Green Steps program has been carried out as a collaboration between the City of Gothenburg and Region Västra Götaland. The training started up in January 2021 and runs through April 2022, with the goal of fifteen Green Steps participants becoming validated and certified to work in our sector (YB1 or BAS).
- During spring 2021, collaboration was initiated with the City of Gothenburg's Committee for the Labor Market

and Adult Education (NAV), which resulted in another three participants joining the Green Steps program in Gothenburg.

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

Through our training initiatives and input from TCYK, we identify the skill areas that our 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 are treated equally and we have an HR policy that is distributed to all employees. We value and encourage diversity in the organization, with a desire for it to reflect the diversity in our 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 all employees treat each other with respect. For all employees, this promotes health, work satisfaction and opportunities for developing their skills.

Green Landscaping Group is convinced that diversity is essential and neither discrimination nor harassment should ever occur. These are the prerequisites for creating a healthy, thriving work environment where we can derive the greatest benefits from each employee's expertise, while helping them further develop their skills. It also enables us to improve the company's offering and enhance profitability. The purpose is to ensure that everyone, regardless of differences, has the same opportunities regarding employment, working conditions and development opportunities.

UN Principles on Human Rights

We are committed to following international standards stated in the UN Guiding Principles on Business and Human Rights, along with the ILO Declaration on Fundamental Principles and Rights at Work. Respect for human rights should permeate the entire organization. This is also a fundamental component of how we interact with our customers. Throughout the entire value chain, with suppliers and businesses, there are risk areas where violations of human rights would have a negative impact

on the company. For example, if a supplier were to violate our standards on human rights, it would not only damage our reputation, but also have a negative impact on daily production capacity when severing the relationship.

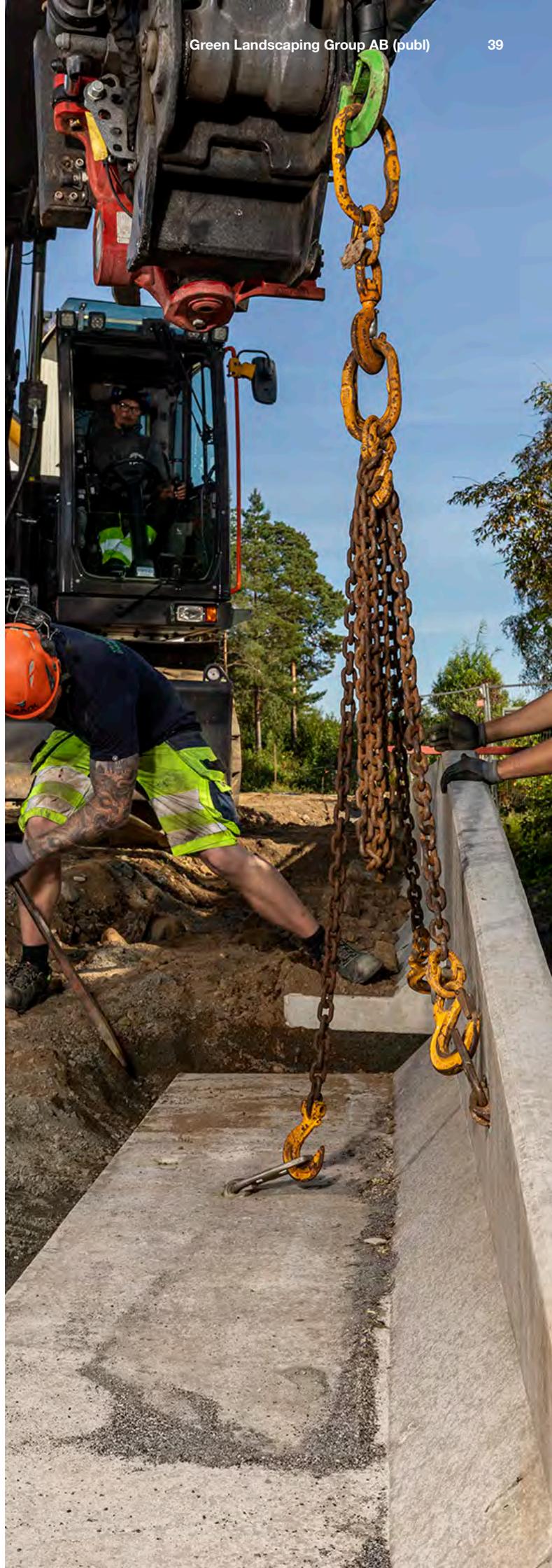
Our Code of Conduct states that all employees must respect the Universal Declaration of Human Rights adopted by the UN and follow international laws and agreements on child labor. Furthermore, no employee should ever experience discrimination based on age, gender, religion, sexual orientation, political opinions, ethnicity or membership in a trade union. All employees are encouraged to report violations of applicable laws/regulations or lack of compliance with our Code of Conduct. Our Code of Conduct and policies specify the standards upon which we run the business, along with how our employees and suppliers are expected to behave such that we meet our obligation of respecting human rights. Overall responsibility lies with the CEO and Board of Directors.

Risk inventory

We monitor the various external analysis programs that are used to establish our Sustainability Rating. Doing so gives us an indication of the requirements the market has on us.

Green Landscaping Group has identified the following risks related to the focus area of safe, stimulating and inclusive workplace:

- There is a risk that our employees, subcontractors or other third parties fail to comply with health & safety regulations, environmental regulations or that they fail in other ways. In conjunction with providing services, such failures could result in personal injury, or in the worst case, death.
- There are risks of human rights not being fulfilled in our daily activities. This can be due to incorrect or failed internal processes associated with social commitments, human error, legal risks and corruption.



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, 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.



Green Landscaping Group achieves a stable financial position through the strategy adopted by the Board, which shall make it possible to achieve annual sales growth of 10 percent, an EBITA margin of 8 percent as a measure of profitability and a gearing ratio that should not exceed 2.5.

PERFORMANCE INDICATORS

KPI	2021	2020	Goal	Goal fulfillment	Comments
Confirmed cases of corruption, number	0	0	0	✓	Only Swedish suppliers are being checked at this time.
Reported whistleblower cases, number	0	1	0	✓	A new whistleblower system was introduced in 2021.
Total revenue, SEK m	3,182	2,135	+10%	✓	The increase in total revenue is primarily attributable to several acquisitions having been made during the year, along with organic growth.
EBITA margin, %	7.3	4.7	8%	✗	Acquisition of new companies with high margins, along with higher profitability in the existing companies.
Gearing ratio, times	2.4	2.8	< 2.5	✓	Net debt is reduced through higher profit, new share issues and higher cash flow.



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 with whom we engage. Furthermore, we must never accept, offer or confer illegal benefits or gifts.
3. Never, in any way, competing with the company's business operations and completely avoiding conflicts of interest that could damage the Group.
4. Keeping the company's business, financial and technical information along with internal business documents strictly confidential and never abusing Green Landscaping's or other companies' tangible or intangible assets.
5. Actively striving to comply with Green Landscaping Group's Code of Conduct.

Green Landscaping Group's Code of Conduct has been published on the company's website, <https://www.glgroup.se/wp-content/uploads/A12.-Code-of-Conduct-eng-1.pdf>

Measures to combat corruption

Green Landscaping Group's size makes it possible for us to set requirements on sustainability at many levels. We also strive to lower the total number of suppliers so that we can ensure integrity and sustainability throughout the entire supply chain.

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

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 Green Landscaping Group that they comply with the applicable legislation, our purchasing terms and our Code of Conduct.

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

Whistleblower function

In 2021, Green Landscaping Group implemented a new routine for its whistleblower function, in accordance with the new legal requirements. It gives employees additional ways of reporting irregularities in the company. A stated goal is that all employees should be treated well and feel safe and secure.

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. In 2021, zero cases were reported through the whistleblower function.

Third-party certified management system for quality, the environment and work environment

Some 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 follow the applicable legislation, along with other rules and regulations. Examples of such are Swedish laws, regulations issued by the national and/or municipal authorities, industry regulations, etc. We do this by:

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

Purchasing

The Group's subsidiaries collaborate with carefully selected suppliers of both goods and services, always striving to set up long-term business relationships. The suppliers we recommend represent us when carrying out their assigned tasks, which exposes us to various quality, environmental and work environment risks. The goal is for all them to have accepted our Code of Conduct.

Satisfied customers

Good service is important to us. Satisfied customers is a key success factor for growing the company and developing our business. Otherwise, we face the risk of slow processes, appeals and negative publicity. We also have a responsibility to contribute to social sustainability and tolerance in society. Our interaction with customers occurs both digitally and directly. Some of our subsidiaries conduct customer surveys.



Stable financial development

Much of our sustainability work is focused on making responsible financial decisions. For our 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 solid creditworthiness corresponding to at least an "A" rating in the Bisnode Soliditet credit rating system.

Risk inventory

Green Landscaping Group has identified the following risks related to the focus area of sound business relations for stable financial development:

- Corruption primarily arises through interaction with suppliers since collaboration with suppliers on the service side often is relationship-based. This is a risk that exists within the purchasing function of all companies belonging to the Group.
- 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.

Fulfillment of strategic goals

GOAL	RESULT	GOAL FULFILL- MENT	COMMENTS
Lowering emissions of CO2 equivalents by five percent each year (base year 2021)	5.2%		The goal is to reduce our emissions of CO2 equivalents by five percent from the level in 2021. Because we are growing the business, the level of emissions in tons is weighted against our sales.
Lower the number of workplace accidents each year/ FTE	-25%		We have a vision of zero workplace accidents and strive to decrease the number each year. In 2021, the weighted statistic fell by 25 percent (from 0.11 to 0.08 accidents/FTE).
Zero tolerance for corruption	0		No cases of corruption were reported or brought to our attention.
At least five new projects each year focused on increasing biodiversity	>50		There were many biodiversity projects during the year at subsidiaries. Examples were the projects to establish new meadows and homes for pollinators, creation/preservation of wetlands, etc.
Three of the participants from the Green Steps program were employed	3		Three of the four participants in Green Steps obtained employment after completing the training.

EU Taxonomy Regulation

The EU taxonomy establishes a classification system or framework that aims to provide companies and investors with a common language to identify whether economic activities can be considered environmentally sustainable. The EU taxonomy provides companies, such as the Green Landscaping Group, with appropriate definitions of which economic activities can be considered environmentally sustainable.

This framework can play a major role in helping EU companies to strengthen sustainable investment, create security for investors by avoiding greenwashing and help companies become more sustainable.

A third-party analysis has been carried out by [CEMASys.se](https://www.cemasys.se), which concluded that some of Green Landscaping Group's activities fall under the scope of the EU Taxonomy Regulation. It has been concluded that the activities covered by the EU Taxonomy Regulation are compliant with the Regulation, as well as the Taxonomy Climate Delegated Act (EU) 2021/2139 for the 2021 financial year and they also meet the requirements that will enter into force for the 2022 financial year.

The company's total sales and green percentage are defined in the KPIs of sales*, CapEx** and OpEx*** below.

Scope

Green Landscaping Group has identified economic activities that fall under the scope of the EU Taxonomy Regulation and the Taxonomy Climate Delegated Act (EU) 2021/2139 based on the list of NACE codes. The next step involved assessing whether the EU Taxonomy activities, as per NACE, were consistent with the Group's own business activities. Based on that, it was concluded that some of the activities of Mark & Miljö Projekt i Sverige AB are covered by the EU Taxonomy Regulation. The economic activity it is involved in is:

7.1 Construction of new buildings (F43)

It accounts for 10 percent of Mark & Miljö's sales, CapEx and OpEx. For Green Landscaping Group overall, it means that 0.2 percent of sales* are covered, 0.0 percent of CapEx** and 0.1 percent of OpEx***. The vast majority of the Group's sales, CapEx and OpEx is thus not covered by the EU Taxonomy Regulation.

	SEK m	Percentage of economic activities covered by the Taxonomy		Percentage of economic activities not covered by the Taxonomy	
		%	SEK m	%	SEK m
Sales	3,181.5	0.2	6.2	99.8	3,175.3
CapEx	451.3	0.0	0.2	100.0	451.1
OpEx	150.0	0.1	0.2	99.9	149.8

*Green Landscaping Group's definition of sales: all revenue for the company during the year.

** Green Landscaping Group's definition of CapEx: Acquisitions of intangible assets and PPE during the period, not including goodwill or new right-of-use assets. It also includes business combinations.

*** Green Landscaping Group's definition of OpEx: Operating and maintenance costs for PPE during the period.

Green percentage

Further analysis was done to determine whether activities covered by the EU Taxonomy Regulation qualify for being classified as green. The criteria for that are that they contribute substantially to one or more of the environmental objectives, do not significantly harm any of the environmental objectives and that the activities can be carried out in compliance with the minimum safeguards of the Taxonomy.



Green Landscaping Group meets those criteria and its Green KPIs are as follows:

- Sales: 0.2%
- CapEx: 0.0%
- OpEx: 0.1%

Green Landscaping Group feels we should be assessed on our activities associated with economic sustainability, smart and environmentally-friendly choices and social engagement, not just the activities that are included in the Taxonomy.

Auditor's report on the statutory sustainability report

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 statutory sustainability report for the year 2021 on pages 26-49 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 April 2022

Grant Thornton Sweden AB

Camilla Nilsson
Authorized Public Accountant

Sustainability work in 2021

There is a great deal of commitment and enthusiasm for sustainability at the subsidiaries.

Here are a few examples of activities and initiatives.

Reduction of emissions

Fossil-free vehicles

Akerhusgartneren AS in Oslo has invested in an emission-free electric excavator. There are clients who prefer emission-free machinery and transports.

Thus far, the evaluation shows that the excavator is suitable for lighter tasks, but there are challenges with keeping it charged and efficiency.





Stormwater management

In the design of many new buildings, solutions on how to manage heavy rainfall are an important aspect. Green Landscaping Malmö has been contracted by a housing cooperative in central Malmö to help them find solutions for dealing with the recurrent problem of basement flooding at a century-old residential building.

Basins for stormwater collection have been built, 1.5 meters in depth, at the center of the two courtyards. Now, all of the runoff from the gutters and above-ground pipes is collected there. Around the courtyards, containers have also been set up, each with a capacity for 1 cubic meter of water. When they are full, the overflow runs into the basins as well. Other improvements planned at the property are to build a new bike shed and install a sedum roof (which will also absorb water and help prevent flooding).

Biodiversity

Establishing new meadows and a home for pollinators

Most people are aware of how important insects are to the ecosystem and the crucial role that insects play as pollinators. As much as 90 percent of wild plants are, at least partially, dependent on pollinators for propagation. The plants, in turn, are a source of food and protection for many wild animals. Without pollinators, we would not have a functioning, stable ecosystem.

At Staffanstorp, Green Landscaping Skåne has collaborated with the municipality on establishing new meadows and a home for pollinators on plots with poor soil conditions. Sand and bulky organic matter has been used to improve the clay soil so that flowers and other plants can thrive there. The project is still ongoing and the final results are not yet available.





Sustainable company strategy

During the fall, Markservice STHLM completely revised its company strategy, based on sustainability as a fundamental value.

Many of the company's employees have been involved in the work of creating the new sustainable business strategy. In collaboration with new and existing customers, they have focused on the sustainability of both products and services.

Biodiversity Meadow mowing

Markservice STHLM has been contracted by Tumba Municipality for meadow mowing using a method that promotes biodiversity. The method involves using special mowing machinery with toothed mower blades.





Organic products

Eco gravel

ECO-Binder is a special binding powder that is being marketed by Västsvensk Markservice.

It is a chemical-free product that is 100% from psyllium seeds. The binding powder is mixed with gravel and water and used as an organic top coat for creating attractive surfaces that are durable and easy to maintain. It can be used instead of asphalt and is much more environmentally friendly.

Efficient transports

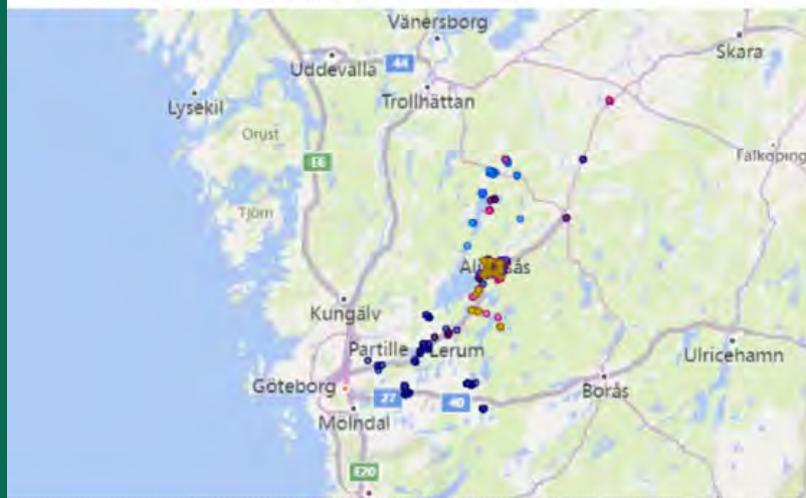
Digitized planning and evaluation

Digitalization efforts have been underway in Gothenburg since 2021. GPS trackers have been installed on our vehicles to collect data that can be used to schedule and coordinate our transports and thereby make them more efficient.

The type of data gathered is the amount of time spent at a site and transport time. It is then tracked and used for minimizing our transports and using our vehicle fleet in the most efficient way possible.

Till Maskingatan	
Startadress	Starttid
SE, 441 30 Alingsås, Kungsgatan	2021-04-06 05:01:45
SE, 441 31 Alingsås, Norra Strömgatan	2021-04-06 08:06:49
SE, 441 30 Alingsås, Drottninggatan	2021-04-06 09:20:32
SE, 441 30 Alingsås, Drottninggatan	2021-04-06 09:20:32
SE, 441 30 Alingsås, Drottninggatan	2021-04-06 09:20:32
SE, 441 30 Alingsås, Drottninggatan	2021-04-06 09:20:32
SE, 441 36 Alingsås, Kometgatan	2021-04-06 09:20:32
SE, 441 36 Alingsås, Kometgatan	2021-04-06 09:20:32
SE, 441 36 Alingsås, Vintergatan	2021-04-06 09:20:32
SE, 441 36 Alingsås, Kometgatan	2021-04-06 12:51:50
SE, 441 36 Alingsås, Kometgatan	2021-04-06 15:16:02
SE, 433 38 Partille, Gamla Kronvägen	2021-04-06 05:01:45

37J ● MYL950 ● PGK152 ● WNE98N ● YHB51B ● ZCA780



Körsträcka

Export Till Maskingatan

Export Från Maskingatan

Green Academy

Skill development

Green Landscaping Group strives to be an inclusive employer and the obvious choice in our sector. We want to attract and retain the best talent, along with creating opportunities for development for our employees. We also continually strive to ensure that our employees have the right expertise required for the Group's own processes while simultaneously meeting all legal requirements. This is a key success factor for winning major public sector tenders.

In 2021, the leadership program was once again offered and approximately 90 participants from our subsidiaries completed the training.

Board training was also offered for some of the subsidiary Board members in regions Middle and South.

Green Academy has been discontinued at the Group level however, which is in line with our strategy of decentralization.

Responsibility for skill development and promoting learning is thus now at the subsidiary level. Some higher level training might still be offered by the Group in the future however.



Green Steps

Integration program

Green Steps is an initiative of the Green Landscaping Group to demonstrate that it is possible to create win-win situations for taking social responsibility in collaboration with society and individuals.

In 2020, unemployment was more than five times higher for people with a low education compared to those who had at least three years of post-secondary education. Almost one in every four (22.7%) with only pre-secondary education were unemployed and it is primarily foreign-born individuals who are low-educated. Of the 456,000 unemployed persons (16-74 years old) registered with the Swedish Public Employment Service in December 2020, a total of 38% had been unemployed more than 1 year and 20% more than 2 years.* Of all unemployed persons 20-64 years old (16-74 years old)** with only pre-secondary education, slightly more than 83% were foreign-born*. For foreign-born individuals with only pre-secondary education, unemployment was (2020) 40.1%***.

This is the main target group for Green Steps.

For each person who transitions from unemployment benefits to gainful employment, society saves around SEK 342,000/year. And for the individual, it means extra income of around SEK 50,400/year**. For those who are in the establishment phase or receiving income support, the societal benefits are much higher. If we make a conservative calculation that, on average, it takes eight years (49.9% after 8 years***) for each new immigrant with only pre-secondary education to gain employment, each non-employed person costs SEK 2.7 million.

The program focuses on new immigrants and long-term unemployed who lack meritorious education or work experience.

After a short internship period, employment is in the form of a trainee program that stretches over 24 months.

The participant receives contractual salary throughout the entire training (currently, the minimum is SEK 22,600/month).

The goal is for the participants to become validated and certified to work in our sector (YB1 certification or BAS).

The program started up in 2018 and it has been successful. It has generated the following effects:

PARTICIPANT	GREEN	MUNICIPALITY	SOCIETY
Obtains employment at a fixed salary of at least SEK 22,600/month (fixed-term) with a trained supervisor for "on-the-job" learning.	Ensures the supply of skilled employees.	Tax revenue.	Lower costs.
Paid external and internal training, based on need.	Obtains financial support during the training period.	Less income support.	Less exclusion
Validation of achieved skill levels leading to certification	Establishes channels for procurement and opportunities to influence certain evaluation criteria, such as skill requirements and social considerations.		Sustainability.
Provides immigrants with opportunities to develop their Swedish language skills.	Greater understanding for multicultural society.		Sustainability.
Opportunities to advance within the company and in working life in general with verified skills and expertise.	Goodwill and over time, increased competitiveness.		

Sources:

*Arbetslöshetsrapporten 2021 (SCB, AKU), report from Statistics Sweden on unemployment

** The age span in the 2021 report was changed from that used in the 2019 report.

*** Ekonomifakta (SCB) Arbetslöshet - utrikefödda (2021), report from Statistics Sweden on unemployment among immigrants



Green Steps is an initiative of the Green Landscaping Group to demonstrate that it is possible to create win-win situations for taking social responsibility in collaboration with society and individuals.

Results in 2021

There are currently 12 participants in the Green Steps program.

Of the four participants who completed the program in 2021, three have obtained employment.

Region Middle has been most active with Green Steps during the year by creating a training program for participants in collaboration with the City of Gothenburg and Region Västra Götaland. The training started in January 2021 and it has been extended until April 2022. The goal for 2021 was to validate 16 people. It was not achieved though, due to pandemic restrictions that limited training opportunities.

In Region Middle, now that the restrictions have eased, the aim is to complete the validation in 2022.



Digitalization

Green Landscaping's efforts to integrate the use of more digital tools into the business continue. The results thus far are good and there is still much potential. In 2021, the pilot projects that started up in 2020 were evaluated and several have been integrated into the daily routines at the companies where the projects were run. With modern tools, we can optimize our use of resources and deliver a higher level of quality in the services we provide. It also helps us lower the environmental impact.

Mobile apps generate value-added

The shift to use of digital tools is happening at a rapid pace, which we can see in the multitude of apps now available in mobile devices like phones and tablets, for example. They are being used for time-reporting, maintenance and inspection checks at properties and playgrounds, error reporting, improvement suggestions, etc.

Many of our companies are on the cutting edge when it comes to meeting our customers' requirements for digital solutions in procurements, both by using commercially available services but also by being able to create customized apps, tailored to each customer and the scope of each assignment.

Robotic Process Automation (RPA) is used to create documentation, such as reports once the work in the field has been completed. The reports are generated automatically, without our employees needing to spend any additional time in the office on this task. It facilitates quick, direct feedback both internally and to the customer, which generates added value and a customer connection that is difficult to achieve with standard solutions.

The apps can also be integrated with other processes in the organization, such as our ERP system. This enables improved follow-up of projects with BI tools.

GIS maps

In 2021, several of the companies that focus on ground maintenance completed the work of having GIS maps linked to all of their customer projects. Obtaining an overview of where our projects are geographically situated facilitates opportunities for analyzing and optimizing how work is allocated between different groups. It also makes communication with customers and communication within the Group easier.

Sensor data

Using GPS technology is an important part of our business. We have devices installed on our vehicles and in other tools and machinery. GPS data is an important tool in the digitalization effort. For example, the positional data that we collect can be used with GIS maps of our projects to follow up on the work that has been completed. In 2021, we continued using this technology to become better at following up on our work. GPS data is increasingly being used as the basis for documentation to our customers on services performed, such as street cleaning, snow and ice removal and mowing.

Robotization

Several companies within the Group deliver services where robots perform some of the mowing tasks. We collaborate with leading suppliers to find solutions and have identified many areas where we believe it will be possible to use robots to some extent for the services we offer to our customers. It will enable us to free up staff for the tasks that robots are unable to perform, such as trimming, edging and weeding. Property management companies, football clubs and golf courses are particularly relevant customer segments for this.

Green Landscaping Group is continuing its involvement in research projects on how self-driving vehicles can be used in our other operations, such as snow and ice removal.

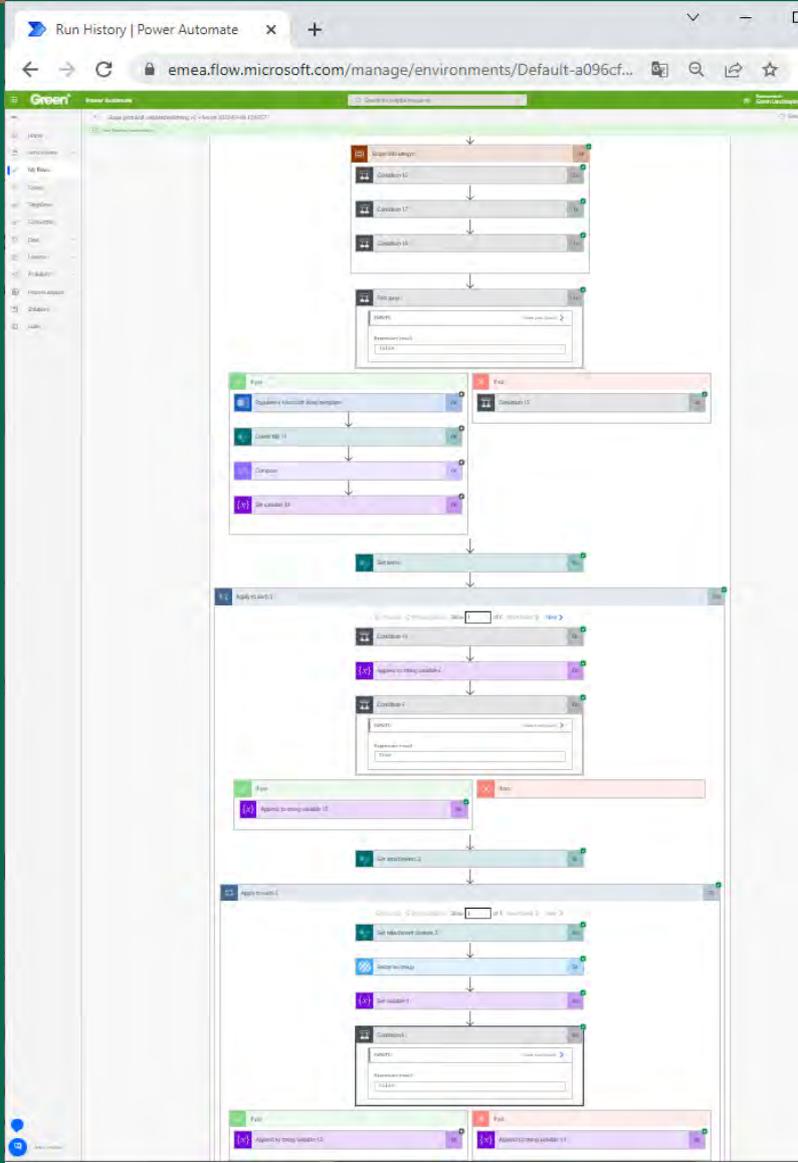
The road ahead

We continue evaluating new products and services at the rate that technology matures in the areas where our companies do business. One example is the use of weather data to help us plan and perform certain activities, such as snow and ice removal. Another is using sensors out in the field to better plan our projects and the daily work. Route planning is just one example. The availability of data for different AI services is also rapidly evolving. Pilots where we use these techniques in our calculation work are in progress.



The use of mobile apps makes planning and follow-up of the daily tasks easier for the workers out in the field and their managers.

We use Robotic Process Automation (RPA) for such things as generating and distributing various types of documentation to customers. It saves time for our staff and also improves document quality.





Green Landscaping stock

Green Landscaping’s stock 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 31 December 2021, share capital amounted to SEK 3,738,721, allocated to a total of 52,658,037 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.

Trading in Green Landscaping stock

The closing price on the last day of trading, 30 December 2021, was SEK 88.00, corresponding to market capitalization of just over SEK 4.6 billion. In total, 17,204,997 shares were traded during the year, corresponding to a value of approximately SEK 1,300 million. The average number of shares sold per trading day was 68,004. A repurchase of shares occurred during the year. The AGM’s authorization to issue new shares was also implemented.

Shareholders

As of 31 December 2021 there were 4,370 known shareholders. The Group’s ten largest owners accounted for 62.2 percent of the share capital and votes. Byggmästare Anders J Ahlström Invest AB was the largest single shareholder, with 18.6 percent of the shares.



During the trading day 2018-03-23 and 2018-06-08 2,9 respective 10,1 million shares was traded.

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 strategy for the future

3 ORGANIC GROWTH WITH SUPPORT FROM STRUCTURAL MARKET TRENDS

- A stable market (not cyclical) fueled by favorable trends

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

- We create green cities
- Contribute to safer outdoor environments and biodiversity
- Continuously striving to lower our CO2 emissions

Largest shareholders as of 30 December 2021	No. of shares	% of equity
Byggmästare Anders J Ahlström Invest AB	9,780,123	18.6%
Salén family via company	8,432,298	16.0%
Johan Nordström via company	3,794,887	7.2%
AP3, Third Swedish National Pension Fund	2,143,750	4.1%
AFA Försäkring	1,895,458	3.6%
Per Sjöstrand via company	1,816,107	3.4%
Capital Group	1,644,000	3.1%
Paul Gamme via companies	1,131,645	2.1%
Pensum Asset Management AS	1,102,200	2.1%
Formmica Capital AB	1,074,651	2.0%
Total, 10 largest shareholders	32,815,519	62.2%
Other shareholders	19,842,518	37.8%
Total	52,658,037	100%

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.

Swedish Code of Corporate Governance

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

Green Landscaping Group AB applies the Swedish Code of Corporate Governance and there were no deviations from the Code in 2021.

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. We achieve sustainable development via our work with continual improvements, long-term customer relationships, skilled employees and planning of our operations.

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

The Board of Directors and CEO have ultimate responsibility for sustainability efforts within the Group. However, they have delegated some of that responsibility to the various subsidiaries. The Sustainability Report for Green Landscaping Group is presented on page 26-49 of the 2021 Annual Report.

Share capital and shareholders

Share capital amounts to SEK 3.7 million, allocated to a total of 52,658,037 shares with a quotient value of SEK 0.071. At the end of 2021, Green Landscaping had 4,370 known shareholders. At year-end, the 10 largest shareholders controlled 62.2 percent of the share capital. The 3 largest owners were: Byggmästare Anders J Ahlström Invest AB (18.6%), Staffan Salén and family via Westindia AB (16.0%) and CEO Johan Nordström via Johan Nordström Invest AB (7.2%). Just over 20 percent of the share capital and votes are owned by employees of the Group (including the CEO).

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

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

The stock is listed on Nasdaq Stockholm Mid Cap. For more information on the Green Landscaping stock and shareholders, please see pages 57-58.

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

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

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 2021 AGM resolved, among other things, on the establishment of an incentive program 2021-2024, 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 2021 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:

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

The Nomination Committee bases its work on the Swedish Code of Corporate Governance 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 6 ordinary members elected for the period until the end of the next AGM.

Of the six Board members elected by the AGM, five of them are independent in relation to the company and its senior executives. Accordingly, there is compliance with the Code in that the majority of the members are independent of the company and its senior executives and at least two of these members are also independent of major shareholders. The CEO is the only Board member involved directly in the company's operations. More information on the members of the Board of Directors is provided on pages 66-67.

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

In accordance with the Swedish Companies Act, the Board of Directors has established a written rules of procedure for its work, which is evaluated, updated and re-established annually. The Board meets regularly according to a program

established in the Rules of Procedure that contains certain fixed decision items and other matters to be taken up, when necessary.

Work done by the Board in 2021

- The following acquisitions were made during the year: OK Hage AS, EF Drift AS, Håkans Trädgårdstjänst AB, Viher-Pirkka Oy, Utemiljö Skellefteå AB, Hermansen Maskin AS, Håkonssen og Sukke AS and Viherpojat Oy
- Adoption of the interim reports and annual report
- Decision to carry out a targeted new share issue
- Annual strategy day with management
- Refinancing
- Internal control

Remuneration to the Board of Directors

The 2021 AGM resolved that the fees paid to the Board of Directors through the next AGM shall amount to SEK 750,000, of which SEK 250,000 to the Chairman of the Board and SEK 125,000 to each of the ordinary Board members, except for the company's CEO, Johan Nordström. The AGM also resolved that a fee of SEK 75,000 shall be paid to the Chairman of the Audit Committee. Otherwise, no fees are paid to members of the Board's committees.

Evaluation of the Board

To ensure and develop the quality of the work done by the Board, an evaluation of its efforts as a whole and of its individual members is carried out annually, under the Chairman's leadership. 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 set up an Audit Committee, which, from May through November consisted of the following members: Åsa Källenius and as of December, the entire Board except for CEO Johan Nordström. The Audit Committee shall, without it impacting the Board's responsibilities and tasks in general, among other things, monitor the company's financial reporting, monitor the effectiveness of the company's internal control, internal audit (if such function is established in the future) and risk management, keep informed about the audit of the annual report and the consolidated financial statements and on the conclusions of the Swedish Inspectorate of Auditors' quality control.

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

Remuneration Committee

The Board has set up a Remuneration Committee, consisting of the entire Board except for the CEO. 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.

Director	Position	When elected	Independent of the company and major shareholders	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	1/6	1/1
Johan Nordström	Director, CEO	2015	No	Yes	8/8	-	-
Staffan Salén	Director	2018	Yes	No	8/8	1/6	1/1
Åsa Källenius	Director	2018	Yes	Yes	8/8	6/6	1/1
Monica Trolle	Director	2018	Yes	Yes	8/8	1/6	1/1
Tomas Bergström	Director	2020	Yes	No	8/8	1/6	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 2020 AGM, the following guidelines for remuneration to senior executives were decided.

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

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

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

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

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

In the event of termination by the company, the period of notice for all senior executives shall be a maximum of 12 months with

the right to severance pay after the end of the notice period corresponding to a maximum of 100 percent of the fixed salary for a maximum of 12 months, i.e. fixed salary during the period of notice and severance pay for the senior executives shall not exceed 24 months of the fixed salary amount. As a general rule, any right to severance pay shall decrease in situations where remuneration during the current period is received from another employer.

In the event of termination by the executive, the period of notice shall normally be 6 months for the CEO and 3-6 months for other senior executives.

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

Incentive programs

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

2019/22. With full utilization of the program, a total of 781,100 shares will be issued, which would have a maximum dilutive effect of approximately 1.5 percent. The subscription price for shares that are subscribed to via the warrants is SEK 37.90 per share. The premium per warrant, which has been calculated in accordance with the Black & Scholes model amounted to SEK 5.19. Subscription of shares may occur during the period 16 March 2022 through 7 June 2022. With full utilization of the warrants, the Company's share capital will increase by SEK 55,458.

2020/23. With full utilization of the program, a total of 593,850 shares will be issued (after the rights issue), which would have a maximum dilutive effect of approximately 1.1 percent. The subscription price for shares that are subscribed to via the warrants is SEK 27.90 per share. The premium per warrant, which has been calculated in accordance with the Black & Scholes model amounted to SEK 2.70. Subscription of shares may occur during the period 22 March 2023 through 16 June 2023. With full utilization of the warrants, the company's share capital will increase by SEK 42,163.

2021/24. With full utilization, a total 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 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.

The rights issue carried out in 2020 affects the number of shares that each warrant entitles the holder to, along with the subscription price of issued warrants. One warrant entitles the holder to 1.07 shares and the new subscription prices for 2019/22 are SEK 37.90 (40.70) and for 2020/23: SEK 27.90 (29.90).

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).

The Board's report on internal control over financial reporting

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

The company has not established any special function for internal control. Instead, the Board of Directors as a whole

performs that task. Internal control includes control of the company's organization, procedures and measures. The purpose is to ensure that reliable and accurate financial reporting takes place, that the company's and the Group's financial reporting is prepared in accordance with law and applicable accounting standards and that other requirements are complied with.

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

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

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

Control environment

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

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

Each local unit is organized as a subsidiary with its own board and CEO that has responsibility for managing the local operations according to guidelines and instructions from the Group level. The regional manager is the Chairman of the

Board for companies in the region. There is also an owner representative from Green Landscaping Group at each subsidiary, along with one or more additional Directors, such as, for example one of the other regional managers, CEOs of other subsidiaries or other external parties. In addition to the internal follow-up and reporting, the company's external auditors report to the CEO and Board of Directors during the financial year.

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

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

Risk assessment and control activities

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

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

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

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 and press releases.

Follow-up

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

Board of Directors



Per Sjöstrand

Chairman of the Board since 2012.

Born in 1958.

Other ongoing assignments:

Chairman of the Board for Instalco AB (publ), Fasadgruppen AB (publ) and Ählin & Ekeröth AB.

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:

1,816,107 shares (via company).



Johan Nordström

CEO since 2015 and Board member since 2018.

Born in 1965.

Other ongoing assignments:

Board member for several of Green Landscaping Group's subsidiaries.

Experience: More than 20 years of experience from leading positions at several companies with international operations. He has been the CEO of Green Landscaping Group since 2015 and prior to that, he was Chairman of the Board for Car-O-Liner Group AB. Studies in business administration and economics at Lund University and Gothenburg University and an MBA from Copenhagen Business School.

Holdings in Green Landscaping Group AB:

3,794,877 shares (via company).
73,000 warrants 2019/22.
82,981 warrants 2020/23.
24,500 warrants 2021/24.



Tomas Bergström

Board member since 2020.

Born in 1971.

Other ongoing assignments:

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

Experience: More than 20 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 Ernehölm Haskel and associate at Enskilda Securities. M.Sc. in Business and Economics from the Stockholm School of Economics.

Holdings in Green Landscaping Group AB:

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Represents 9,780,123 shares owned by Byggmästare Anders J Ahlström Invest AB.



Åsa Källenius

Board member since 2018

Born in 1967.

Other ongoing assignments:

CFO at Mekonomen AB along with Board assignments at subsidiaries, Board member of SinterCast AB and Cinis Fertilizer AB, Deputy Board member at Källenius Invest AB, KAAX Investment AB with subsidiaries, Scylla and Charybdis AB, and ANNMAKA AB.

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:

60,590 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 Aktieföretag (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 Aktieföretaget 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:

8,432,298 shares (via company).



Monica Trolle

Board member since 2018

Born in 1965.

Other ongoing assignments:

Manager Facility & Real Estate at Tetra Pak North Europe.

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

Holdings in Green Landscaping Group AB:

35,590 shares

Management



Johan Nordström

CEO since 2015

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



Carl-Fredrik Meijer

CFO since 2015 and Head of IR since 2018. Head of M&A since 2013.

Born: 1980

Other ongoing assignments:

Chairman of the Board and member of the Board of Directors at several of the Green Landscaping Group subsidiaries.

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:

293,792 shares
28,416 warrants 2019/22.
40,000 warrants 2020/23.
29,500 warrants 2021/24.



Jakob Körner

from Lund University.

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

**Holdings in Green Landscaping
Group AB:**

229,509 shares
60,891 warrants 2019/22.
30,000 warrants 2020/23.
34,500 warrants 2021/24.



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:**

215,000 shares
18,000 warrants 2019/22.
20,000 warrants 2020/23.
9,800 warrants 2021/24.

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 2021 on pages 58-69 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 April 2022

Grant Thornton Sweden AB

Camilla Nilsson
Authorized Public Accountant

Remuneration report

Introduction

This report describes the guidelines for remuneration to senior executives in Green Landscaping Group AB (publ) that were adopted at the 2021 Annual General Meeting and how they were applied during the financial year 2021. The report also contains information on remuneration to the CEO and a summary of the company's outstanding share-based incentive programs. The report has been prepared in accordance with the Swedish

Companies Act and the Rules on Remuneration of the Board and Executive Management and on Incentive Programmes issued by the Swedish Corporate Governance Board.

Further information on executive remuneration is available in Note 6 (Employees and employee benefit expenses) on page 98 in the 2021 Annual Report. Information on the work of the Remuneration Committee in 2021 is set out in the Corporate Governance Report available on pages 59-70 of the 2021 Annual Report.

Remuneration of the board of directors is not covered by this report. Such remuneration is resolved annually at the AGM and it is reported in Note 6 on page 98 of the 2021 Annual Report.

Key developments in 2021

The CEO summarizes the company's overall performance in his statement on pages 6-7 of the 2021 Annual Report.

The company's remuneration guidelines: scope, purpose and deviations

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company can recruit and retain qualified personnel. To this end, the company must offer competitive remuneration. The company's remuneration guidelines enable the company to offer executives a competitive total remuneration.

Under the remuneration guidelines, executive remuneration shall be on market terms

and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. Variable salary shall be paid in cash and be based on the outcome in relation to performance targets and coincide with the shareholders' interests. Variable salary shall correspond to a maximum of 50 percent of the fixed annual salary for the CEO. The criteria shall be designed in a way that promotes the company's business strategy and long-term interests, including its sustainability, by, for example, having a clear connection to the business strategy or promoting the executive's long-term development.

The guidelines are detailed on pages 62-63 of the 2021 Annual Report. During 2021, the company has complied with the applicable remuneration guidelines adopted by the general meeting. No deviations from the guidelines have been decided and no derogations from the procedure for implementation of the guidelines have been made. The auditor's report regarding the company's compliance with the guidelines is available at www.greenlandscapinggroup.se. No remuneration has been reclaimed.

Executive	1. Fixed remuneration		2. Variable remuneration***		3. Extraordinary items	4. Pension expense	5. Total remuneration	6. Proportion of fixed and variable remuneration
	Basic salary*	Other benefits**	One-year	Multi-year				
Johan Nordström, CEO	2,401	5	0	0	0	702	3,109	100/0

* Including vacation pay of SEK 52 thousand

** Refers to healthcare insurance *** Refers to bonus paid out during the year.

Share-based remuneration

The company has warrants schemes for key people in the company.

The premium is set at the market price using Black & Sholes.

Name of the executive (position)	1. Name of plan	2. Performance period	3. Award date	4. Vesting date	5. End of retention period	6. Warrants held at beginning of the year	7. Awarded during the year	8. Vested during the year	9. Subject to performance conditions	10. Awarded and unvested at year end
Johan Nordström, CEO	LTIP 18/21	2018-2021	2018-03-22	2021-03-23	2021-03-23	334,544	0	0	0	0
	LTIP 19/22	2019-2022	2019-06-17	2022-05-16	2022-05-16	73,000	0	0	0	73,000
	LTIP 20/23	2020-2023	2020-06-18	2023-05-22	2023-05-22	82,981	0	0	0	82,981
	LTIP 21/24	2021-2024	2021-06-30	2024-06-12	2024-06-12	0	24,500	0	0	24,500
Total										180,481

Application of performance criteria

The performance measures for the CEO's variable remuneration have been selected to deliver the company's strategy and to encourage behavior which is in the long-term interest of the company. In the selection of performance measures, the strategic objectives and short-term and long-term business priorities for 2021 have been taken into account.

Executive	1. Description of the criteria related to the remuneration component	2. Relative weighting of the performance criteria	3. Measured performance (a) and actual award/remuneration outcome (b)
Johan Nordström, CEO	Earnings	-	-/-
	Soft parameters*	-	-/-

*Soft parameters refers to behavior that creates value over the short and long term, such as company acquisitions, the ability to recruit and retain employees, working capital and cash flow, as well as behavior and activities that promote the Green culture. The soft parameters can change from one year to the next.

Comparative information on the change of remuneration and company performance

Annual change	IS 2017 vs 2016	IS 2018 vs 2017	IS 2019 vs 2018	IS 2020 vs 2019	IS 2021 vs 2020	IS 2021
Remuneration to the CEO	+17 (+1%)	+284 (+9%)	-111 (-3%)	+443 (-13%)	-623 (-17%)	3,109
The Group's operating profit	+16,500 (+183%)	-21,800 (-85%)	+24,900 (+673%)	+30,000 (+105%)	+96,900 (+165%)	155,500
Average remuneration for full-time employee of the Group	-93.1 (-17%)	+175.6 (+37%)	-71.3 (-11%)	-15.4 (-3%)	+57.5 (+10%)	616



GREEN LANDSCAPING GROUP AB

Financial statements





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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 2021. The annual report has been prepared in SEK. Unless otherwise stated, all amounts are SEK million.

Operations

Green Landscaping Group AB works with outdoor environments and infrastructure. Through its subsidiaries, it offers the Nordic region's most comprehensive service portfolio on the market, aimed at making outdoor environments more sustainable and safe.

Our business concept is to improve the customer's outdoor environment by offering services that focus on high customer value, long-term sustainability and quality. The Group has around 1,600 employees and annual sales of approximately SEK 3.2 billion.

The company's stock is listed on Nasdaq Stockholm and the ticker symbol is GREEN. The Parent Company's operations are to, directly or indirectly, itself or via its subsidiaries, run land and property operations, maintenance and contracting activities, along with owning and immovable and movable property.

Organization

As of 2021-12-31, the organization consisted of 38 operating subsidiaries and business units focused on creating and maintaining outdoor environments for property owners.

The Group is gathered under six geographic segments: Region South, Region Mid, Region Stockholm, Region North, Region Norway and Region Finland.

As of 2021, segmentation has been updated so that it better reflects how the Group is managed and monitored. Region West has changed its name to Region Mid. Region East has changed its name to Region Stockholm. The prior Region Mid has become part of Region North and Norway has become a new region of its own. With our expansion into Finland in 2021, Finland has been added as a new region of its own as well.

Holdings of own shares

A repurchase of own shares was carried out during the year for a total of SEK 30.0 million based on authorization granted by the AGM on 19 May 2021. 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 M11 and page 116 for more information on Green Landscaping Group AB's stock.

Share capital

As of 31 December 2021, share capital amounted to SEK 3,738,721, allocated to 52,658,037 shares with a quotient value of SEK 0.071.

Ownership

Green Landscaping Group AB had 4,370 known shareholders as of 30 December 2021. The three largest owners are Byggmästare Anders J Ahlström Invest AB (publ) with 18.6 percent, Staffan Salén and family (via company) with 16.0 percent and Johan Nordström (via company) with 7.2 percent.

Together, the 10 largest owners hold 62.2 percent of the company's shares.

Quality and environment

Green Landscaping Group AB continually strives to be a climate-neutral company. Environmental issues are an integral part of all activities, which includes project planning, purchasing, production and choice of vehicle. The Group's environmental commitment should serve as a reason for customers choosing Green Landscaping Group AB as a partner or contractor.

Green Landscaping Group AB'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 also a demand from its key customers.

Having a quality management system is an important part of quality and environmental efforts. Some 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 26-49 of this document.

Corporate Governance Report

Green Landscaping Group AB's Corporate Governance Report is presented on pages 59-70 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 for the period was 1,623, compared to 1,237 employees during the same period last year.

Guidelines for remuneration to senior executives

At the 2020 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 Group.

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 Group's risk profile, may not exceed the amount of fixed remuneration.

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

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

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

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

In the event of termination by the executive, the period of notice shall normally be 6 months for the CEO and 3-6 months for other senior executives.

For the 2022 AGM, no major changes have been proposed to principles for remuneration and other terms of employment for senior executives.

For more information on remuneration to senior executives, please see the Corporate Governance Report, which is presented on pages 59-70.

Significant events during the financial year

In line with the Group's strategy of consolidating the market for outdoor environments in the Nordic region, Green Landscaping Group AB took its first steps to establish the business in Finland during the year. In total, three company acquisitions were made in Finland during the year. In Sweden, another two companies joined Green Landscaping Group AB during the year. In Norway, five companies joined the Group during the year.

During the second quarter, a rights issue of SEK 150.0 million (before transaction costs) was carried out. The capital injections provide Green Landscaping Group AB with the means of, at an even quicker rate, being able to realize the strategy.

Initially, the COVID-19 pandemic had a slight negative impact on the business. There were, for example, fewer meetings with customers and clients, resulting in fewer orders and delays in some of our projects. On the operational side, we adapted to the situation in order to create a safer work

MULTI-YEAR OVERVIEW (SEK million)

	2021	2020	2019	2018
Sales	3,181.5	2,134.7	1,992.6	1,180.1
EBITA	231.9	101.1	57.2	17.9
Equity	895.7	468.4	219.3	202.8
Balance sheet total	3,171.2	2,012.1	1,364.6	1,278.1
Average number of employees	1,623	1,237	1,245	598

environment and things are working smoothly. During the latter part of the year, the impact of the pandemic lessened. The pandemic also affected logistic chains, resulting in delays of material deliveries and higher transport costs. The subsidiaries found solutions, however, which lessened the impact of this, too.

Sales and earnings

Sales for the year amounted to SEK 3,181.5 (2,134.7) million, which is an increase of 49.0 percent. EBITA amounted to SEK 231.9 (101.1) million. Amortization of intangible assets was SEK 76.4 (42.5) million. Net financial items amounted to SEK -33.6 (-9.2) million. Profit for the year was SEK 91.8 (37.5) million.

Order backlog

At the end of the year, order backlog was SEK 5,125 (4,434) million. The volume of our order backlog has increased compared to last year, primarily due to the Group having grown by adding several new companies.

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 amounted to SEK 895.7 (468.4) million, which corresponds to an increase of SEK 427.3 million compared to 2020-12-31. A repurchase of own shares was carried out during the year for a total of SEK 30 million based on authorization granted by the AGM on 19 May 2021. They were then used as a means of payment for acquisition of subsidiaries.

Cash and cash equivalents amounted to SEK 352.2 (116.7) million.

Cash flow, investments and depreciation/amortization

Consolidated cash flow from operating activities was SEK 174.5 (192.8) million. The year's net investments were SEK -31.7 (-55.9) million, which consisted primarily of machinery, vehicles and tools used in operations. Depreciation of property, plant and equipment during the year was SEK -113.6 (-100.2) million. Amortization of intangible assets during the year was SEK -76.4 (-42.5) million.

Acquisitions and investments

Nine acquisitions were made in 2021 – Akershusgartneren AS, OK Hage AS, EF Drift AS, Håkans Trädgårdstjänst AB, Viher-Pirkka Oy, Utemiljö Skellefteå AB, Hermansen Maskin AS, Håkonssen og Sukke AS and Viherpojat Oy. See Note 12 for more information on the acquisitions.

Share premium reserve	905,682,636
Retained earnings	-81,655,454
Profit (loss) for the year	-210,560,565
Total	613,466,618

The Board proposes that:

Carried forward 613,466,618

Green Landscaping Group AB continually invests in property plant and equipment in the form of machinery and vehicles. In addition, the Group has also made smaller investments in such things as IT development and digitization of processes.

Appropriation of earnings

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

Share premium reserve	905 682 636
Retained earnings	-81 655 454
Profit for the year	-210 560 565
Sum	613 466 618

The Board proposes that:

Carried forward	613 466 618
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Risks and uncertainties

Risks and uncertainties

Operational risks

Operating activities involve several risk factors that could impact the company's business and financial position. The risks are primarily associated with operating activities such as 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.

Tendering

Green Landscaping 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 AB 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.

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 company'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, which leads to a demand for services in planning and constructing parks and outdoor environments.

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

Risks related to continued expansion through acquisitions

Green Landscaping Group AB pursues an active acquisition strategy and, going forward, a large part of Green Landscaping Group AB's growth is expected to consist of both strategic and opportunistic acquisitions, aimed at, for example, 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 acquisition might be incorrectly assessed and have a negative impact on both value and future prospects, along with unexpected costs arising from such things as miscalculations or failures in meeting claims on the seller's performance of contractual obligations. There is also the risk of a costly or unsuccessful integration process in conjunction with the acquisition. An unsuccessful integration in the form of, for example, quality problems in the acquired company could damage the reputation of the entire Group.

Large future acquisitions could also diminish Green Landscaping Group AB'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.

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

Weather and seasonal variations

Operations are affected by seasonal variations. The service

offering also varies with each season. During the summer, a full range of ground maintenance services is offered such as cleaning, lawn mowing, pruning, planting, harvesting and road maintenance. Also offered is a wide assortment of planning and construction services for creating outdoor environments. During winter, there is a high volume of snow and ice removal services. Project activities are also carried out during winter, weather permitting. Sales and earnings in any given quarter are affected by the season. For Green Landscaping Group AB's operations, the first quarter of the year is low season. Sales are lower then, which has a negative impact on earnings. The level of activity increases starting in April through December.

Financial risks

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

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

Refinancing risk

Refinancing risk is the risk that financing cannot be obtained or renewed upon maturity, or that it can only be obtained or renewed at a significantly higher cost. The 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 AB operates in an industry where disputes with both clients and subcontractors arise.

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

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

Insurance risks

There is a risk that losses associated with damages could arise and that claims exceed what is covered by applicable insurance cover. And, even if such a claim is fully covered by the 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.

Conflict between Russia and Ukraine

Green Landscaping Group does not have any operations in either Russia or Ukraine, but it could be indirectly impacted by the war. The situation creates uncertainty in logistic chains for vehicle and material supply, inflation expectations and customer behavior. Thus far, we have not noticed any impact on the business. At both the Group and subsidiary levels, there have been initiatives to help Ukraine. However, the costs of those initiatives have not significantly impacted the Group's earnings potential or its financial position.

Expected future growth and development

Green Landscaping Group AB'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	2021	2020
Net sales	4	3,139.1	2,112.9
Other operating income		42.4	21.8
Total income	5	3,181.5	2,134.7
Operating costs			
Direct costs of goods and services sold		-1,394.2	-892.3
Other external costs	7	-295.4	-187.2
Employee benefit expenses	6	-999.5	-757.6
Other operating expenses	32	-147.0	-96.2
Depreciation of PPE	15.17	-113.6	-100.2
Amortization of intangible assets	14	-76.4	-42.5
Operating profit (loss)		155.5	58.6
Profit (loss) from financial items			
Financial income	8	0.7	14.6
Financial expenses	8	-34.3	-23.8
Total income from financial items		-33.6	-9.2
Profit (loss) after financial items		121.9	49.4
Tax	9	-30.0	-11.9
PROFIT (LOSS) FOR THE YEAR		91.8	37.5
Other comprehensive income			
Items that have been transferred or can be transferred to profit for the year			
Translation gains or losses		44.2	-15.6
COMPREHENSIVE INCOME FOR THE YEAR		136.1	21.8
Earnings per share			
Basic earnings per share, SEK	10	1.84	0.90
Diluted earnings per share, SEK	10	1.81	0.89

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

Consolidated statement of financial position

SEK m	Note	2021-12-31	2020-12-31
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	12,14,16	1129.6	748.3
Customer relations	12.14	246.6	150.9
Brands	12.14	103.3	69.1
Other intangible assets	14	14.3	10.4
Total intangible assets		1,493.8	978.7
Property, plant and equipment			
Expenditure for improvement on unowned property	17	0.0	1.6
Plant and machinery	17	120.4	72.2
Equipment, tools, fixtures and fittings	17	57.6	105.9
Right-of-use assets	15	321.0	183.9
Total property, plant and equipment		499.0	363.6
Financial assets			
Other non-current receivables		7.8	1.3
Total financial assets		7.8	1.3
Deferred tax asset	9	18.9	19.1
Total non-current assets		2,019.5	1,362.8
Current assets			
Inventories, etc.			
Finished goods and goods for resale	19	38.5	27.7
Total inventories, etc.		38.5	27.7
Current receivables			
Accounts receivable	18, 20	640.7	389.3
Contractual asset	20	38.9	71.5
Current tax asset		0.0	0.0
Other receivables		39.1	15.9
Prepaid expenses and accrued income	21	42.2	28.3
Total current receivables		761.0	504.9
Cash and cash equivalents *	18, 22	352.2	116.7
Total current assets *		1,151.7	649.3
TOTAL ASSETS *		3,171.2	2,012.1

* In the 2020 Annual Report, there were two financial items that were reported net. The comparison year figures have been corrected and now these items are reported gross. The amount is SEK 21.3 million and it impacts cash and cash equivalents, along with non-current liabilities to credit institutions. This is a correction compared to the year-end report.

Consolidated statement of financial position, cont.

SEK m	Note	2021-12-31	2020-12-31
EQUITY AND LIABILITIES			
Equity			
Share capital		3.7	3.4
Share premium reserve		907.4	623.4
Translation reserve		28.6	-15.6
Retained earnings including (profit/loss for the year)		-44.0	-142.9
Total equity	23	895.7	468.4
Non-current liabilities			
Liabilities to credit institutions*	18, 25	1,043.3	589.1
Lease liability	18, 25, 28	205.9	116.2
Warranty provision	24	3.3	1.2
Deferred tax liabilities	9	105.9	60.1
Other non-current liabilities	25	39.2	83.0
Total non-current liabilities*		1,397.6	849.6
Current liabilities			
Accounts payable - trade	18, 31	226.5	172.9
Contract liabilities	26	24.8	28.9
Bank overdraft	18, 31	-	4.5
Liabilities to credit institutions	18	79.2	134.3
Lease liability	18, 28	59.8	69.2
Current tax liabilities		51.3	23.2
Other liabilities	34	215.0	118.6
Accrued expenses and deferred income	18, 27	221.3	142.5
Total current liabilities	13	877.9	694.1
TOTAL EQUITY AND LIABILITIES*		3,171.2	2,012.1

* In the 2020 Annual Report, there were two financial items that were reported net. The comparison year figures have been corrected and now these items are reported gross. The amount is SEK 21.3 million and it impacts cash and cash equivalents, along with non-current liabilities to credit institutions. This is a correction compared to the year-end report.

Consolidated statement of changes in equity

SEK m	Note	Share capital	Share premium reserve	Translation reserve	Retained earnings including profit for the year	Total
Opening balance 2020-01-01		2.6	397.1	-	-180.4	219.3
Profit (loss) for the period					37.5	37.5
Other comprehensive income				-15.6		-15.6
Comprehensive income for the year				-15.6	37.5	21.8
Transactions with owners						
New share issue		0.8	223.4			224.2
Non-cash issue		0.0	2.3			2.3
Repurchase of own shares			-1.0			-1.0
Premiums for warrants			1.6			1.6
Closing balance 2020-12-31		3.4	623.4	-15.6	-142.9	468.4
Opening balance 2021-01-01		3.4	623.4	-15.6	-142.9	468.4
Profit (loss) for the period					91.8	91.8
Other comprehensive income				44.2		44.2
Comprehensive income for the year				44.2	91.8	136.1
Transactions with owners						
	23					
New issues *		0.1	145.7			145.8
Non-cash issue		0.1	92.2			92.3
Repurchase of own shares**					-30.0	-30.0
Divestment of own shares**					37.1	37.1
Redemption of options		0.1	44.3			44.4
Premiums for warrants			2.5			2.5
Other Group adjustments			-0.8			-0.8
Closing balance 2021-12-31		3.7	907.4	28.6	-44.0	895.7

All equity is attributable to the parent company's shareholders

* New issues has decreased for the amount of costs associated with new issues of SEK 4.3 million for the financial year. For the comparison year, the corresponding amount is SEK 3.0 million.

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

Consolidated cash flow statement

SEK m	Note	2021	2020
Operating profit (loss)		155.5	58.6
Adjustment for depreciation/amortization		193.3	142.7
Capital gain (loss)		-3.7	-4.2
Other non-cash items		-1.6	-3.1
Interest received		0.0	0.1
Interest paid		-33.4	-23.8
Paid income tax		-42.4	0.7
Cash flow from operating activities before changes in working capital		267.7	171.0
Change in inventory		-8.2	2.0
Change in receivables		-82.1	4.7
Change in current liabilities		-2.9	15.2
Cash flow from operating activities		174.5	192.9
Business combinations	12	-433.5	-364.4
Acquisition of PPE	17	-33.4	-58.7
Acquisition of intangible assets	14	-10.6	-7.3
Sale of non-current assets		12.2	10.1
Cash flow from investing activities		-465.2	-420.3
New share issue		145.8	148.6
Net change in bank overdraft		-4.5	-14.7
New loans *	35	1,460.0	388.9
Amortization of debt	35	-993.4	-147.0
Amortization of lease liability	28	-102.9	-76.7
Repurchase of own shares		-30.0	-1.0
Option premiums and option redemptions		46.9	1.6
Cash flow from financing activities *		521.9	299.7
Cash flow for the year		231.1	72.2
Cash and cash equivalents at the beginning of the period		116.7	44.5
Translation difference in cash and cash equivalents		4.4	0.0
Cash and cash equivalents at the end of the period *		352.2	116.7

In the Annual Report, there have been reclassifications within investing activities and financing activities compared to the year-end report for 2021. These reclassifications are primarily associated with amortization versus borrowing and attributable to corrections regarding leasing contracts. Both of the groups have been reduced by SEK 23.8 million.

* In the 2020 Annual Report, there were two financial items that were reported net. The comparison year figures have been corrected and now these items are reported gross. The amount is SEK 21.3 million and it impacts cash and cash equivalents, along with non-current liabilities to credit institutions. For 2020, new loans increased by SEK 21.3 million. Closing cash and cash equivalents is also SEK 21.3 million higher than what is reported in the 2020 Annual Report. This is a correction compared to the year-end report.

Parent company's income statement

SEK m	Note	2021	2020
Net sales	M1, M18	34.1	25.4
Operating costs			
Other external costs	M3, M18	-17.8	-13.7
Employee benefit expenses	M2	-15.2	-11.1
Depreciation of property, plant and equipment and amortization of intangible assets	M7	-0.1	-0.0
Operating profit (loss)		1.1	0.6
Financial items			
Other interest income and similar profit or loss items	M4	2.9	3.8
Interest expenses and similar profit or loss items	M4	-223.8	-16.2
Profit (loss) after financial items		-219.8	-11.8
Group contribution received		11.6	12.0
Earnings before tax		-208.2	0.2
Tax	M5	-2.4	-0.3
Profit (loss) for the year		-210.6	-0.1

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	2021-12-31	2020-12-31
Assets			
Intangible assets			
Software	M7	0.4	0.5
Financial assets			
Shares in Group companies	M6	1,746.6	1,198.9
Receivables from Group companies	M17	128.2	119.3
Deferred tax asset	M5	2.8	4.2
Total non-current assets		1,877.9	1,322.9
Current receivables			
Receivables from Group companies	M17	60.2	24.3
Current tax asset		2.7	0.0
Prepaid expenses and accrued income	M9	3.5	2.0
Total current receivables		66.4	26.3
Cash and bank	M10	84.6	35.0
Total current assets	M8	151.0	61.3
TOTAL ASSETS		2,028.9	1,384.2

Parent Company's balance sheet

SEK m	Note	2021-12-31	2020-12-31
Equity			
Restricted equity			
Share capital		3.7	3.4
Fund for development expenditure		0.4	-
Total restricted equity	M11	4.1	3.4
Non-restricted equity			
Share premium reserve		905.7	626.3
Retained earnings		-81.7	-93.8
Profit (loss) for the year		-210.6	-0.1
Total non-restricted equity		613.5	532.4
Total equity	M11	617.6	536.1
Non-current liabilities			
Liabilities to Group companies	M12, M17	0.0	0.0
Liabilities to credit institutions	M8, M12	992.7	577.0
Other liabilities	M12	46.6	91.2
Total non-current liabilities		1,039.3	668.2
Current liabilities			
Liabilities to credit institutions	M8	75.0	81.3
Accounts payable - trade	M8	3.0	3.3
Liabilities to Group companies	M17	184.1	58.7
Current tax liabilities		0.0	3.4
Other liabilities	M20	96.1	31.1
Accrued expenses	M13	13.9	2.3
Total current liabilities		372.0	179.9
TOTAL EQUITY AND LIABILITIES		2,028.9	1,384.2

Parent Company statement of changes in equity

SEK m	Note	Restricted equity		Non-restricted equity		Profit (loss) for the year	Total
		Share capital	Fund for development expenditure	Share premium reserve	Retained earnings		
Opening balance 2020-01-01		2.6	0.0	400.0	-111.5	17.7	308.8
Transfer of prior year's profit or loss					17.7	-17.7	0.0
Comprehensive income for the period						-0.1	-0.1
Transactions with owners:	M11						
New share issue		0.8		223.4			224.2
Non-cash issue		0.0		2.3			2.3
Repurchase of own shares				-1.0			-1.0
Premiums for warrants				1.5			1.5
Closing balance 2020-12-31		3.4	0.0	626.3	-93.8	-0.1	536.1
Opening balance 2021-01-01		3.4	0.0	626.3	-93.8	-0.1	536.1
Transfers within equity			0.5	-2.9	2.3		0.0
Transfer of prior year's profit or loss					-0.1	0.1	0.0
Capitalization of development expenditure			-0.1		0.1		0.0
Comprehensive income for the period						-210.6	-210.6
Transactions with owners:	M11						
New issues		0.1		145.7			145.8
Non-cash issue		0.1		92.2			92.3
Repurchase of own shares					-30.0		-30.0
Divestment of own shares					37.1		37.1
Redemption of options		0.1		44.3			44.4
Premiums for warrants					2.5		2.5
Closing balance 2021-12-31		3.7	0.4	905.7	-81.7	-210.6	617.6

New issues decreased for the amount of costs associated with new issues of SEK 4.3 million for the financial year. For the comparison year, the corresponding amount is SEK 3.0 million.

Repurchased own shares have been used as the means of payment for acquisition of subsidiaries.

Parent Company cash flow statement

SEK m	Note	2021	2020
Operating profit (loss)		1.1	0.6
Adjustment for depreciation/amortization		0.1	0.0
Interest received		2.9	3.8
Interest paid		-21.9	-16.1
Paid income tax		-7.0	0.2
Cash flow from operating activities before changes in working capital		-24.8	-11.5
Change in working capital			
Change in operating receivables		-25.3	55.4
Change in operating liabilities		114.3	-13.0
Cash flow from operating activities		64.3	30.9
Investing activities			
Acquisition of participations in subsidiaries	12	-542.4	-361.2
Shareholder contribution to subsidiaries		-32.1	0.0
Acquisition of intangible assets		0.0	-0.1
Change in non-current receivables, Group		-9.0	27.4
Cash flow from investing activities		-583.4	-333.9
Financing activities			
New share issue		190.2	148.6
Net change in bank overdraft		0.0	0.0
New loans	M16	1,400.0	334.7
Amortization of debt	M16	-993.9	-145.9
Repurchase of own shares		-30.0	-1.0
Option premiums		2.5	1.6
Cash flow from financing activities		568.9	338.0
Cash flow for the year		49.6	35.0
Cash and cash equivalents at the beginning of the period		35.0	0.0
Cash and cash equivalents at the end of the period		84.6	35.0

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 areas, parks, court-yards, tree care and sports facilities. During winter, it also offers snow and ice removal. In Sweden, Green Landscaping is one of the leaders in its sector and its customers include public sector organizations, property companies, private enterprises and housing cooperatives.

Green Landscaping Group AB (publ) CIN: 556771-3465, with registered office is in Stockholm.

The consolidated financial statements for the reporting period that ended on 31 December 2021 (including comparison figures) was approved by the Board on 13 April 2022. 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 19 May 2022.

NOTE 2 Applied accounting policies

2.1 Basis for preparation of financial statements

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

The Parent Company's financial statements have been prepared in accordance with the Annual Accounts Act and RFR 2 Accounting for Legal Entities, issued by the Swedish Financial Reporting Board. The application of RFR 2 means that in the 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.

Gross amounts are reported for all assets and liabilities. However, offsetting is used when there is a receivable and a payable on the same counterparty and when there is both legal basis and intent to settle on a net basis. Gross reporting is used for revenue and expenses, unless otherwise stated.

Fixed assets, non-current liabilities and provisions are expected to be reclaimed or settled more than twelve months from the closing date. Current assets and current liabilities are expected to be reclaimed or

settled less than twelve months from the closing date.

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

2.3 Changes in accounting policies and disclosures

New standards and interpretations applied as of 1 January 2021

The following revised standards entered into force as of 1 January 2021: Deferral of IFRS 9 (adopted by the EU on 15 December 2020); and IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 through Interest Rate Benchmark Reform - Phase 2 (adopted by the EU on 13 January 2021).

The revised standards have not had any material impact on Green Landscaping Group's financial statements.

New standards and interpretations that have not yet entered into force.

There are no new IFRS standards or IFRIC interpretations that will have a significant impact on the Group's earnings or position during the 2022 financial year.

None of the new IFRS standards or interpretations have been early adopted.

2.4 Significant accounting and valuation principles

Consolidated financial statements

Subsidiaries are those companies in which the Parent Company, directly or indirectly, has a controlling influence based on ownership of more than 50 percent of the voting rights of the shares or otherwise has the right to design financial and operational strategies in the Group. All subsidiaries are consolidated using the acquisition method. The cost amount of an acquisition is calculated as the fair value of assets that have been provided as payment along with any liabilities taken over or which have arisen at the acquisition date. With the acquisition method, the fair value of acquired, identifiable assets, assumed liabilities and contingent liabilities in a business combination, regardless of the scope of any minority interest, are measured at fair value as of the acquisition date. Any surplus arising from the difference between cost and fair value on the Group's share of identifiable acquired assets, liabilities and contingent liabilities is reported as goodwill. If the cost amount is less than the fair value of the acquired net assets, it is reported as a negative difference in profit or loss.

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

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

Segment reporting

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 on the geographic locations of the companies. The segments are: South, Mid, Stockholm, North, Norway and Finland. 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.

Cash flow statements

Cash flow statements have been prepared using the indirect method.

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 and sales of goods. The Group's revenue from contracts with customers is divided into six segments and reported in Net sales. For contracts with customers, revenue is recognized in accordance with the 5-step model of IFRS 15.

Revenue is recognized over time when any of the following three indicators of control have been satisfied. Control occurs when: the customer obtains and consumes benefits at the rate that the company perform, the company's performance creates or improves an asset that the customer controls, or the company's performance does not create an asset that has an alternative use for the company and the company has a current right to payment for its performance thus far. The input method is applied to measure progress towards complete satisfaction of the Group's performance obligations and how revenue is recognized.

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. There are two types of service assignments: maintenance over a longer period of time and with a fixed invoicing plan; and shorter service assignments that are on a running basis. The sale of goods pertains to machinery, materials and spare parts. The sales price is taken from a fixed price list.

Revenue is recognized at a specific point in time, when control has been transferred to the customer. Transfer of control is assessed as having been transferred when any of the five indicators have been fulfilled, when there is an unconditional obligation to pay, a legal ownership right, physical possession, transfer of significant risks and benefits, or when the good has been accepted.

The Group's contracts 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. The Group's performance obligations consist of providing the goods and services specified in the agreements. Typically, each agreement contains a separate performance obligation, which has been met when control is transferred to the customer. For the sale of goods, control over the goods is typically transferred to the customer at the time of delivery. If there are special delivery terms in the agreement, control might pass to the customer in conjunction with transfer of the risk in accordance with those terms.

The transaction price is allocated to each performance obligation in the contract based on a standalone selling price. The transaction price could have both fixed and variable components. 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 in the revenue recognized over time is only the portion of that amount for which there is not a significant risk of it needing to be reversed at a later date. 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.

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.

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 must be classified in different measurement categories. Measurement of financial instruments is based on this classification. Classification of a financial instrument is based on the Group's business model (the objective for holding the financial asset) along with the financial asset's contractual cash flows. The categories of financial assets are as follows:

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

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

Receivables

Receivables, including accounts receivable, are measured at amortized cost. It requires that a loss allowance is set up for expected credit losses. 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), lease liability, bank overdraft and accounts payable are classified as liabilities measured at amortized cost. At acquisition, other financial liabilities are measured at fair value plus transaction costs. Afterwards, other financial liabilities are measured at amortized cost using the effective interest method.

The Group's liabilities that are measured at fair value via profit or loss consist of additional consideration associated with the acquisition of subsidiaries.

Amortized cost is the amount at which the asset or liability was originally recognized less amortization and any impairment losses, plus accruals for the initial difference between the cost of acquisition and the amount expected to be received on the maturity date.

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

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

Cash and cash equivalents

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

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 as a receivable/payable to Group companies. The Group has an overdraft facility of SEK 50 (58) million and as of 31 December 2021, the unutilized amount was SEK 50 (53.5) million.

Liabilities to credit institutions

Liabilities to credit institutions are initially recognized at fair value, less transaction costs. Afterwards, they are recognized at cost. Liabilities to credit institutions are classified as current or non-current interest-bearing liabilities in the balance sheet.

Accounts payable - trade

Accounts payable are recognized at amortized cost when the invoice has been received.

Intangible assets

Goodwill

Goodwill is made up of the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. There is no amortization of goodwill. Goodwill is allocated to segments when assessing any impairment need. Allocation is to the cash-generating units that are expected to benefit from the business combination that gave rise to the goodwill.

Brands

Values identified in acquisition analyses that are associated with brands are assessed as having 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. 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 has been allocated and whenever there are indications of a write-down requirement. Impairment assessment and recognition of impairment losses on goodwill occurs in the same way as with intangible assets. However, impairment losses on goodwill are not reversed.

Property, plant and equipment

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

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

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

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

The following depreciation periods are used:

Plant and machinery	
- Landscaping machinery	5-20 years
- Vehicles	5 years
- Equipment, tools, fixtures and fittings	5 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 classified as short-term contracts and are therefore not included in the reported liabilities or among right-of-use assets.

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

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

Inventories

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

Impairment, provisions and reversals associated with obsolescence are recognized in the income statement under cost of goods sold.

Provisions, contingent liabilities and contingent assets

Provisions are reported when the Group has a legal or informal obligation resulting from past events, it is probable that payments will be required to settle the obligation and when a reliable estimate of the amount can be made. Provisions are reported in two categories: non-current liabilities and current liabilities.

A contingent liability/asset is a possible liability/asset resulting from past events and which only can be ascertained when one or more uncertain future events occur that are not within the company's control. No liability/asset is reported if the likelihood is very low that an outflow of resources will result from existing obligations.

Employee benefits

Pension plans

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

Termination benefits

A provision is made in conjunction with terminating employment only if the company is obliged to terminate an employment before the normal date or when compensation is given as an offer to encourage voluntary resignation. In cases where the company issues notice of termination, the provision is calculated after a detailed plan has been drawn up, specifying the workplace, positions and approximate number of employees affected along with the remuneration for each employment category or position and the time frame for implementing the plan.

Short-term employee benefits

Salary and remuneration, along with the associated social security contributions are expensed at the rate earned by the employee.

Variable salary

Accruals are made on an ongoing basis for variable salary in accordance with the economic substance of the agreement.

Government assistance

In accordance with IAS 20, government grants are recognized in the in-

come statement and balance sheet when there is reasonable assurance that the company will comply with any conditions attached to the grant and the grant will be received. Government grants have been reported as other operating income.

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.
- 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.
- The calculation and assessment of provisions yields an amount deemed to be the best assessment of what will be required to settle the existing obligation as of the closing date. If the effect of when the settlement occurs is significant, the provision is calculated by discounting the expected future cash flow using a discount rate, before tax, that reflects the current market assessments of the time value of money and, if applicable, the risks associated with the liability.

NOTE 4 Revenue from contracts with customers**CATEGORIZATION OF CONTRACTS WITH CUSTOMERS**

The amounts reported below include Intra-Group sales.

SEK m	2021	2020
Services transferred over time		
Region South	543.3	491.8
Region Mid	806.9	612.7
Region Stockholm	580.9	509.9
Region North	353.4	289.7
Region Norway	805.3	228.2
Region Finland	65.7	-
Unallocated amounts and eliminations	-182.4	-99.6
Total	2,973.1	2,032.7
Goods transferred at a specific point in time		
Region Mid	113.3	102.0
Region Norway	95.1	0.0
Total	208.4	102.0
Total revenue from contracts with customers	3,181.5	2,134.7
Allocation of revenue by country		
Sweden	2,261.0	1,906.5
Norway	854.8	228.2
Finland	65.7	-
Total revenue from contracts with customers	3,181.5	2,134.7

Summary of contract balances**CONTRACT BALANCES**

SEK m	2021-12-31	2020-12-31
Accounts receivable (Note 20)	640.7	389.3
Contract assets (Note 20)	38.9	71.5
Contract liabilities (Note 26)	-24.8	-28.9

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

	2021	2020
Opening balance, contract assets	71.5	70.7
Performance obligations performed in prior years (contract assets)	-71.5	-70.7
Additional capitalization	38.9	71.5
Closing balance, contract assets	38.9	71.5

CONTRACT LIABILITIES

	2021	2020
Opening balance, contract liabilities	-28.9	-22.1
Amount recognized as revenue during the period and which was included in the balance for contract liabilities at the beginning of the year	28.9	22.1
Additional advances	-24.8	-28.9
Closing balance, contract liabilities	-24.8	-28.9

	2021	2020
Contract liabilities		
Within one year	24.8	28.9
More than one year	0.0	0.0

Performance obligations

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

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 out 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 (in regions Mid and Norway) 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 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

segments.

Green Landscaping Group's business is divided into six 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

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

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

	Region South	Region Mid Stockholm	Region North	Region Norway	Region Finland	Unallocated amounts and eliminations	Total	
2021								
Revenue from contracts with customers	543.3	920.3	580.9	353.4	900.4	65.7	-182.4	3,181.5
Operating expenses	-504.9	-893.3	-581.7	-322.3	-755.6	-55.8	164.0	-2,949.6
EBITA	38.3	27.0	-0.9	31.2	144.9	9.9	-18.4	231.9
Amortization of intangible assets								-76.4
Operating profit (loss)								155.5
Financial items								-33.6
Profit (loss) after financial items								121.9
Tax								-30.0
PROFIT (LOSS) FOR THE PERIOD								91.8
Goodwill	195.9	138.2	133.7	101.9	492.3	67.6	0.0	1,129.6
Property, plant and equipment	18.3	44.3	16.2	85.1	324.9	7.7	2.6	499.0
Investments	3.5	6.1	3.8	1.7	17.8	0.5	0.0	33.4
Average no. of employees	290	493	293	223	272	30	21	1,623
2020								
Revenue from contracts with customers	491.9	714.7	514.9	289.7	228.2	-	-104.7	2,134.7
Operating expenses	-463.9	-679.3	-528.0	-270.1	-187.3	-	95.0	-2,033.5
EBITA	28.0	35.4	-13.1	19.7	41.0	-	-9.7	101.2
Amortization of intangible assets								-42.5
Operating profit (loss)								58.6
Financial items								-9.2
Profit (loss) after financial items								49.4
Tax								-12.0
PROFIT (LOSS) FOR THE PERIOD								37.5
Goodwill	195.9	135.0	133.7	93.2	190.5	-	0	748.3
Property, plant and equipment	42.4	55.4	25.7	121.5	130.1	-	10.9	363.6
Investments	1.6	7.0	2.4	2.6	27.3	-	0.0	40.9
Average no. of employees	303	398	288	175	55	-	18	1,237

NOTE 6 Employees and employee benefit expenses

AVERAGE NUMBER OF EMPLOYEES

SEK m	2021		2020	
	Number of employees	Of which men	Number of employees	Of which men
Sweden				
- Parent Company	6	67%	5	40%
- Other companies	1,315	81%	1,177	78%
Finland	30	68%	-	-
Norway	272	92%	55	97%
Total for the Group	1,623	82%	1,237	79%

SALARIES AND OTHER REMUNERATION

SEK m	2021	2020
Board of Directors, CEO and other senior executives	7.4	7.2
of which bonuses	0.4	0.7
Other employees	727.6	536.2
Total	735.0	543.3

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

Variable remuneration to senior executives during the year has been paid in the form of bonuses. As of 31 December 2021, SEK 1,8 (0.0) million was reserved for bonuses to the CEO and other senior executives.

SALARIES, REMUNERATION AND SOCIAL SECURITY EXPENSES

SEK m	2021	2020
Salaries and other remuneration	735.0	543.3
Pension expenses for senior executives	2.0	1.7
Pension expenses for others	45.0	24.7
Other social security expenses	201.0	175.0
Total	983.0	744.7

Outstanding pension obligations for the Group's senior executives amounted to SEK 0 (0) at year end.

GENDER BALANCE, SENIOR EXECUTIVES

	2021	2020
Percentage women, Board of Directors	33%	33%
Percentage men, Board of Directors	67%	67%
Percentage women, other senior executives	0%	0%
Percentage men, other senior executives	100%	100%

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 2021, along with the CEO. For information on the guidelines for remuneration in 2021, please see page 59 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 2021 AGM the following fees were approved: total Board fees to Board members of SEK 825,000, of which SEK 250,000 to the Chairman and SEK 125,000 to each of the other Board members who are not employees of the Group, along with a fee of SEK 75,000 to the Chairman of the Audit Committee.

DISCLOSURES ON REMUNERATION TO SENIOR EXECUTIVES

2021	Basic salary/ Board fee	Of which, variable salary	Pension expense	Other remuneration	Total
Per Sjöstrand, Chairman of the Board	0.2	-	-	-	0.2
Tomas Bergström	0.1	-	-	-	0.1
Monica Trolle	0.1	-	-	-	0.1
Staffan Salén	0.1	-	-	-	0.1
Åsa Källenius	0.2	-	-	-	0.2
Johan Nordström, CEO	2.3	0.0	0.9	0.1	3.3
Other senior executives (3 in total)	4.3	0.4	1.2	0.3	5.8
Total	7.4	0.4	2.1	0.4	9.8

2020	Basic salary/ Board fee	Of which, variable salary	Pension expense	Other remuneration	Total
Per Sjöstrand, Chairman of the Board	0.3	-	-	-	0.3
Monica Trolle	0.1	-	-	-	0.1
Staffan Salén	0.1	-	-	-	0.1
Tomas Bergström	0.1	-	-	-	0.1
Åsa Källenius	0.2	-	-	-	0.2
Johan Nordström, CEO	2.8	0.5	0.9	-	3.7
Other senior executives (3 in total)	3.6	0.2	0.8	0.2	4.6
Total	7.2	0.7	1.7	0.2	9.1

OPTION HOLDINGS, NUMBER

	2021	2020
Per Sjöstrand, Chairman of the Board	-	-
Monica Trolle	-	-
Staffan Salén	-	-
Tomas Bergström	-	-
Åsa Källenius	-	-
Johan Nordström, CEO	180,481	490,525
Other senior executives	271,107	460,006
Total	451,588	950,531

NOTE 7 Remuneration to the auditors**FEES TO AUDITORS**

	2021	2020
Grant Thornton Sweden AB		
Audit assignment	3.1	-
Other services	0.1	-
Total Grant Thornton	3.2	-
Ernst & Young		
Audit assignment	2.2	3.2
Other services	0.0	0.9
Total Ernst & Young	2.2	4.1
Other audit firms		
Audit assignment	1.6	0.6
Tax advice	0.0	0.4
Other services	0.2	0.1
Total other	1.8	1.1
Total audit	7.2	5.2

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**

	2021	2020
Other interest income	0.2	0.1
Other financial income	0.5	14.6
Total	0.7	14.7

Other financial income, including present value calculations of additional consideration of SEK 0.4 (14.5) million.

FINANCIAL EXPENSES

	2021	2020
Other interest expenses	-20.7	-15.9
Interest expenses, lease liability	-5.1	-5.2
Other financial expenses	-8.6	-2.8
Total	-34.3	-23.8

NOTE 9 Tax**TAX ON PROFIT FOR THE YEAR**

	2021	2020
Current tax	-43.3	-19.2
Adjustment pertaining to prior years	0.0	-0.7
Change in deferred tax asset	0.2	1.3
Change in deferred tax liability	13.1	6.7
Total	-30.0	-11.9

PROFIT (LOSS) BEFORE TAX

	2021	2020
Profit (loss) before tax	121.9	49.4
Tax on profit for the year according to the applicable tax rate (20.6% (21.4%) for Sweden, 22% (22%) for Norway and 20% for Finland:	-26.9	-15.3
Tax effect of:		
Other non-deductible expenses	-3.3	-4.4
Other deductible expenses	0.0	5.6
Unrecognized loss carryforward	-0.9	0.0
Deferred tax, recognized loss carryforward	-	0.0
Tax effect of recognized loss carryforward	0.4	2.3
Non-taxable revenue	0.6	0.5
Other adjustments	0.0	-0.7
Reported tax	-30.0	-11.9

The effective tax for the year amounted to 24.64% (24.09%).

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 2021-12-31 the Group's tax deficits amounted to SEK 84.1 (88.5) million. Deferred tax assets associated with loss carryforwards amount to SEK 16.9 (16.9) million.

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

DEFERRED TAX ASSET, GROUP

	Deferred tax asset, leasing	Unutilized loss carryforward	Total
As of 1 January 2020	1.2	16.6	17.8
Recognized in the income statement	1.0	0.3	1.3
Recognized in other comprehensive income	0.0	0.0	0.0
As of 31 December 2020	2.2	16.9	19.1
As of 1 January 2021	2.2	16.9	19.1
Adjustment to opening balance/re-classification	-0.4	-	-0.4
Recognized in the income statement	0.2	0.0	0.2
Recognized in other comprehensive income	0.0	-	0.0
As of 31 December 2021	2.0	16.9	18.9

DEFERRED TAX LIABILITY, GROUP

	Intangible assets	Property, plant and equipment	Untaxed reserves	Total
As of 1 January 2020	25.8	0.0	9.5	35.1
Recognized in the income statement	-8.4	0.0	1.7	-6.7
Added via business combination	29.8	0.0	1.9	31.7
Recognized in other comprehensive income	0.0	0.0	0.0	0.0
As of 31 December 2020	47.2	0.0	13.1	60.1
As of 1 January 2021	47.2	0.0	13.1	60.1
Adjustment to opening balance/re-classification	-	3.5	-1.9	1.6
Recognized in the income statement	-15.5	4.3	-1.9	-13.1
Added via business combination	40.1	11.8	0.7	52.6
Recognized in other comprehensive income	3.6	0.9	-	4.4
As of 31 December 2021	75.4	20.4	10.1	105.9

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

	2021	2020
Profit (loss) attributable to the Parent Company's shareholders as per the income statement	91.8	37.5
Total	91.8	37.5

AVERAGE NUMBER OF SHARES

	2021	2020
Weighted average number of shares during the period before dilution	49,978,855	41,796,063
Effect of dilution from share-option plans	742,655	190,612
Weighted average number of shares during the period after dilution	50,721,510	41,986,675

EARNINGS PER SHARE

	2021	2020
Basic earnings per share, SEK	1.84	0.90
Diluted earnings per share, SEK	1.81	0.89

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 1,746.6 (1,198.9) million.

Shares are held in the following subsidiaries:	CIN	Registered office	Share of equity	Share of the voting power	Number of shares
GL Management Services AB	556773-4800	Malmö	100%	100%	100,000
Green Landscaping Malmö AB	559236-7402	Malmö	100%	100%	500
Green Landscaping Skåne AB	559236-7394	Malmö	100%	100%	500
Green Landscaping Helsingborg AB	559236-7428	Malmö	100%	100%	500
Green Landscaping Incentive AB	559148-3432	Stockholm	100%	100%	50,000
Västsvensk Markservice AB	559270-2616	Gothenburg	100%	100%	500
Trädgård & Markmiljö i Väst AB	559270-3481	Gothenburg	100%	100%	500
Park & Trädgård i Bohuslän AB	559270-3473	Gothenburg	100%	100%	500
Green Östergötland AB	559270-3440	Linköping	100%	100%	500
GRÖN STAD Mark och Anläggning AB	559270-3507	Stockholm	100%	100%	500
Markservice STHLM AB	559270-2608	Stockholm	100%	100%	500
Svensk Markservice Holding AB	556812-8002	Stockholm	100%	100%	1,000
Svensk Markservice AB	556420-4823	Stockholm	100%	100%	1,200
GML Sport AB	556369-3372	Ljungby	100%	100%	1,000
GML Sport Anläggning AB	559092-8601	Ljungby	100%	100%	50,000
P.A.R.K. i Syd AB	556750-1357	Helsingborg	100%	100%	1,500
Tranemo Trädgårdstjänst AB	556177-8472	Tranemo	100%	100%	2,000
Håkans Trädgårdstjänst AB	556742-8460	Borås	100%	100%	1,000
Björntreprenad AB	556379-0722	Stockholm	100%	100%	1,000
J E Eriksson Mark & Anläggningsteknik AB	556558-6079	Stockholm	100%	100%	1,000
Svensk Jordelit AB	556207-6660	Möndal	100%	100%	1,000
Jacksons Trädvård AB	556591-9858	Stockholm	100%	100%	1,000
Trädexperterna Biodiversitree AB	556846-9919	Kungsbacka	100%	100%	500
Mark & Miljö Projekt i Sverige AB	556756-6533	Malmö	100%	100%	1,000
Mark & Trädgård i Skottorp AB	556878-0521	Laholm	100%	100%	500
Bengtssons Trädgårdsanläggningar AB	556839-7227	Malmö	100%	100%	1,000
Thormans Entreprenad AB	556720-0745	Linköping	100%	100%	1,500
GL Interest Norway AS	925854328	Gran, Norway	100%	100%	3,000
GAST Entreprenør AS	987627484	Gran, Norway	100%	100%	200
Hadeland Maskindrift AS	991100296	Brandbu, Norway	100%	100%	200
HMD Maskin AS	916184999	Brandbu, Norway	100%	100%	70
Oveland Utemiljø AS	984130457	Froland, Norway	100%	100%	4,500
OK Hage AS	912623491	Rykene, Norway	100%	100%	30
Akershusgartneren AS	993961809	Gjerdrum, Norway	100%	100%	100
EF Drift AS	998822173	Sorum, Norway	100%	100%	300
Håkonsen og Sukke Landskapsentreprenør AS	999001335	Tønsberg, Norway	100%	100%	1,000
Hermansen Maskin AS	990710430	Sande, Norway	100%	100%	100
Viher-Pirkka 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
Markservice Svealand AB	559270-3499	Uppsala	100%	100%	500
Gröna Roslagen Drift & Underhåll AB	559328-1008	Norrköping	100%	100%	500
Utemiljö Skellefteå AB	556642-0427	Skellefteå	100%	100%	1,000

NOTE 12 Business acquisitions

During 2021, Green Landscaping Group has acquired nine companies in Sweden, Norway and Finland. The consideration for the year's acquisitions amounts to a total of SEK 709.9 million, of which SEK 361.4 million has been allocated to goodwill. The acquired company in Finland has its own subsidiary as well, Vihermuuria OY. During the previous financial year, a total of 7 subsidiaries were acquired, along with 1 net asset acquisition. The total consideration was SEK 360.7 million, of which SEK 307.8 million was allocated to goodwill. For all of the acquired companies, 100 percent of the shares were acquired.

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. 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 25.8 (96.7) million. The fair value of contingent consideration is at Level 3 of the fair value hierarchy in accordance with IFRS.

Goodwill of SEK 361.4 (307.8) 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's existing structure.

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 5.8 (7.7) million.

Business acquisitions in 2022

In January and February 2022, Green Landscaping Group acquired 4 new subsidiaries.

The acquisition of Markbygg Anläggning Väst AB was completed on 17 January. It has estimated annual sales of SEK 280 million and around 60 employees. The company is primarily focused on construction work, specializing in water & sewage.

The acquisition of Rainset Oy was completed on 26 January. It is based in Helsinki, Finland. The company's estimated annual sales are SEK 40 million and it has 13 employees. Its customers are primarily construction companies.

Hallandsåsens Utemiljö AB was acquired on 15 February. The company's estimated annual sales are SEK 30 million and it has 18 employees. It focuses on maintenance and landscaping of outdoor environments in northern Skåne and Halland.

Glenn Syvertsen AS was acquired on 18 February. It is based in Oslo, Norway. The company's estimated annual sales are SEK 35 million and it has 14 employees. It primarily serves the Oslo region and works with landscaping projects.

The consideration for these company acquisitions amounts to SEK 283 million. There is also additional consideration associated with these, amounting to SEK 14.7 million. For the preliminary acquisition analyses that had been made at the time when this report was issued, the resulting goodwill is SEK 185.8 million.

An agreement was entered into on April 8, 2022, to acquire all shares in Aktiv Veidrift AS. The company has a turnover of approximately NOK 240 million. Access is expected during the first half of 2022

Company name	Segment	Acquisition date	Full-year sales	Number of employees
Akershusgartneren AS	Region Norway	March 2021	205.1	80
OK Hage AS	Region Norway	April 2021	15.3	9
EF Drift AS	Region Norway	May 2021	123.9	20
Håkans Trädgårdstjänst AB	Region Mid	May 2021	19.3	25
Viher-Pirkka OY	Region Finland	June 2021	94.3	48
Utemiljö Skellefteå AB	Region North	November 2021	21.5	6
Håkonsen og Sukke Landskapsentreprenør AS	Region Norway	November 2021	189.2	103
Hermansen Maskin AS	Region Norway	December 2021	79.1	19
Viherpojat Oy	Region Finland	December 2021	40.9	25
GAST Entreprenør AS	Region Norway	February 2020	129.0	36
P.A.R.K. i Syd AB	Region South	February 2020	46.7	13
Hadeland Maskindrif AS	Region Norway	September 2020	219.8	77
HMD Maskin AS	Region Norway	September 2020	23.2	-
Oveland Utemiljø AS	Region Norway	October 2020	49.5	31
Bengtssons Trädgårdsanläggningar AB	Region South	October 2020	93.2	29
Thormans Entreprenad AB	Region Mid	December 2020	123.4	119

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)	2021	2020
Cash and cash equivalents	554.7	360.7
Contingent additional consideration	25.8	96.7
Remuneration shares	129.4	79.3
Total consideration	709.9	536.7
Distribution of acquired assets and liabilities	2021	2020
Brands	32.9	17.0
Customer relations	157.7	128.2
Other fixed assets	155.6	117.0
Net other assets and liabilities	-66.1	-30.5
Cash and cash equivalents	121.2	33.5
Deferred tax liability	-52.9	-36.5
Net identifiable assets and liabilities	348.4	228.7
Goodwill	361.4	307.8
Impact on cash and cash equivalents		
Cash consideration (included in cash flow from investing activities)	-554.7	-360.7
Cash and cash equivalents of acquired companies (included in cash flow from investing activities)	121.2	33.5
Acquisition costs (included in cash flow from operating activities)	-5.8	-7.7
Total impact on cash and cash equivalents	-439.3	-334.9
Impact on sales and operating profit (loss) during the holding period		
Sales	404.0	301.4
Operating profit (loss)	69.3	50.0
Additional consideration		
Opening amount	90.7	14.4
Change for the year	-1.3	-8.2
Added additional consideration	25.8	96.7
Reversal of unsettled additional consideration	-0.4	-6.3
Paid additional consideration	-5.1	-5.9
Closing amount	109.7	90.7

NOTE 13 Measured at fair value

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

Additional consideration

Expected cash flows are estimated based on the terms in the purchase agreement, the 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%).

2021-12-31	Level 1	Level 2	Level 3
	quoted prices	directly or indirectly observable inputs	Non-observable inputs
Financial liabilities			
Additional consideration	0.0	0.0	109.7
Total	0.0	0.0	109.7

2020-12-31	Level 1	Level 2	Level 3
	quoted prices	directly or indirectly observable inputs	Non-observable inputs
Financial liabilities			
Additional consideration	-	-	90.7
Total	0.0	0.0	90.7

ADDITIONAL CONSIDERATION

	2021-12-31	2020-12-31
Opening amount	90.7	14.4
Change for the year	-1.3	-8.2
Added additional consideration	25.8	96.7
Reversal of unsettled additional consideration	-0.4	-6.3
Paid additional consideration	-5.1	-5.9
Closing amount	109.7	90.7

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 (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

	Soft-ware	Customer relations	Brands	Goodwill	TOTAL
Financial year 2020					
Opening cost	48.9	113.3	52.5	436.3	651.1
Acquisitions for the year	0.6	-	0.1	-	0.7
Business combinations	1.6	128.2	18.4	316.3	464.5
Translation difference	0.0	-4.4	-1.9	-4.3	-10.8
Closing accumulated cost	51.2	237.2	69.1	748.3	1,105.7
Opening amortization	-39.1	-45.4	-	-	-84.5
Business combinations	-	-	-	-	-
Amortization for the year	-1.7	-40.9	-	-	-42.5
Translation difference	0.0	-0.1	-	-	-0.1
Closing accumulated amortization	-40.8	-86.4	-	-	-127.1
Closing carrying amount 2020	10.4	150.9	69.1	748.3	978.7
Financial year 2021					
Opening cost	51.2	237.2	69.1	748.3	1,105.7
Acquisitions for the year	10.6	-	-	-	10.6
Business combinations	0.0	160.0	33.0	361.4	554.4
Sales/disposals	-28.0	-	-	-	-28.0
Reclassifications	-1.3	-	-	-2.5	-3.8
Translation difference	-1.7	9.8	1.2	22.4	31.8
Closing accumulated cost	30.8	407.0	103.3	1,129.6	1,670.8
Opening amortization	-40.8	-86.4	-	-	-127.1
Business combinations	-	-	-	-	-
Sales/disposals	27.1	-	-	-	27.1
Amortization for the year	-2.8	-73.6	-	-	-76.4
Translation gains or losses	-	-1.7	-	-	-1.7
Closing accumulated amortization	-16.5	-160.4	-	-	-176.9
Closing carrying amount 2021	14.3	246.6	103.3	1,129.6	1,493.8

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

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. 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.

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

NOTE 15 Right-of-use assets

	Premises	Plant and machinery	Cars and equipment	TOTAL
Financial year 2020				
Opening cost	137.4	246.3	77.2	480.9
Acquisitions for the year	8.8	5.2	13.8	27.8
Business combinations	-	-	-	-
Sales/disposals	-9.5	-8.4	-6.0	-23.9
Translation difference	0.0	0.0	0.0	0.0
Closing accumulated cost	136.7	243.1	85.0	464.8
Opening depreciation	-25.2	-181.9	-17.9	-225.0
Business combinations	-	-	-	-
Sales/disposals	9.4	6.1	3.4	18.9
Depreciation for the year	-28.6	-23.8	-21.7	-74.1
Translation difference	-0.7	0.0	0.0	-0.7
Closing accumulated depreciation	-45.1	-199.6	-36.2	-280.9
Closing carrying amount	91.6	43.5	48.8	183.9
Financial year 2021				
Opening cost	136.7	243.1	85.0	464.8
Acquisitions for the year	32.8	5.3	19.3	57.4
Business combinations	1.0	94.7	17.2	112.9
Sales/disposals	-12.9	-14.1	-13.8	-40.8
Reclassifications	1.2	-162.2	66.0	-95.0
Translation difference	1.9	3.0	2.6	7.4
Closing accumulated cost	160.7	169.7	176.4	506.8
Opening depreciation	-45.1	-199.6	-36.2	-280.9
Business combinations	-0.6	-14.5	-2.4	-17.5
Sales/disposals	12.9	13.6	8.2	34.6
Reclassifications	-0.1	161.0	-2.0	158.9
Depreciation for the year	-32.7	-20.0	-26.8	-79.5
Translation difference	-0.3	-0.5	-0.7	-1.5
Closing accumulated depreciation	-65.9	-60.0	-59.9	-185.8
Closing carrying amount	94.7	109.7	116.6	321.0

See Note 28 for more information on leases.

NOTE 16 Goodwill, brands and other intangible assets with an indefinite life

Consolidated goodwill amounts to SEK 1,129.6 (748.3) million and it is attributable to the acquisition of subsidiaries. Goodwill is allocated to segments as follows: Region South SEK 195.9 million, Region Mid 138.2 million, Region Stockholm 133.7 million, Region North SEK 101.9 million, Region Norway 492.3 million and Region Finland 67.7 million. Goodwill is tested for impairment annually, or more often, if there is an indication of impairment. Impairment testing is done at the segment level.

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

The cash flows have been based on financial forecasts covering 5 years and on a constant rate of growth of 2% (2%). The market is expected to grow by 3-6 % per year. For impairment testing, growth is based on a forecast of each subsidiary for 2022. For the period 2023-2026, the growth rate used is 3%.

The discount rate before tax used for the present value calculation was 6.9-7.2% (8.9%). Impairment testing has not indicated that there is a need to record any impairment losses. No reasonably possible changes in important assumptions would lead to a write-down requirement.

For the Region South segment, a change in the discount rate of +/- 2% would result in a decrease/increase of the value-in-use by SEK 257 million/SEK 605 million. A change in sales of +/- 2.5% would result in an increase/decrease of the value-in-use by SEK 125 million/SEK 111 million. A change in EBITA of +/- 2% would result in a decrease/increase of the value-in-use by SEK 169 million.

For the Region Mid segment, a change in the discount rate of +/- 2% would result in a decrease/increase of the value-in-use by SEK 242 million/SEK 571 million. A change in sales of +/- 2.5% would result in an increase/decrease of the value-in-use by SEK 104 million/SEK 92 million. A change in EBITA of +/- 2% would result in a decrease/increase of the value-in-use by SEK 277 million.

For the Region Stockholm segment, a change in the discount rate of +/- 2% would result in a decrease/increase of the value-in-use by SEK 97 million/SEK 229 million. A change in sales of +/- 2.5% would result in an increase/decrease of the value-in-use by SEK 36 million/SEK 33 million. A change in EBITA of +/- 2% would result in a decrease/increase of the value-in-use by SEK 149 million.

For the Region North segment, a change in the discount rate of +/- 2% would result in a decrease/increase of the value-in-use by SEK 134 million/SEK 317 million. A change in sales of +/- 2.5% would result in an increase/decrease of the value-in-use by SEK 47 million/SEK 43 million. A change in EBITA of +/- 2% would result in a decrease/increase of the value-in-use by SEK 102 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 590 million/SEK 1,331 million. A change in sales of +/- 2.5% would result in an increase/decrease of the value-in-use by SEK 244 million/SEK 222 million. A change in EBITA of +/- 2% would result in a decrease/increase of the value-in-use by SEK 258 million.

For the Region Finland segment, a change in the discount rate of +/- 2% would result in a decrease/increase of the value-in-use by SEK 103 million/SEK 243 million. A change in sales of +/- 2.5% would result in an increase/decrease of the value-in-use by SEK 26 million/SEK 24 million. A change in EBITA of +/- 2% would result in a decrease/increase of the value-in-use by SEK 42 million.

NOTE 17 Property, plant and equipment

	Plant and machinery	Equipment, tools, fixtures and fittings	Expenditure for improvement on unowned property	TOTAL
Financial year 2020				
Opening cost	116.9	93.8	8.0	218.7
Acquisitions for the year	13.6	26.8	0.5	40.9
Acquisitions	52.4	60.2	0.4	113.0
Sales/disposals	-11.0	-4.8	-	-15.8
Reclassifications	-	-	-	-
Closing accumulated cost	171.9	176.0	8.9	356.8
Opening depreciation	-95.6	-60.9	-6.5	-163.0
Acquisitions	-	-	-	-
Sales/disposals	6.4	3.8	-	10.2
Reclassifications	-0.3	-0.4	-	-0.7
Depreciation for the year	-10.2	-12.2	-0.8	-23.6
Closing accumulated depreciation	-99.7	-70.1	-7.3	-177.1
Closing carrying amount 2020	72.2	105.9	1.6	179.7
Financial year 2021				
Opening cost	171.9	176.0	8.9	356.8
Acquisitions for the year	20.3	13.1	-	33.4
Acquisitions	49.8	26.8	-	76.7
Sales/disposals	-22.8	-20.2	-	-43.0
Reclassifications	10.3	-65.7	-8.9	-64.2
Translation difference	5.3	4.0	-	9.3
Closing accumulated cost	234.9	134.1	-	369.0
Opening depreciation	-99.7	-70.1	-7.3	-177.1
Acquisitions	-9.1	-6.2	-	-15.3
Sales/disposals	20.4	15.9	-	36.3
Reclassifications	-3.6	-3.4	7.3	0.2
Translation difference	-0.8	-0.3	-	-1.1
Depreciation for the year	-21.7	-12.4	-	-34.1
Closing accumulated depreciation	-114.5	-76.5	-	-191.0
Closing carrying amount 2021	120.4	57.6	-	178.0

NOTE 18 Financial assets and liabilities

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

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

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

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

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

Financial assets

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

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

FINANCIAL ASSETS	2021-12-31		2020-12-31	
	Carrying amount	Fair value	Carrying amount	Fair value
Other non-current receivables	7.8	7.8	1.3	1.3
Accounts receivable	640.7	640.7	389.3	389.3
Cash and cash equivalents	352.2	352.2	116.7	116.7
Total	1,000.7	1,000.7	507.3	507.3

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

Financial liabilities

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

Additional consideration measured at fair value, see Note 13 Other financial liabilities are reported at undiscounted cash flows.

FINANCIAL LIABILITIES	2021-12-31		2020-12-31	
	Carrying amount	Fair value	Carrying amount	Fair value
Accounts payable - trade	226.5	226.5	172.9	172.9
Bank overdraft	-	-	4.5	4.5
Liabilities to credit institutions (non-current and current)	1,122.5	1,122.5	723.4	723.4
Lease liability (non-current and current)	265.7	265.7	185.4	185.4
Additional consideration	109.7	109.7	90.7	90.7
Total	1,724.4	1,724.4	1,176.9	1,176.9

The financial liabilities have the following maturities:

	2021-12-31	< 3 months	3-12 months	1-5 years	> 5 years	Total
	Accounts payable - trade	226.5	225.3	0.6	0.6	-
Bank overdraft	-	-	-	-	-	-
Additional consideration	109.7	-	70.4	39.3	-	109.7
Liabilities to credit institutions (non-current and current)	1,122.5	22.0	57.1	1,043.3	-	1,122.5
Lease liability (non-current and current)	265.7	25.0	68.8	162.2	9.7	265.7
Total	1,724.4	272.3	196.9	1,245.4	9.7	1,724.4

	2020-12-31	< 3 months	3-12 months	1-5 years	> 5 years	Total
	Accounts payable - trade	172.9	170.6	2.3	-	-
Bank overdraft	4.5	4.5	-	-	-	4.5
Additional consideration	90.7	-	5.5	85.2	-	90.7
Liabilities to credit institutions (non-current and current)	723.4	-	134.3	333.9	255.3	723.4
Lease liability (non-current and current)	185.4	17.8	46.2	109.6	11.8	185.4
Total	1,176.9	193.0	188.3	528.7	267.1	1,176.9

See also Note 31 for information on the Group's bank overdraft.

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

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

For Green Landscaping, interest rate risk is the most significant of these and a sensitivity analysis has been conducted. This analysis shows the risk associated with financial liabilities as of 2021-12-31. A change in market interest rates impacts the consolidated income statement. Green Landscaping follows an approach whereby it has short fixed interest periods over a business cycle. However, the Group may decide on longer fixed interest periods if doing so is strategically advantageous. The CFO is responsible for suggesting such measures to the Board. Once or twice per year, the Board is required to make decisions on the maturities for all or part of the loans.

SENSITIVITY ANALYSIS, FINANCIAL LIABILITIES

	2021-12-31	2020-12-31
Total liability to credit institutions	1,122.5	723.4
Increase in interest rates by 1.0%	11.0	7.2
Decrease in interest rates by 1.0%	-11.0	-7.2

Credit risk

Credit risk is the risk that a counterparty will not be able to fulfill its contractual obligations, which leads to a credit loss. The Group is exposed to credit risk via its operating activities, particularly as regards accounts receivable and contract assets. There is also risk associated with financing activities attributable to cash balances at credit institutions.

Accounts receivable and contract assets

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

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

MATURITY ANALYSIS FOR ACCOUNTS RECEIVABLE AND CONTRACT ASSETS

	2021-12-31	2020-12-31
Expected credit loss, %	1.8	1.0
Carrying amount	679.6	460.7
Expected credit loss	-12.5	-4.6

Liquidity risk

The Group works with liquidity planning on a continual basis and it monitors payment flows to ensure that it has the necessary amount of cash on hand. The nature of the 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

	2021-01-01	Cash flow	Reclassification	Change in fair value	Other*	2021-12-31
Additional consideration	90.7	-5.1	-	-1.3	25.4	109.7

	2020-01-01	Cash flow	Reclassification	Change in fair value	Other*	2020-12-31
Additional consideration	14.4	-5.9	-	-8.2	90.4	90.7

* Other refers to additional or reversed additional consideration.

Capital management

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

The Group assesses its capital from the perspective of working capital. This key figure is calculated as current assets (not including cash and cash equivalents) less current liabilities. There are seasonal variations, however, which impact working capital from month to month. As of 31 December 2021, working capital was SEK 21.3 (-36.3) million.

NOTE 19 Inventories**INVENTORIES**

	2021-12-31	2020-12-31
Finished goods and goods for resale	38.5	27.7
Total	38.5	27.7

NOTE 20 Accounts receivable and contract assets**ACCOUNTS RECEIVABLE AND CONTRACT ASSETS**

	2021-12-31	2020-12-31
Accounts receivable from external customers	653.2	390.9
Contract assets	38.9	71.5
Provision for doubtful debts	-12.5	-1.6
Total	679.6	460.7

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.

OVERDUE ACCOUNTS RECEIVABLE

	2021-12-31	2020-12-31
Not yet due	520.6	322.5
0-30 days	94.0	50.0
31-90 days	16.6	7.0
> 90 days	22.0	9.8
Total	653.2	389.3

PROVISION FOR DOUBTFUL DEBTS

	2021-12-31	2020-12-31
Opening amount	-4.3	-2.4
Business combinations	-2.5	-1.7
Provision for bad debt losses for the year	-9.0	-0.8
Confirmed bad debt losses	2.1	0.4
Reversal of unutilized reserve	1.1	0.2
Total	-12.5	-4.3

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

NOTE 21 Prepaid expenses and accrued income**PREPAID EXPENSES AND ACCRUED INCOME**

	2021-12-31	2020-12-31
Prepaid rent	3.7	9.3
Prepaid insurance premiums	2.2	1.2
Accrued income	13.6	1.1
Supplier bonus	10.9	13.9
Other prepaid expenses	11.8	2.9
Total	42.2	28.3

NOTE 22 Cash and cash equivalents**CASH AND CASH EQUIVALENTS**

	2021-12-31	2020-12-31
Cash deposits with banks and cash-on-hand	352.2	116.7
Total	352.2	112.2

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

NOTE 23 Share capital and other contributed capital**Share capital**

The Parent Company's share capital consists solely of fully paid ordinary shares at a nominal value (quotient value) of SEK 0.071/share.

The Group has 52,658,037 Class A shares that are ordinary shares.

Options plan

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

2019/22. With full utilization of the program, a total of 781,100 shares will be issued (after the rights issue), which would have a maximum dilutive effect of approximately 1.5 percent. The subscription price for shares that are subscribed to via the warrants is SEK 37.90 per share. The premium per warrant, which has been calculated in accordance with the Black & Scholes model amounted to SEK 5.19. Subscription of shares may occur during the period 16 March 2022 through 7 June 2022. With full utilization of the warrants, the Group's share capital will increase by SEK 55,458.

2020/23. With full utilization of the program, a total of 593,850 shares will be issued (after the rights issue), which would have a maximum dilutive effect of approximately 1.1 percent. The subscription price for shares that are subscribed to via the warrants is SEK 27.90 per share. The premium per warrant, which has been calculated in accordance with the Black & Scholes model amounted to SEK 2.70. Subscription of shares may occur during the period 22 March 2023 through 16 June 2023. With full utilization of the warrants, the Group's share capital will increase by SEK 42,163.

2021/24. With full utilization of the program, a total 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.

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

	2021	2020
Opening number of shares	47,726,987	36,011,057
Non-cash issues	1,330,963	2,479,904
New share issue	1,851,852	9,236,026
Redemption of options	1,748,235	-
Closing number of shares	52,658,037	47,726,987

HOLDINGS OF OWN SHARES

	2021	2020
Opening number of shares	24,500	70,588
Acquired own shares	654,500	49,000
Divested own shares	-678,596	-95,088
Closing number of shares	404	24,500

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.

In June, a directed new share issue was carried out, which generated SEK 145.7 million after issue costs for the Group. The subscription price was SEK 81 per share and

1,851,852 shares were subscribed for.

During the year, five non-cash issues were carried out in connection with the acquisition of subsidiaries. A total of 1,330,963 shares have been issued at an average price of SEK 69 per share.

NOTE 24 Warranty provisions

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

WARRANTY PROVISIONS

	2021-12-31	2020-12-31
Amount at beginning of year	1.2	1.5
Business combinations	1.7	0.4
Provisions for the year	1.1	0.7
Reversal of unutilized provision	-0.5	-1.1
Amount used during the year	-0.3	-0.2
Total	3.3	1.2

SPECIFICATION OF OTHER PROVISIONS

	2021-12-31	2020-12-31
Guarantees/warranties	3.3	1.2
Total	3.3	1.2

Provisions that are reported as of the acquisition date for a business combination are included in "Business Combinations" above. Other provisions pertain to various types of legal and other claims from customers, such as guarantees/warranties.

Typically, claims are settled within 1 to 36 months of when the claim is made, depending on the type of problem and remedy required. Provisions are thus categorized as either current or non-current.

NOTE 25 Non-current liabilities**NON-CURRENT LIABILITIES**

	2021-12-31	2020-12-31
Liabilities to credit institutions maturing between 1 and 5 years	1,043.3	312.5
Liabilities to credit institutions maturing in more than 5 years	-	255.3
Lease liabilities maturing between 1 and 5 years	205.9	104.4
Lease liabilities maturing in more than 5 years	-	11.8
Other non-current liabilities that mature between 1 and 5 years	39.2	83.0
Total	1,288.5	767.0

As of 2020, additional consideration is classified as other liabilities, both non-current and current.

Liabilities to credit institutions

In 2021, the Group signed a new 3-year credit facility agreement, with an option to extend for 2 years. The bank loan is on market terms and amounts to SEK 1,950 million. The credit facility contains the ordinary terms and conditions for this type of credit, including covenants linked to such things as the gearing ratio and adjusted EBITDA. There are also terms and conditions on termination/cancellation. It also contains terms and conditions pertaining to missed or early repayment in conjunction with such things as a change in ownership at the Group. There are also limitations on taking new loans over a certain amount from other creditors.

NOTE 26 Contract liabilities**CONTRACT LIABILITIES**

	2021-12-31	2020-12-31
Current advance payments from customers	24.8	28.9
Total	24.8	28.9

NOTE 27 Accrued expenses and deferred income**ACCRUED EXPENSES AND DEFERRED INCOME**

	2021-12-31	2020-12-31
Accrued salaries	65.4	19.5
Accrued vacation pay	67.2	61.0
Accrued social security contributions	24.3	32.8
Accrued interest expenses	3.4	0.6
Other prepaid income	4.7	0.1
Other accrued expenses	56.3	28.5
Total	221.3	142.5

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 15. 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 35.

COMPONENTS OF LEASE LIABILITY

	Premises	Machinery and manufact. equip.	Cars and equipment	TOTAL
Opening balance 2020-01-01	108.8	63.5	60.3	232.5
Acquisitions	9.0	5.2	13.8	28.0
Interest	2.2	1.5	1.5	5.2
Amortization	-31.4	-24.7	-24.0	-80.2
Translation difference	-0.1	0.0	0.0	-0.1
Closing balance 2020-12-31	88.5	45.5	51.5	185.4
Opening balance 2021-01-01	88.5	45.5	51.5	185.4
Acquisitions	32.3	17.3	13.6	63.2
Acquisitions	-	46.7	10.8	57.5
Reclassifications	-	37.0	15.2	52.2
Interest	2.8	1.0	0.9	4.7
Amortization	-33.1	-36.4	-33.4	-102.9
Translation difference	1.6	2.8	0.9	5.4
Closing balance 2021-12-31	92.2	113.8	59.6	265.7

EXPENSED LEASING

	2021-12-31	2020-12-31
Depreciation, right-of-use assets	79.5	74.1
Interest expenses attributable to lease liabilities	4.7	5.2
Total	84.2	79.3

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

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

PLEGDED ASSETS

	2021-12-31	2020-12-31
Chattel mortgages	26.7	10.9
Frozen funds	5.5	2.2
Machinery with ownership reservation	82.0	8.2
Total	114.2	21.2

See also Note 25 for terms on finance agreements

NOTE 30 Pension liabilities

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

NOTE 31 Current liabilities**CURRENT LIABILITIES**

	2021-12-31	2020-12-31
Bank overdraft	-	4.5
Accounts payable - trade	226.5	172.9
Total	226.5	177.4

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

	2021-12-31	2020-12-31
Granted credit	50.0	58.0
Utilized credit	0.0	4.5

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

NOTE 32 Other operating expenses

Other operating expenses	2021	2020
Administration costs	-19.6	-17.1
Hired staff	-8.9	-7.7
External services	-88.8	-58.1
Acquisition costs	-5.8	-7.7
Other	-24.0	-5.6
Total	-147.0	-96.2

NOTE 33 Transactions with related parties

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

Remuneration to key employees

Remuneration to key employees is described in Note 6.

Options plan

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

Loans

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

See also Note M18 for a description of the Parent Company's related party transactions.

NOTE 34 Other current liabilities

Other current liabilities	2021-12-31	2020-12-31
VAT receivable	78.7	52.0
Other taxes and social security contributions	37.0	32.1
Additional consideration	70.4	5.5
Other current liabilities	28.9	29.1
Total	215.0	118.6

Other current liabilities as of 2021-12-31 consist of the EU grant received for SEK 25.5 million. The project will not be implemented and the grant received will be repaid to the donor in 2022.

NOTE 35 Specification, cash flow**RECONCILIATION OF ITEMS INCLUDED IN FINANCING ACTIVITIES**

	Liabilities to credit institu- tions	Leasing	Total
Opening balance 2020-01-01	483.0	232.5	715.5
New loans	388.9	0.0	388.9
Loan amortization	-147.0	-76.7	-223.7
Not impacting cash flow	-1.5	29.6	28.1
Closing balance 2020-12-31	723.4	185.4	908.5
Opening balance 2021-01-01	723.4	185.4	908.5
New loans	1,460.0	-	1,460.0
Loan amortization	-997.9	-102.9	-1,100.8
New leases	-	63.2	63.2
Leases in acquired subsidiaries	-	57.5	57.5
Reclassifications	-52.2	52.2	0.0
Not impacting cash flow	-10.8	10.3	-0.5
Closing balance 2021-12-31	1,122.5	265.7	1,388.2

NOTE 36 Significant events after closing date

Green Landscaping Group's share has been moved to Nasdaq Stockholm Mid Cap.

The acquisition of Markbygg Anläggning Väst AB with annual sales of approximately SEK 280 million was approved. 100% of the shares were acquired in the following companies: Rainset Oy with annual sales of approximately EUR 4 million, Hallandsåsens Utemiljö AB with annual sales of approximately SEK 30 million and Glenn Syvertsen AS with annual sales of approximately NOK 35 million.

An agreement was entered into on April 8, 2022, to acquire all shares in Aktiv Veidrift AS. The company has a turnover of approximately NOK 240 million. Access is expected during the first half of 2022.

Conflict between Russia and Ukraine

Green Landscaping Group does not have any operations in either Russia or Ukraine, but it could be indirectly impacted by the war. The situation creates uncertainty in logistic chains for vehicle and material supply, inflation expectations and customer behavior. Thus far, we have not noticed any impact on the business. At both the Group and subsidiary levels, there have been initiatives to help Ukraine. However, the costs of those initiatives have not significantly impacted the Group's earnings potential or its financial position.

Notes – Parent Company

NOTE M1 Net sales

The Parent Company's net sales consist of services performed for the subsidiaries in Sweden and Norway. The companies acquired in 2021 will pay for services rendered in 2022 and onwards.

NOTE M2 Employees and employee benefit expenses

AVERAGE NUMBER OF EMPLOYEES

SEK m	2021		2020	
	Number of employees	Of which men	Number of employees	Of which men
Parent Company	6	67%	5.0	40%
Total	6	67%	5.0	40%

The information pertains to circumstances as of the closing date.

SALARIES AND OTHER REMUNERATION

SEK m	2021	2020
Board and CEO	3.2	3.7
Of which bonuses	0.0	0.5
Other employees	6.5	3.5
Total	9.7	7.1

SOCIAL SECURITY EXPENSES

SEK m	2021	2020
Salaries and other remuneration	9.7	7.1
Pension expenses for the Board and CEO	0.7	0.9
Pension expenses, other employees	0.8	0.7
Other social security expenses	3.4	2.3
Total	14.6	11.1

PENSION OBLIGATIONS

SEK m	2021	2020
Board and CEO	0.0	0.0

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	2021	2020
Grant Thornton Sweden AB		
Audit assignment	1.1	-
Other audit activities	-	-
Other services	-	-
Total	1.1	-
Ernst & Young		
Audit assignment	1.8	1.4
Other audit activities	-	-
Tax advice	-	0.0
Other services	-	0.8
Total	1.8	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 Financial income/expenses

FINANCIAL INCOME

	2021	2020
Interest income from Group companies	2.9	3.8
Dividends	-	-
Other financial income	-	-
Total	2.9	3.8

FINANCIAL EXPENSES

	2021	2020
Interest expenses to Group companies	-	-0.1
Other interest expenses	-19.0	-14.2
Impairment of shares in subsidiaries	-198.5	-
Other financial expenses	-6.3	-1.9
Total	-223.8	-16.2

NOTE M5 Tax

TAX ON PROFIT FOR THE YEAR

	2021	2020
Current tax	0.0	-0.2
Adjustment pertaining to prior years	-1.0	-0.1
Change in deferred tax asset	-1.4	-
Change in deferred tax liability	-	-
Total	-2.4	-0.3

PROFIT (LOSS) BEFORE TAX

	2021	2020
Profit (loss) before tax	-208.2	0.2
Tax on profit for the year according to the applicable tax rate (20.6% / 21.4%):	42.9	0.0
Tax effect of:		
Non-deductible impairment	-40.9	-
Other non-deductible expenses	-4.3	-2.2
Other deductible items	0.9	1.5
Non-taxable revenue	-	0.5
Other adjustments	0.0	-0.1
Tax for the previous year	-1.0	-
Reported tax	-2.4	-0.3

The effective tax rate is not applicable because there have been large, non-deductible impairment losses in 2021. Also for the comparison year, there were non-deductible items that impact the amount of reported tax.

NOTE M5 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 2020	4.2	-	4.2
Recognized in the income statement	-	-	-
Recognized in other comprehensive income	-	-	-
As of 31 December 2020	4.2	0.0	4.2
Opening balance 1 January 2021	4.2	0.0	4.2
Recognized in the income statement	-1.4	-	-1.4
Recognized in other comprehensive income	-	-	-
As of 31 December 2021	2.8	0.0	2.8

NOTE M6 Shares in subsidiaries**SHARES IN SUBSIDIARIES**

	2021-12-31	2020-12-31
Opening cost	1,205.3	656.2
Acquired companies	697.6	549.1
Capital contribution to subsidiaries	48.6	-
Closing cost	1,951.5	1,205.3
Opening value adjustment	-6.4	-
Value adjustment	-198.5	-6.4
Closing carrying amount	1,746.6	1,198.9

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

NOTE M7 Intangible assets

	Software	TOTAL
Financial year 2020		
Opening cost	0.9	0.9
Acquisitions for the year	0.1	0.1
Closing accumulated cost	1.0	1.0
Opening amortization	-0.3	-0.3
Amortization for the year	-0.2	-0.2
Closing accumulated amortization	-0.5	-0.5
Closing carrying amount 2020	0.5	0.5
Financial year 2021		
Opening cost	1.0	1.0
Acquisitions for the year	-	-
Closing accumulated cost	1.0	1.0
Opening amortization	-0.5	-0.5
Amortization for the year	-0.1	-0.1
Closing accumulated amortization	-0.6	-0.6
Closing carrying amount 2021	0.4	0.4

NOTE M8 Financial assets and liabilities**FINANCIAL ASSETS**

	Parent Company 2021-12-31		Parent Compa- ny 2020-12-31	
	Carrying amount	Fair value	Carrying amount	Fair value
Cash and cash equivalents	84.6	84.6	35.0	35.0
Total	84.6	84.6	35.0	35.0

FINANCIAL LIABILITIES

	2021-12-31		2020-12-31	
	Carrying amount	Fair value	Carrying amount	Fair value
Accounts payable - trade	3.0	3.0	3.3	3.3
Liabilities to credit institutions (non-current and current)	1,067.7	1,067.7	658.2	658.2
Additional consideration (non-current and current)	117.0	117.0	96.7	96.7
Total	1,187.7	1,187.7	758.2	758.2

The financial liabilities have the following maturities:

	2021-12-31	2021-12-31			Total
		< 3 months	3-12 months	1-5 years > 5 years	
Accounts payable - trade	3.0	3.0	-	-	3.0
Liabilities to credit institutions (non-current and current)	1,067.7	18.8	56.2	992.7	1,067.7
Additional consideration (non-current and current)	117.0	-	70.4	46.6	117.0
Total	1,187.7	21.8	126.7	1,039.3	1,187.7

See also Note 31 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 2021-12-31.

SENSITIVITY ANALYSIS, FINANCIAL LIABILITIES

	2021-12-31	2020-12-31
Total liabilities to credit institutions	1,067.7	658.2
Increase in interest rates by 1.0%	10.7	6.6
Decrease in interest rates by 1.0%	-10.7	-6.6

CHANGES ATTRIBUTABLE TO FINANCING ACTIVITIES

	2021-01-01	Cash flow	Reclassifi- cation	Change in fair value	Other*	2021-12-31
Additional consid- eration	96.7	-5.1	-	-	25.4	117.0

	2020-01-01	Cash flow	Reclassifi- cation	Change in fair value	Other*	2020-12-31
Additional consid- eration	11.2	-4.9	-	-	90.4	96.7

* Other refers to additional or reversed additional consideration.

NOTE M9 Prepaid expenses and accrued income**PREPAID EXPENSES AND ACCRUED INCOME**

	2021-12-31	2020-12-31
Prepaid insurance premiums	0.5	0.5
Other prepaid expenses	2.9	1.5
Total	3.4	2.0

NOTE M10 Cash and cash equivalents**CASH AND CASH EQUIVALENTS**

	2021-12-31	2020-12-31
Cash on hand	84.6	35.0
Total	84.6	35.0

For more information on bank overdraft, please see M15.

NOTE M11 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 52,658,037 Class A shares that are ordinary shares.

Options plan

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

2019/22. With full utilization of the program, a total of 781,100 shares will be issued (after the rights issue), which would have a maximum dilutive effect of approximately 1.5 percent. The subscription price for shares that are subscribed to via the warrants is SEK 37.90 per share. The premium per warrant, which has been calculated in accordance with the Black & Scholes model amounted to SEK 5.19. Subscription of shares may occur during the period 16 March 2022 through 7 June 2022. With full utilization of the warrants, the Group's share capital will increase by SEK 55,458.

2020/23. With full utilization of the program, a total of 593,850 shares will be issued (after the rights issue), which would have a maximum dilutive effect of approximately 1.1 percent. The subscription price for shares that are subscribed to via the warrants is SEK 27.90 per share. The premium per warrant, which has been calculated in accordance with the Black & Scholes model amounted to SEK 2.70. Subscription of shares may occur during the period 22 March 2023 through 16 June 2023. With full utilization of the warrants, the Group's share capital will increase by SEK 42,163.

2021/24. With full utilization of the program, a total 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.

NOTE M11 Share capital and other contributed capital, cont.**CHANGE IN NUMBER OF SHARES**

	2021	2020
Opening number of shares	47,726,987	36,011,057
Non-cash issues	1,330,963	2,479,904
New share issue	1,851,852	9,236,026
Redemption of options	1,748,235	
Closing number of shares	52,658,037	47,726,987

HOLDINGS OF OWN SHARES

	2021	2020
Opening number of shares	24,500	70,588
Acquired own shares	654,500	49,000
Divested own shares	-678,596	-95,088
Closing number of shares	404	24,500

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.

In June, a directed new share issue was carried out, which generated SEK 145.7 million after issue costs for Green Landscaping Group AB. The subscription price was SEK 81 per share and 1,851,852 shares were subscribed for.

During the year, five non-cash issues were carried out in connection with the acquisition of subsidiaries. A total of 1,330,963 shares have been issued at an average price of SEK 69 per share.

**NOTE
M12** **Non-current liabilities****NON-CURRENT LIABILITIES**

	2021-12-31	2020-12-31
Liabilities to credit institutions maturing between 1 and 5 years	992.7	321.7
Liabilities to credit institutions maturing in more than 5 years	0.0	255.3
Other liabilities to Group companies maturing between 1 and 5 years	0.0	0.0
Other non-current liabilities maturing between 1 and 5 years	46.6	91.2
Total	1,039.3	668.2

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

**NOTE
M13** **Accrued expenses and deferred income****ACCRUED EXPENSES AND DEFERRED INCOME**

	2021-12-31	2020-12-31
Accrued vacation pay	0.6	0.5
Accrued social security contributions	0.4	0.4
Accrued interest expenses	3.4	0.5
Other accrued expenses	9.5	0.9
Total	13.9	2.3

**NOTE
M14** **Pledged assets and contingent liabilities****PLEGDED ASSETS**

	2021-12-31	2020-12-31
Shares in Group companies	-	-
Pledged assets on behalf of subsidiaries for their liabilities to credit institutions	-12.5	-12.5
Total	-12.5	-12.5

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

**NOTE
M15** **Current liabilities****BANK OVERDRAFT**

	2021-12-31	2020-12-31
Granted credit	50.0	50.0
Utilized credit	0.0	0.0

See also M10 for information on cash and cash equivalents.

**NOTE
M16** **Specification, cash flow****RECONCILIATION OF ITEMS INCLUDED IN FINANCING ACTIVITIES**

	Liabilities to credit institutions	Intra-Group loans	Total
Opening balance 2020-01-01	470.0	1.0	471.0
New loans	334.7	-	334.7
Loan amortization	-145.9	-	-145.9
Not impacting cash flow	-0.6	-1.0	-1.6
Closing balance 2020-12-31	658.2	0.0	658.2
Opening balance 2021-01-01	658.2	0.0	658.2
New loans	1,400.0	-	1,400.0
Loan amortization	-993.9	-	-993.9
Not impacting cash flow	3.3	-	3.3
Closing balance 2021-12-31	1,067.6	-	1,067.6

**NOTE
M17** **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
M18** **Purchases and sales between Group companies****Sales and purchase from subsidiaries**

For the Parent Company, SEK 34.1 (25.3) million, corresponding to 100 percent (99.6) of the year's sales and SEK 0.9 (1.4) million corresponding to 5.1 (10.2) percent of the year's purchases were transactions with subsidiaries of the Group.

The pricing of purchased goods and services to related companies has been on market terms.

As of 31 December 2021, the Parent Company's receivables from subsidiaries amounted to SEK 188.4 (143.6) million and liabilities to subsidiaries amounted to SEK 184.1 (58.7) million. Transactions with related parties have been priced at the going market rate.

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

Changes in intra-group receivables and liabilities compared with the comparison year are primarily attributable to changes in the Group's cash pool for the Swedish operations.

NOTE Leasing

M19

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

	2021	2020
Expensed lease fees for operating leases	1.2	1.0
Future minimum lease payments for non-cancellable operating leases		
To be paid within 1 year	0.7	0.9
To be paid within 1-5 years	0.0	0.7
To be paid in more than 5 years	-	-
Total	0.7	1.5

NOTE Other current liabilities

M20

OTHER CURRENT LIABILITIES

	2021-12-31	2020-12-31
VAT payable/receivable	0.1	-0.2
Other taxes and social security contributions	0.2	0.3
Additional consideration	70.4	5.5
Other current liabilities	25.3	25.6
Total	96.1	31.1

Other current liabilities as of 2021-12-31 consist of the EU grant received for SEK 25.5 million. The project will not be implemented and the grant received will be repaid to the donor in 2022.

NOTE Appropriation of profit or loss

M21

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

FUNDS AS THE DISPOSAL OF THE PARENT COMPANY (SEK)

Share premium reserve	905,682,636
Retained earnings	-81,655,454
Profit (loss) for the year	-210,560,564
Total	613,466,618

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

Carried forward	
Total	613,466,618

Approval of the financial statements

The consolidated financial statements for the reporting period that ended on 31 December 2021 (including comparison figures) was approved by the Board on 13 April 2022.

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 1606/2002 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, 13 April 2022

Per Sjöstrand
Chairman of the Board

Tomas Bergström
Director

Åsa Källenius
Director

Johan Nordström
CEO and Director

Staffan Salén
Director

Monica Trolle
Director

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

To the general meeting of the shareholders of i 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 2021 except for the corporate governance statement on pages 59 - 73. The annual accounts and consolidated accounts of the company are included on pages 74 - 119 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 2021 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 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 59 - 73. 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 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.

Other information

The audit of the annual accounts and consolidated accounts for the year 2020 has been performed by another auditor who has submitted an audit report dated 14 April 2021 with unmodified statements in the Report on the annual accounts and consolidated accounts.

Key Audit Matters

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

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.
- * Analytical review of recorded income and margins; and review of company management's follow-up of project results.
- * Assessment of whether the revenue recognition of agreements with customers is reflected and gives a true and fair view of the accounts in accordance with IFRS.
- * Audit of information provided in the annual report and that these are in all material respects in accordance with the requirements of IFRS.



Goodwill

The Group's carrying amount for intangible fixed assets in the form of goodwill as of 31 December 2021 amounts to SEK 1,129.6 million, which constitutes approximately 36 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 16 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:

- * Review to assess and ensure that the Group's impairment tests are carried out in accordance with what is stipulated in the regulations for IFRS.
- * 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 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 – 73 and 124 - 127. The remuneration report for the financial year 2021, 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 intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibility

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

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

- * Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- * Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- * Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.

* Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and



consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

* Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.

* Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

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

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

Report on the audit of the administration 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 2021 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 fulfil the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

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

* has undertaken any action or been guilty of any omission which can give rise to liability to the company, or

* in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

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

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

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess 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 for the financial year 2021. Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report #[checksum] 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 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 audit firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and 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 technical validation of the Esef report, i.e., if the file containing the Esef report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 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 Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, financial position, changes in equity and cash flow.

Grant Thornton Sweden AB was appointed auditor of Green Landscaping Group AB (publ) by the general meeting of the shareholders on the 19 May 2021 and has been the company's auditor since the 19 May 2021.

Stockholm on the day stated in our electronic signature

Grant Thornton Sweden AB

Camilla Nilsson

Authorized Public Accountant

Key performance indicators

	Q3 2021	Q3 2021	Kv2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Sales, SEK m	957.3	761.2	794.4	668.6	656.1	551.5	552.1	375.1
EBITA, SEK m	83.5	68.6	65.1	14.7	33.3	40.0	46.5	-18.7
EBITA margin, %	8.7	9.0	8.2	2.2	5.1	7.3	8.4	-5.0
Working capital, SEK m	21.3	7.7	-82.0	-47.3	-36.6	20.5	-5.3	-4.7
Equity, SEK m	895.7	794.1	753.8	478.9	468.4	419.3	384.7	210.4
Interest-bearing net debt, SEK m	-1,036.0	-902.3	-913.3	-953.9	-796.5	-707.1	-518.5	-719.7
Average no. of employees	1,513	1,922	1,686	1,373	1,357	1,246	1,331	1,013

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.

	Q3 2021	Q3 2021	Kv2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
EBITA								
Operating profit (loss)	60.9	47.8	46.6	0.3	19.0	30.0	36.6	-27.1
Amortization and impairment of intangible assets	22.6	20.9	18.5	14.4	14.3	10.0	9.9	8.4
Total EBITA	83.5	68.6	65.1	14.7	33.3	40.0	46.5	-18.7

Key performance indicators, cont.

	Q3 2021	Q3 2021	Kv2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Working capital								
Inventories	38.5	32.4	32.5	31.9	27.7	27.2	29.2	25.6
Contract assets	38.9	79.6	79.5	60.6	71.5	134.8	90.0	66.7
Current receivables	722.1	510.3	482.0	455.2	433.3	344.4	322.9	295.4
Accounts payable - trade	-226.5	-185.8	-192.9	-142.2	-172.9	-129.5	-125.6	-121.0
Other liabilities and non-current interest-bearing liabilities	-305.6	-224.5	-227.3	-213.0	-224.8	-143.2	-86.8	-78.2
Contract liabilities	-24.8	-36.3	-51.2	-65.1	-28.9	-62.9	-72.6	-64.4
Accrued expenses	-221.3	-168.2	-204.6	-174.7	-142.5	-150.3	-162.4	-128.8
Total working capital	21.3	7.5	-82.0	-47.3	-36.6	20.5	-5.3	-4.7

	Q3 2021	Q3 2021	Kv2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Net debt								
Bank overdraft	0.0	-23.4	-27.5	-5.3	-4.5	0.0	0.0	-2.4
Liabilities to credit institutions (non-current)	-1,043.3	-771.6	-853.3	-705.1	-589.1	-512.1	-396.6	-500.5
Liabilities from finance leases (non-current and current)	-265.7	-237.4	-283.1	-264.9	-185.4	-180.7	-191.6	-204.1
Liabilities to credit institutions (current)	-79.2	-84.9	-85.1	-90.9	-134.3	-93.8	-55.1	-53.2
Cash and cash equivalents	352.2	215.0	335.7	112.3	116.7	79.7	124.8	40.5
Total Net debt	-1,036.0	-902.3	-913.3	-953.9	-796.5	-707.1	-518.5	-719.7

	Q3 2021	Q3 2021	Kv2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
EBITA								
EBITA for the quarter	83.5	68.6	65.1	14.7	33.3	40.0	46.5	-18.7
Total, last 4 quarters	231.9	181.7	153.1	134.5	101.1	93.0	81.8	70.2
Total EBITA RTM	231.9	181.7	153.1	134.5	101.1	93.0	81.8	70.2

	Q3 2021	Q3 2021	Kv2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Earnings per share								
Profit (loss) for the period	32.0	30.0	36.4	-6.6	19.2	19.1	30.6	-31.5
Average number of shares	52,332,330	52,042,611	47,733,632	47,728,627	47,259,360	46,212,770	37,171,595	36,431,957
Earnings per share, SEK	0.61	0.58	0.76	-0.14	0.41	0.41	0.82	-0.86

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 is used to gauge the company's operating profitability.
EBITDA	Operating profit (loss) before amortization and impairment of acquisition-related intangible assets along with depreciation, amortization and impairment of property, plant and equipment and intangible assets.	EBITDA and EBITA are used together to gauge the company's operating profitability.
EBITA margin	Operating profit (loss) before depreciation, amortization and impairment of acquisition-related intangible assets as a percentage of sales.	EBITA margin is a measure of operating profitability.
EBT	Earnings before tax.	Earnings before tax provides an overall indication of the profit that was generated before tax.
Nonrecurring items	Items that significantly deviate from ordinary business activities and which are limited to a single time (one-off). Examples are the listing on Nasdaq First North in March 2018 and termination of lease agreements in conjunction with acquisitions.	It provides a truer view of the underlying earnings.
Adjusted EBITA	EBITA adjusted for nonrecurring items.	Adjusted EBITA increases the comparability of EBITA.
Adjusted EBITDA pro forma	EBITDA adjusted for nonrecurring items including EBITDA of acquired companies for the current year prior to the acquisition date.	It provides an indication of the Group's position in future periods.
Adjusted EBITA margin	EBITA adjusted for nonrecurring items, as a percentage of sales.	Adjusted EBITA margin excluding the effect of nonrecurring items, which makes it possible to compare the underlying operating profitability.
Order backlog	This is the amount of contracts not yet delivered and potential add-on years.	It provides an indication of the 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.
Net debt	Interest-bearing liabilities less cash and cash equivalents.	Net debt is an indication of the Group's financial position.
Net debt in relation to adjusted EBITDA	Net debt as a percentage of adjusted EBITDA.	Net debt in relation to adjusted EBITDA is reported for the purpose of revealing the level of financial risk. It is also a useful metric for monitoring the Group's debt/equity level.

Financial calendar

The AGM for Green Landscaping Group AB (publ) will be held on Thursday, 19 May 2022.

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

5 May 2022	Interim report January-March 2022
19 August 2022	Interim report January-June 2022
17 November 2022	Interim report January-September 2022
15 February 2023	Year-end report 2022



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