PASSION *for* SERVICE

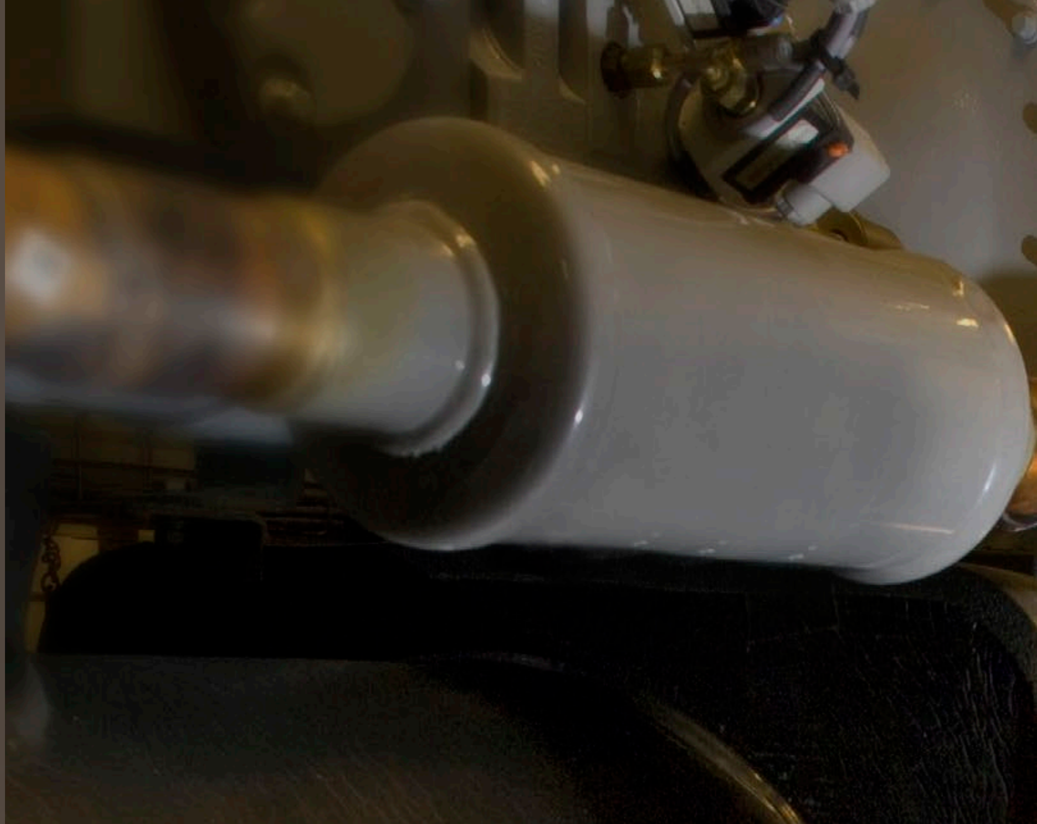
Annual and Sustainability Report 2018

Coor Service Management Holding AB

COOR

CONTENTS

This annual report covers the activities of Coor Service Management Holding AB, corp. ID no. 556742-0806.



SERVICE *with* IQ

Coor coordinates, performs and develops services in and relating to properties. Coor offers innovative, customized and flexible service solutions which create business benefits for customers. The company has specialist expertise in property services and workplace services. Customers are also offered strategic advisory services in these areas. Coor's offering includes over 100 services that are delivered either as integrated facility management solutions (IFM) or as single FM services. Our ambition is to deliver the market's smartest and most developed offering – we call it Service with IQ.

WORKPLACE SERVICES

Workplace services account for 64 per cent of consolidated net sales. The single largest services in this segment are cleaning and food & beverages. Other services include telephony, reception, mail & freight and documentation management.

Strategic advisory services such as workplace optimization, strategy and implementation of activity-based workplaces are also offered in this segment.

PROPERTY SERVICES

Property services account for 36 per cent of consolidated net sales. The services comprise simple maintenance tasks as well as complex undertakings, such as energy optimization, security solutions and technical property management systems.

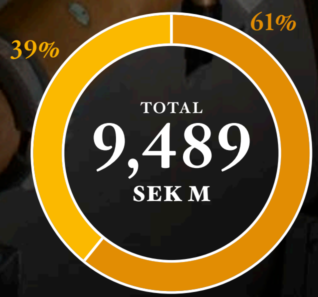
Strategic advisory services, such as advice on redevelopment/construction projects and security consultations, KPI analyses and action plans, are also part of the offering in this segment.

PASSION *for* SERVICE

Passion for service inspires everything we do at Coor – when we take care of our customers' properties, provide cleaning services, run restaurants, welcome guests, deliver mail and carry out hundreds of other services that are needed to ensure that workplaces, industrial facilities and properties are run in the best way. Our passion has made us a leading provider of facility management services in the Nordic region.

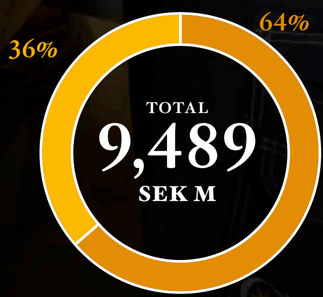
COOR IN FIGURES

NET SALES BY TYPE OF CONTRACT



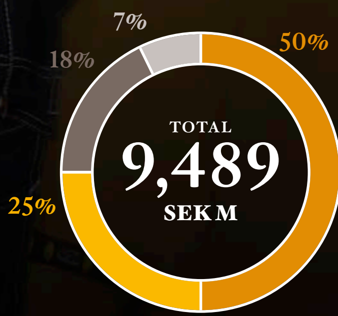
- Integrated FM (IFM)
- FM services

NET SALES BY SERVICE CATEGORY



- Workplace services
- Property services

NET SALES BY COUNTRY



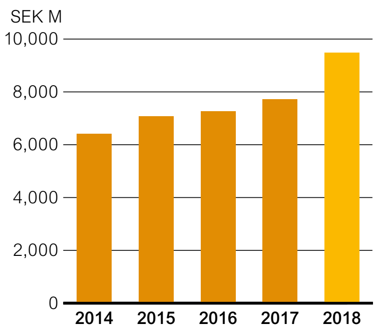
- Sweden
- Norway
- Denmark
- Finland

2018 – GROWTH AND INCREASED OPERATING PROFIT

Nordic growth and a strong cash flow create scope for a special dividend.

Mikael Stöhr, President and CEO

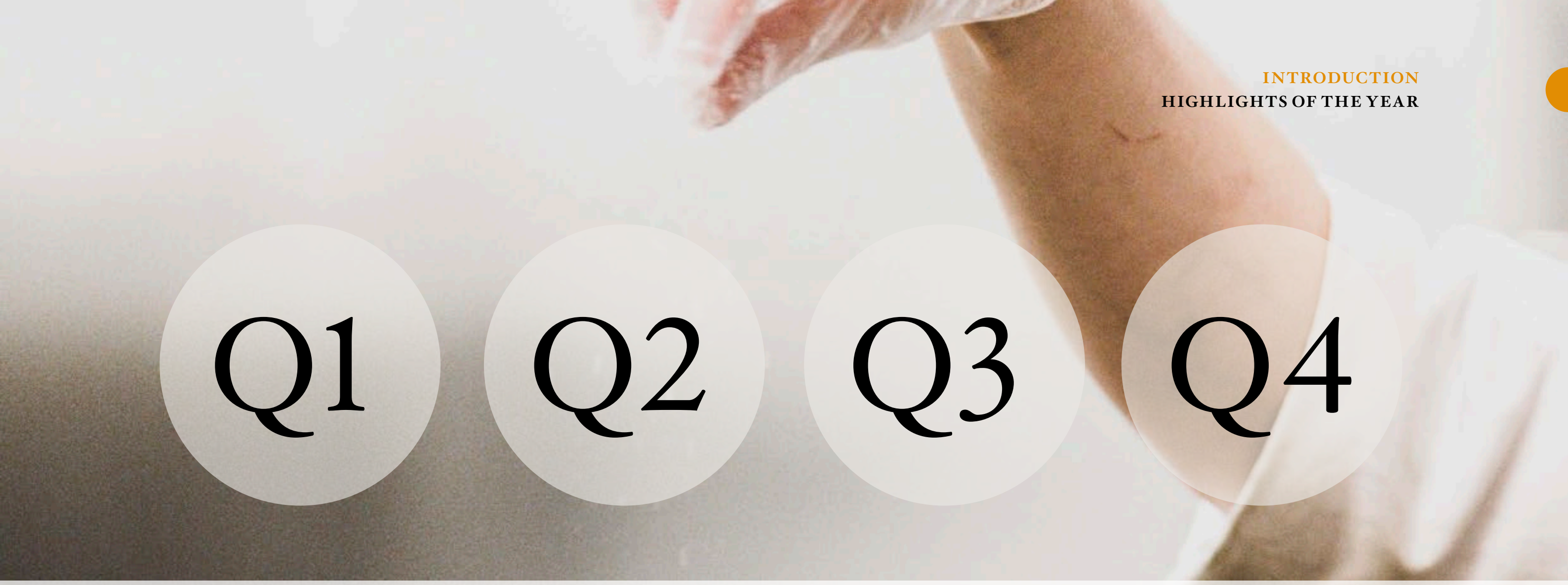
ANNUAL NET SALES



23%
GROWTH

SUMMARY OF RESULTS, GROUP	2018	2017
Net sales, SEK million	9,489	7,722
Organic growth, %	*10*	*6*
Acquired growth, %	*10*	*0*
FX effects, %	*3*	*1*
Adjusted EBITA, SEK million	490	468
Adjusted EBITA margin, %	5.2	6.1
EBIT, SEK million	219	268
Profit after tax, SEK million	104	188
Operating cash flow, SEK million	354	492
Pro forma operating cash flow[1], SEK million	448	492
Earnings per share, SEK	1.1	2.0
Number of employees (FTE) at year-end	9,082	6,695
Dividend, SEK	4.00 [2]	4.00

1) For more information, see the Directors' Report on page 43.
2) The dividend is subject to approval by the Annual General Meeting on 2 May 2019.



Q1

- Coor acquires cleaning firm Elite Miljø in Denmark and property services provider OBOS Eiendomsdrift in Norway. The acquisitions are in line with Coor's strategic priorities with regards to service content, geography and value creation through clear synergies.
- Significant start-up activities in all Nordic countries: Sokotel in Finland, Copenhagen Municipality in Denmark, the Confederation of Swedish Enterprise and Uppsala Science Park in Sweden and the University of Bergen in Norway.
- Commissioning of the new buildings at the Karolinska University Hospital in Solna, where Coor is responsible for delivering the full spectrum of services.

Q2

- Coor signs a contract to acquire Norwegian service provider West Facility Management AS, which accelerates continued growth.
- A five-year IFM contract is signed with Storebrand in Norway. The contract consolidates Coor's position as the market leading provider of IFM services in the Nordic region.
- Coor extends its contract with Det Norske Veritas Eiendom. The contract, which covers building management services and maintenance, runs for two years with an option to extend for a further two years.
- New contracts are concluded with IKEA, Attendo, MAN Diesel and H&M.

Q3

- Coor's contract with Equinor (formerly Statoil) is extended until July 2021 with an option to extend for a further three years. The Equinor contract is one of the largest IFM contracts in the Nordic region.
- The IFM contract with Ericsson, one of Coor's oldest customers, is extended to 2023. Under the extended contract, Coor's activities in Sweden are expanded while deliveries outside Sweden are terminated.
- The acquisition of West Facility Management AS is closed.

Q4

- Marcus Karsten takes over as President of Coor Finland and joins Coor's executive management team.
- Coor extends its contract with E.ON until summer 2021. Coor has been providing integrated FM services to E.ON since 2004.
- Full start-up activity for deliveries of patient meals at the Karolinska University Hospital in Solna. Coor's Signatur concept is launched.
- Initiation of the contract with Swedavia, which covers operation and maintenance of security systems at Arlanda, Bromma and Visby airports.

EMPLOYEES
11,174

ADJUSTED EBITA
490
SEK M

OPERATING CASH FLOW
448
SEK M

SERVICE WITH HEART AND BRAINS

2018 was a fantastic year for Coor, and I am proud and grateful for the strong confidence that our customers and investors show in us.

2018 was in many ways an important year for Coor. It was the year in our history when we grew the most, both organically and through acquisitions. We acquired three companies: cleaning firm Elite Miljø in Denmark, property services provider OBOS Eiendomsdrift in Norway and Norwegian service company West Facility Management. These are Coor's first acquisitions since our IPO in 2015. This shows our ability to take advantage of business opportunities while continuing to follow our strategic path. The acquisitions are completely in line with Coor's priorities with regard to service content, geographic coverage, expertise and scope for creating further value for our customers. Through these acquisitions, we have strengthened our positions and captured market share across the Nordic region. The acquisition of Elite Miljø in Denmark, for example, has made Coor Denmark's second largest provider of cleaning services.

INCREASED CUSTOMER SATISFACTION

While expanding rapidly, we have not lost our focus on our existing customers. In 2018, we renegotiated contracts worth around SEK 2.6 billion. In the past three years, we have had an overall retention rate of 90 per cent. This testifies to the long-term nature of our customer relationships that has became a hallmark for Coor. For the fifth year running, customer satisfaction in the group as a whole has increased, according to our annual customer satisfaction survey.

Extended IFM contracts include those with Det Norske Veritas Eiendom, Equinor (formerly Statoil), Ericsson and the Swedish Transport Administration. In 2018, Coor signed several new contracts with customers including Attendo, MAN Diesel, Swedavia and H&M. We also concluded a new five-year IFM contract with finance and insurance group Storebrand in Norway, a contract whose size strengthens our position as the market-leading provider of IFM services in the Nordic countries.

A MARKET FULL OF OPPORTUNITIES

I am very positive about the future. Coor's Nordic home market offers good opportunities for expansion, partly because a large share of the market is not outsourced and partly because more companies are looking to move to an IFM set-up. Coor also has a stated goal of expanding its single FM business, mainly in property services, cleaning and food & beverages. This will enable us to guarantee a stable inflow of new business that balances the more volatile inflow of large IFM contracts.

PASSION FOR SERVICE

Over the past few years, the customer experience has been at the heart of our service delivery – it is our ability to understand the customers that enables us to customize our services to their unique requirements. Continuous innovation and development are a part of our company's DNA. This applies to group-wide projects, such as the development of our digital services, as well as the individual contracts, where our employees continually come up with new ideas for improvements.

To really succeed in creating the best possible customer experience, it is essential that our genuine passion for service inspires everything we do. So what do I mean by passion for service? For me, it means that those of us who work at Coor need to switch on our hearts as well as our brains when we go to work. Our employees like to spread a positive vibe around them, but equally important is to get to grips with and solve the problems that arise every day. That way, we become a partner that really adds value for our customers and improve the working lives of their employees.

SUSTAINABILITY A CORE FOCUS

Sustainability is one of Coor's most important focus areas. For us, the concept has business, social as well as environmental dimensions. Sustainability affects our activities throughout the group. It is important for us on a business level and gives us big competitive advantages. We are seeing a growing demand from our customers and their employees for sustainable service solutions, such as reduced use of energy and chemicals. In the long run, active sustainability work is crucial to the continued existence of our business. At Coor, we have chosen to put our sustainability goals in a global context by linking them to those eight of the UN's 17 sustainability goals where Coor is in a position to really make a difference. For these eight areas, we have defined clear and quantifiable targets. One of the targets is to halve Coor's total carbon footprint by 2025.

> ”
> *Passion for Service inspires everything we do*

OUR BEST ANNUAL RESULTS TO DATE

Coor delivered its best annual results ever in 2018. One reason for this is our strong offering and good customer relations, another is that we successfully acquired and integrated three companies in Denmark and Norway. Coor ended 2018 with 10 per cent organic growth, 10 per cent growth from acquisitions and a 5 per cent improvement in our operating profit.

Despite these achievements, we are not dropping our guard. Through a clear focus on customer experience, development and innovation, and sustainability, we will continue to create the market's strongest offering.

2018 was a fantastic year for Coor, and I am proud and grateful for the strong confidence that our customers and investors show in us. I would also like to say a big thank you to our employees all around the Nordic region who come to work day after day and show what Coor really means by Passion for Service.

Stockholm, March 2019

Mikael Stöhr
President and CEO

A GOAL-ORIENTED APPROACH

Coor is a responsible corporate citizen and has formulated a number of long-term business, social and environmental sustainability ambitions. Coor has set operational targets for the business in all dimensions.

LONG-TERM OBJECTIVES

Coor strives to operate in a responsible and sustainable long-term manner. Customers, employees, owners and other stakeholders must be able to feel confident that Coor will run its business in a professional, profitable, secure and sustainable manner over time. Our ambition is to create value in three dimensions: business, social and environmental. This means that the activities in which we are engaged today must not compromise our ability to run a profitable business in the future. Our social and environmental goals are as essential to the management of our business as our commercial and financial goals.

To strengthen the company's position on sustainability, Coor's Board of Directors adopted a resolution in February 2019 on a number of long-term goals in all three areas. These goals provide a clear direction for Coor's continued sustainability work. Read more about Coor's ambitions and work in the three dimensions under Sustainability. Further, more detailed information on sustainability governance, stakeholder dialogues, materiality analyses and sustainability data is provided in the Sustainability notes.

SUSTAINABILITY GOALS

Coor has previously defined clear targets for the business dimension, mainly financial targets. Coor has now chosen to take the next step towards becoming an even more sustainable business by also defining concrete and measurable targets in the social and environmental dimensions. The targets have been formulated on the basis of the company's triple bottom line and the UN's global goals. They were recently adopted by Coor's Board of Directors.

≥70

HIGH CUSTOMER SATISFACTION

The target is to maintain a high level of customer satisfaction over time (Customer Satisfaction Index) ≥ 70.

≥70

COMMITTED AND MOTIVATED EMPLOYEES

The target is to maintain a high level of employee motivation over time (Employee Motivation Index) ≥70.

≤3.5

NO ACCIDENTS AND LONG-TERM SICK LEAVE

The target is to reduce the company's TRIF (Total Recorded Injury Frequency) to ≤3.5.

50%

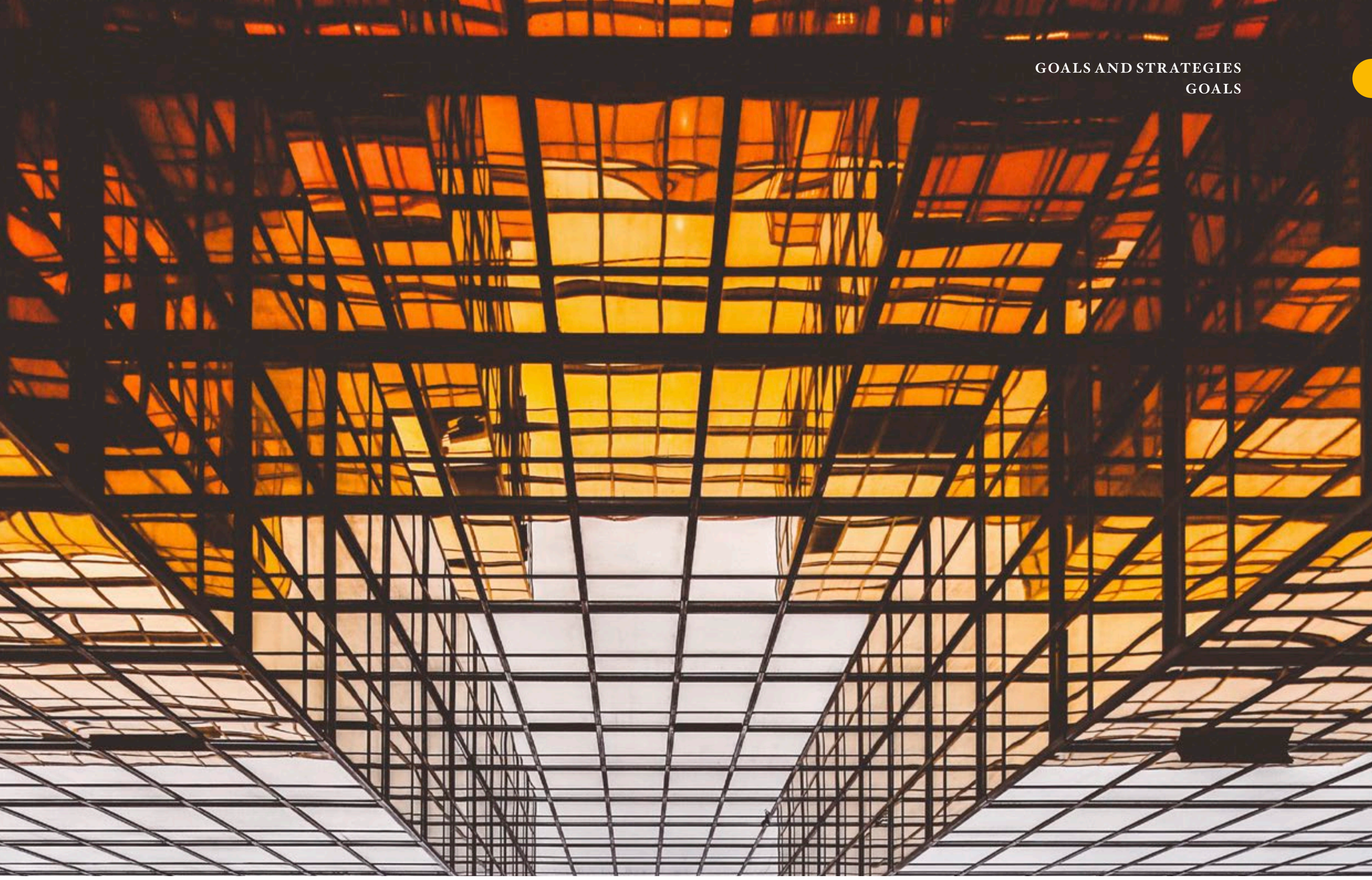
EQUAL OPPORTUNITIES

The target is 50/50 gender balance in management teams.

50%

REDUCED EMISSIONS

Coor is working to reduce emissions of greenhouse gases with the goal of halving the company's carbon footprint.



FINANCIAL TARGETS AND OUTCOMES

Target		2018	2017	2016	2015
4-5%	**ORGANIC GROWTH** Annual organic growth of 4-5 per cent over the course of a business cycle. The growth rate may vary from one year to the next depending on changes in the customer base. Organic growth can also be supplemented with acquisitions.	10%	6%	3%	11%
~5.5%	**ADJUSTED EBITA MARGIN** An adjusted EBITA margin of around 5.5 per cent in the medium term.	5.2%	6.1%	6.0%	5.1%
>90%	**CASH CONVERSION** A cash conversion rate in excess of 90 per cent in the medium term.	97%	103%	91%	115%
<3.0	**CAPITAL STRUCTURE** Net debt of less than 3.0 times adjusted EBITDA in the medium term.	2.4	1.4	1.7	2.3
~50%	**DIVIDEND** The target is to distribute around 50 per cent of the company's adjusted net profit for the period (before amortization and impairment of intangible assets) to the shareholders.	SEK 4	SEK4	SEK3	SEK2

Note: Excluding the damage services business, which was sold in 2017. For 2018, the figure refers to the proposed dividend, which is subject to adoption at the Annual General Meeting on 2 May 2019. The cash conversion figure for 2018 is pro forma for a negative balance day event.

FOUR STRATEGIC AREAS

Coor's strategic platform consists of four areas which define the direction for all our activities. These areas provide guidance on priorities and decisions, and lead towards the vision of making Coor the leading provider of facility management solutions in the Nordic region.

NORDIC SPECIALIST

The Nordic countries are Coor's home market. The company's position shows that Coor is the provider of choice for many Nordic customers that have a high level of technological maturity and are attracted by Coor's innovative development agenda and focus on efficiency. Coor's proximity to its customers and its knowledge of local conditions enable us to customize our deliveries and offer agile solutions.

BUSINESS CONCEPT

Coor's business concept is to take over, manage and develop services in offices, at properties and production facilities, and in the public sector. We aim to run our business in an effective, sustainable long-term and value-creating manner in relation to our customers, employees and investors as well as society at large and the environment.

VISION

Coor's vision is to be the leading facility management provider in the Nordic region. Coor should to be the first choice service provider, employer or investment in the service sector for customers, employees and investors.

GROWTH IN IFM

Coor is the Nordic market leader in delivering integrated facility management services to large organizations with complex needs. To continue growing in the IFM segment, Coor offers the market's best integrated solutions, and continually adapt these to the customers' needs. Coor is at the forefront in terms of digitalization and sensorization, and can therefore easily customize innovative solutions and experiences as part of the continued development of its service delivery, often in collaboration with the customers.

GROWTH IN SINGLE SERVICES

Coor has a strong pool of skilled employees and leading expertise in a wide range of service areas, which is a strategic advantage for continued expansion in individual service segments. As a major player, Coor is able to offer customers separate services of high quality, at market prices and in a sustainable and cost-effective manner. The service areas in which Coor has chosen to expand are property services, cleaning and food & beverages, as these form the basis for most customer contracts.

OPERATIONAL EFFICIENCY

Coor has a strong improvement and efficiency focus and strives to be the best in the industry at delivering services which increase customer benefits. Continuous operational improvements are an important part of everyday life for Coor's employees. Through innovations which enable customers to become more efficient and reduce resource use Coor also contributes to sustainable development.

CONTINUED STABLE GROWTH

The Nordic facility management market has continued to grow at a stable rate, driven by increased outsourcing of FM solutions. Coor has maintained its position as the leading provider of IFM services while also growing its single FM services business.

STRONG GROWTH IN IFM

The total Nordic FM market is estimated to be worth SEK 400 billion, of which SEK 200 billion is outsourced to third parties. Annual growth in the outsourced segment is estimated at 2–3 per cent, driven mainly by a shift from in-house deliveries to outsourced solutions among a growing number of companies. Of this SEK 200 billion, outsourced IFM services account for a smaller share estimated at SEK 15 billion, although this market is growing at a faster pace, about 5 per cent annually. Sweden, Denmark and Norway have the most mature IFM markets while in Finland it is still more common for companies to purchase services from different providers.

TWO TYPES OF CUSTOMER

There are two different customer groups in the Nordic FM market. One consists of companies or organizations with explicit IFM strategies that opt to engage a single provider for all services. Many of these customers are businesses and organizations that are looking for development, innovation, increased technology content and digitalization. The other customer group consists of businesses or organizations which require a narrower range of services and therefore purchase individual services. These customers are looking for high quality at a good price and are mainly small and medium-sized enterprises (SMEs).

COOR MAINTAINS ITS MARKET POSITION IN IFM

In 2018, the number of small and medium-sized transactions in the market increased. Coor's offering has stood up to the competition and the company's market share in the SME segment has continued to increase. The number of major IFM procurements varies from year to year, but over time the share of contracts won by Coor has remained stable. Coor is the market leader in IFM with around 40 per cent of the market. ISS and Sodexo are the company's two main rivals in the IFM segment.

SMALLER DEALS SMOOTH OUT UNEVEN FLOW

In single FM services, Coor's stated goal is to expand its property services, cleaning and food & beverages businesses in the SME segment. This creates a stable stream of new business that balances out the more uneven flow of larger IFM contracts.

Many companies with multiple offices spread across a wide geography are today choosing to purchase services from the same service provider. These deals are an important part of Coor's future growth. In the single FM services segment, Coor has a large number of competitors.

THE NORDIC FACILITY MANAGEMENT MARKET

TOTAL MARKET
The value of all FM services for all businesses and organizations in the Nordic region. This includes the value of services that are currently handled by the companies themselves.

OUTSOURCED FM
The total value of the share of the market that is outsourced.

- 2–3% annual growth
- Small and large customers
- Fragmented market
- Coor ~ 5% market share

IFM
The value of integrated service deliveries in outsourced IFM.

- ~5% annual growth
- Large customers
- Consolidated market
- Coor ~ 40% market share

INNOVATION THAT MEETS THE CUSTOMERS' NEEDS

Coor offers a broad spectrum of FM services to companies from a wide range of sectors and industries. Through innovation and an understanding of the customer, Coor develops the industry's best and smartest offering.

An understanding of the customer's core business and needs is the key to Coor's ability to deliver the market's best solutions. The challenge is to see the customer's business from a broader perspective and to be innovative in order to deliver maximum value to the customer. Coor keeps a close eye on emerging new concepts and trends that are influencing customers in order to find the inspiration for new cutting-edge solutions.

The key global trends influencing Coor and its customers right now are the ongoing process of digitalization that is sweeping across all industries, an ageing population who choose to work longer, new flexible ways of working and a growing emphasis on sustainability.

SERVICE WITH IQ

Coor tailors intelligent service solutions based on its customers' needs and circumstances. To remain at the forefront, Coor needs to ensure that the solutions it delivers are adapted to today's society and the new, agile ways of working, new consumption patterns and digitalization. For Coor, this is Service with IQ.

Customers are increasingly demanding services which support their core business, for example by making offices more attractive and staff more productive. The ability to offer an attractive and flexible workplace has become a competitive advantage in the hunt for talent. Many companies are therefore choosing to move away from a traditional office environment to an activity-based environment while a growing number of employees are opting for more flexible forms of working and meeting, including teleworking, either from home or in co-working spaces. This flexibility leads to increased employee motivation and efficiency, and companies are therefore happy to adapt.

These new flexible work environments require an adapted service delivery, which is something that Coor is continuously working on and developing. Data is collected and analyzed, leading to insights that make it possible to change behaviors and improve the user experience, which adds value for the customers. Connected offices or entire properties where sensors communicate with each other, control things and signal when something needs to be addressed are becoming more common. By comparing office humidity levels with rates of sick leave, for example, it is possible to identify the optimal conditions.

A FOCUS ON INNOVATION AND DEVELOPMENT

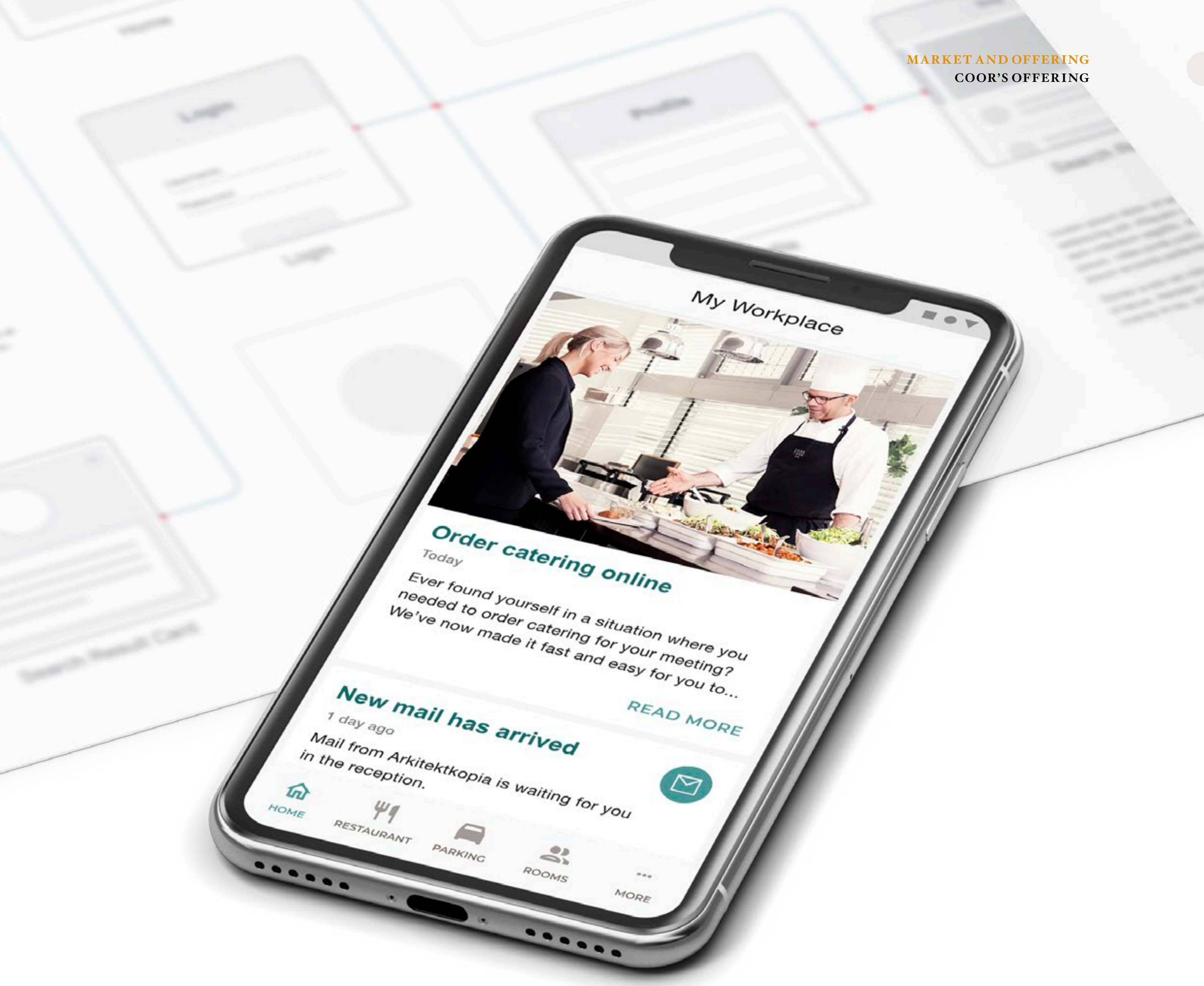
Digitalization is opening up new opportunities, and Coor is continually developing new digital solutions that are adapted to the customers' needs. Coor also develops digital solutions to improve the efficiency of its own organization. Efficient, user-friendly tools, such as handheld units and apps for resource planning and mobility, are being developed and introduced in Coor's property services and cleaning businesses. When the company is preparing to sign a new contract or developing an existing customer account, innovation is always a key factor.

SMART SOLUTIONS MADE SCALABLE

Demand for *Coor Smart Solutions* – innovative, technology-based solutions that offer significant added value for customers – is increasing. Robot vacuum cleaners which quickly clean large floor areas and drones which safely and effectively inspect roofs and external walls, masts and chimneys are just two examples.

> *Coor MyWorkplace™ enables employees to access the whole workplace through a single app rather than going into different systems, allowing them to book meeting rooms, report a faulty photocopier or read office news.*

All of Coor's existing smart solutions are fully scalable, including Coor SmartFlow™ for efficient mail handling and Coor SmartResponse™ for simple error reporting and issue tracking. The growing portfolio of smart solutions also includes Coor SmartClimate™ for indoor climate analysis and Coor



SmartUtilization™, which measures workplace utilization and free space. View the full range of smart solutions at www.smartoffice.coor.com.

INCREASED FOCUS ON END USERS

Today most people are used to accessing services and information by the simple press of a button. In 2018, Coor launched the Coor MyWorkplace™ app, which helps to make life easier for our customers' employees. Coor MyWorkplace™ enables employees to access the whole workplace through a single app rather than going into different systems, allowing them to book meeting rooms, report a faulty photocopier or read office news. They can also look for free parking spaces nearby, view local lunch menus, book an appointment with a naprapath and access other office amenities. While making life easier for the employees, the ability to access the full range of services through the app also improves the experience of the workplace.

NEED FOR SUSTAINABLE FM SOLUTIONS

There is a growing demand for solutions which help the customers to become more sustainable, socially as well as environmentally. The challenges we face are encouraging the development and emergence of sustainable buildings and sustainable property management solutions as well as solutions which help businesses to ensure a healthy work environment for their employees. Customers are increasingly looking at how their suppliers' solutions help to promote sustainability.

Coor offers FM solutions that are designed to reduce its customers' environmental impact and optimize resource use, especially energy use. This is achieved by optimizing the use of existing equipment at the customer's sites as well as through specific energy projects such as the installation of real-time energy monitoring systems and the design, installation and operation of solar panels. *Coor Green Services* is a tool based on known environmental standards that Coor uses to assess the environmental performance of its services. The tool enables Coor to give its customers suggestions for concrete improvements that will reduce their environmental impact.

EVERYTHING WORKS WITH COOR

Coor offers around a hundred different services in different service areas, ranging from individual cleaning services to complex IFM deliveries. Whatever the type of service, the goal is always to make life easier for the customer.

PROPERTY SERVICES
Coor is an expert at property services – some 15 million square meters of floor space across the Nordic region are maintained by Coor. Coor is a professional partner which always ensures that it finds a good mix of corrective and planned maintenance over time, and the aim of optimizing the cost for the property over its lifecycle.

CLEANING
Coor's strength lies in its ability to combine the professionalism of a large cleaning services company with the commitment of a local player. Coor has the resources, methods and expertise that are required to provide a wide variety of cleaning services, from office cleaning to more advanced services such as cleaning of hospital environments and cleanrooms.

FOOD & BEVERAGES
Coor runs a large number of restaurants in Sweden, Norway and Denmark. The key to success in this business is to adapt to local conditions, as no country or region is like another. That's why the menus for Coor's restaurants are based on local produce and adapted to local preferences. All restaurants have a focus on sustainability and reduced food waste.

OFFICE SERVICES
Coor's goal is to create a workplace where our customers, their employees and guests are happy. This means giving them a warm welcome at reception, good-quality coffee, fruit baskets that are continually replenished, a smooth and efficient mail and freight handling service, functioning photocopiers as well as ensuring that office supplies are always available and that light bulbs are replaced. These are small but crucial details for ensuring a well functioning workplace.

Here Coor can easily apply its smart solutions for increased customer satisfaction, for example in the form of sensors which measure the indoor climate and detect whether conference rooms are being used.

SECURITY
Coor has long experience of providing security solutions for businesses with high security requirements. Security guards, security technology, access control and fire safety are a few examples of Coor security services.

CONFERENCE SERVICES
Meetings are an important part of working life. Our conference business includes Coor's own conference facilities as well as conferences services that are provided on site at the customer premises. We ensure that our customers have a good experience throughout their meeting and are happy to assist with special requests.

OUTDOOR ENVIRONMENTS
The outdoor environment is what our customers and their employees encounter first on arriving at work in the morning. Coor ensures that bushes, lawns and flower beds always look well kept. In the winter, car parks and roads are ploughed and maintained – all to create an appealing and safe outdoor environment.

AN INTEGRATED SERVICE DELIVERY

Since the very beginning, complex, integrated service deliveries have been at the heart of Coor's business. When Coor takes charge of the full spectrum of services in and around a customer's building, synergies between services can be achieved. Coor can then introduce cross-functional technological solutions and continually develop improvements for the customer. It should be simple to be a customer of Coor. Coor offers its customers a contact person who is in charge of and coordinates all services. The service delivery is monitored regularly and new approaches, innovations and potential efficiencies are discussed with the customer on an ongoing basis.

GOOD CUSTOMER RELATIONS

Coor has a broad customer base consisting of both large and small companies operating in different sectors and industries across the Nordic region.

LASTING CUSTOMER RELATIONSHIPS

Coor has historically had a high success rate in terms of renewing and extending customer contracts and works continuously to maintain and develop its customer relationships. The goal is to have satisfied customers who want to renew their contracts. In 2018, Coor renegotiated contracts worth SEK 2.6 billion, of which around 91 per cent was extended. Coor's retention rate for the past three years is 90 per cent.

Coor attaches great importance to ensuring that it delivers professional, safe and good services that are adapted to its customers' changing requirements. A living improvement culture inspires all aspects of the business as Coor continually takes on board comments and suggestions and implements improvements in ongoing deliveries with the best interests of the customer in mind. Regular monitoring of deliveries based on jointly defined performance measures and structured customer engagement provide a good basis for discussions on how to improve our delivery.

Coor's clear focus on continuous development and innovation for the many services that we offer provide a clear added value for our customers. This is evident in Coor's annual group-wide customer survey, which is conducted by an external research firm. Coor's customer satisfaction score has remained stable at a high level over many years.

A BROAD CUSTOMER BASE

Coor focuses partly on the big IFM contracts and partly on single FM services, mainly in property services, cleaning and food and beverages. The company's various focus areas create a diversified customer portfolio with a mix of big leading corporate customers, public-sector organizations, and small and medium-sized enterprises from across the Nordic region.

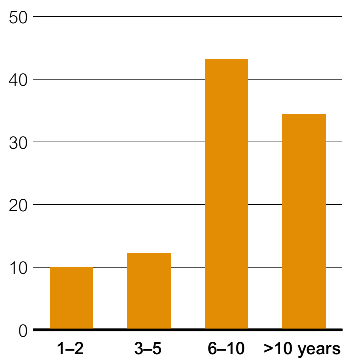
The portfolio encompasses companies from all industries. The biggest industries for the Coor Group as a whole are oil and gas, IT/telecom, manufacturing and the public sector.

In 2018, the ten largest customers accounted for 49 (56) per cent of consolidated net sales and the five largest for 36 (42) per cent. Coor had 29 (24) customers that accounted for annual net sales in excess of SEK 50 million.

CUSTOMIZED CONTRACTS

Clear contracts are fundamental to successful partnerships. That's why Coor attaches great importance to ensuring that the contracts it signs are clear and comprehensive while also providing scope for flexibility. Each IFM contract is structured around a subscription, which means that a number of services are provided for a fixed monthly charge. To this, variable contract or project volumes are added which can be guaranteed through minimum volumes or exclusivity clauses. IFM contracts normally run for three to five years while contracts for single services generally run for slightly shorter periods. For minor contracts covering a smaller range of services, a more standardized contract is often used.

LONG-TERM CUSTOMER RELATIONSHIPS, %



NEW AND COMPLETED CONTRACTS IN 2018 [1)]

	Number	Annual sales
New contracts during the period	25	465
Completed contracts during the period	-7	-105
Net change in portfolio	**18**	**360**

1) Retention rate as well as changes in the contract portfolio refer to contracts worth over SEK 5 million in contracted or estimated annual sales. For completed contracts, the figure refers to the sales volume for the last twelve-month period in which the full volume of services was provided.

91%
RETENTION RATE

PARTNERSHIP WITH COOR RAISES THE SERVICE TO NEW LEVELS

Danish Novozymes has an innovative spirit that inspires all areas of the business. The path to progress for the company's facility management goes through a unique partnership with Coor – a partnership which already in the first year has resulted in fundamental changes and significant savings.

New knowledge and new technology enable Coor to launch solutions in property services that create value for the customers. The target group is customers which have a long-term management perspective and want to optimize their properties in terms of sustainability, functionality and useful life.

Novozymes is a world leader in bioinnovation and is at the forefront of the industry. The company's enzymes are used in a whole range of everyday products, including detergents, bread and beer to name just a few. Headquartered in Copenhagen, the company has in-house production facilities in seven countries and sales offices in 30.

René Jacobsen is Facility Manager, EMEA & Global Security Officer at Novozymes. He views the company's partnership with Coor as an open relationship that helps both companies to grow and develop.

HOW WOULD YOU CHARACTERIZE YOUR RELATIONSHIP WITH COOR?

– For me, the biggest challenge is to always drive development, and we have opted for a different solution than the conventional customer-supplier relationship. Our relationship with Coor is a partnership of equals." I don't want to risk things being forgotten or swept under the carpet because something has gone wrong; as partners, we are engaged in a dialogue that is based on trust and transparency. We have no hesitation in addressing any and all issues, and together we can arrive at sensible solutions, which only strengthens the partnership.

> *Our relationship with Coor is a partnership of equals.*

WHAT IS NOVOZYMES' VIEW ON OUTSOURCING OF PROPERTY SERVICES?

– Many organizations look on outsourcing of property services as a way of cutting their costs. For us, it is about using forward-looking technology and planning to add values that will be recouped in the form increased profits for the company, such as a perfect indoor climate and more laboratory time for our researchers.

WHAT CHANGES HAVE YOU IMPLEMENTED SO FAR?

– One change is that we have a new matrix organization for service and maintenance. Previously, our electricians, carpenters and plumbers were separated into their various professional categories. For the organization, this was a recurring problem, as we had to make quite a few calls before getting hold of the right tradesman. Now we have building maintenance coordinators who

RENÉ JACOBSEN
FACILITY MANAGER, EMEA & GLOBAL SECURITY OFFICER, NOVOZYMES

ABOUT NOVOZYMES' ENZYMES

In nature, enzymes are found in fungi, each with unique properties for driving various chemical processes. In industrial applications, the same substances can deal with tough stains from sweat and blood while a single-cell yeast is essential to brewing beer, to mention just a couple of examples.

With customers that include some of the world's largest companies, Novozymes' products are not just important for good hygiene. Today, enzymes are just as much about sustainability, and the company's researchers are developing solutions which for example help to get clothes clean at lower temperatures. Enzymes can also reduce the need for products from palm oil plantations and the petrochemical industry.

PROPERTY SERVICES

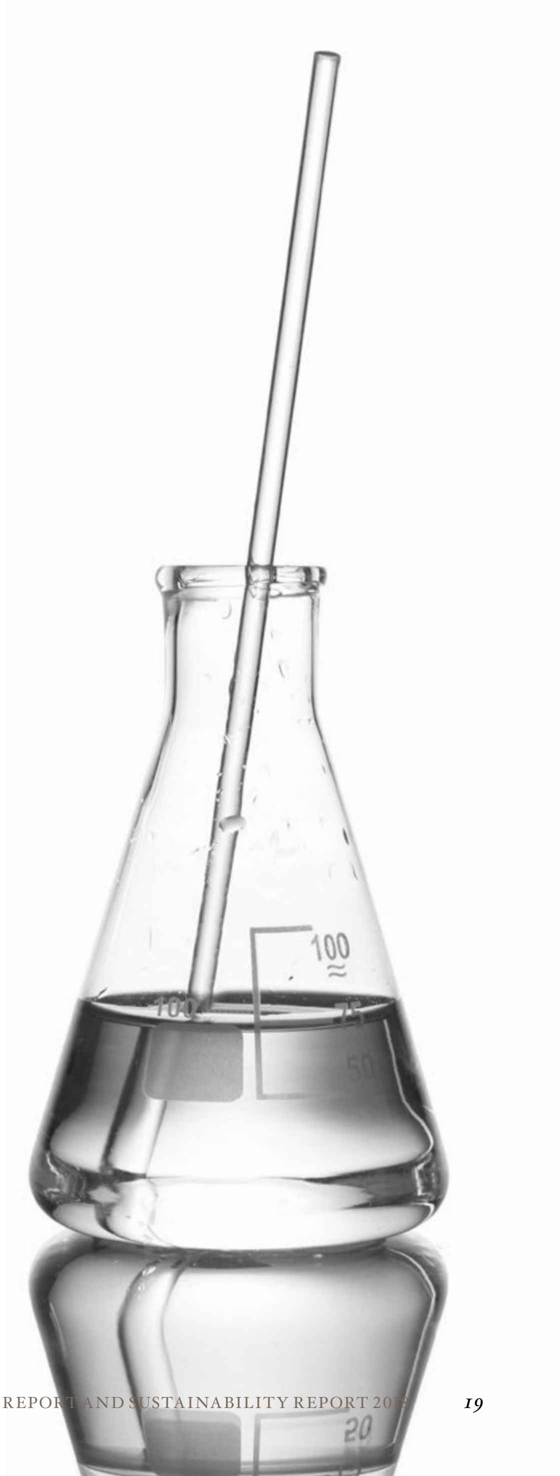
Property services comprise all those services which are provided during the management phase to ensure that a building is as cost-effective, sustainable, safe and functional as possible while also maintaining its value over time. These include operation, maintenance and energy optimization of technical installations (including heating, electricity and ventilation) as well as the elements of the building (roofs, external walls and entrance halls).

serve as contact points for all service and maintenance issues. It's about getting the right help, but also at the right time and in the right way.

HAVE YOU SEEN ANY RESULTS?
– We operate in different types of environment. The laboratories, for example, are only accessible to people who are wearing special protective clothing and at specific times. That's why we have also introduced an afternoon shift for the maintenance staff. The result is that we are now able to maximize the working hours for our researchers, which adds a lot of value to our business.

HOW DO YOU EXPLOIT NEW TECHNOLOGY IN THIS PARTNERSHIP?
– Together with Coor, we assess the opportunities that are created by preventive maintenance with the help of machine learning and artificial intelligence. Using data from existing control systems, such as loss of pressure and increased energy use, we develop the diagnostics step by step with the aim of completely eliminating disruptions to production

ARE THERE OTHER BENEFITS, FROM A SUSTAINABILITY PERSPECTIVE FOR EXAMPLE?
– Reduced energy use is high on our agenda, and here too our partnership with Coor has yielded results. We have initiated an energy-saving project which has shown, for example, that we were previously receiving incorrect information about some of our installations. It turned out that the fans in the restaurant section were operating round the clock even though the area is only used in the daytime. After a review of four buildings, we succeeded in cutting our annual electricity use by 612,000 kWh and our heating use by 868,000 kWh. That's equivalent to the annual energy use for heating, household electricity and hot water for 60 average single-family houses in the Nordic countries.



CONTRACT RENEWALS CREATE NEW OPPORTUNITIES

In Coor's Swedish business, organic growth in 2018 was six per cent. Ericsson, one of Coor's most important customers, chose to extend and develop their partnership with Coor.

CONTRACT EXTENSIONS

In 2018, Coor Sweden extended contracts with customers in the major IFM contract segment as well as in single services. An active partnership with the customer paves the way for a high retention rate. During the year, Coor Sweden renewed its contracts with several major customers, including Ericsson, E.ON, the Swedish Transport Administration, AB Volvo and Volvo Cars.

INNOVATION IN MAJOR DELIVERIES

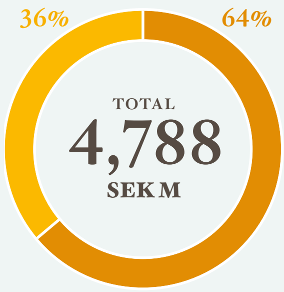
Coor's service delivery to the Karolinska University Hospital in Solna, Sweden was ramped up in 2018. The Karolinska University Hospital provides world-class medical care and has stringent requirements in terms of service delivery, which are matched by Coor as service provider and innovation partner. Some of the logistical services are handled by robots, for example. During the year, Coor also started delivering patient meals at the hospital.

The company is also developing its service to Ericsson with an increased focus on technological innovations as a key element of the service delivery.

PASSION FOR SERVICE

The success of Coor's business is built on its employees, and there is a major initiative underway throughout the company to ensure that everyone feels passion for what Coor does – Passion for Service.

NET SALES BY TYPE OF CONTRACT



- Integrated FM
- FM services

SHARE OF CONSOLIDATED NET SALES

50%

TOP FIVE CUSTOMERS

- AB Volvo
- Ericsson
- Karolinska University Hospital
- SAAB
- Volvo Cars

COOR SWEDEN, KEY PERFORMANCE INDICATORS

	2018	2017
Net sales, SEK million	4,788	4,527
Organic growth, %	*6*	*7*
Acquired growth, %	*0*	*0*
Foreign exchange effects, %	*0*	*0*
Adjusted EBITA, SEK million	434	456
Adjusted EBITA margin, %	9.1	10.1
Number of employees, FTE	4,222	3,843

ANNACARIN GRANDIN
PRESIDENT OF COOR SWEDEN

WHAT DOES "PASSION FOR SERVICE" MEAN FOR COOR SWEDEN?

For Coor Sweden, Passion for Service is something that is intimately linked to our focus on employees. It is through our employees that we can show our pride in what we do and our ability to deliver high-quality services to our customers. By actively engaging all employees, we build a better platform for our service delivery. In 2018, Coor's employees took part in special events aimed at building a sense of togetherness. We also formalized our approach to CSR activities in Coor Sweden. By giving something back to the societies in which we operate, we believe we can continue to build pride in the company.

WHAT ARE YOU MOST PROUD OF?

I am very proud that so many of our customers have chosen to renew their contracts. We have also increased our employee satisfaction score from an already high level. This makes me proud, and I know that it has big impact on how our customers experience our service delivery. Satisfied employees lead to satisfied customers – we are in a positive feedback loop.

NEW ACQUISITIONS IN PROPERTY SERVICES AND CLEANING

Coor Norway had an eventful year marked by acquisitions and extended contracts. Coor's business in Norway was expanded through the acquisitions of OBOS Eiendomsdrift AS and West Facility Management AS. Coor Norway grew 23 per cent organically and through acquisitions.

STRENGTHENED BUSINESS

Before the acquisition, OBOS Eiendomsdrift was a subsidiary of OBOS, one of Norway's largest construction and residential property management companies. OBOS Eiendomsdrift provides property services in and around Oslo. The acquisition will therefore strengthen Coor's property services business in Norway and will consolidate the company's position as the leading service provider in the Oslo region.

The acquisition of West Facility Management will add to Coor Norway's growth and expertise in key cleaning segments as well as expand Coor's geographic reach in Bergen and Oslo.

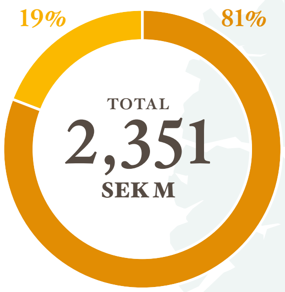
STOREBRAND A NEW MAJOR CUSTOMER

Coor has signed a new five-year IFM contract with Storebrand. Under the contract, Coor will deliver services such as security guards, service centre and reception, cleaning and operations and maintenance at Storebrand's properties.

CONTRACTS EXTENDED

In Norway, too, renegotiations of expiring contracts have been successful. Coor's contract with Equinor (formerly Statoil), one of the largest IFM contracts in the Nordic region, was extended by two years. Coor also renewed its contract with Det Norske Veritas Eiendom, under which Coor is developing and providing operations and maintenance services in properties with a total floor space of 100,000 square meters.

NET SALES BY TYPE OF CONTRACT



- Integrated FM
- FM services

SHARE OF CONSOLIDATED NET SALES

25%

TOP FIVE CUSTOMERS

- ABB
- Aibel
- Aker Solutions
- Equinor
- SAS

COOR NORWAY, KEY PERFORMANCE INDICATORS

	2018	2017
Net sales	2,351	1,851
Organic growth, %	*15*	*0*
Acquired growth, %	*8*	*0*
Foreign exchange effects, %	*4*	*1*
Adjusted EBITA	150	123
Adjusted EBITA margin, %	6.4	6.6
Number of employees, FTE	1,556	1,163

NIKOLAI UTHEIM
PRESIDENT OF COOR NORWAY

WHAT DOES "PASSION FOR SERVICE" MEAN FOR COOR NORWAY?

Passion for Service is about that extra something that we do for our customers every day. It is about always meeting people with a smile and with kindness, and about delivering a little more than the customer is expecting. To ensure that our employees can offer that extra something, it is important that they themselves feel that they are being seen and looked after by the company and that they take pride in working for Coor. That's something that we work on continually.

WHAT WAS COOR NORWAY'S MAIN FOCUS AREA IN 2018?

Our main focus was on communicating our strong emphasis on safety to everyone at Coor. No one should suffer any harm when they work for us! We have initiated a number of measures and will be raising awareness about safety among Coor's employees. The response has been positive, and this is borne out in our employee survey. We are continuing our efforts, because although we have achieved good results, safety is something that we always continue to work on.

DOUBLE THE SIZE THROUGH ACQUISITIONS

In 2018, Coor acquired Elite Miljø A/S, one of Denmark's leading cleaning service providers. Organic and acquired growth has increased the size of Coor Denmark by 96 per cent.

SPECIALIST EXPERTISE AND GEOGRAPHIC COVERAGE

The acquisition of Elite has not just given Coor an increased geographic coverage in Denmark; it also brings significant synergies. Elite's skills and experience in cleaning services generally coupled with its specialist expertise in the hospital and cleanroom segments will help to strengthen Coor's existing resources.

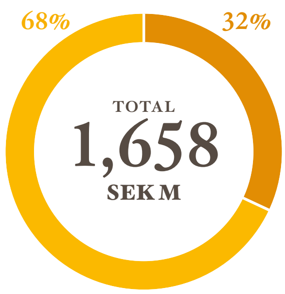
INTEGRATION AND NEW EMPLOYEES

Coor Denmark welcomed around 2,200 new employees from Elite. During the year, there was therefore a strong focus on facilitating a smooth integration of the two companies and on ensuring that all employees feel a part of Coor. Major training initiatives were conducted and about 30 per cent of the employees have already completed Coor Service School.

INCREASED MARKET SHARE

The acquisition of Elite has increased Coor Denmark's market share substantially. The Danish organization has also grown organically through new contracts, including a contract with the Municipality of Copenhagen, which is a major new customer in IFM. Other new customers in 2018 included Aarhus University Hospital, Man Diesel & Turbo and Novo Nordisk.

NET SALES BY TYPE OF CONTRACT



- Integrated FM
- FM services

SHARE OF CONSOLIDATED NET SALES

18%

TOP FIVE CUSTOMERS

- Aarhus University Hospital
- Danish Police
- GN Store Nord
- Novozymes
- Velux

COOR DENMARK, KEY PERFORMANCE INDICATORS

	2018	2017
Net sales	1,658	799
Organic growth, %	*18*	*12*
Acquired growth, %	*78*	*0*
Foreign exchange effects, %	*12*	*2*
Adjusted EBITA	64	37
Adjusted EBITA margin, %	3.9	4.7
Number of employees, FTE	2,163	777

JØRGEN UTZON
PRESIDENT OF COOR DENMARK

WHAT DOES "PASSION FOR SERVICE" MEAN FOR COOR DENMARK?

What all of us at Coor have in common is that we are passionate about service and always want to do that extra something for the customer.

HOW IS DIGITALIZATION AFFECTING COOR'S ACTIVITIES IN DENMARK?

Digitalization is a key factor in our business development process. A good example is our contract with Copenhagen Municipality, under which we have an explicit commitment to implement efficiencies. We have succeeded in doing so through a number of digital solutions. Some of the communication between Coor and Copenhagen Municipality, for example, is handled robotically.

THE BIGGEST CHALLENGE IN 2018?

Our biggest challenge in 2018 – and what I am most proud of – is the integration with Elite. We went from being 900 to 3,600 employees in Denmark, which put a lot of pressure on the organization. Elite had a big business with many customers and employees, and their integration in Coor has been tremendously successful.

CONTINUED GROWTH IN FINLAND

Coor's Finnish business has continued to evolve in a positive direction, attracting new customers and growing especially in the cleaning segment. Organic growth was 19 per cent.

NEW PRESIDENT IN FINLAND

On 1 October 2018, Marcus Karsten took over as President of Coor Finland. Before joining Coor, Marcus Karsten was President of Bravida Finland.

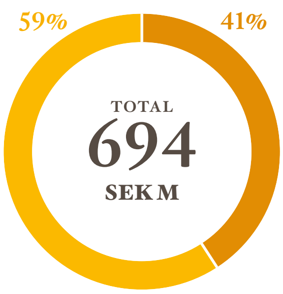
ORGANIC GROWTH

Coor's Finnish organization grew steadily in 2018 through existing customers, including ABB, a pan-Nordic IFM contract covering ABB's extensive operations in Finland, and Attendo, for which new property and outdoor maintenance sites were added. In addition to these two major contracts, notable new contracts signed in 2018 were those with Ikea, covering cleaning of all Ikea stores in Finland, and the University of Eastern Finland.

FOCUSING ON INTERNAL DEVELOPMENT

During the past year, Coor's Finnish business invested in internal development through management and employee training activities. Coor Finland has several ongoing initiatives and programs, some of which focus on health and safety.

NET SALES BY TYPE OF CONTRACT



- Integrated FM
- FM services

SHARE OF CONSOLIDATED NET SALES

7%

TOP FIVE CUSTOMERS

- ABB
- Attendo
- Ericsson
- Sokos Hotels
- Telia Company

COOR FINLAND, KEY PERFORMANCE INDICATORS

	2018	2017
Net sales	694	550
Organic growth, %	*19*	*11*
Acquired growth, %	*0*	*0*
Foreign exchange effects, %	*8*	*2*
Adjusted EBITA	7	16
Adjusted EBITA margin, %	1.1	3.0
Number of employees, FTE	1,047	829

MARCUS KARSTEN
PRESIDENT OF COOR FINLAND

WHAT DOES "PASSION FOR SERVICE" MEAN FOR COOR FINLAND?

Passion for Service is about developing our business and services based on the customers' needs. And we mustn't forget our own employees, who play a crucial role in the delivery. For us, a key priority is to train and support our employees so that they in turn can offer good service on a day to day basis.

WHAT ARE YOU MOST PROUD OF?

Our annual customer and employee surveys show that our customers and employees have become more satisfied. Of that I am very proud! The rising trend shows that we have focused on the right things.

Coor Finland has grown rapidly this year, and our growth rate is above the average for our peers in the industry.

SUSTAINABLE BUSINESS

FOCUS AREAS AND AMBITIONS

Coor's commitment to sustainability is based on a "triple bottom line" approach, which consists of three dimensions.

POSITIONS

For each dimension, principal standpoints have been defined along with objectives for how the business should be conducted. Sustainable business is about taking long-term responsibility for the activities in which you are engaged. The general objective is to ensure that the business performs well and generates the highest possible economic return without compromising on the respect for human beings and the environment. Based on Coor's materiality analysis, the company's focus areas and long-term ambitions in all three areas were revised in 2018 with the aim of ensuring that they are relevant for our stakeholders. Read more about Coor's goal-related activities under Goals and strategies. Detailed information about Coor's approach to sustainability, including governance, materiality analysis and performance, is found in the Sustainability notes section.

BUSINESS SUSTAINABILITY

Coor will achieve long-term business sustainability through stable, profitable financial development, while upholding strong business ethics and customer relations.

FOCUS AREAS

- Earnings performance
- Customer relationships

AMBITION

- Stable financial performance
- High customer satisfaction

SOCIAL SUSTAINABILITY

Coor contributes to a better society by acting as a responsible and stimulating employer, and by contributing to a positive social development in the areas in which Coor operates.

FOCUS AREAS

- Employee engagement
- Health & safety
- Diversity

AMBITION

- Engaged and motivated employees
- Zero accidents and zero long-term sick leave
- Equal opportunities

ENVIRONMENTAL SUSTAINABILITY

Coor contributes to a better environment by actively reducing the environmental impact and resource utilization that the company and its customers create.

FOCUS AREAS

- Renewable & effective
- Energy & emissions

AMBITION

- Responsible consumption
- Reduce greenhouse gases

A GLOBAL PERSPECTIVE

Coor's approach to sustainability is based on the principles set forth in the United Nations Global Compact and the UN Sustainable Development Goals, eight of which have been identified as being relevant for the company.

There are a number of global trends and challenges that affect all businesses. In response, the UN has defined 17 Global Sustainable Development Goals which address the biggest challenges of our time. Coor wants to help advance the ambitious agenda that has been adopted by the countries of the world: to abolish extreme poverty by 2030, reduce inequality and injustice in the world, promote peace and fairness, and solve the climate crisis. Coor has therefore chosen to link its sustainability activities to eight of the Global Goals, which means that the company has raised its ambition, having previously addressed five goals. This has coincided with an expansion of the company's sustainability agenda.

COOR ADDRESSES EIGHT OF THE UN GLOBAL SUSTAINABLE DEVELOPMENT GOALS

UN GOAL	UN DEFINITION	COOR'S ACTIVITIES
3 GOD HÄLSA OCH VÄLBEFINNANDE	Ensure healthy lives and promote wellbeing for all at all ages.	Coor has a strong focus on health and safety. The company's vision is to achieve a zero rate of workplace-related accidents. Coor is engaged in various health promotion activities for employees in each country.
5 JÄMSTÄLLDHET	Achieve gender equality and empower all women and girls.	Each year, Coor conducts a salary survey from an equality perspective in accordance with Swedish law. Working to achieve an equal distribution of female and male managers and employees is a key objective for Coor. Coor's Code of Conduct and diversity policy state clearly that each employee should be treated fairly and respectfully regardless of sex, age, ethnicity, religion, disability or sexual orientation.
8 ANSTÄNDIGA ARBETSVILLKOR OCH EKONOMISK TILLVÄXT	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	Coor has a highly diverse workforce. Wages are set fairly and based on market conditions. Coor seeks to ensure that all employees can work in safe and non-discriminatory workplace where they are able to grow and develop. Sustained growth and stable earnings performance are important for Coor, and this is reflected in the company's financial goals.
10 MINSKAD OJÄMLIKHET	Reduce inequality within and among countries.	Coor operates in a labor-intensive industry and offers a wide range of services, enabling many people to gain access to the labor market. Coor helps to build a more inclusive society through partnerships with various organizations that are working to find employment for people who would otherwise struggle to enter the labor market.
12 HÅLLBAR KONSUMTION OCH PRODUKTION	Ensure sustainable consumption and production patterns.	Coor continually implements measures aimed at minimizing the environmental impact of its activities and also offers green advice to customers to help them improve their environmental performance. The company works continually to promote responsible consumption by controlling and monitoring purchases of goods and services.
13 BEKÄMPA KLIMATFÖRÄNDRINGARNA	Take urgent action to combat climate change and its impacts.	Coor takes measures to reduce carbon dioxide emissions from the company's service vehicles, business trips and the heating of premises. The company's long-term ambition is to completely phase out the use of fossil fuel.
14 HAV OCH MARINA RESURSER	Conserve and sustainably use the oceans, seas and marine resources for sustainable development.	Coor carries out activities aimed at reducing the use of materials that can have an impact on the sea. The company also carries out activities to reduce waste and ensure that waste is handled correctly.
17 GENOMFÖRANDE OCH GLOBALT PARTNERSKAP	Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.	Coor enables collaboration and knowledge transfer between industries by regularly giving its customers opportunities to engage in joint actions and discussions and work together to solve sustainability-related problems.

SOUND BUSINESS PRACTICES LEAD TO STRONG RESULTS

Business sustainability is about running a sound business. For Coor, this means developing the company in an ethically justifiable and profitable manner over the long term by maintaining a clear focus on results, growth, quality and continuous improvement.

STABLE AND POSITIVE EARNINGS GROWTH

Coor's stakeholders must be able to feel confident that the company will grow profitably over time. Key to ensuring this is Coor's ability to attract new customers and employees, sign clear contracts and monitor its activities in a systematic manner. Read more about the company's financial performance in the *Directors' Report*.

CUSTOMER RELATIONSHIPS

Maintaining customer relationships and retaining satisfied customers over time are crucial to Coor's ability to achieve stable and profitable growth. The company works proactively to develop its service offering, often through innovation, and continuously proposes improvements to its customers. Long-term customer relationships are achieved through value-creating, professional and reliable services that are adapted to the customers' changing requirements. In 2018, 7,676 (8,302) suggestions for improvement were made, of which 5,099 (5,383) were implemented at the customer's premises.

> ”
> *Focus on innovation and continuous improvement for Coor's customers*

STRUCTURED AND PROACTIVE COMMUNICATION

Coor's communications should be clear, to the point, transparent and have a long-term focus with the aim of establishing a foundation for good, trusting relationships with the company's stakeholders. Coor's communication policy states that communication activities should be structured and proactive. Coor's financial reporting follows the International Financial Reporting Standards (IFRS). External reports are reviewed by the audit firm PwC.

INFORMATION SECURITY

Coor follows up and continues its GDPR-related activities with the aim of improving procedures and processes. Following a gap analysis against ISO 27001, a pre-study has been initiated to produce a plan for introducing an information security management system.

RESPONSIBLE SUPPLIER MANAGEMENT

Supplier management is a key concern for Coor, as purchases of services and products account for around 50 per cent of the company's cost base. Suppliers are classified based on a risk assessment in which the business risk is weighed up together with social and environmental risks. Working with reliable business partners who are able to help find innovative and sustainable solutions for customers is of crucial importance for Coor. Suppliers are expected to run their businesses in a responsible manner, and this is agreed through a code of conduct for suppliers.

In 2018, Coor reviewed its supplier

PRINCIPAL STANDPOINTS

- Coor will conduct professional business and deliver value-added and innovative solutions based on customer requirements as regards functionality, effectiveness and safety.
- Coor will develop in a stable and profitable manner, from an ethical and morally defensible approach.
- Coor will provide reliable and relevant information in a secure manner.

COOR SUSTAINABILITY NETWORK

During the year, the company launched the *Coor Sustainability Network*, a customer network that is aimed at enabling collaboration and knowledge transfer on sustainability issues between industries. Coor invites customers who are at the very cutting edge of sustainability to exchange experience on economic, environmental and social sustainability with other senior executives from Nordic companies. In 2018, participating customers included Storebrand, Volvo Cars, Tieto, Telia and AB Volvo. The goal is to inspire and support each other in achieving the UN's Global Goals. Jan Eliasson, former Deputy Secretary-General of the UN, invited as guest speaker gave a presentation on the Global Goals and what big companies can do to help achieve them.

THE GLOBAL GOALS
For Sustainable Development

management process with a focus on finding a strategic approach and a risk model for monitoring suppliers based on the risk posed to Coor by each purchasing category. The strategies for the various categories were also updated with environmental targets during the year and the outcome will be analyzed over a three-year period.

The group's common purchasing process and purchasing policy provide instructions for purchasing activities. A high level of contractual loyalty is important for ensuring the quality of deliveries and minimizing risks. In 2018, Coor initiated a project with a clear ambition to reduce the number of suppliers and expand the use of framework agreements.


FOOD
by Coor
FOOD
by Coor

WITH A STRONG PASSION FOR PEOPLE

Respect for the equal value and rights of all people is fundamental to Coor. Social sustainability is about taking responsibility as an employer and engaging in social development at the local level.

EMPLOYEE ENGAGEMENT

Coor's employees have a strong drive to continually improve our service delivery to the customer. Coupled with a structured innovation process, this highly developed culture of improvement makes it possible to realize identified improvements. To fully leverage the energy of our employees, it is essential that everyone knows that they are seen, matter and make a difference for Coor. The initiative to build employee engagement is called Passion for People. In 2018, several activities were carried out in all countries to strengthen employee engagement and participation. For example, a majority of employees took part in "We are Coor", an initiative aimed at highlighting the positive energy that exists in the workforce as a whole. Under the "We are Coor" banner, Coor also launched a new communication channel, the *People@Coor* app, which especially helps to facilitate communication for employees who do not have a computer as their main work tool.

COOR AWARDS

Coor Awards is a group-wide competition that is held annually. The aim of the competition is to highlight and award employees who have made significant contributions for colleagues and customers during the year based on Coor's values. Anyone can nominate and be nominated. The categories for Coor Awards are Employee of the Year, Manager of the Year, Improvement of the Year, Sales of the Year and Guardian Angel of the Year. In each country, winners in all categories are named and honored locally. The country winners then participate in the prestigious group-level competition, the winners of which receive their awards at the annual managers' conference, where the awards ceremony is an important and much appreciated element. Interest in Coor Awards has grown over the years, and there is a genuine enthusiasm about the competition in the company and a strong will to highlight the people who are making a contribution to Coor's success.

MODELS OF SUCCESS

To remain a successful service provider, Coor has produced clear descriptions of the leader's and the employee's highest-priority goals and duties. In 2018, Coor's leadership and employee models were updated and supplemented with a model for the specialist staff category, which includes employees in central staff functions. The models are based on Coor's business goals and the company's three guiding principles.

CONTINUOUS SKILLS DEVELOPMENT AND PERFORMANCE MANAGEMENT

Coor strives to be the Nordic region's most attractive employer in the FM industry. To succeed in this ambition, it is essential that the employees are given clear opportunities to grow and develop. Models of success constitute an important tool of continuous skills development and performance management.

Skills development is based on an individual development plan for each employee, which is drawn up at the employee's annual performance review with his or her manager.

In 2018, Coor's process for management development was also improved and digitalized. The evaluation is done in Coor's performance matrix, which is an important tool in the process of filling management vacancies and managing talent in the company.

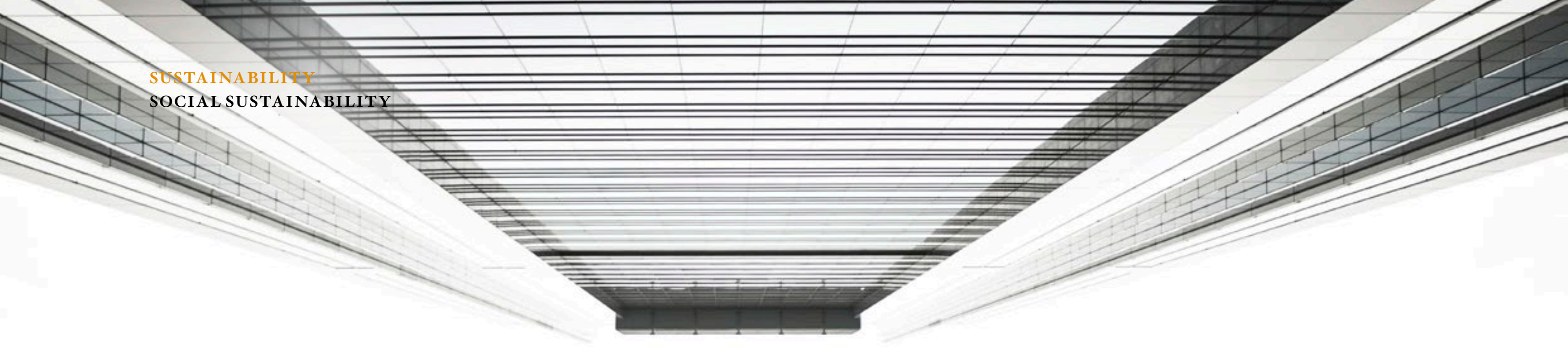
PRINCIPAL STANDPOINTS

- Coor will actively work for the wellbeing of its employees and a safe workingenvironment.
- Coor cares about diversity, equality-and the advancement and commitment of the company's employees.
- Coor will contribute to social development through local community improvement initiatives.

LOCAL SOCIAL ENGAGEMENT

Coor believes strongly in giving something back to the societies in which the company operates. In 2018, Coor Society Program was initiated with the aim of contributing to sustainable development by making it easier for those who need help and support to integrate in society. To realize this objective, each country runs its own initiatives through five newly established networks. Several projects were launched during the year, including language courses for new arrivals to the country, opportunities for Coor employees to participate in further education courses alongside their work, matching of new arrivals and Coor employees, and help with homework for children and young people in deprived neighborhoods.

COOR SOCIETY PROGRAM



INTERNAL TRAINING PROGRAMS

Coor has several internal training programs. These include *Coor Service School* for all employees and *Coor Business School* for managers. One training program aimed at all employees is Star-class Service, which is about service skills and how to interact with people. In 2018, 387 (380) employees took part in *Coor Service School*, 120 (91) managers and specialists took part in *Coor Business School* and 1,148 (721) employees participated in *Star-class Service*. For talented individuals with leadership potential, there is also the *Coor Management Program*.

Coor also has local and service-specific training programs for particular duties or professional categories. In 2018, Coor organized an e-learing course for all managers and employees who handle personal data to ensure that Coor is complying with the new GDPR regulation.

EQUAL TREATMENT, DIVERSITY AND EQUALITY

Coor is convinced that a diversity of personalities, experience and knowledge are a source of enrichment. Our Code of Conduct and diversity policy state clearly that every employee must be treated fairly and with respect.

Efforts to achieve an equal representation of men and women at managerial level continued in 2018, and the result is stable. The share of female managers is 47 (48) per cent.

Generally speaking, the FM industry has good opportunities to offer young people and new arrivals to the country their first employment. A tolerant and inclusive attitude is crucial in an organization with a wide ethnic diversity. All key information is therefore adapted to ensure that it can be understood by all employees. In Coor's cleaning services business, for example, images and symbols are used to describe work methods.

All forms of harassment are unacceptable. Coor has clear procedures for monitoring this, and in the annual employee survey, employees are specifically asked if they have experienced discrimination at work. The results for the year showed that 3 (3) per cent had experienced some form of harassment. The results are addressed as far as possible.

PREVENTING RISKS AT THE WORKPLACE

All employees should be able to work in a good and safe environment. Coor's health and safety activities are based on identified risks as well as general legal requirements, and cover risks linked to the physical as well as psychosocial work environment. Health and safety issues are handled by the executive management team and addressed on an ongoing basis. In addition to the minimum requirements, Coor has a clear vision to achieve a zero rate of workplace-related accidents. The risk environment at the various workplaces varies, and safety precautions are adapted to local conditions. In 2018, Coor continued its efforts to raise risk awareness among employees, partly through:

- Collaboration with a number of customers on safety inspections, training and supplier meetings.
- Monitoring and analysis of results for targeted risk prevention activities.
- General and targeted training initiatives to raise risk awareness based on the activities and risks involved.
- Certification in accordance with the ISO 45001:2018 occupational health and safety standard.

As part of the above risk management activities, the executive management team took part in safety inspections in a number of different areas to identify risks. The management teams in various countries also participated in safety inspections. This is an important and appreciated effort.

REPORTING AND CONTROL

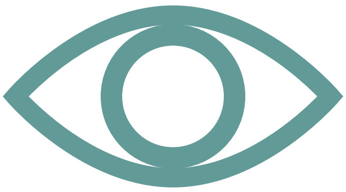
The effect of increased risk awareness and willingness to report issues is reflected in the growing number of risk observations and reported accidents. The most common accidents are cuts, slips and falls. In 2019, Coor will continue its efforts to raise risk awareness and carry out preventive activities.

HEALTH PROMOTION ACTIVITIES

Coor is continuing to be active in its efforts to reduce the rate of sick leave, which in 2018 was largely in line with the previous year, at 6.1 (5.8) per cent. This is a relatively low level compared with comparable companies in the service industry. Coor's extensive efforts to promote engagement and motivation among employees are considered to have a big impact on sick leave and staff turnover and ultimately also on customer satisfaction. Coor is also engaged in various types of health promotion activities in each country, such as ensuring that all employees have access to occupational health services and wellness benefits. In connection with the introduction of new managers and employees, Coor communicates the importance of health and safety at the workplace. Managers also take a mandatory course in health and safety.

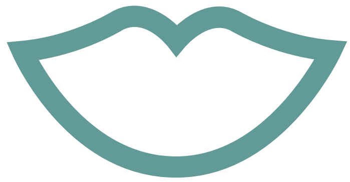
COOR'S GUIDING STARS – COMMON VALUES

Coor's corporate culture is built on the company's values – its guiding stars. The three guiding stars provide a framework for the daily activities of all employees.



We see further. By being attentive and prioritizing correctly, we are one step ahead and can solve problems before they arise.

We listen. Through openness and clear communication, we take in opinions and ideas about how we can do things even better.



We create success. Through the ability to take action and desire to improve, we put creative solutions in place quickly that are smarter and less costly – for us and our customers. Thus, we both benefit.

EMPLOYEE SURVEY 2018

Each year, Coor carries out a comprehensive employee survey with the help of an external research firm. The survey is an important tool and gives employees an opportunity anonymously to express their views on what it is like to work at Coor. Each manager reviews the results with his or her employees, and action plans are drawn up based on the results. The 2018 survey showed a continued high employee motivation score (Employee Motivation Index) of 74 (73), which is an increase for the fourth year running. The survey was answered by 74 (76) per cent of all employees, which is a high and stable level. As of 2018, the survey includes a new parameter: *Engagement Index*. This is an index measuring employee engagement through questions relating to pride in one's work and a sense of belonging. The index provides valuable input for Coor as well as important guidance on the evaluation of the company's *People Engagement* activities. In 2018, Coor's Engagement Index score was 76.

76
PEOPLE ENGAGEMENT INDEX

74
EMPLOYEE MOTIVATION INDEX

LEADER OF THE YEAR BRAVES THE LANGUAGE BARRIERS

I really understand my colleagues and treat them with a lot of respect.

SØLVI HANSEN

Lives in: Ørbæk on Funen, Denmark
Age: 58
Employed at Coor since: 2016
Works as: service manager for cleaning services at the Danish Police.

With own experience as a cleaner, great respect for her colleagues and an ability to communicate that crosses the language barriers, Sølvi Hansen has been named Manager of the Year.

Sølvi Hansen works as a service manager for cleaning services at the Danish Police. She is in charge of a team of 73 employees from a whole host of different countries and backgrounds who work across a wide geographic territory on Funen and a large chunk of Jutland. Being available and accessible is an art and sometimes a balancing act. A lot of the communication is done by phone and by text message, but she also has time for physical meetings at the customer sites. A challenge for Sølvi is the Danish language, as she herself is from Norway.

Why do you think you in particular were named Leader of the Year?
"I really understand my colleagues and treat them with a lot of respect. But I also demand results. It's exciting, and there are always things happening when you are dealing with people on a daily basis, and I have a strong "service gene" that makes me want everyone to be happy."

Danish is not your mother tongue. How has this affected your work as a leader?
"I have personal experience of getting my languages mixed up, and I think this has helped me to relate to and understand colleagues with a different linguistic background. Sometimes body language is not a bad idea; I often use body language to show how to carry out various tasks," Sølvi Hansen, Leader of the Year, says.

CLIMATE-SMART OBJECTIVES

For Coor, environmental sustainability is about protecting the environment by actively reducing your environmental impact, mainly in your own but also in your customers' businesses.

GREEN ADVICE

Coor Green Services is an evaluation tool developed by Coor that is based on widely recognized certification schemes such as the Nordic Swan Ecolabel and aimed at enabling the company to identify and present environmental improvement measures to customers. The tool allows Coor to assess the environmental performance of the services it provides and then make suggestions for concrete improvements that will reduce the environmental impact, which is much appreciated by the customers.

The environmental assessment has three levels – Gold, Silver and, as of 2018, Platinum. Coor Green Services Platinum is a response to requests from customers that Coor should challenge their environmental activities. Each year, Coor reviews the criteria used in the evaluation tool to ensure a high environmental standard and relevance.

In 2018, 84 customer sites were assessed, of which 35 achieved Gold status and 49 Silver. Several sites have the ambition to achieve Platinum in the coming years. Coor's own offices in Sweden were also assessed, with the Kista and Gothenburg offices being awarded Silver certificates. The head offices in Finland and Norway also achieved Silver status.

ENERGY ADVICE

Qualified advice on energy issues is increasingly demanded by Coor's customers after energy audits became mandatory for all large enterprises in the EU in 2016. Through energy audits and a systematic approach to energy management, Coor is able to help its customers reduce their actual energy use. In 2018, Coor was authorized to provide energy efficiency services by Energieffektiviseringsföretagen (EEF), the Swedish trade association for energy efficiency.

Examples of Coor services linked to energy efficiency:

- Systematic energy management – Coor leads ongoing energy management activities together with the customer and the local operations staff to achieve the customer's own energy objectives.
- Energy audits – Coor carries out detailed energy audits in accordance with the Act on Energy Audits in Large Enterprises.
- Energy-efficient operation of data centers – Coor is certified to provide services in this area, which is growing fast in Sweden.
- Technical site assessments – Coor performs assessments of specific energy-saving measures or to establish whether the existing systems can cope with the customers' frequent extensions to and redevelopment of the facilities.

SYSTEMATIC ENVIRONMENTAL MANAGEMENT AND COOR'S OWN IMPACT

Coor's own activities have a significant environmental impact in the form of energy use, emissions from transports and the management of chemicals, waste and raw materials. To highlight the environmental issue and ensure systematic, high-quality environmental management throughout the company (both internally and in Coor's efforts to improve its customers' environmental management activities), the company has introduced a mandatory basic environmental training course which all employees are required to complete during their first year of employment.

PRINCIPAL STANDPOINTS

- Coor will contribute actively to minimising our customers' environmental-impact, especially their energy use.
- Coor will conduct structured and proactive internal environmental work.

VOLVO GOES PLASTIC-FREE

In 2018, Volvo Cars decided to eliminate plastic at the company's restaurants at its Torslanda, Skövde, Olofström and Hällered sites. Coor, which runs the restaurants, immediately started to look for alternatives to plastic. Annually, some 20 metric tons of single-use materials will need to be replaced.

"Volvo is big enough to make a difference, so this is very inspiring for us at Coor," says Marina Thunberg, Regional manager for Coor Food & Beverages. And the efforts have borne fruit – in 2018 all restaurants went plastic-free. The focus from now on will be on replacing materials for products that need to be kept in stock for a bit longer, such as products sold in vending machines.

Energy use and emissions

Coor's activities give rise to carbon dioxide emissions from the company's own service vehicles, business trips and the heating of offices. Working towards a long-term goal of phasing out the use of fossil fuels, Coor has continued its efforts to increase the share of electric vehicles in its fleet. In Norway, over 50 per cent of the company's service vehicles are now electric. Long delivery times have meant that progress has been slower than initially hoped.

Over the past few years, Coor's carbon dioxide emissions from service vehicles and business trips have decreased. At Coor's head office green electricity is used and Skype, video and telephone meetings are used to reduce travel.

Chemicals management

Coor has a common chemicals management system, I-Chemistry, which provides valuable guidance on the environmental impact of different products. At year-end, 4,068 (3,456) products had been registered in the system. The increase reflects the expansion of Coor's activities in this field. With chemicals management being a key focus area, Coor has continued its efforts to replace chemicals with greener options. Together with one of the company's major customers, Coor carried out a thorough review and risk assessment in 2018 which resulted in a 30 per cent reduction in the number of chemicals used in the operations, which is good for health and the environment. Another example of progress is the introduction of a review process for chemicals used in Coor's cleaning services from a CO_2 emissions perspective, which shows how large the emissions are for each product, making it easier to make greener choices.

Waste management

Since a number of years, Coor has been sorting waste at its main offices, and a large portion of all waste is recycled. Computers that are no longer used are handed to specialists, who ensure that they are reused or recycled in a responsible manner.

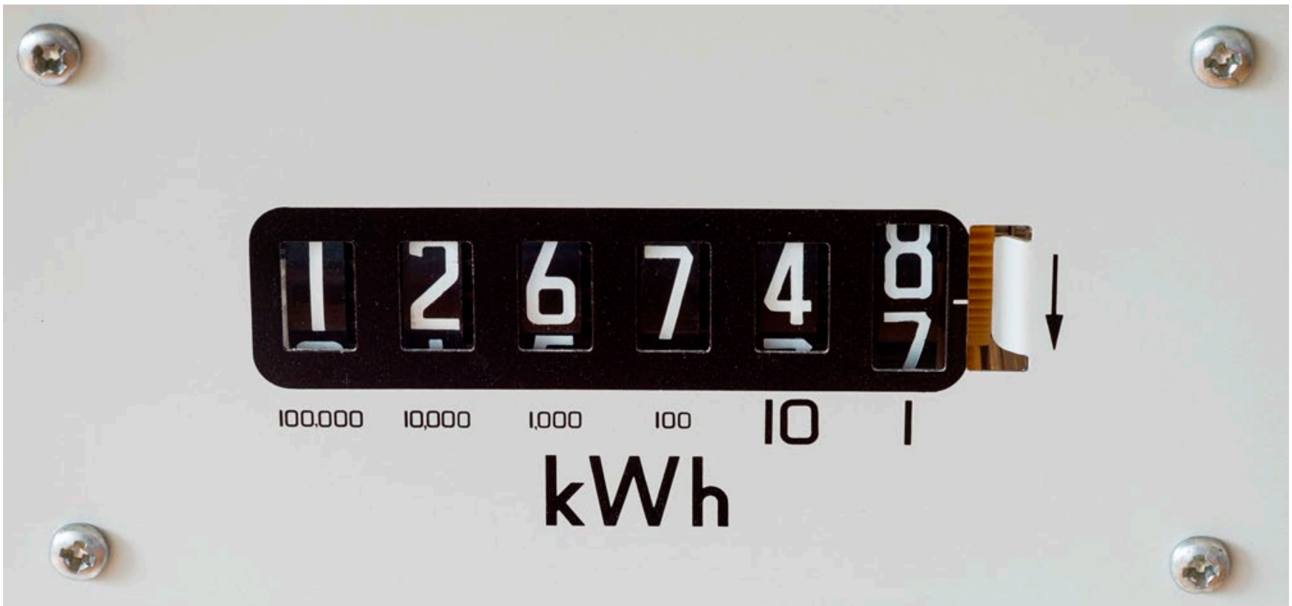
Food waste has a significant environmental impact, and Coor is working to reduce waste in those stages of the food chain that the company is able to influence. In 2018, Coor stepped up its activities aimed at reducing food waste at the company's own restaurants by at least 10 per cent. All restaurants weigh and register food waste daily. This has resulted in increased awareness among Coor's own employees as well as guests, which has had the effect of reducing food waste by nearly 30 per cent.

-30%
REDUCTION IN FOOD WASTE

Raw materials management

Coor provides services at over 160 restaurants and cafés as well as providing patient meals under the *Signatur by Coor* brand. This makes Coor a major buyer of raw materials and produce. To improve and ensure effective control of its purchases, a joint purchasing and food planning system has been introduced for all restaurants.

As part of its customer promise, Coor is committed to reducing the environmental impact of its services while offering healthy, modern meal solutions. In concrete terms, this means that red-listed fish are banned, that fair trade coffee must be served and that the share of organic products and vegetarian options should be increased. In Sweden, most Coor-run restaurants are certified under the KRAV ecolabel scheme and in Denmark work is underway on certifying the restaurants, which requires a minimum 30 per cent share of organic produce. Coor also monitors carbon dioxide emissions from its restaurant services business, partly by determining the CO_2 values of meals. These efforts have brought to light changing behaviors in terms of the choices made by diners. In 2018, Coor completed a CO_2 assessment of the restaurants at Volvo Cars. The assessment of climate-smart meals was highlighted by the German media through a feature on national public service television broadcaster ZDF.



IT PAYS TO BE A CUSTOMER OF COOR

Coor's energy management activities pay off. In 2018, Coor helped several customers improve their energy efficiency, which resulted in significant savings and reduced energy use.

- Facility A: In 2018, measures were introduced which resulted in savings of 800 MWh/year (SEK 550,000/year). Coupled with previously implemented measures, the total saving since the start of the contract in 2015 is 6,700 MWh/year (SEK 4.7 million/year).
- Facility B: In 2018, measures were introduced which resulted in savings of 1,400 MWh/year (SEK 1 million/year). Coupled with previously implemented measures, the total saving since the start of the contract in 2014 is 2,700 MWh/year (SEK 1.9 million/year).

COOR JOINS CLIMATE-NEUTRAL PARTNERSHIP

During the year, Coor Denmark invested in four electric vehicles to handle technical installations for its customer, the Municipality of Copenhagen. The vehicles support Copenhagen in its ambition to become a CO_2-neutral capital by 2025. Calculations have shown that the electric vehicles generate 90 times less CO_2 emissions per vehicle than fuel driven vehicles. In addition, driving patterns are analyzed and improved continuously to avoid unnecessary miles on the road. It is estimated that the four electric vehicles drive about 20,000 km annually when transporting technicians to the 300 or so properties, which have a combined floor area of 1 million square meters.

COOR AS AN INVESTMENT

COOR AS AN INVESTMENT

An investment in Coor is an investment in a leading service company with solid growth, stable profitability, strong cash conversion and a high dividend yield.

SOLID GROWTH

Coor's leading position in the integrated facility management (IFM) segment, which accounts for two thirds of Coor's business, creates good prospects for continued growth, as the IFM segment is growing at a significantly faster pace than GDP and the FM market as a whole. In the short term, growth may vary somewhat, as it is affected by the volume of major IFM contracts coming onto the market in any particular period.

The company's services are also in demand regardless of economic climate. In a strong economy, the volume of FM services in the company's existing contracts increases, but due to the significant savings potential which Coor offers its customers the company remains an important partner also in times of subdued economic growth.

STABLE PROFITABILITY

As Coor's business is largely about delivering efficiencies, the company has a strong focus on efficiency improvements and cost savings. The combination of strong local management in customer contracts and increased use of synergies within the Group provides a good foundation for maintaining stable profitability. The company also has a relatively flexible cost base, which means that fluctuations in sales normally have a limited impact on the operating margin.

STRONG CASH CONVERSION

Due to its very limited need for capital expenditure and working capital, Coor's cash conversion is strong, which means that a large portion of operating profits is converted into cash flow.

HIGH DIVIDEND YIELD

Available cash can be used for further acquisitions, repayment of debt or dividends. Any acquisitions are expected to be relatively minor, however, and net debt is below the company's target. This means that Coor should be able to offer a high and stable dividend yield to its shareholders over time. The objective of the Board and management is not to accumulate cash in the company but to return any surplus to the shareholders.

COOR AS AN INVESTMENT

COOR'S FINANCIAL TARGETS

4–5% ORGANIC GROWTH

~5.5% ADJUSTED EBITA MARGIN

<3.0 CAPITAL STRUCTURE

>90% CASH CONVERSION

~50% DIVIDEND

OLOF STÅLNACKE
CFO AND IR-DIRECTOR

WHAT WOULD YOU SAY COOR'S STABLE PROFITABILITY IS DUE TO?
Strong financial control and a focus on efficiency – efficiency is what we sell. That, combined with local responsibility for profitability in our contracts and increased use of synergies, has given us a strong foundation on which to stand. On top of that, Coor has a flexible cost base, which makes it easy to adapt costs to changes in volume. Our high retention rate – meaning that we have many customers who choose to remain with us, and in many cases also expand their business with Coor – is not only a sign of customer satisfaction but also the basis for long-term profitability.

WHAT IS COOR'S ATTITUDE TO THE DIVIDEND YIELD?
We have a high cash conversion rate that gives us a surplus while leverage is reasonable. The surplus is used for value-creating acquisitions and special dividends – we want to create room for both, as we did in 2018. Our dividend policy is to pay out 50 per cent of our adjusted net profit, but in the past two years the payout ratio has been about 100 per cent.

THE COOR SHARE

SHARE PERFORMANCE

Coor's shares performed well in 2018. The closing price on 28 December 2018 was SEK 70.4, which gave on increase during the year of 12.6 per cent. Over the same period, the OMXSPI (Stockholm All Share) index declined by 8.5 per cent. The highest closing price in 2018 was SEK 76.9 on 3 September and the lowest was SEK 60.7 on 8 February and 25 October.

TURNOVER

In 2018, 30,007,941 shares were traded, representing a total value of SEK 2,020,215,453 (SEK 2.0 billion). On average, 120,032 shares changed hands each day.

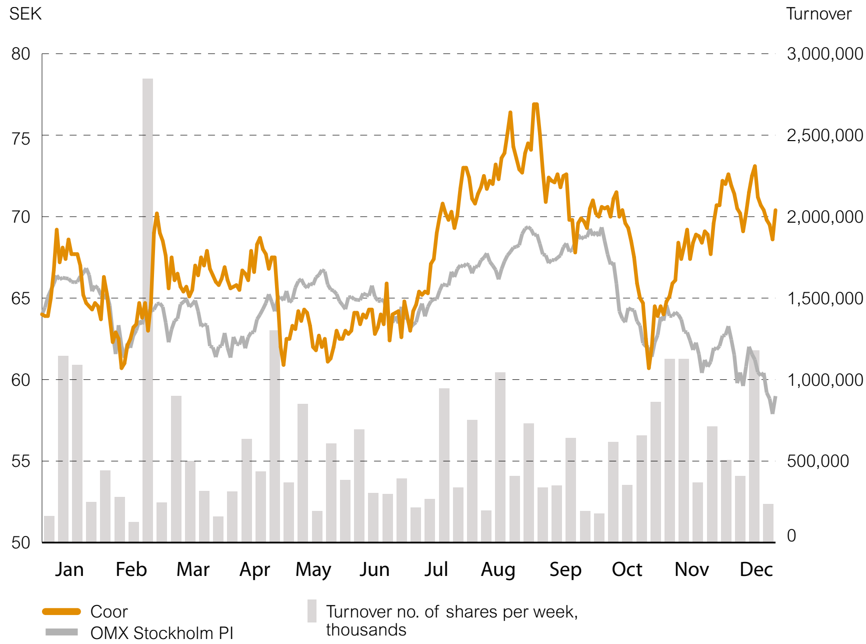
SHAREHOLDERS

On 31 December 2018, Coor had 4,566 shareholders. At the same date, the fifteen largest shareholders controlled 66.9 per cent of the capital and votes. The three largest owners were Capital Group, Fidelity Investments (FMR) and Nordea Fonder. Foreign owners held 54.7 per cent of the votes and capital.

SHARE CAPITAL

At 31 December 2018, Coor had a share capital of SEK 383 million. The number of shares was 95,812,022, representing a quotient value per share of SEK 4. Under the Articles of Association, the share capital must be at least SEK 200 million and no more than SEK 800 million, represented by at least 50,000,000 shares and no more than 200,000,000 shares. The free float – the portion of shares available for trading – was 100 per cent at year-end.

SHARE PERFORMANCE, 1 JANUARY – 31 DECEMBER 2018



THE 15 LARGEST OWNERS

SHAREHOLDER	VOTES, %	PARTICIPATING INTEREST, %	TOTAL NUMBER OF SHARES
Capital Group	8.1	8.1	7,719,000
Fidelity Investments (FMR)	7.8	7.8	7,428,971
Nordea Fonder	7.5	7.5	7,165,856
Didner & Gerge Fonder	6.7	6.7	6,440,800
Second Swedish National Pension Fund (AP2)	6.1	6.1	5,884,628
Swedbank Robur Fonder	4.4	4.4	4,246,723
Taiga Fund Management AS	4.2	4.2	4,024,256
Crux Asset Management Limited	4.0	4.0	3,855,304
BMO Global Asset Management	3.8	3.8	3,619,859
SEB-Stiftelsen	3.6	3.6	3,450,000
AMF Försäkring & Fonder	3.1	3.1	3,002,202
Aviva	2.8	2.8	2,660,426
AFA Försäkring	2.6	2.6	2,529,686
Länsförsäkringar Fonder	1.2	1.2	1,160,954
Danske Invest Fonder	1.0	1.0	949,480
Total, 15 largest shareholders	**66.9**	**66.9**	**64,138,145**
Other shareholders	33.1	33.1	31,673,877
Total	**100.0**	**100.0**	**95,812,022**

OWNERSHIP STRUCTURE

SIZE CLASSES	NUMBER OF KNOWN SHARE-HOLDERS	NUMBER OF SHARES	PARTICIPATING INTEREST, %	VOTES, %	SHARE OF KNOWN SHARE-HOLDERS
1 - 500	3,541	571,772	0.6%	0.6%	77.6%
501 - 1,000	454	363,087	0.4%	0.4%	9.9%
1,001 - 5,000	384	813,820	0.8%	0.8%	8.4%
5,001 - 10,000	60	486,243	0.5%	0.5%	1.3%
10,001 - 15,000	14	179,295	0.2%	0.2%	0.3%
15,001 - 20,000	14	239,664	0.3%	0.3%	0.3%
20,001 -	99	80,633,432	84.2%	84.2%	2.2%
Anonymous ownership		12,524,709	13.1%	13.1%	
TOTAL	**4,566**	**95,812,022**	**100.0%**	**100.0%**	**100.0%**

LIQUIDITY 1 JANUARY – 31 DECEMBER 2018

Lowest, SEK	58.5
Highest, SEK	77.6
Volume-weighted average price, SEK	67.32
Number of shares traded	30,007,941
Average per day	120,032
Number of transactions	76,414
Average number of transactions per day	305.7
Average value per transaction, SEK	26,438
Average daily volume, SEK million	8.1
Daily volume as a percentage of market value	0.13%
Traded on Nasdaq (regular trading), %	42.90%
Block transactions, %	56.90%
Dark pools (Nasdaq), %	0.10%

DIVIDEND

The Board of Directors proposes a dividend of SEK 4.00 for 2018. The dividend comprizes an ordinary dividend of SEK 2.00 (1.80) per share and a special dividend of SEK 2.00 (2.20) per share. The special dividend represents cash in excess of the Group's target for net debt. The total distribution was thus SEK 383 million.

IR ACTIVITIES

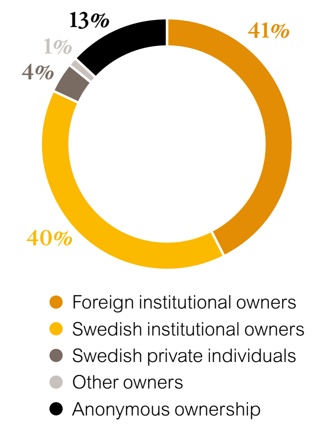
Investor Relations activities in 2018 focused on continuing to establish Coor in the capital market. Management took part in a number of conferences, was available for questions and held a large number of meetings on both buy and sell sides to ensure that there is a wide familiarity with the company in the market. In addition to Stockholm, Coor also visited Copenhagen, Oslo, Helsinki, London, New York and Boston, mainly in connection with quarterly reports.

ANALYSTS

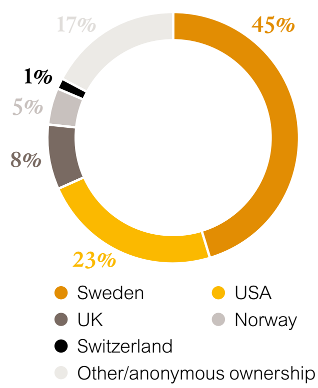
Coor is followed by Carnegie, DNB, Nordea and Jarl Securities.

Source: Monitor by Modular Finance AB. Compiled and adapted data from Euroclear, Morningstar, the Swedish Financial Supervisory Authority and Fidessa.

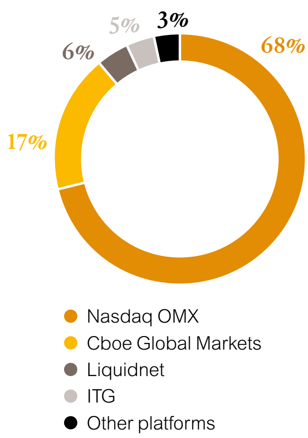
DISTRIBUTION OF OWNERSHIP BY CATEGORY



DISTRIBUTION OF OWNERSHIP BY COUNTRY



TRADING PLATFORMS



ANNUAL ACCOUNTS AND CONSOLIDATED FINANCIAL STATEMENTS 2018

CONTENTS

The Board of Directors and Chief Executive Officer of Coor Service Management Holding AB (corp. ID no. 556742-0806) hereby present the following annual accounts and consolidated financial statements for the financial year 1 January 2018 to 31 December 2018.

DIRECTORS' REPORT

All amounts are expressed in millions of Swedish kronor unless otherwise indicated. Due to rounding, some totals may differ from the sum of the individual items. For definitions, objectives and information on the calculation of alternative performance measures, see the sections Selected KPIs and Definitions on pages 113–116.

Coor achieved strong growth in all countries in 2018 – 10 per cent organic growth and 10 per cent growth from acquisitions. The group saw a stable inflow of new small and medium-sized contracts as well as achieving a retention rate of as much as 91 per cent in a year when contracts worth SEK 2.6 billion were renegotiated.

SIGNIFICANT EVENTS DURING THE YEAR

Acquisitions

In 2018, Coor acquired three companies: cleaning firm Elite Miljø in Denmark, property services provider OBOS Eiendomsdrift in Norway and Norwegian service company West Facility Management.

In total, the acquired companies are expected to increase annual net sales by around SEK 1 billion and brought over 2,500 new employees to Coor. The acquisitions are completely in line with Coor's priorities with regard to service content, geographic coverage, expertise and scope for creating further value for our customers.

CHANGES IN THE CONTRACT PORTFOLIO

	2018		2017	
	NUMBER OF CONTRACTS	ANNUAL SALES	NUMBER OF CONTRACTS	ANNUAL SALES
New contracts during the period	25	465	17	565
Completed contracts during the period	-7	-105	-1	-25
Net change in portfolio	**18**	**360**	**16**	**540**

Changes in the contract portfolio comprise all contracts with annual sales of over SEK 5 million (last year SEK 10 million). For new contracts concluded during the period, the contracted or estimated annual sales volume is indicated. For contracts that were completed during the period, the sales volume for the last twelve-month period in which the full volume of services was provided is indicated.

Changes in the contract portfolio

In 2018, the group saw a net inflow of new contracts with a combined annual volume of SEK 360 million. This includes the major IFM contract with Storebrand as well as a large number of small and medium-sized contracts, including contracts with Swedavia in Sweden, IKEA in Finland and Novo Nordisk in Denmark. Seven contracts were completed during the year.

Contracts worth approximately SEK 2.6 billion (SEK 1 billion) were renegotiated in 2018 and the retention rate for the year was an impressive 91 per cent. The renegotiated contracts include Equinor and Ericsson. Coor's retention rate for the past three years is 90 per cent.

Management changes

On 1 October, Marcus Karsten took over the reins as President of Coor Finland and also joined Coor's executive management team.

COOR IN BRIEF

Coor is one of the Nordic region's leading facility management providers, with specialist expertise in over a hundred services that help to ensure the smooth and efficient operation of properties and workplaces. Coor is the market-leading provider of complex, integrated FM services but also offers single FM services to large and small customers in the private and public sectors. The company is organized in four geographic areas – Sweden, Norway, Denmark and Finland – but also has operations in Belgium, Hungary, Poland and Estonia.

Coor's vision is to be the service provider, employer and investment of choice in the service sector for customers, employees and investors. The company's strength, and what sets Coor apart from its competitors, is its ability to continuously develop its business and service delivery. Coor's ambition is to offer the market's most developed and smartest service solutions – service with IQ.

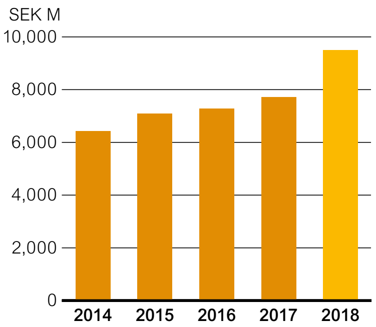
Established in 1998, Coor has been listed on the Nasdaq Stockholm exchange since June 2015. All operations are certified under the international ISO 14001, ISO 9001 and ISO 45011 environmental and quality management standards. In addition, Coor has also obtained a number of local, service-specific environmental and quality certifications. Read more about the company at www.coor.com

PERFORMANCE IN 2018

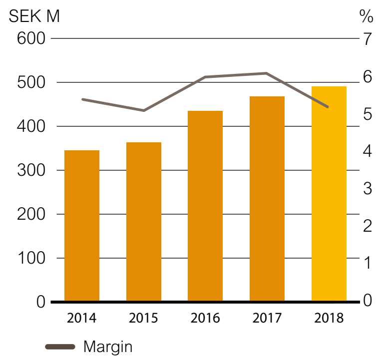
FINANCIAL SUMMARY	2018	2017
Net sales	9,489	7,722
Organic growth, %	*10*	*6*
Acquired growth, %	*10*	*0*
Foreign exchange effects, %	*3*	*1*
Adjusted EBITA	490	468
Adjusted EBITA margin, %	5.2	6.1
EBIT	219	268
EBIT margin, %	2.3	3.5
Profit after tax	104	188
Operating cash flow	354	492
Operating cash flow, pro forma[1)]	448	492
Number of employees (FTE)	9,082	6,695

1) Cash flow for 2018 has been adjusted for erronous salary payment by Coor's payroll supplier in Sweden.

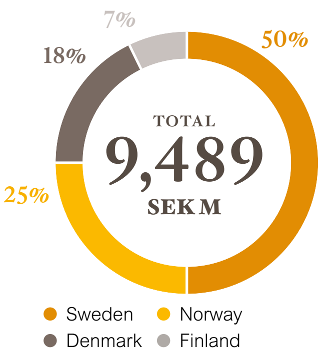
ANNUAL NET SALES



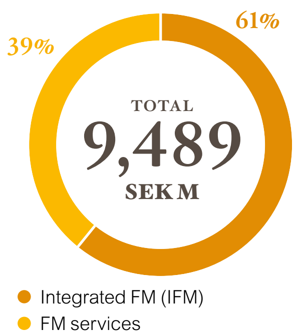
OPERATING PROFIT (ADJUSTED EBITA) AND MARGIN



NET SALES BY COUNTRY



NET SALES BY TYPE OF CONTRACT



Net sales and operating profit

Net sales increased by 23 per cent in 2018, to SEK 9,489 (7,722) million. Organic growth was 10 (6) per cent year on year, growth from acquisitions was 10 (0) per cent and FX-effects amounted to 3 (1) per cent.

All countries achieved a high rate of organic growth, partly on the back of new volumes from small and medium-sized contracts and partly from high variable project volumes in a number of major IFM contracts. In Sweden, growth was boosted by the final phase of the commissioning of the new buildings at the Karolinska University Hospital in Solna, in Norway by the new IFM contract with Storebrand and in Denmark by the new contract with the Municipality of Copenhagen.

Acquired growth relates to the acquisitions of cleaning firm Elite Miljø in Denmark, as well as service company West Facility Management and property services provider OBOS Eiendomsdrift in Norway.

The operating profit (adjusted EBITA) was SEK 490 (468) million, which is an increase of 5 per cent on 2017, and the operating margin was 5.2 (6.1) per cent. The change compared with the previous year is due mainly to a lower margin in Sweden as a result of a major contract extension and a lower margin in Denmark that is mainly attributable to the acquisition of Elite Miljø, which at the time of the acquisition had a lower margin than Coor's existing business. The margin in Finland was affected by a provision for a potential credit loss. In Norway, the margin decreased slightly due to lower margin on variable volumes and the initiation of new contracts.

EBIT for the full year was SEK 219 (268) million. The increase in adjusted EBITA is offset by increased non-recurring items in the form of integration and restructuring costs related to acquisitions and contract extensions.

NET SALES AND EARNINGS BY SEGMENT

SWEDEN	2018	2017
Net sales	4,788	4,527
Organic growth, %	*6*	*7*
Acquired growth, %	*0*	*0*
Foreign exchange effects, %	*0*	*0*
Adjusted EBITA	434	456
Adjusted EBITA margin, %	9.1	10.1
Number of employees (FTE)	4,222	3,843

NORWAY	2018	2017
Net sales	2,351	1,851
Organic growth, %	*15*	*0*
Acquired growth, %	*8*	*0*
Foreign exchange effects, %	*4*	*1*
Adjusted EBITA	150	123
Adjusted EBITA margin, %	6.4	6.6
Number of employees (FTE)	1,556	1,163

FINLAND	2018	2017
Net sales	694	550
Organic growth, %	*19*	*11*
Acquired growth, %	*0*	*0*
Foreign exchange effects, %	*8*	*2*
Adjusted EBITA	7	16
Adjusted EBITA margin, %	1.1	3.0
Number of employees (FTE)	1,047	829

DENMARK	2018	2017
Net sales	1,658	799
Organic growth, %	*18*	*12*
Acquired growth, %	*78*	*0*
Foreign exchange effects, %	*12*	*2*
Adjusted EBITA	64	37
Adjusted EBITA margin, %	3.9	4.7
Number of employees (FTE)	2,163	777

Net financial items and tax

NET FINANCIAL ITEMS AND TAX	2018	2017
Net financial items		
Net interest expense	-40	-30
Borrowing costs	-6	-3
Other	-5	-6
Net financial expense excl. foreign exchange differences	**-51**	**-39**
Foreign exchange differences	-10	15
Total financial items	**-62**	**-24**
Profit before tax	157	244
Tax	-53	-56
Profit after tax	**104**	**188**

The net financial expense for the full year 2018 increased by SEK 38 million from the previous year, mainly as a result of negative translation differences. These were due to the revaluation of loans in foreign currency at higher year-end closing rates for NOK and EUR compared with the previous year. In 2017, these translation differences were positive. The change in the net interest expense is due to a temporary increase in debt in connection with acquisitions. The change in borrowing costs is due to the fact that borrowing costs related to Coor's previous financing agreement were charged to expense at the end of the year.

The tax expense for the period was SEK -53 (-56) million, which represents 34 (23) per cent of earnings before tax. In 2018, it was decided to lower the Swedish corporate tax rate in two stages while limiting the deductibility of interest expenses. Following the change in the law, Coor restated its deferred tax asset in its Swedish business in 2018, which resulted in a net expense of approximately SEK 11 million. Excluding this non-recurring effect, the tax expense was 26 (23) per cent of earnings before tax. The change compared with the previous year is mainly due to the fact that a large portion of the costs associated with this year´s acquisitions are non-deductible. The profit after tax was SEK 104 (188) million.

Cash flow

CASH FLOW SUMMARY	2018	2017
Adjusted EBITDA	490	468
Depreciation/amortization	68	50
Net investments	-84	-75
Change in net working capital	-27	89
Cash flow for calculation of cash conversion	**447**	**531**
Cash conversion, %	*80*	*103*
Items affecting comparability	-95	-29
Other	3	-10
Operating cash flow	**354**	**492**
Net financial income (expense)	-45	-36
Income tax paid	-44	-36
Cash flow from operating activities including net investments	**265**	**420**
Acquisition of subsidiaries	**-436**	**0**
Change in liabilities to credit institutions	270	11
Dividend	-383	-287
Other	-1	-2
Cash flow from financing activities	**-114**	**-278**
Cash flow from discontinued operations	**0**	**-23**
CASH FLOW FOR THE YEAR	**-285**	**119**
Cash and cash equivalents at the beginning of the year	709	603
Foreign exchange difference in cash and cash equivalents	11	-13
Cash and cash equivalents at the end of the year	**435**	**709**

Operating cash flow

Operating cash flow for the full year 2018 was SEK 354 (492) million. Although the group has a strong underlying cash flow, cash flow for 2018 was affected by a serious mistake made by Coor's payroll services provider in Sweden. Contrary to the agreed processes, the service provider made a double salary payment to Coor employees in Sweden shortly before the end of the year. The mistake was discovered immediately by Coor but could not be corrected, as only a few business days remained until the end of the year. The whole amount was repaid in January and measures have been taken to ensure that the service provider will not be able to cause this type of damage to Coor again. Working capital increased by SEK 27 million in 2018, which is a deterioration in working capital performance compared with the full year 2017. Without the incorrect salary payment, working capital would have decreased by SEK 67 million in 2018. Net investments in 2018 were up slightly on the previous year, totaling SEK -84 (-75) million.

The most important external KPI for cash flow is cash conversion, which is defined as the ratio of a simplified measure of operating cash flow to adjusted EBITDA. Cash conversion for the full year was 80 (103) per cent. Without the incorrect salary payment, cash conversion would have been 97 per cent.

Acquisition of subsidiaries

During the year, the group acquired three subsidiaries, which had a net impact on cash and cash equivalents of SEK -436 million. See also *Note 23 Acquired businesses*.

Financing activities

Net financial payments in 2018 were up slightly on the previous year, totaling SEK -45 (-36) million. In 2018, the group took out new loans in a net amount of

FINANCIAL POSITION

ASSETS	2018	2017
Intangible assets	3,882	3,533
Property, plant and equipment	109	85
Non-current financial assets	217	238
Total non-current assets	**4,208**	**3,856**
Accounts receivable	1,343	1,159
Other current assets	489	412
Cash and cash equivalents	435	709
Total current assets	**2,266**	**2,280**
TOTAL ASSETS	**6,474**	**6,136**

EQUITY AND LIABILITIES	2018	2017
Equity	**2,164**	**2,464**
Borrowings	1,744	1,399
Other non-current liabilities	66	45
Total non-current liabilities	**1,810**	**1,444**
Borrowings	4	3
Accounts payable	1,023	944
Other current liabilities	1,473	1,282
Total current liabilities	**2,500**	**2,228**
TOTAL EQUITY AND LIABILITIES	**6,474**	**6,136**

Net working capital	-626	-630
Net working capital/net sales, %	-6.6	-8.2
Equity/assets ratio, %	33	40
Leverage, times	2.4	1.4
NET DEBT		
Liabilities to credit institutions	1,686	1,394
Other	67	13
	1,753	**1,408**
Cash and cash equivalents	-435	-709
Net debt	**1,318**	**699**

SEK 270 million to fund acquisitions of subsidiaries and paid a dividend of SEK 383 (287) million to the shareholders.

Financial position

The group has intangible assets, consisting mainly of goodwill, of SEK 3,036 (2,693) million and customer contracts worth SEK 696 (723) million. Goodwill is not amortized, but is tested annually for impairment. Customer contracts are amortized on a straight-line basis based on the estimated useful life and are tested for impairment if there are indications of impairment. For further information on intangible assets, see *Note 11 Intangible assets.*

The Group has negative working capital of SEK -626 (-630) million.

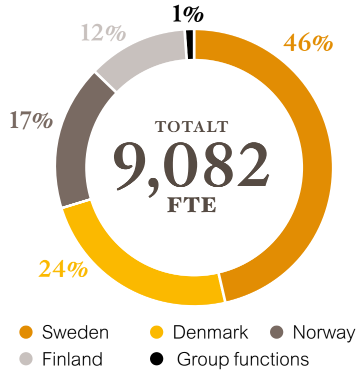
Consolidated net debt for the full year was SEK 1,318 (699) million. The increase on the previous year is due partly to the acquisitions that were made during the year and partly to the dividend paid to the shareholders. The leverage, defined as net debt to adjusted EBITDA, was 2.4 (1.4) at the end of the year, which is in line with the Group's target of a leverage below 3.0. Equity at the end of the year was SEK 2,164 (2,464) million. The group's equity/assets ratio was slightly lower than in 2017, at 33 (40) per cent. In 2018, equity increased by comprehensive income for the year of SEK 133 million and decreased as a result of the dividend payment of SEK 383 million. Equity was also affected by a share swap agreement relating to the group's long-term incentive scheme, which had a negative impact on equity of SEK 51 million.

Cash and cash equivalents at the end of the period stood at SEK 435 (709) million. At the same date, the Group had undrawn credit lines of SEK 90 (290) million.

ORGANIZATION AND EMPLOYEES

The number of employees at 31 December 2018 was 11,174 (7,273), or 9,082 (6,695) on a full-time equivalent basis. The increase in the workforce is primarily explained by the three acquisitions that were made during the year but is also due to the initiation of new contracts and expansion of existing contracts.

DISTRIBUTIION OF EMPLOYEES (FULL-TIME EQUIVALENTS) AT 31 DECEMBER 2018



For more information on Coor's employees and on Coor's health and safety activities, and management and employee development activities, see the section *Social sustainability*. For information on employee benefit expenses and remuneration of senior executives, see *Note 5 Employees and employee benefit expenses* and *Note 6 Remuneration of senior executives.*

SHAREHOLDERS AND SHARE INFORMATION

Coor was listed on the Nasdaq Stockholm exchange on 16 June 2015. The number of shares is 95,812,022. At year-end, the three largest shareholders were Capital Group, with 8.1 per cent of the shares and voting rights, Fidelity Investments with 7.8 per cent and Nordea Fonder with 7.5 per cent.

For more share information, see the sections *Coor as an investment* and *the Coor share*, and *Note 15 Share capital and data per share.*

PARENT COMPANY

The Group's parent company, Coor Service Management Holding AB, provides management services to its wholly owned subsidiary Coor Service Management Group AB. The parent company also manages shares in subsidiaries.

The parent company generated earnings after tax of SEK 177 (179) million. At year-end, the parent company had total assets of SEK 8,161 (8,187) million and equity of SEK 5,313 (5,568) million.

SUSTAINABILITY REPORT

Coor has prepared a Sustainability Report in accordance with the GRI Standards. As permitted under Ch. 6 § 11 of the Swedish Annual Accounts, Coor has chosen to present its statutory sustainability report separately from its annual report. The Sustainability Report is presented on pages 6-9, 24-35, 46-47 and 104-111 of this document.

PROPOSED DIVIDEND

The Board of Directors proposes a dividend of SEK 4.00 (4.00) per share for 2018. The dividend comprises an ordinary dividend of SEK 2.00 (1.80) per share and a special dividend of SEK 2.00 (2.20) per share. The special dividend represents cash in excess of the Group's target for net debt. The total distribution was thus SEK 383 million.

Proposed record date for dividend

The Board proposes that the record date for the dividend be 6 May 2019. Subject to approval of the Board's proposal by the AGM, it is expected that the dividend will be paid to the shareholders on 9 May 2019.

OUTLOOK

Coor is a market-leading service company operating in a growing market. Coor is generally experiencing strong interest and good demand in the market, and sees interesting business opportunities throughout the Nordic region. Coor believes its prospects to achieve long-term growth, profitability and cash flow in line with its adopted objectives are good.

SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

On March 13, Coor announced the issue of a senior unsecured bond in the toal amount of SEK 1,000 million. The bond has a tenor of 5 years and the proceeds is used to repay the bridge facility that was taken in January, when the previous bank financing was refinanced. The bond generated strong investor interest and the issue was oversubscribed.

PROPOSED APPROPRIATION OF RETAINED EARNINGS

The parent company and consolidated income statements and balance sheets will be submitted for adoption at the Annual General Meeting on 2 May 2019.

The Annual General Meeting is asked to decide on the appropriation of the following retained earnings in the parent company:

	SEK
Retained earnings including share premium account	4,752,788,243
Profit for the year	176,885,581
TOTAL	**4,929,673,824**

The Board of Directors proposes that the above amount be appropriated as follows:

	SEK
Dividend of SEK 4.00 per share to the shareholders	383,248,088
Carried forward	4,546,425,736
TOTAL	**4,929,673,824**

The Board of Directors' statement on the proposed dividend

In reference to the Board of Directors' proposed dividend payment presented above, the Board hereby makes the following statement pursuant to Ch. 18 § 4 of the Swedish Companies Act:

The Annual General Meeting will be asked to adopt a resolution on the appropriation of retained earnings of SEK 4,929,673,824 as at 31 December 2018. Provided that the AGM adopts the Board's proposed appropriation of retained earnings, SEK 383,248,088 will be distributed to the shareholders and SEK 4,546,425,736 will be carried forward. The Board has established that the company's restricted equity will be fully covered after the proposed dividend. The Board also considers that the proposed dividend is justifiable in view of the parameters defined in Ch. 17 § 3 second and third paragraphs of the Companies Act. The Board of Directors has taken account of the parent company's and Group's consolidation requirements and liquidity through a comprehensive assessment of the parent company's and Group's financial position, and of their short- and long-term ability to fulfill their obligations and make the necessary investments. The Board has also taken account of other known circumstances which may be of significance to the financial position of the parent company and Group. The proposed dividend will reduce the parent company's equity/assets ratio from 65 to 60 per cent and the consolidated equity/assets ratio from 33 to 29 per cent as at 31 December 2018. The Board considers that these ratios are adequate and that the parent company's equity and consolidated equity after the proposed dividend will be sufficient in view of the nature, scope and risks of the operations. In the opinion of the Board, the proposed dividend will not affect the parent company's and Group's ability to continue as going concerns and to fulfill their short- and long-term obligations. The parent company and Group are well prepared to handle changes in respect of liquidity as well as unexpected events.

For further information on the parent company's and Group's results and financial position, see the following income statements, statements of comprehensive income, balance sheets, statements of cash flow and the notes to the financial statements.

A STRUCTURED APPROACH TO RISK

The facility management industry is widely perceived as an industry with relatively low risks. To minimize those risks that do exist, Coor engages in structured risk management activities based on mapping, analysis and control.

OPERATIONAL RISKS

Coor is exposed to a number of strategic, operational, financial and legal risks. The risks that Coor has identified as being most material along with brief descriptions of how they are managed and of developments in 2018 are presented in the table on the next page.

SUSTAINABILITY RISKS

From a sustainability perspective, the Nordic FM industry is perceived as an industry with a relatively low risk profile. In its risk analysis, the company has taken account of sustainability-related risks. Risks related to human rights and corruption have also been addressed but are currently not considered material enough to warrant inclusion in the detailed assessment of the group's priority risk areas. The same applies to the environment, where the industry's as well as Coor's risk level is considered to be low. In this context, it should also be noted that the Coor group only has minor operations that are subject to environmental permit requirements.

A SOPHISTICATED RISK PROCESS

The objective of Coor's risk management activities is to secure the group's long-term earnings performance and target achievement. Ultimate responsibility for the company's risk management rests with the group's Board of Directors and management. These activities are guided by a central group risk policy and risk management process and are based on an annual risk assessment covering all areas of activity. The past year's risk management activities are summarized and discussed by the executive management team and presented to the Board.

RISK ASSESSMENT

Coor's risk analysis consists of an annual survey in which the key risks are identified. The probability of the identified risks occurring and their consequences are also assessed. The analysis also includes an assessment of the effectiveness of existing controls and measures aimed at minimizing and managing the risks. The results are summarized in a risk map for each operating unit, which are then aggregated to group level.

RISKS TO THE BUSINESS

MAIN RISKS	IMPACT SCALE 1–5	PROBABILITY SCALE 1–5	RISK MANAGEMENT MEASURES	RISK MANAGEMENT	DEVELOPMENTS IN 2018
STRATEGIC AND OPERATIONAL RISKS					
Loss of material contracts If a delivery deviates from the agreed services or agreed quality, this can lead to loss of revenue or lost contracts.	4	2	• Structured monitoring of customer contracts at the strategic level. • A focus on HSEQ issues and people engagement to increase employee satisfaction and ultimately also customer satisfaction.	○	• Coor did not lose any material contracts in 2018. • An increased focus on HSEQ issues has led to improved customer and employee satisfaction.
Information leakage Inadequate classification of information can lead to uncertainty about how information should be protected as well as leakage of information.	4	2	• Information security policy communicated. • System support for handling of insider information. • Regular briefing and training of employees.	○	• New information security policy communicated. • System support for insider administration has been implemented.
GDPR management The General Data Protection Regulation became effective on 25 May 2018 and entails a risk of severe sanctions in case of deviations.	3	2	• Ongoing checks are carried out to ensure compliance with the GDPR. • Internal training.	●	• Comprehensive assessments have been carried out to ensure compliance with GDPR requirements. • All managers have completed an interactive training course. • An administrative organization has been established.
Construction-related projects In cases where a construction project has not been documented, administered or carried out correctly, this can lead to loss of revenue or dissatisfied customers or suppliers.	3	3	• Clear templates and a clear structure/process for the performance of construction projects. • Ensure that there are individuals with knowledge of construction law in the organization.	○	• A review of the organization, processes, templates and system support has been carried out. • Coor has strengthened its expertise in construction law.
Health and safety risk A poor work environment can lead to mental and physical health problems among employees or third parties. Coor's vision is to achieve a zero rate of workplace-related accidents.	2	3	• Increased focus on risk awareness. • A systematic approach to preventive health and safety. • Training to increase risk awareness. • Ongoing monitoring and assessment for targeted risk prevention activities.	○	• The number of reported risk observations has increased, which points to increased risk awareness and a stronger reporting culture. • The number of reported accidents has stabilized – a substantial decrease in 2018. • Audit conducted in preparation for ISO 45001 certification.
Negative publicity Poor handling of media attention can lead to negative publicity.	2	2	• Media training. • Liaison meetings.	●	• The company's spokespersons at different levels of the organization have taken part in media training activities. • Liaison meetings have been held with various stakeholders.
Costing risk Incorrect cost estimates, poor contract terms or business models can lead to low margins or high contractual risks.	3	2	• Well formulated tendering instructions. • A well functioning process for post business case review.	○	• Internal tendering instructions have been clarified. • Post business case reviews have been made for several contracts.
FINANCIAL RISKS					
Interest rate, currency and liquidity risks Changes in interest rates, exchange rates and market prices of financial instruments can have an impact on Coor's income statement and balance sheet, and on cash flow.	2	3	• Coor follows a treasury policy which sets forth guidelines for financial risk management. See also *Note 16 Borrowing and financial risk management*.	●	• No new risks arose during the year.
Financial reporting risks The risk of misstatements in financial reporting and the risk that reports will not be prepared in accordance with legal requirements, requirements for listed companies and applicable accounting rules.	3	2	• A clear process for managing the risk of misstatements in financial reporting. • Key controls in financial processes are monitored continually through self-assessments and internal audits. For a more detailed description, see the *Corporate Governance Report*.	○	• In 2018, the company distributed interim reports and an annual report. • One interim report and the annual report were examined by the company's external auditors without qualifications.
Credit risk The risk of credit losses due to the failure of customers to meet their payment obligations.	2	2	• Coor has clear processes for customer credit checks and monitoring of accounts receivable. See also *Note 15 Accounts receivable and Note 16 Borrowing and financial risk management*.	●	• Historically, Coor has had very few bad debts but in 2018 a significant credit loss arising from purely commercial reasons was identified in Finland.

● Good management ○ Satisfactory management ● Need for improvement

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

	NOTE	2018	2017
Net sales	2,3,7	9,489	7,722
Cost of services sold	3,4,5,6,7	-8,580	-6,896
Gross profit		**909**	**827**
Selling expenses	4,5,6	-109	-100
Administrative expenses	4,5,6,7,8	-581	-459
Operating profit		**219**	**268**
Financial income	9	5	21
Financial expenses	9	-67	-45
Net financial expense		**-62**	**-24**
Profit before tax		**157**	**244**
Income tax	10	-53	-56
Profit for the year from continuing operations		**104**	**188**
Profit for the year from discontinued operations	22	0	-148
PROFIT FOR THE YEAR		**104**	**40**
Earnings per share, before and after dilution, SEK	15		
Continuing operations		1.09	1.96
Discontinued operations		0.00	-1.54
EARNINGS PER SHARE		**1.09**	**0.42**
Dividend per share, SEK	15		
Proposed ordinary dividend per share, SEK		2.00	1.80
Proposed special dividend per share, SEK		2.00	2.20
DIVIDEND PER SHARE		**4.00**	**4.00**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2018	2017
PROFIT FOR THE YEAR	**104**	**40**
Other comprehensive income		
Items that will not be reclassified to profit or loss	0	0
Items that may be subsequently reclassified to profit or loss		
Translation differences in foreign operations	29	-23
Total	**29**	**-23**
Total other comprehensive income for the year, net of tax	**29**	**-23**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**133**	**17**

The notes on pages 52 to 77 are an integral part of the consolidated financial statements.

CONSOLIDATED BALANCE SHEET – ASSETS

	NOTE	2018	2017
ASSETS			
Non-current assets			
Intangible assets	11		
Goodwill		3,036	2,693
Customer contracts		696	723
Trademarks		45	40
Other intangible assets		104	76
Property, plant and equipment	12		
Land and buildings		1	1
Machinery and equipment		108	83
Financial assets			
Other long-term receivables		14	12
Deferred tax asset	10	203	226
Total non-current assets		**4,208**	**3,856**
Current assets			
Inventories		14	12
Accounts receivable	13	1,343	1,159
Tax assets	10	0	8
Other receivables	14	123	18
Prepaid expenses and accrued income	14	352	374
Cash and cash equivalents		435	709
Total current assets		**2,266**	**2,280**
TOTAL ASSETS		**6,474**	**6,136**

CONSOLIDATED BALANCE SHEET – EQUITY AND LIABILITIES

	NOTE	2018	2017
EQUITY AND LIABILITIES			
Equity			
Share capital	15	383	383
Other contributed capital		6,622	6,670
Other reserves		-5	-34
Retained earnings, including profit for the year		-4,835	-4,556
Total equity		**2,164**	**2,464**
Liabilities			
Non-current liabilities			
Borrowing	16	1,744	1,399
Deferred tax liability	10	45	24
Provisions for pensions and similar obligations	5	20	19
Other provisions	17	1	2
Total non-current liabilities		**1,810**	**1,444**
Current liabilities			
Borrowing	16	4	3
Accounts payable		1,023	944
Current tax liabilities	10	32	30
Other liabilities	18	249	189
Accrued expenses and prepaid income	19	1,185	1,059
Other provisions	17	6	3
Total current liabilities		**2,500**	**2,228**
Total liabilities		**4,310**	**3,672**
TOTAL EQUITY AND LIABILITIES		**6,474**	**6,136**

For pledged assets and contingent liabilities, see ***Note 20.***

The notes on pages 52 to 77 are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	SHARE CAPITAL	OTHER CONTRIBUTED CAPITAL	OTHER RESERVES	RETAINED EARNINGS, INCLUDING PROFIT FOR THE YEAR	TOTAL EQUITY
Opening balance, 1 January 2017	**383**	**6,670**	**-11**	**-4,309**	**2,734**
Comprehensive income					
Profit for the year	0	0	0	40	40
Total other comprehensive income for the year	0	0	-23	0	-23
Transactions with shareholders					
Dividends	0	0	0	-287	-287
BS **Closing balance, 31 December 2017**	**383**	**6,670**	**-34**	**-4,556**	**2,464**
Opening balance, 1 January 2018	**383**	**6,670**	**-34**	**-4,556**	**2,464**
Comprehensive income					
Profit for the year	0	0	0	104	104
Total other comprehensive income for the year	0	0	29	0	29
Share-based payments	0	-49	0	0	-49
Transactions with shareholders					
Dividends	0	0	0	-383	-383
BS **Closing balance, 31 December 2018**	**383**	**6,622**	**-5**	**-4,835**	**2,164**

The item Other reserves refers to translation differences arising on translation of foreign subsidiaries, items recognized in other comprehensive income from the application of hedge accounting and actuarial gains/losses on remeasurement of the net pension obligation.

The total translation difference for 2018 was SEK 29 (-23) million. The translation difference was positive for all currencies.

For information on share capital and data per share, see *Note 15 Share capital and data per share*. For information on the appropriation of retained earnings for the year, see page 45.

The effect which above is included in the line Share-based payments refers partly to an effect of SEK -51 million arising from the share swap agreement that has been entered into to secure access to shares for the group's long-term incentive program and partly to an effect of SEK 2 million that is linked to the payment of premiums for the option program as well as accruals of the employee benefit expense in accordance with IFRS 2.

§ ACCOUNTING PRINCIPLES

Ordinary shares are classified as equity. The dividend proposed by the Board will not reduce equity until it has been approved by the Annual General Meeting.

CONSOLIDATED STATEMENT OF CASH FLOWS

	NOTE	2018	2017
Continuing operations			
Operating activities			
IS Operating profit		219	268
Adjustment for non-cash items		246	208
Interest received		0	2
Interest paid		-40	-33
Financial expenses paid		-5	-6
Income tax paid		-44	-36
Cash flow from operating activities before changes in working capital		**376**	**404**
Increase(-)/decrease(+) in inventories		-2	-1
Increase(-)/decrease(+) in accounts receivable		-15	-132
Increase(-)/decrease(+) in other current receivables		-70	-57
Increase(+)/decrease(-) in accounts payable		49	192
Increase(+)/decrease(-) in other current operating liabilities		12	87
Cash flow from operating activities		**349**	**493**
Investing activities			
Purchases of intangible assets	11	-33	-30
Purchases of property, plant and equipment	12	-60	-48
Proceeds from sale of property, plant and equipment		10	4
Acquisition of subsidiaries	23	-436	0
Cash flow from investing activities		**-520**	**-74**
Financing activities	16		
Dividends		-383	-287
Share-based compensation programs		1	0
Proceeds from borrowings		437	17
Repayments of borrowings		-167	-6
Repayments, lease liabilities		-3	-7
Repayments, lease receivables		1	5
Cash flow from financing activities		**-114**	**-278**
Cash flow from continuing operations		**-285**	**142**
Cash flow from discontinued operations	**22**	**0**	**-23**
Cash flow for the year		**-285**	**119**
Cash and cash equivalents at the beginning of the year		709	603
Foreign exchange difference in cash and cash equivalents		11	-13
BS **Cash and cash equivalents at the end of the year**		**435**	**709**

CONSOLIDATED OPERATING CASH FLOW

	NOTE	2018	2017
Continuing operations			
IS Operating profit		219	268
Depreciation, amortization and impairment	11, 12	244	219
Net investments in property, plant and equipment and intangible assets		-83	-74
Change in net working capital		-27	89
Non-cash items		2	-11
Operating cash flow		**354**	**492**
Adjustment for items affecting comparability	4	95	29
Other		-3	10
Cash flow for calculation of cash conversion		**447**	**531**
Cash conversion		**80**	**103**

NON-CASH ITEMS

		2018	2017
Depreciation/amortization	11, 12	244	219
Change in provisions		2	-9
Proceeds from sale of non-current assets		-1	-2
Other		1	0
SCF **Total**		**246**	**208**

SPECIFICATION OF CASH AND CASH EQUIVALENTS

	2018	2017
Cash and bank balances	435	709
BS **Total**	**435**	**709**

§ ACCOUNTING PRINCIPLES

The statement of cash flows has been prepared using the indirect method. The recognized cash flow only comprises transactions resulting in incoming and outgoing payments. Cash and cash equivalents include, in addition to cash and bank balances, short-term financial investments that are exposed to insignificant risk of fluctuations in value, are traded on an open market for known amounts and have a remaining maturity of less than three months from the acquisition date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

The consolidated financial statements of the Coor Service Management Holding AB Group have been prepared in accordance with the Swedish Annual Accounts Act, Recommendation RFR 1 Supplementary Financial Reporting Rules for Corporate Groups of the Swedish Financial Reporting Board, the International Financial Reporting Standards (IFRS) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the EU.

The parent company's functional currency is the Swedish krona, which is also the reporting currency for the parent company and group. The financial statements are therefore presented in Swedish kronor.

Unless otherwise indicated, all figures are rounded to the nearest million (SEK million). Figures in parentheses refer to the previous year. Due to rounding, some totals may differ from the sum of the individual items.

§ ACCOUNTING PRINCIPLES

How should the Coor Group's accounting principles be read?
General accounting principles and new financial reporting rules are presented below. Other accounting principles which Coor considers to be significant are presented under each note. Unless necessary for the understanding of the content of the note, the repetition of section references is avoided.

Amounts which are reconcilable to the balance sheet, income statement and statement of cash flows are indicated by the following symbols:

IS Income statement
BS Balance sheet
SCF Statement of cash flows

! CRITICAL ASSUMPTIONS

Judgments and estimates in the financial statements
The preparation of financial statements in compliance with IFRS requires the use of critical accounting estimates and judgments. Areas which involve a high degree of judgment, are complex or where assumptions and estimates have a material impact are presented in conjunction with the items they are considered to affect. The table shows where these descriptions are to be found:

ITEMS WHICH ARE SUBJECT TO ASSUMPTIONS AND JUDGMENTS	NOTE
Taxes	Note 10
Measurement of goodwill and other intangible assets	Note 11
Accounts receivable	Note 13
Financial risks	Note 16

CHANGES TO ACCOUNTING PRINCIPLES AND DISCLOSURES

a) New and amended standards applied by the group
Standards which the group will apply for the first time for financial years beginning on 1 January 2018 are presented below:

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers
- Classification and measurement of share-based payments (Amendment to IFRS 2)
- The 2014–2016 annual improvements cycle for IFRS standards

The group has adjusted its accounting principles, but has not needed to make any retroactive changes in applying IFRS 9 and IFRS 15, as the new standards do not introduce any material changes compared with the previously applied accounting principles. The group applied the prospective method for the transition from IFRS 15 and IFRS 9. Nor has the amendment of IFRS 2 resulted in any changes to the comparative figures, as the group had no share-based payments for 2017.

b) New standards and interpretations which have not yet been applied by the group
A number of new standards and interpretations will become effective for financial years beginning after 1 January 2018 but have not been applied in preparing these financial statements. These new standards and interpretations are expected to affect the group's financial statements in the following ways:

- *IFRS 16: Leases*

IFRS 16 becomes effective on 1 January 2019. The implementation of the standard will require that nearly all leases be recognized in the lessee's balance sheet, as the distinction between operating and finance leases has been removed. Under the new standard, an asset (the right to use a leased asset) and a financial liability representing the obligation to make lease payments must be recognized. Exceptions are made for short-term leases and leases for which the underlying asset has a low value. For the lessor, the accounting treatment will remain substantially unchanged.

Over the past year, the group has reviewed all leases in the group with regard to the new rules in IFRS 16. The standard will primarily affect the financial reporting of what were previously accounted for as operating leases. The group will apply the simplified method when making the transition to IFRS 16, which means that comparative figures will not be restated; the transition effects will be recognized in the balance sheet as at 1 January 2019.

At the balance sheet date, the group had non-cancellable operating lease obligations of SEK 473 million, see *Note 7 Leases*. Of these obligations, a portion refers to leases for which the underlying asset is of low value. These will continue to be expensed on a straight-line basis over the lease term. For the remaining lease obligations, the group expects to recognize right-of-use assets of approximately SEK 365 million as at 31 January 2019 as well as lease liabilities of SEK 365 million. The group expects adjusted EBITA, which is used to measure the performance of the segments, to increase slightly compared with the previous accounting principles. This is because the costs for operating leases were previously included in adjusted EBITA but are now only included in the depreciation charge on the right-of-use asset in adjusted EBITA while interest on the lease liability is included in net financial income/expense. The group expects a marginal impact on leverage, as both the numerator (net debt) and denominator (adjusted EBITDA) will increase on the transition to IFRS 16. Cash flow from operating activities will increase while cash flow from financing activities will decrease on the transition to IFRS 16, as repayments of the lease liability will be classified as cash flows from financing activities. For the group in its capacity as lessor, the accounting treatment will remain substantially unchanged.

Other standards, amendments and interpretations which become effective for financial years beginning after 1 January 2018 are not considered to have a material impact on the group's financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

Subsidiaries

The consolidated financial statements comprise Coor Service Management Holding AB and all subsidiaries in Sweden and abroad. All companies over which the group has control are classified as subsidiaries. Control means that Coor is able to govern the subsidiary, has the right to a variable return on its investment in the company and is able to influence the return through its influence over the company. Subsidiaries are included in the consolidated financial statements from the date on which control is transferred to the group. They are excluded from the consolidated financial statements from the date when the group ceases to have control. All subsidiaries in the group are 100 per cent-owned.

Intercompany transactions and balances are eliminated. Where applicable, the accounting principles for subsidiaries have been amended to guarantee a consistent application of the group's principles.

Recognition of acquisitions

The consolidated financial statements are prepared in accordance with the purchase method. In a business combination, the acquired assets and assumed liabilities are identified and measured at fair value at the acquisition date. In the purchase price allocation, an assessment is also made of whether there exist intangible assets that have not been recognized in the acquired entity. The amount by which the consideration exceeds the fair value of the acquired assets and assumed liabilities is recognized as goodwill. Any deficit, or "negative goodwill", is recognized through profit or loss. The consideration paid for the acquisition comprises the fair value of the transferred assets, liabilities and any shares issued by the group. Any subsequent additional consideration is classified as a liability, which is then remeasured through profit or loss. Acquisition-related costs are expensed.

TRANSLATION OF FOREIGN CURRENCY

Items included in the financial statements for the various entities of the group are valued in the currency used in the economic environment in which each entity primarily operates (functional currency). The consolidated financial statements are prepared in Swedish kronor (SEK), which is the functional and reporting currency of the parent company. The financial statements of the group companies are translated to the group's reporting currency, SEK. Assets and liabilities in group companies with a different functional currency than the parent company are translated at the closing rate. Income and expenses in group companies which have a different functional currency than the parent company are translated at the average exchange rate. The translation difference arising on foreign currency translation is recognized in other comprehensive income. When a foreign operation is divested, such foreign exchange differences are recognized in the income statement as part of the capital gain or loss.

Transactions in foreign currency are translated to the functional currency at the transaction date exchange rates. At the closing date, monetary assets and liabilities in foreign currency are translated to the functional currency and any currency effect is recognized in profit or loss.

NOTE 2 RECOGNITION OF REVENUE

§ ACCOUNTING PRINCIPLES

The group's reported net sales mainly comprise revenue from sales of services that are provided under the terms of subscription contracts or on a fixed-price or time and materials basis. The services which the group provides can be divided into workplace services (including cleaning, restaurant, reception, and mail and freight handling services) and property services (including property maintenance and security solutions).

The group applies the five-step model under IFRS 15 to determine how revenue from each customer contract should be accounted for. Under the five-step model, revenue should be recognized when a customer receives control over the sold good or service and is able to use or obtains a benefit from the good or service. The group's principal source of revenue is services in which control is transferred to the customer in connection with delivery. The customer receives and consumes the service as it is provided. The group's revenue is thus recognized as the services are provided.

The group does not expect to have any significant contracts where the transaction price need to be adjusted for the effects of a significant financing component.

Revenue from subscription contracts

Subscription contract refers to a contract concluded by the group for the regular provision of services over an extended period of time. The group's subscription contracts include integrated FM contracts covering a broad range of services as well as contracts for the provision of a single or small number of combined FM services. To meet the definition of a contract in IFRS 15, call-off orders for subscription services for the month also need to be taken into account.

Each individual customer contract can thus cover several different services (performance obligations) to be provided by Coor. The services are provided to the customers on a daily basis over the term of the contract and the customer receives and consumes the services as they are provided. All performance obligations are satisfied over time and revenue is recognized as the services are provided.

The prices charged for the services which the group provides under subscription contracts are generally fixed and are based on certain cost drivers, such as the number of employees or floor space. The volume, such as the number of employees or square meters of floor space, varies over time, and there is therefore a significant variable component in the total revenue from the customer. For major customer contracts, variable compensation may be used. In such case, the group will make a detailed estimate of outcome for each contract. Variable compensation is only included in recognized revenue to the extent that it is considered likely to accrue to Coor. Invoices are normally issued on a monthly basis in connection with the provision of the services. Exceptions are made for customer contracts under which Coor is responsible for long-term property maintenance. For these contracts, accruals need to be made for a portion of the invoiced revenue, as Coor will not have satisfied its performance obligation at the end of the period.

For major customer contracts, modifications are often made to the contract over time, resulting in changes to prices, volumes or service content. Changes to major customer contracts are made in consultation with the customer according to a defined process.

Contract revenue

In addition to the subscription contracts which it has entered into with its customers, the group also enters into call-off arrangements/contracts for services to be provided on an ongoing basis, generally over a relatively short period of time. Such projects are normally billed on a time and materials basis, which means that Coor receives compensation for costs incurred plus an agreed margin. Costs incurred can refer to the number of hours worked and/or to purchased materials/services.

BREAKDOWN OF REVENUE FROM CONTRACTS WITH CUSTOMERS

2018	SWEDEN [1]	NORWAY	DENMARK	FINLAND [2]	OTHER	TOTAL
External revenue by segment	4,788	2,351	1,658	694	-1	**9,489**
Timing of revenue recognition						
At a point in time	0	0	0	0	0	**0**
Over time	4,788	2,351	1,658	694	-1	**9,489**
TOTAL	**4,788**	**2,351**	**1,658**	**694**	**-1**	**9,489**

2017	SWEDEN [1]	NORWAY	DENMARK	FINLAND [2]	OTHER	TOTAL
External revenue by segment	4,527	1,851	799	550	-5	*7,722*
Timing of revenue recognition						
At a point in time	0	0	0	**0**	0	*0*
Over time	4,527	1,851	799	550	-5	*7,722*
TOTAL	**4,527**	**1,851**	**799**	550	**-5**	**7,722**

[1] In Sweden, the figures include SEK 226 (157) million in sales for Belgium, SEK 16 (15) million for Poland and SEK 26 (20) million for Hungary.
[2] In Finland, the figure include SEK 36 (28) million in sales for Estonia.

Invoices are issued on a monthly basis and are based on the costs incurred for the services provided.

The customer obtains control over the service as it is provided, which means that revenue is also recognized as the service is provided.

Contract type
The group's services are provided under customer contracts of two main types:

- IFM (integrated FM contracts) covering a broad range of services and with a strong element of strategic advice.
- FM services (the provision of an individual or small number of combined FM services). The element of strategic advice is limited.

Both contract types may have subscription revenue as well as project revenue features. A breakdown of revenue by the group's main contract types, IFM contracts and contracts for single or a small number of FM services, is presented in ***Note 3 Segment information***.

The group has one customer which accounts for more than 10 per cent of consolidated net sales. Net sales to this customer in 2018 were SEK 1,386 (1,191) million.
This customer is a customer of the group's Norwegian business.

The group has its registered office in Sweden. Revenue from external customers in Sweden and the breakdown for other countries are shown in the table above.

The group's customer contracts have significant variable components that are linked, for example, to volume in the form of the number of square meters or the number of employees at the customer site, which affects revenue from the customer for coming periods. It is therefore not possible to disclose future unsatisfied performance obligations related to existing customer contracts.

Contract assets and contract liabilities
The group recognizes the following assets and liabilities in the balance sheet related to contracts with customers.

	2018	2017
Accounts receivable	1,343	1,159
Accrued income	245	179
Total contract assets	**1,588**	**1,338**
Prepaid income	-263	-290
Total contract liabilities	**-263**	**-290**

Accrued income refers partly to subscription revenue under contracts for which the performance obligations have been satisfied but where the invoice is issued at the beginning of the following month and partly to revenue from ongoing projects where the performance obligation has been satisfied but the invoice has not yet been issued.

Prepaid income refers partly to subscription revenue under contracts where the invoice is issued in the month before the services are provided and partly to revenue related to performance obligations for long-term property maintenance. For property maintenance, an accrual is made for a portion of the monthly subscription revenue, as Coor will not have satisfied its performance obligation at the end of the period. Revenue is recognized as Coor satisfies its performance obligation under the agreed maintenance plan.

NOTE 3 SEGMENT INFORMATION

§ ACCOUNTING PRINCIPLES

Operating segments are accounted for in a way that is consistent with the internal reports submitted to the chief operating decision maker. The chief operating decision maker is the function that is responsible for allocating resources and assessing the results of operating segments. In Coor, this function has been identified as the executive management team.

The group operates in Sweden, Norway, Finland and Denmark (and has minor operations in Belgium, Hungary, Poland and Estonia). Management mainly monitors the operations on a country by country basis. The group's operations in Belgium, Hungary and Poland are organizationally part of the Swedish business and the operation in Estonia is organizationally part of the Finnish business.

The group's operations comprise a range of workplace and property services as well as related strategic advice. The services are provided under customer contracts of two main types: IFM and single FM services. Priority service areas for provision as single FM services are cleaning, food & beverage and property services.

The operations conducted in the various countries are similar in nature but the markets differ somewhat in terms of the breakdown by contract type.

The group's executive management team assesses the operating segments' results based on a measure called the adjusted EBITA. This measure excludes the effects of items affecting comparability, such as restructuring costs, as well as amortization and impairment charges on intangible assets arising from a business combination (primarily customer contracts and goodwill). Interest income and interest expense are not allocated to the segments, as these are affected by actions taken by the central finance function, which manages the group's liquidity.

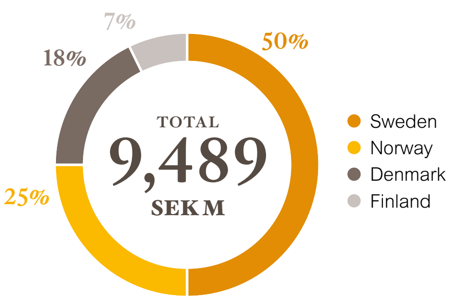
Group functions/other mainly refers to costs for central support functions, such as operational development, business development, the group finance function and legal services.

The group's executive management team does not monitor total assets or liabilities on a segment basis. The executive management team analyses the change in net working capital for each segment in connection with its analysis of operating cash flow.

The following segment information has been provided to the executive management team:

GEOGRAPHICAL SEGMENTS

NET SALES	2018	2017
Sweden	**4,788**	**4,527**
Total sales	*4,910*	*4,657*
Internal sales	*-122*	*-130*
Norway	**2,351**	**1,851**
Total sales	*2,359*	*1,861*
Internal sales	*-8*	*-10*
Finland	**694**	**550**
Total sales	*694*	*550*
Internal sales	*0*	*0*
Denmark	**1,658**	**799**
Total sales	*1,659*	*802*
Internal sales	*-1*	*-3*
Group functions/other	**-1**	**-5**
IS **Total**	**9,489**	**7,722**



NET SALES BY COUNTRY 2018

ADJUSTED EBITA	2018	2017
Sweden	434	456
Norway	150	123
Finland	7	16
Denmark	64	37
Group functions/other	-166	-165
Total	**490**	**468**
Adjusted EBITA is reconciled to profit before tax as follows:		
Amortization and impairment of customer contracts and trademarks (Note 11).	-176	-170
Items affecting comparability (Note 4)	-95	-29
IS Net financial expense	-62	-24
IS **Profit before tax**	**157**	**244**

ADJUSTED EBITA MARGIN, %	2018	2017
Sweden	9.1	10.1
Norway	6.4	6.6
Finland	1.1	3.0
Denmark	3.9	4.7
Group functions/other	-	-
Total	**5.2**	**6.1**

OTHER INFORMATION

INVESTMENTS IN NON-CURRENT ASSETS	2018	2017
Sweden	-41	-43
Norway	-5	-2
Finland	-4	-1
Denmark	-10	-1
Group functions/other	-32	-30
SCF **Total**	**-93**	**-78**

NON-CURRENT ASSETS	2018	2017
Sweden	2,659	2,775
Norway	599	448
Finland	154	152
Denmark	487	165
Group functions/other	91	77
Total	**3,991**	**3,617**

CHANGE IN NET WORKING CAPITAL	2018	2017
Sweden	-74	10
Norway	33	85
Finland	32	-5
Denmark	-9	-13
Group functions/other	-9	12
SCF **Total**	**-27**	**89**

NET SALES BY TYPE OF CONTRACT	2018	2017
IFM	5,765	5,300
FM services	3,724	2,423
IS **Total**	**9,489**	**7,722**

NOTE 4 OPERATING EXPENSES

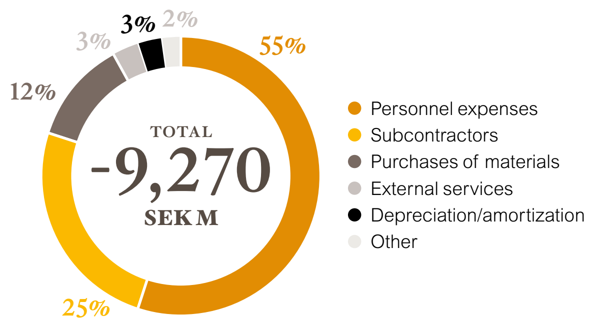
Coor has chosen to present its income statement by function, as this gives a more accurate picture of how the business is managed and monitored. A breakdown of costs by nature of expense is shown below.

OPERATING EXPENSES BY FUNCTION	2018	2017
IS Cost of services sold	-8,580	-6,896
IS Selling expenses	-109	-100
IS Administrative expenses	-581	-459
Total	**-9,270**	**-7,454**

COSTS BY NATURE OF EXPENSE

COSTS BY NATURE OF EXPENSE	2018	2017
Personnel expenses	-5,136	-3,848
Subcontractors	-2,320	-2,041
Materials	-1,086	-909
External services	-286	-248
Depreciation/amortization	-244	-219
Other operating expenses	-199	-189
Total	**-9,270**	**-7,454**

COSTS BY NATURE OF EXPENSE 2018



ITEMS AFFECTING COMPARABILITY

Items affecting comparability are excluded from the measure of operating profit, adjusted EBITA, that management regards as the most relevant metric, as it gives a more accurate picture of the underlying business.

Items affecting comparabilityfor 2018 mainly comprise costs for restructuring and integration. Integration and restructuring refer to organic transactions as well as acquisitions. Integration refers to costs such as the cost of integrating IT systems while restructuring refers to costs related to staff reductions. Acquisition-related costs refer exclusively to transaction costs.

RECONCILIATION OF ADJUSTED EBITA	2018	2017
IS **Operating profit (EBIT)**	**219**	**268**
Amortization and impairment of customer contracts and trademarks	176	170
Items affecting comparability	95	29
Adjusted EBITA	**490**	**468**

ITEMS AFFECTING COMPARABILITY	2018	2017
Integration	-55	-20
Restructuring	-32	-4
Acquisition-related costs	-7	-6
Other	0	1
Total	**-95**	**-29**

ITEMS AFFECTING COMPARABILITY SPECIFIED BY FUNCTION	2018	2017
Cost of services sold	-54	-21
Selling and administrative expenses	-41	-9
Total	**-95**	**-29**

NOTE 5 EMPLOYEES AND EMPLOYEE BENEFIT EXPENSES

§ ACCOUNTING PRINCIPLES

Termination benefits
Compensation in case of termination is paid when an employee's employment has been terminated by the group before the normal time of retirement or when an employee accepts voluntary redundancy in exchange for such compensation. The group recognizes severance pay when it is demonstrably obliged either to give notice to employees under a detailed formal plan without possibility of retraction or to provide compensation on termination as a result of an offer to encourage voluntary redundancy. Benefits expiring more than 12 months after the balance sheet date are discounted to present value.

Bonus plans
The group recognizes a liability and a cost for bonuses to employees based on the applicable contracts.

Share-based payments
Coor grants share-based payments to certain employees. These are mainly settled in the form of shares of the company and are known as equity-settled share-based payments. The cost of equity-settled share-based payments is based on the fair value of the share rights at the time when the compensation program was introduced. Such remuneration is recognized as an employee benefit expense, which is recognized over the vesting period along with a corresponding increase in equity. To the extent that the vesting conditions for the program are linked to market conditions, these are taken into account in determining the fair value of the share rights. Performance-based vesting conditions and terms and conditions of service affect the employee benefit expense during the vesting period by changing the number of shares that is ultimately expected to be allocated.

Coor recognizes a liability for social security contributions on an ongoing basis for all outstanding share-based payments. The liability is remeasured on an ongoing basis based on the fair value of the share-based payment at the balance sheet date as allocated over the vesting period.

Post-employment benefits
The group has a number of pension plans in different countries. Most of the group's pension plans are defined contribution plans, under which contributions are paid to an authority or other body which then takes over the obligations to the employees. Once the contributions have been paid, the group has no further payment obligations. Liabilities related to defined contribution plans are expensed in the income statement as they arise. Prepaid contributions are recognized as an asset to the extent that cash repayments or reductions of future payments may accrue to the benefit of the group.

Only a small number of employees in the group are covered by a defined benefit plan, for which the group recognizes a provision in the balance sheet. Defined benefit pension plans are post-employment benefit plans other than defined contribution plans. The defining characteristic of a defined benefit plan is that it specifies an amount for the post-employment benefit which an employee will receive on retirement, normally based on one or several factors, such as age, length of service or salary.

Pensions insured with Alecta in Sweden as well as pensions covered by the new AFP scheme in Norway are defined as multi-employer defined benefit pension plans. However, there is insufficient data to produce reliable information concerning each company's share of the retirement benefit cost, pension obligation and plan assets, and it is therefore not possible to account for these as defined benefit plans.

NUMBER OF EMPLOYEES AND GENDER DISTRIBUTION

	2018			2017		
AVERAGE NUMBER OF EMPLOYEES	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
Sweden	2,126	1,835	3,961	1,851	1,667	3,518
Norway	580	835	1,415	591	722	1,313
Finland	663	357	1,020	485	310	795
Denmark	1,295	794	2,089	391	375	766
Other countries	120	84	204	105	92	197
Total	4,784	3,905	8,689	3,423	3,166	6,588
Less discontinued operations	0	0	0	-80	-98	-178
Total continuing operations	4,784	3,905	8,689	3,343	3,068	6,411

GENDER DISTRIBUTION AMONG DIRECTORS, CEOS AND SENIOR EXECUTIVES

	2018			2017		
NO. AT BALANCE SHEET DATE	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
Directors	3	7	10	3	7	10
CEOs and senior executives	2	10	12	2	10	12
Total	5	17	22	5	17	22

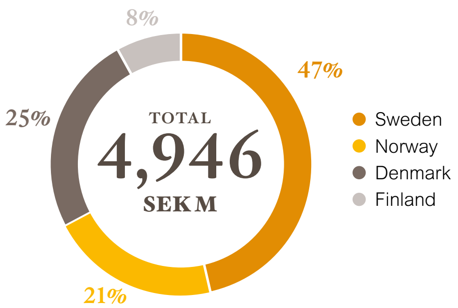
EMPLOYEE BENEFIT EXPENSES

Salaries, other benefits and social security contributions

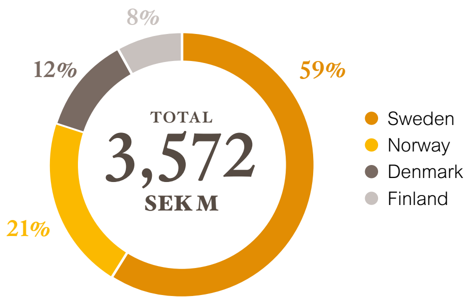
	2018					2017				
	SALARIES AND BENEFITS[1]	*OF WHICH BONUSES*	SOCIAL SECURITY CONTRIBU-TIONS	*OF WHICH RETIRE-MENT BENEFIT COSTS*	TOTAL	SALARIES AND BENEFITS[1]	*OF WHICH BONUSES*	SOCIAL SECURITY CONTRIBU-TIONS	*OF WHICH RETIRE-MENT BENEFIT COSTS*	TOTAL
Directors, CEOs and VPs	28	*4*	12	*4*	**40**	33	*9*	13	*4*	**46**
Other employees	3,858	*24*	1,048	*301*	**4,906**	2,743	*31*	890	*207*	**3,632**
Total	**3,887**	*29*	**1,060**	*305*	**4,946**	**2,776**	*40*	**903**	*211*	**3,678**
Less employee benefit expenses, discontin-ued operations	0	*0*	0	*0*	0	-91	*0*	-15	*-3*	-107
Total continuing operations	**3,887**	*29*	**1,060**	*305*	**4,946**	**2,684**	*40*	**887**	*209*	**3,572**

[1] Salaries and termination benefits totaled SEK 23 (4) million. Of this amount, SEK 0 (0) million refers to severance pay to CEOs and other senior executives.
The group Directors, CEOs and VPs comprises the salaries and benefits of the President and CEO of the group as well as the CEOs and vice presidents of all subsidiaries of the group.

EMPLOYEE BENEFIT EXPENSES BY COUNTRY* 2018



EMPLOYEE BENEFIT EXPENSES BY COUNTRY* 2017



* *Employee benefit expenses for Belgium, Poland and Hungary are included in the figure for Sweden, as these countries are operationally under Sweden. Employee benefit expenses for Estonia are included in the figure for Finland, as Estonia is operationally under Finland. Employee benefit expenses for Sweden also include costs related to group functions.*

SHARE-BASED COMPENSATION PROGRAMS

Coor's incentive program, Long-Term Incentive Program 2018 (LTIP 2018), is designed to increase and strengthen the company's ability to recruit and retain key individuals and to encourage participants to become long-term shareholders of Coor as a means of aligning the interests of participants and other shareholders. To participate in the program, participants are required to invest in Coor shares.

LTIP 2018 is aimed at senior executives of the Coor Group. The program comprises a combination of performance shares and call options. The share-based part of the program is aimed at participants from the executive management team (EMT) and the top management team (TMT) while the options-based part is aimed only at EMT participants.

The financial exposure for the program has been hedged through share swap agreements with Nordea.

The share program

The share program covers a period of three years and requires that participants acquire or already hold a certain number of Coor shares, known as investment shares. The participants are divided into three different categories, for each of which a maximum number shares has been defined beforehand. Performance shares are allocated free of charge after the vesting period. The number of shares allocated varies among the different categories of participants.

The basic criteria for allocation of performance shares are that the participant has remained an employee of the Coor group during the vesting period and has continued to hold his or her Coor shares over that period. The vesting period will end in connection with the publication of Coor's interim report for the first quarter of 2021. In addition, the allocation of performance shares is based on the following performance conditions *(series A)* Coor's customer satisfaction score, *(series B)* cumulative adjusted EBITA and *(series C)* total shareholder return growth compared with a benchmark group of companies. The allocation of share rights depends on the extent to which the defined goals and performance conditions have been met during the performance period 1 January 2018 – 31 December 2020.

Description of goals and performance conditions for the share program:

Series A: Change in customer satisfaction index:
If Coor's average customer satisfaction score during the performance period is equal to or below the minimum level of 64, no shares will be allocated. If Coor's average customer satisfaction score is equal to or exceeds the maximum level of 68, 100 per cent of the shares will be allocated.
The allocation will be adjusted on a proportional basis if the outcome is somewhere between the minimum and maximum levels.

Series B: Cumulative adjusted EBITA:
If Coor's cumulative adjusted EBITA over the performance period is equal to or below the minimum level, defined as 10 per cent below the cumulative adjusted EBITA targeted in Coor's business plan for 2018–

2020, no shares will be allocated. If the percentage change in Coor's cumulative adjusted EBITA is equal to or exceeds the maximum level, defined as 10 per cent above the cumulative adjusted EBITA targeted in Coor's business plan, 100 per cent will be allocated. The allocation will be adjusted on a proportional basis if the outcome is somewhere between the minimum and maximum levels.

Series C: Relative total shareholder return (TSR) growth:
The allocation of shares varies depending on Coor's TSR growth relative to the weighted average of a group of other companies (the "Benchmark Group"). If Coor's cumulative TSR growth over the performance period is equal to or below the weighted average index for the Benchmark Group (the minimum level), no shares will be allocated. If Coor's cumulative TSR growth is equal to or exceeds the weighted average index for the Benchmark Group by more than 6 percentage points (the maximum level), 100 per cent will be allocated.
The allocation will be adjusted on a proportional basis if the outcome is somewhere between the minimum and maximum levels.

In total, the program comprised a maximum of 91,750 investment shares with a maximum allocation of 415,250 performance share rights. This resulted in a total allocation of 348,724 share rights, of which 75,431 were of series A, 197,862 of series B and 75,431 of series C. The participants are divided into different categories, and the following number of share rights have been allocated to each category:

AT THE ALLOCATION DATE	NO. OF PARTICIPANTS	NO. OF INVESTMENT SHARES	A	B	C	TOTAL NO. OF ALLOCATED SHARE RIGHTS
Category 1: CEO	1	9,000	9,000	36,000	9,000	**54,000**
Category 2: Other members of EMT	11	29,000	29,000	87,000	29,000	**145,000**
Category 3: Members of TMT	33	37,431	37,431	74,862	37,431	**149,724**
Total	**45**	**75,431**	**75,431**	**197,862**	**75,431**	**348,724**

The total cost for outstanding share rights under the incentive program is expensed over the vesting period with a corresponding increase in equity.

The call option program
For each investment share that is allocated to LTIP 2018, participants in the call option program are offered to acquire 10 call options on Coor shares. Each call option entitles the holder to purchase one Coor share during three exercise periods at the end of the program period, but no later than 31 May 2022.

For the call options, a market premium was paid that is based on a valuation model which is generally accepted in the market (Black & Scholes) and that was calculated based on the volume-weighted average price paid per Coor share on Nasdaq Stockholm during a period of five trading days from 10 September 2018.

The price per share on exercise of the call option will be 110 per cent of the volume-weighted average price paid per Coor share on Nasdaq Stockholm during a period of ten trading days from 3 September 2018.

The option program is aimed at members of the executive management team (EMT) and comprises a total of 320,000 options. The call options are freely transferable and are not contingent on continued employment in Coor.

POST-EMPLOYMENT BENEFITS

RETIREMENT BENEFIT COSTS RECOGNIZED IN THE INCOME STATEMENT:	2018	2017
Retirement benefits, defined benefit plans	0	0
Retirement benefits, defined contribution plans	305	209
Total	**305**	**209**

Contributions for the year to pension plans held with Alecta are approximately SEK 75 (65) million. Alecta's surplus can be distributed to the policy owners and/or insured parties. At the end of 2018, Alecta's surplus, defined as the collective funding ratio, was 142 (154) per cent. The collective funding ratio is defined as the market value of Alecta's assets as a percentage of its commitments to policyholders calculated using Alecta's actuarial assumptions, which do not comply with IAS 19.

Contributions for the year to pension plans covered by the new AFP scheme in Norway were SEK 34 (28) million.

PENSION OBLIGATIONS RECOGNIZED IN THE BALANCE SHEET:	2018	2017
Endowment policies*	15	14
Retirement benefits, defined benefit plans	5	6
BS **Total**	**20**	**19**
Non-current receivable, endowment policies*	-12	-11
Total, net	**8**	**9**

** Coor has taken out endowment policies with a small number of employees as beneficiaries. As it is the employee that is the beneficiary, a pension provision is recognized in the balance sheet along with a long-term receivable equal to the fair value of the endowment policy. A provision has been made for special payroll tax, which will be paid to the Swedish Tax Agency in connection with the payment to the employee.*

CHANGE IN DEFINED BENEFIT PENSION OBLIGATIONS	2018	2017
At the beginning of the year	**6**	**7**
Payments made	-1	-1
Actuarial gains/losses	0	0
Foreign exchange differences	0	0
Other changes during the year	-1	0
Total defined benefit pension obligation at the end of the year	**5**	**6**

Retirement benefit costs in the coming year
Expected contributions to post-employment benefit plans for the financial year 2019 are SEK 0 (0) million for defined benefit pension plans, SEK 75 (65) million for pension plans held with Alecta, SEK 38 (27) million for the new AFP scheme in Norway and SEK 227 (136) million for other defined contribution pension plans.

NOTE 6 REMUNERATION OF SENIOR EXECUTIVES

Remuneration of senior executives

Directors refer to members of the Board of Directors of the parent company in accordance with the resolution of the Annual General Meeting. For information on the current composition of the Board of Directors, see the section *Presentation of the Board of Directors*.

Executive management team refers to the Chief Executive Officer and the other members of the executive management team. For the current composition of the executive management team, see the section *Presentation of management*.

REMUNERATION OF THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT TEAM

	2018	2017
Remuneration of the Board of Directors	2.7	2.7
Remuneration of the executive management team	47.3	51.8
Total	**50.0**	**54.5**

REMUNERATION OF THE BOARD OF DIRECTORS

Fees are paid to the Chairman and members of the Board of Directors in accordance with the resolution of the Annual General Meeting. The following tables specify the fees that were charged to expense in 2018 for each Director. For a specification of fees approved by the AGM, see the *Corporate Governance Report*.

REMUNERATION OF THE BOARD OF DIRECTORS

	DIRECTORS' FEES		FEE FOR COMMITTEE WORK		TOTAL	
SEK '000	2018	2017	2018	2017	2018	2017
Anders Narvinger	0	235	0	34	0	269
Anders Ehrling	257	166	75	49	332	215
Heidi Skaaret	257	250	100	66	357	315
Kristina Schauman	257	250	200	182	457	432
Mats Granryd	720	548	182	232	902	779
Mats Jönsson	257	250	75	66	332	316
Monica Lindstedt	257	249	50	67	307	316
Søren Christensen	0	84	0	0	0	84
Other	0	0	0	0	0	0
Total	**2,005**	**2,031**	**682**	**685**	**2,686**	**2,726**

REMUNERATION OF THE CEO AND EXECUTIVE MANAGEMENT TEAM – GUIDELINES

The Annual General Meeting 2018 approved the following guidelines for remuneration of senior executives for the period until the 2019 AGM. The executives covered by the guidelines are the CEO and the other members of the executive management team.

The remuneration of senior executives shall consist of a fixed salary, any variable remuneration, pension and other benefits. The total remuneration shall be competitive, in line with market levels, and reflect the individual's performance and responsibility and, with regard to any long-term variable remuneration, the appreciation of Coor's shares that accrues to the shareholders.

Variable remuneration may consist of annual variable remuneration and long-term variable remuneration in the form of cash, shares and/or share-linked instruments in Coor. Variable cash remuneration shall be contingent on the achievement of defined and measurable goals and shall be capped at 50 per cent of the annual fixed salary. Long-term variable remuneration in the form of shares and/or share-based instruments in Coor shall be payable to beneficiaries of long-term incentive programs approved by the Annual General Meeting. The terms for variable remuneration should be formulated so that the Board, in the event of exceptional circumstances, is able to limit or refrain from paying variable remuneration if such action is deemed reasonable.

In specific instances, agreements on non-recurring remuneration may be concluded, provided that such remuneration does not exceed three months' fixed salary and is not paid more than once a year to the same individual.

Pension benefits shall be defined contribution benefits.

Severance pay is normally paid in case of termination by the company. The contracts of members of the executive management team are terminable on no more than six (6) months' notice and provide for severance pay of no more than eighteen (18) months' fixed salary. No severance pay shall be paid in case of termination by the employee.

The Board has the right to depart from the guidelines adopted by the AGM if there are special reasons to do so in an individual case.

REMUNERATION OF THE CEO AND EXECUTIVE MANAGEMENT TEAM – 2018

2018	BASIC SALARY	VARIABLE REMUNERA-TION	SHARE-BASED PAYMENTS	OTHER BENEFITS	RETIREMENT BENEFIT COSTS	SEVERANCE PAY	OTHER REMUNERA-TION	TOTAL
Remuneration of the CEO								
Mikael Stöhr	6.8	1.8	0.2	0.1	1.8	0.0	0.0	**10.6**
Remuneration of other members of the executive management team								
Rest of management team, 11 persons	23.8	6.3	0.5	0.9	5.2	0.0	0.0	**36.7**
Total	**30.6**	**8.1**	**0.7**	**0.9**	**7.0**	**0.0**	**0.0**	**47.3**

REMUNERATION OF THE CEO AND EXECUTIVE MANAGEMENT TEAM – 2017

2017	BASIC SALARY	VARIABLE REMUNERA-TION	SHARE-BASED PAYMENTS	OTHER BENEFITS	RETIREMENT BENEFIT COSTS	SEVERANCE PAY	OTHER REMUNERA-TION	TOTAL
Remuneration of the CEO								
Mikael Stöhr	6.4	4.7	0.0	0.1	1.8	0.0	0.0	**13.0**
Remuneration of other members of the executive management team								
Rest of management team, 11 persons	22.5	9.9	0.0	1.3	5.0	0.0	0.0	**38.8**
Total	**29.0**	**14.6**	**0.0**	**1.4**	**6.8**	**0.0**	**0.0**	**51.8**

Share-based payments to the CEO and executive management team
In 2018, the Chief Executive Officer received 54,000 (-) and the executive management team received 145,000 (-) share rights under the incentive program for the year, LTIP 2018. The program comprises a combination of performance shares and call options. The CEO subscribed for 90,000 options and the other members of the executive management team subscribed for 230,000 options under the options part of the incentive program. For more information on LTIP 2018, see the section *Share-based payments in Note 5*.

Pensions and other benefits
The CEO and all senior executives are covered by an ITP supplementary pension plan solution (or an equivalent solution in other countries). In addition to this, the CEO has the right to pension contributions of 30 per cent for that part of his salary which exceeds 30 income base amounts. In addition to the CEO, two senior executives are entitled to pension contributions of 30 per cent of that portion of their salary which exceeds 30 income base amounts and two senior executives are entitled to pension contributions of 20 per cent of that portion of their salary which exceeds 30 income base amounts, in addition to the normal ITP solution. There is no contractual retirement age for the CEO or other senior executives, which means that the retirement age is subject to the local rules which apply in each country.

NOTE 7 LEASES

§ ACCOUNTING PRINCIPLES

Leases are classified and accounted for as finance or operating leases. If the risks and rewards of ownership have been substantially transferred to the lessee, the contracts are classified as finance leases.
Other leases are accounted for as operating leases.

Coor has entered into both finance and operating leases in the capacity of lessor as well as lessee. For each contract, an assessment is made on whether the contract should be classified as an operating lease or finance lease.

Lessee
In a finance lease, the leased asset is recognized as an item of property, plant and equipment along with a corresponding current or non-current liability. At the beginning of the lease term, both these items are recognized at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Each lease payment is divided into repayment of principal and an interest component to obtain a fixed rate of interest for the recognized liability. The leased asset is depreciated using the same principles that are applied for other assets of the same class.

For operating leases, the payments are expensed in the income statement on a straight-line basis over the term of the lease.

Lessor
When assets are leased to another party under a finance lease, the present value of the lease payments is recognized as a long-term or current receivable. Finance lease payments are apportioned between repayment of capital and interest income in order to apply a constant interest rate on the remaining balance of the receivable.

For operating leases, the payments are recognized as income on a straight-line basis over the term of the lease.

COOR AS LESSEE

Finance leases:
The group has concluded finance leases mainly for trucks and trailers. The majority of these are leased to customers in the course of the group's operations. There are no undertakings obliging the group to acquire the assets which are financed through finance leases.

The breakdown by nominal value of future minimum finance lease payments is as follows:

	2018	2017
Maturity within one year	4	3
Maturity between one and five years	6	3
Maturity after more than five years	0	0
Total	**10**	**6**
Future financial costs for financial leases	0	0
Present value of finance lease liabilities	**10**	**6**

Operating leases
The group has entered into operating leases for trucks, cars, cleaning machines, coffee makers, office equipment and other assets. The majority of this equipment is included as part of the service delivery to the customer.

There are no undertakings obliging the group to acquire the assets which are financed through operating leases. Nor are there any restrictions or obligations linked to the assets which are financed through operating leases.

The distribution of future minimum operating lease payments is as follows:

	2018	2017
Maturity within one year	171	153
Maturity between one and five years	268	222
Maturity after more than five years	34	26
Total	**473**	**401**

Lease payments under operating leases for the year were SEK 193 (172) million.

COOR AS LESSOR

Finance leases:
As lessor, the group has concluded finance leases for trucks and trailers.

The breakdown by nominal value of future minimum finance lease payments is as follows:

	2018	2017
Maturity within one year	1	1
Maturity between one and five years	1	1
Maturity after more than five years	0	0
Total	**2**	**3**
Unearned financial income from finance leases	0	0
Present value of finance lease receivables	**2**	**2**

Operating leases:
As lessor, the group has entered into operating leases mainly for machinery such as trucks and trailers.

The distribution of future minimum operating lease payments is as follows:

	2018	2017
Maturity within one year	10	14
Maturity between one and five years	3	13
Maturity after more than five years	0	0
Total	**13**	**27**

Lease payments under operating leases for the year were SEK 24 (24) million.

NOTE 8 AUDIT FEES

AUDIT FEES	2018	2017
PwC		
Audit engagement	4	6
Audit services in addition to the audit engagement	2	0
Tax advisory services	0	0
Other services	0	2
Total	**7**	**8**

Audit fees paid to other audit firms were SEK 1 (0) million.

Audit engagement refers to the examination of the annual accounts and accounting records and of the Board of Directors' and CEO's management of the company, other tasks incumbent on the company's auditor as well as advice and other assistance occasioned by observations made in the course of such examination or the performance of such other tasks. Everything else is defined as other services.

NOTE 9 FINANCIAL INCOME AND EXPENSES

NET FINANCIAL INCOME/EXPENSE IN THE INCOME STATEMENT	2018	2017
Financial income		
Interest income	3	2
Foreign exchange differences	2	18
Other financial income	0	0
IS **Total**	**5**	**21**
Financial expenses		
Interest expense	-43	-33
Foreign exchange differences	-12	-3
Other financial expenses	-11	-9
IS **Total**	**-67**	**-45**
Total net financial expense	**-62**	**-24**

Interest expense refers mainly to interest on bank loans. Foreign exchange differences refer principally to results of the revaluation of foreign currency loans. Other financial expenses refer mainly to borrowing costs and bank charges. The expense incurred in connection with the raising of loans is allocated over the term of the loan.

See also *Note 16 Borrowing and financial risk management* for more information on borrowing and financial risks.

NOTE 10 TAXES

ACCOUNTING PRINCIPLES

The group's tax expense comprises current and deferred tax. Tax is recognized in the income statement, except when the tax refers to items which are recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or equity.

Current tax is calculated on the taxable profit for the period based on the applicable tax rules in the group's countries of operation. As taxable profit excludes non-tax-deductible expenses as well as non-taxable income, the amount differs from profit before tax in the income statement. Deferred tax also includes adjustments related to reported current tax in previous periods.

Deferred tax is calculated on temporary differences between the carrying amounts and tax bases of assets and liabilities. Deferred tax is also recognized for tax losses to the extent that it is probable that these can be used to offset future taxable profits. The measurement of deferred taxes is based on the nominal amounts and the tax rates that have been enacted at the balance sheet date. Deferred tax is not calculated for the initial recognition of goodwill or on the initial recognition of an asset or liability, provided that the asset or liability does not relate to an acquisition.

Tax assets and tax liabilities are offset if there is a legally enforceable right to set off the recognized amounts. A legally enforceable right of set-off has been deemed to exist when the tax assets and tax liabilities relate to taxes levied by the same taxation authority and refer either to the same taxable entity or to different taxable entities and there is an intention to settle the balances on a net basis.

CRITICAL ASSUMPTIONS

The reporting of income tax, value-added tax and other taxes is based on the applicable rules, including practice, instructions and legislation, in the group's countries of operation. Due to the general complexity of these issues, the application, and thus also the financial reporting, is in some cases based on interpretations, and estimates and judgments of possible outcomes. On complex issues, the group engages the assistance of external experts to assess possible outcomes based on current practice and interpretations of applicable regulations.

In the group, significant tax losses exist in Finland and Sweden. In Sweden, there are no time limitations on the use of the tax losses. In Finland, tax losses must be used within a ten-year period from when they arise. In Finland, a deferred tax asset arising from tax losses has only been recognized to the extent that it can be offset against the deferred tax liability attributable to Finland. This is due to the uncertainty that exists with regard to the possibility of using the tax losses against taxable profits within the ten-year time limit.
In Sweden, it has been deemed that it will be possible to use all tax losses against future taxable profits. All tax losses have therefore been recognized as a deferred tax asset. In 2018, the Swedish parliament voted to reduce the tax rate in two stages. The recognized deferred tax asset was therefore remeasured during the year.

The assessment of how large a portion of the tax losses it will be possible to use is made in connection with the impairment test of goodwill, see *Note 11 Intangible assets* for more information.

TAX EXPENSE IN THE INCOME STATEMENT

TAX EXPENSE (-), TAX INCOME (+)	2018	2017
Current tax	-41	-38
Deferred tax	-12	-19
IS **Total**	**-53**	**-56**

Difference between reported tax expense and tax expense based on the applicable tax rate
The difference between the reported tax expense and estimated tax expense is explained below. The estimated tax expense is based on the profit before tax in each country multiplied by the country's tax rate.

	2018	%	2017	%
IS **Reported profit before tax**	157		244	
IS **Tax expense**	-53	*-34*	-56	*-23*
Calculated tax expense	-37	*-23*	-57	*-23*
Difference	**-16**	*-10*	**1**	*0*
Unrecognized deferred tax on tax losses	-1	*-1*	0	*0*
Use of previously unrecognized tax losses	2	*1*	1	*0*
Tax effect of non-deductible expenses	-6	*-4*	-3	*-1*
Tax effect of non-taxable income	0	*0*	0	*0*
Tax effect of change of tax rate	-10	*-7*	0	*0*
Other effects	0	*0*	2	*1*
Total	**-16**	*-10*	**1**	*0*

The weighted average tax rate was 23 (23) per cent and the effective tax rate 34 (23) per cent. The change compared with the previous year is mainly due to the fact that the tax rate in Sweden was lowered during the year, as a result of which the deferred tax asset in Sweden was remeasured. The group has also had higher than normal non-tax-deductible expenses, mainly relating to the acquisitions that were made during the year. Tax attributable to components in other comprehensive income was SEK 0 (0) million.

DEFERRED TAX LIABILITY AND TAX ASSET IN THE BALANCE SHEET

In those countries where the group has several legal entities and it is possible to offset tax liabilities and tax assets between legal entities through the use of group contributions, deferred tax asset and tax liability are recognized on a net basis for each country.

NET DEFERRED TAX BY COUNTRY

	2018	2017
Deferred tax asset		
Sweden	203	226
BS **Total deferred tax asset**	**203**	**226**
Deferred tax liability		
Norway	23	20
Denmark	22	4
Finland	0	0
BS **Total deferred tax liability**	**45**	**24**
Net deferred tax	**158**	**203**

SPECIFICATION OF CHANGE IN DEFERRED TAX LIABILITY/TAX ASSET

2018	GOODWILL ARISING FROM ASSET ACQUISITIONS	TAX LOSS CARRY-FORWARDS	CUSTOMER RELATIONSHIPS AND TRADEMARKS	OTHER	TOTAL
At 1 January 2018	**13**	**347**	**-168**	**11**	**203**
Recognized in the income statement	-7	-51	45	1	-12
Acquired companies	0	0	-34	2	-32
Foreign exchange differences	0	0	-1	0	-1
At 31 December 2018	**6**	**296**	**-157**	**13**	**158**

2017	GOODWILL ARISING FROM ASSET ACQUISITIONS	TAX LOSS CARRY-FORWARDS	CUSTOMER RELATIONSHIPS AND TRADEMARKS	OTHER	TOTAL
At 1 January 2017	**20**	**399**	**-208**	**10**	**220**
Recognized in the income statement (continuing operations)	-7	-51	39	1	-19
Recognized in the income statement (discontinued operations)	0	0	0	2	2
Foreign exchange differences	0	0	1	-1	0
At 31 December 2017	**13**	**347**	**-168**	**11**	**203**

Of the above net asset related to deferred tax, the group estimates that SEK -34 (-27) million will be used within a twelve-month period. In this amount, that portion of the group's reported tax loss carry-forwards that will be used in the coming year has been excluded.

TAX LOSS CARRY-FORWARDS

The group has tax loss carry-forwards of SEK 330 (378) million, of which SEK 296 (347) million has been recognized in the balance sheet. All tax loss carry-forwards attributable to Sweden have been recognized in the balance sheet while tax losses attributable to Finland have been recognized only to the extent that there exists an equivalent deferred tax liability.

TAX LOSS CARRY-FORWARDS AT 31 DECEMBER 2018	TOTAL	OF WHICH RECOGNIZED IN BALANCE SHEET
Sweden	292	292
Finland	38	4
Total	**330**	**296**

CURRENT TAX LIABILITY/TAX ASSET

The current tax liability at 31 December 2018 was SEK 32 (30) million and the current tax asset SEK 0 (8) million.

NOTE 11 INTANGIBLE ASSETS

§ ACCOUNTING PRINCIPLES

Goodwill
Goodwill arises in connection with business combinations and consists of the amount by which the cost exceeds the fair value of the acquired net assets.

Goodwill has an indefinite useful life. It is therefore not amortized but is tested annually for impairment. Goodwill is recognized at cost less accumulated amortization and is allocated to those cash-generating units which are expected to benefit from the business combination that gave rise to the goodwill item. For Coor, the cash-generating units are the same as the group's operating segments. This allocation constitutes the basis for the annual impairment test.

In the annual impairment test, the carrying amounts of the cash-generating units are compared with the recoverable amounts. The recoverable amount is determined by discounting future cash flows for the cash-generating unit based on the group's business plan, which covers a three-year period. Cash flows beyond the three-year period are extrapolated based on the business plan and an assumption about future sustainable cash flow. If the carrying amount of an asset or cash-generating unit is less than the recoverable amount the asset is written down to the recoverable amount. Impairment losses on goodwill are never reversed.

Customer contracts
Customer contracts which have been identified as intangible assets in connection with a business combination are recognized at fair value at the acquisition date by discounting the expected future after-tax cash flow. Subscription sales and additional sales are taken into account. Management also makes an estimate of the likely number of contract renewals.

The customer contracts have a determinable useful life covering the remaining term of the contract and estimated contract renewal periods. The contracts are recognized at cost less accumulated amortization and are amortized on a straight-line basis so that the cost for the contracts is distributed over their estimated useful lives. The carrying amount is tested for impairment when there are indications that the carrying amount is less than the recoverable amount. Previously recognized impairment losses are reversed if the reasons for the impairment loss have ceased to exist.

Customer contracts that have been recognized and measured in connection with an acquisition have a remaining useful life of two to six years.

Trademarks
Trademarks that have been identified as intangible assets in connection with a business combination are recognized at fair value at the acquisition date. Trademarks which the company considers to have a lasting value and which are therefore considered to have indefinite useful lives are not amortized. Such trademarks are instead tested annually for impairment based on the same principle as for goodwill. Other trademarks are amortized over their useful life, which is estimated at three years.

Other intangible assets
Other intangible assets mainly comprise software and licenses.

Acquired software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software.

Development expenditure directly attributable to the development and testing of identifiable and unique software products which are controlled by the group is accounted for as an intangible asset to the extent that the products are expected to generate economic benefits. Other development costs are expensed as incurred.

Capitalized software and licenses are amortized over their useful life, which is estimated at three to five years.

! CRITICAL ASSUMPTIONS

IMPAIRMENT TESTING OF GOODWILL
In connection with the annual impairment test of goodwill, the recoverable amount is estimated. The calculation is based on the group's three-year business plan, which constitutes management's best estimate of the future performance of the business. The business plan includes critical assumptions and judgments, of which the most significant are those relating to forecasts for organic growth and margin growth.

– Forecasts for organic growth
Growth is achieved partly through additional sales to existing customers and partly through sales to new customers. Assumptions on new sales are based on the company's historical experience and take account of ongoing and coming procurements.

The expected future sustainable cash flow beyond the planning horizon of the business plan is extrapolated using an assumed sustainable growth rate of 2 (2) per cent.

– Profit margin growth
The most significant cost components in the group's operations are remuneration of employees and the cost of engaging subcontractors. Estimates for these cost components therefore have a material impact on the group's margins. To achieve and maintain a satisfactory EBITDA margin, the group is dependent on being able to implement continuous operational efficiencies with the aim of offsetting increases in cost. Estimates of future margins are based on historical experience of operational efficiencies.

– Discount rate
The discount rate used is the relevant weighted average cost of capital (WACC) for the markets in which the group operates. WACC is calculated based on a debt structure comprising 20 per cent loans and 80 per cent equity. The after-tax discount rate for 2018 was 7.6 (7.6) per cent in all entities. The group has not deemed that the risks differ materially among the various Nordic countries and has therefore applied the same WACC in calculating value in use. In the sensitivity analysis, management has assessed whether an increase in WACC would result in impairment.

The group has chosen to use an after-tax WACC in the impairment tests, as the cash flow figure used in the group's impairment tests is measured after tax and because WACC after tax is a more relevant measure for understanding the impairment test. The estimated pre-tax WACC would have been 9.1 (9.2) per cent.

– Sensitivity analysis
The following sensitivity analyses of the calculation of value in use made in connection with the impairment test have been performed, on an assumption by assumption basis:

- A general decrease of 1 per cent in the operating margin after the forecasting period
- A general increase of 1 per cent in WACC
- A general decrease of 1 per cent in future sustainable cash flow

In 2018, the recoverable amount for the Coor Group's operations exceeded the carrying amount for all segments, which means that no impairment existed. Management has also tested whether there still exists an excess based on the above changes in critical assumptions. As the excess varies from one segment in the group to another, the segments have differing degrees of sensitivity to changes in the above assumptions.

The conclusion from the sensitivity analyses is that a decrease of 1 percentage point in two of the above parameters would give rise to impairment in the Finnish business. Other than that, the sensitivity analyses showed that no adjustments to the above assumptions would give rise to impairment in any of the cash-generating units.

VALUATION OF CUSTOMER CONTRACTS

In connection with the acquisition of certain subsidiaries, intangible assets relating to customer contracts were identified in preparing the purchase price allocation. In many cases, no quoted prices are available for these assets. It is therefore necessary to use various measurement techniques that are based on several different assumptions. The most significant assumptions used as a basis for the valuation of customer contracts are the current WACC, the expected number of contract renewals and expected future margins for the contract.

The assessment of value in use for customer contracts is strongly influenced by renegotiations with customers, which take place on an ongoing basis. In its initial valuation of the customer contracts, the group has based its estimate on the assumption that a certain number of contracts will be renewed at a certain volume and margin. The group's customer contracts are renegotiated at a weighted average interval of five years. In its assessment made as at 31 December 2018, management factored in the risk of changes to volumes or reduced margins in the most imminent renegotiations.

There is also a risk that a customer contract will be lost to a competitor in connection with a renegotiation. As at the closing date, management did not see any apparent risk that the group will lose any of those customer contracts for which a carrying amount has been recognized in the balance sheet.

As at the closing date, there were in management's view no indications of impairment of those customer contracts for which a carrying amount has been recognized in the balance sheet.

	GOODWILL		CUSTOMER CONTRACTS		TRADEMARKS		OTHER INTANGIBLE ASSETS	
INTANGIBLE ASSETS	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
Opening cost	2,995	3,074	2,921	2,931	40	40	186	160
SCA Investments	0	0	0	0	0	0	33	30
Acquired businesses	325	0	144	0	7	0	0	0
Sales and disposals	0	0	0	0	0	0	-11	-4
Less discontinued operations	0	-72	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	18	0
Translation differences for the year	31	-7	20	-11	0	0	1	0
Closing cost	**3,351**	**2,995**	**3,084**	**2,921**	**47**	**40**	**227**	**186**
Opening accumulated amortization and impairment	-302	-293	-2,198	-2,036	0	0	-110	-93
Sales and disposals	0	0	0	0	0	0	11	4
Amortization for the year	0	0	-174	-170	-2	0	-26	-20
Impairment losses for the year[1]	0	-74	0	0	0	0	0	0
Less discontinued operations	0	72	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	2	0
Translation differences for the year	-13	-6	-16	8	0	0	-1	0
Closing accumulated amortization and impairment	**-315**	**-302**	**-2,388**	**-2,198**	**-2**	**0**	**-123**	**-110**
BS **Closing carrying amount**	**3,036**	**2,693**	**696**	**723**	**45**	**40**	**104**	**76**
Specification of amortization and impairment by function								
Cost of services sold	0	0	-174	-170	-2	0	-26	-20
Administrative expenses	0	0	0	0	0	0	0	0
Total accumulated amortization and impairment *(continuing operations)*	**0**	**0**	**-174**	**-170**	**-2**	**0**	**-26**	**-20**

[1] The impairment loss for 2017 is wholly attributable to discontinued operations in Norway.

The allocation of goodwill and customer contracts to the group's cash-generating units is as follows:

	GOODWILL		CUSTOMER CONTRACTS		TRADEMARKS		OTHER INTANGIBLE ASSETS	
BREAKDOWN BY SEGMENT	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
Sweden (incl Group functions)	2073	2073	471	597	40	40	103	75
Norway	480	359	99	78	1	0	0	0
Finland	126	121	21	26	0	0	1	1
Denmark	358	142	106	22	4	0	0	0
BS **Total**	**3,036**	**2,693**	**696**	**723**	**45**	**40**	**104**	**76**

NOTE 12 PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING PRINCIPLES

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment. Cost does not include additional expenditure directly attributable to the acquisition of the asset. Repairs and maintenance are recognized as expenses in the income statement in the period in which they are incurred.

Property, plant and equipment are depreciated systematically over the asset's estimated useful life, down to the estimated residual value. If there are indications of impairment of an item of property, plant and equipment at the closing date, the item is tested for impairment.

Estimated useful lives

Buildings	25–40 years
Plant and machinery	5–15 years
Equipment, tools, fixtures and fittings	5–10 years

PROPERTY, PLANT AND EQUIPMENT	LAND AND BUILDINGS		PLANT AND EQUIPMENT	
	2018	2017	2018	2017
Opening cost	**6**	**6**	**280**	**305**
SCA Investments, continuing operations	0	0	60	48
Investments, discontinued operations	0	0	0	1
Investments through finance leases	0	0	6	0
Acquired businesses	0	0	55	0
Sales and disposals	0	0	-29	-25
Reclassification	0	0	-19	0
Translation differences for the year	0	0	2	0
Less discontinued operations	0	0	0	-50
Closing cost	**6**	**6**	**354**	**280**
Opening accumulated depreciation and impairment	**-5**	**-4**	**-197**	**-230**
Sales and disposals	0	0	20	23
Depreciation for the year, continuing operations	0	0	-43	-30
Depreciation for the year, discontinued operations	0	0	0	-4
Acquired businesses	0	0	-26	0
Translation differences for the year	0	0	-1	-1
Less discontinued operations	0	0	0	45
Closing accumulated depreciation and impairment	**-5**	**-5**	**-246**	**-197**
BS **Closing carrying amount**	**1**	**1**	**108**	**83**
Specification of depreciation and impairment by function				
Cost of services sold	0	0	-40	-28
Administrative expenses	0	0	-3	-2
Total depreciation and impairment (continuing operations)	**0**	**0**	**-43**	**-30**

The item Plant and equipment includes leased assets held by the group under finance leases in the following amounts:

	2018	2017
Cost – finance leases	18	12
Accumulated depreciation	-11	-10
Carrying amount	**7**	**2**

See also *Note 7 Leases* for information on the group's lease obligations.

NOTE 13 ACCOUNTS RECEIVABLE

ACCOUNTING PRINCIPLES

Accounts receivable are amounts due from customers for goods sold or services provided in the ordinary course of business. If payment is expected within one year or earlier, accounts receivable are classified as current assets. If not, they are classified as non-current assets. Accounts receivable are stated at amortized cost less any provisions for impairment. A provision for impairment of accounts receivable is based on various assumptions as well as historical payment patterns.

CRITICAL ASSUMPTIONS

Accounts receivable have been stated at amortized cost, net of provisions for estimated and actual bad debts. The assessment of bad debts, in cases where these have not been confirmed, is a critical estimate. Further information on credit risk in accounts receivable is provided in *Note 16 Borrowing and financial risk management*.

ACCOUNTS RECEIVABLE	2018	2017
Accounts receivable	1,353	1,161
Provision for impairment of accounts receivable	-10	-2
BS **Total**	**1,343**	**1,159**

The fair value of accounts receivable is considered to approximate the carrying amount.

AGING ANALYS OF ACCOUNTS RECEIVABLE:

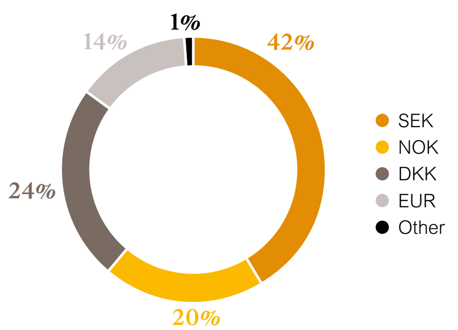
The group's policy is to recognize provisions for 30 per cent of accounts receivable which are three to six months past due and provisions of 70 per cent for accounts receivable which are more than six months past due. If the provision is deemed to be insufficient due to bankruptcy, known insolvency or similar circumstances, the provision is increased to cover the full amount of estimated losses.

AGING ANALYS OF ACCOUNTS RECEIVABLE	2018	2017
Accounts receivable which are neither past due nor impaired	1,138	999
Accounts receivable which are past due but not impaired		
0–3 months	194	156
>3 months	21	6
Accounts receivable which are past due but not impaired	**215**	**162**
Provision for impairment of accounts receivable	-10	-2
BS **Total**	**1,343**	**1,159**

ANALYSIS OF THE CHANGE IN THE GROUP'S PROVISION FOR DOUBTFUL DEBTS:

PROVISION FOR DOUBTFUL DEBTS	2018	2017
Provision at the beginning of the year	-2	-2
Provision for expected losses	-7	-1
Confirmed losses	0	0
Less discontinued operations	0	1
Foreign exchange differences	0	0
Total	**-10**	**-2**

ACCOUNTS RECEIVABLE BY CURRENCY 2018:



NOTE 14 PREPAID EXPENSES AND ACCRUED INCOME, AND OTHER RECEIVABLES

PREPAID EXPENSES AND ACCRUED INCOME	2018	2017
Accrued income, subscriptions	78	20
Accrued income, projects	167	159
Prepaid expenses	107	196
BS **Total**	**352**	**374**

OTHER RECEIVABLES

Other receivables total SEK 123 (18) million. The increase compared with the previous year is attributable to receivables from employees arising from the incorrect double salary payment caused by Coor's payroll provider in Sweden around year-end.

NOTE 15 SHARE CAPITAL AND DATA PER SHARE

The company's share capital at 31 December 2018 comprised 95,812,022 (95,812,022) ordinary shares. The quotient value of the shares at 31 December 2018 was SEK 4.0 (4.0) per share. All shares registered at the closing date were fully paid up. The share capital at 31 December 2018 was SEK 383,248,088 (383,248,088).

DATA PER SHARE	2018	2017
Share price at end of period	70.4	62.5
Number of shares at end of period	95,812,022	95,812,022
Number of ordinary shares (weighted average)	95,812,022	95,812,022
Dividend per share, SEK 1)		
Ordinary dividend, SEK	2.00	1.80
Special dividend, SEK	2.00	2.20
Total	**4.00**	**4.00**
Earnings per share, before and after dilution, SEK		
Continuing operations	1.09	1.96
Discontinued operations	0.00	-1.54
Total	**1.09**	**0.42**
Equity per share, SEK	22.59	25.71

1) For year 2018 the amount refers to proposed dividend that is subject to adoption at the Annual General Meeting on 2 May 2019.

NOTE 16 BORROWING AND FINANCIAL RISK MANAGEMENT

ACCOUNTING PRINCIPLES

Financial liabilities are recognized in the balance sheet on the settlement date. Liabilities are initially stated at fair value, net of transaction costs, and subsequently at amortized cost using the effective interest method. Costs incurred in connection with the raising of new loans are capitalized as borrowing costs and allocated over the term of the loan. For note disclosures on borrowing, account is taken of market interest rates in calculating the fair value.

Financial liabilities with maturities of less than 12 months are accounted for as short-term borrowings and financial liabilities with maturities of more than 12 months are accounted for as long-term borrowings.

CRITICAL ASSUMPTIONS

As part of its current financing solution, Coor has concluded agreements which are subject to certain covenants. If Coor were to breach any of these covenants, this could lead to increased costs as well as a risk that the current financing agreement would be terminated. At 31 December 2018, Coor was complying will all covenants.

BORROWINGS

BORROWINGS	2018	2017
Long-term borrowings		
Bank loans	1686	1,401
Finance lease liabilities	6	3
Capitalized borrowing costs	0	-6
Other non-current liabilities	52	2
BS Total	**1,744**	**1,399**
Short-term borrowings		
Finance lease liabilities	4	3
BS Total	**4**	**3**
Total borrowings	**1,748**	**1,402**

Liabilities to credit institutions at 31 December 2018 refer to three loans with a banking syndicate. The loans are in SEK, NOK and EUR. The loans are subject to interest defined as IBOR (depending on the original currency of the loan) + 1.65 percentage points based on the applicable interest rate tier. The current financing agreement has an IBOR floor. As both STIBOR and EURIBOR were negative in 2018, the interest rate on the group's SEK and EUR loans was the same as the margin, 1.65 per cent. The NIBOR rate in 2018 was around 1 per cent, which meant that the average interest rate on the NOK loan was 2.65 per cent.

LIABILITIES TO CREDIT INSTITUTIONS BY CURRENCY	NOMINAL AMOUNT (SEKM) 2018	NOMINAL AMOUNT (SEKM) 2017
SEK	1,250	950
NOK	335	349
EUR	101	102
Total	**1,686**	**1,401**

The limit on the group's revolving credit facility at 31 December 2018 was SEK 400 (400) million, of which SEK 310 (110) million had been drawn.

The fair values of the group's borrowings at the balance sheet date were as follows:

	CARRYING AMOUNT		FAIR VALUE	
CARRYING AMOUNTS AND FAIR VALUES OF BORROWINGS	2018	2017	2018	2017
Bank loans (including capitalized borrowing costs)	1,686	1,394	1,686	1,394
Finance lease liabilities	9	6	9	6
Other non-current liabilities	52	2	52	2
Total	**1,748**	**1,402**	**1,748**	**1,402**

The existing credit margin in the group's financing agreements is considered to be consistent with market terms, and the carrying amount therefore approximates fair value. The group considers that the liabilities have been measured in accordance with Level 2 of the fair value hierarchy, which means that the measurement is based on observable market inputs. The group has not provided any collateral to the credit institution for the issued loans.

RECONCILIATION OF NET DEBT

2018	CASH AND CASH EQUIVALENTS	FINANCE LEASE RECEIVABLES	FINANCE LEASE LIABILITIES	LIABILITIES TO CREDIT INSTITUTIONS	OTHER FINANCIAL LIABILITIES	NET PENSIONS	TOTAL
Opening balance, 1 January 2018	**709**	**2**	**-6**	**-1,394**	**-2**	**-9**	**-699**
Repayment of liabilities to credit institutions	-167	0	0	167	0	0	0
New liabilities to credit institutions	437	0	0	-437	0	0	0
Acquisition of subsidiaries	-436	0	0	0	0	0	-436
Dividends	-383	0	0	0	0	0	-383
Other cash flow	265	-1	3	0	0	0	266
Foreign exchange differences	11	0	0	-8	0	0	3
Other non-cash changes	0	1	-7	-14	-50	1	-69
Closing balance, 31 December 2018	**435**	**2**	**-9**	**-1,686**	**-52**	**-8**	**-1,318**

2017	CASH AND CASH EQUIVALENTS	FINANCE LEASE RECEIVABLES	FINANCE LEASE LIABILITIES	LIABILITIES TO CREDIT INSTITUTIONS	OTHER FINANCIAL LIABILITIES	NET PENSIONS	TOTAL
Opening balance, 1 January 2017	**603**	**7**	**-12**	**-1,395**	**-1**	**-9**	**-807**
Repayment of liabilities to credit institutions	-6	0	0	6	0	0	0
New liabilities to credit institutions	17	0	0	-17	0	0	0
Dividends	-287	0	0	0	0	0	-287
Cash flow from discontinued operations	-23	0	0	0	0	0	-23
Other cash flow	418	-5	7	0	0	0	420
Foreign exchange differences	-13	0	0	14	0	0	1
Other non-cash changes	0	0	0	-3	0	1	-2
Closing balance, 31 December 2017	**709**	**2**	**-6**	**-1,394**	**-2**	**-9**	**-699**

FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

The group considers that the liabilities have been measured in accordance with Level 2 of the fair value hierarchy, which means that the measurement is based on observable market inputs. The group does not have any derivatives or financial instruments that should be recognized at fair value.

LOANS AND RECEIVABLES	2018	2017
Finance lease receivables	2	2
BS **Accounts receivable**	1,343	1,159
BS **Cash and cash equivalents**	435	709
Total	**1,780**	**1,870**

FINANCIAL LIABILITIES AT AMORTIZED COST	2018	2017
Bank loans including capitalized borrowing costs	1,686	1,394
Finance lease liabilities	9	6
BS **Accounts payable**	1,023	944
Total	**2,718**	**2,344**

FINANCIAL RISK MANAGEMENT

The management of the financial risks to which the group is exposed is based on the group's treasury policy. The treasury policy focuses on the unpredictability of financial markets and is designed to minimize potential adverse effects on the group's financial results.

The group is exposed to a number of financial risks, which are described in the section below.

RISK	POLICY/ACTION

CURRENCY RISK

Transaction exposure
Transaction risk is the risk that Coor is exposed to when making purchases and sales in currencies other than the company's functional currency and when paying interest on and converting loans in currencies other than the company's functional currency.

As the group's subsidiaries conduct their business almost exclusively in local currency, the transaction risk in the commercial flow is low. Both revenues and expenses are in the local currency of each country.

At the balance sheet date, the group had loans with credit institutions in NOK and EUR. Coor is therefore affected when paying interest on and converting these loans to the group's functional currency, SEK. At year-end 2018, external loans in foreign currency totaled NOK 327 (348) million and EUR 10 (10) million. If the NOK or EUR exchange rate were to increase/decrease by 10 per cent, this would have the following impact on consolidated earnings before tax on conversion of loans in NOK and EUR to SEK:

TRANSACTION EXPOSURE (SEK MILLION)	PROFIT BEFORE TAX ± 2018
NOK	34
EUR	10

In January 2019, Coor refinanced its current bank agreement, after which the group no longer has loans in other currencies than SEK. See also the section *Refinancing risk*.

Translation exposure
Translation risk is the risk that Coor is exposed to on translation of its foreign subsidiaries' income statements and balance sheets to Swedish kronor.

In 2018, operations with a different functional currency than Swedish kronor accounted for 41 (35) per cent of the operating profit (EBITA). NOK 32 (22) per cent, EUR 6 (6) per cent, DKK 3 (7) per cent, HUF and PLN 1 (0) per cent.

The translation difference in equity for the year was SEK 29 (-23) million.

In 2018, a weakening of the Swedish krona by 10 per cent against the currencies listed below would have had the following impact on consolidated profit after tax and equity:

TRANSLATION EXPOSURE (SEK MILLION)	PROFIT BEFORE TAX ± 2018	EQUITY ± 2018
DKK	-1	16
EUR	1	-3
NOK	8	51
HUF and PLN	0	1
Total	**8**	**65**

INTEREST RATE RISK

Interest rate risk is the risk that changes in market interest rates will have a negative impact on net profit, cash flow or the fair values of financial assets and liabilities.

For variable-rate assets and liabilities, a change in market interest rates would have a direct impact on the net profit and cash flow.

For fixed-rate assets and liabilities the impact is on fair value.

The group's debt creates an exposure to interest rate risk, as the group borrows at variable rates. Under its current financing agreement, the group has for the time being chosen not to enter into any interest rate swaps, but the need is reviewed on an ongoing basis.

At 31 December 2018, the group was exposed to interest rate risk mainly through bank loans of SEK 1,386 (1,401) million and a revolving credit facility, of which SEK 310 (110) million had been drawn. The bank loans as well as the revolving credit facility are subject to variable interest rates.

The group analyses its exposure to interest rate risk by simulating the impact on earnings and cash flow from a specified change in interest rates. Based on the loan liabilities and fixed-rate terms applying at year-end, a change of 1 percentage point in the market interest rate would have an impact of SEK ±17 million on the group's annual interest expense.

RISK	POLICY/ACTION

CREDIT RISK

Credit risk is the risk that a counterparty to a transaction will be unable to fulfill its contractual financial obligations and that this will have a negative impact on the group's financial position and results. The group's credit risk refers mainly to receivables from customers, which consist partly of accounts receivable and partly of contract revenue that has been earned but not yet invoiced.

Credit risk is managed through careful assessment of each customer's creditworthiness in connection with the conclusion of customer contracts as well as close and active monitoring of overdue accounts receivable with clear procedures for reminders, demands and debt collection.

In 2018, the group's ten largest customers accounted for 49 (56) per cent of consolidated net sales. Historically, the group has had a low level of bad debts relative to sales. In 2018, however, the group made a provision for a doubtful debt of SEK 5 million in Finland.

The maximum credit exposure in accounts receivable at 31 December 2018 was SEK 1,353 (1,161) million. The concentration of credit risk based on the situation at 31 December 2018 is shown below. The indicated figures are based on the size of the group's exposure to each customer at the balance sheet date.

CONCENTRATION OF CREDIT RISK	2018 SHARE OF TOTAL ACCOUNTS RECEIVABLE	2018 PERCENTAGE OF PORTFOLIO	2017 SHARE OF TOTAL ACCOUNTS RECEIVABLE	2017 PERCENTAGE OF PORTFOLIO
Exposure < SEK 15m	828	61%	632	54%
Exposure SEK 15–50m	318	23%	395	34%
Exposure > SEK 50m	207	15%	134	12%
Total	**1,353**	**100%**	**1,161**	**100%**

Provisions for doubtful debts at 31 December 2018 were SEK 10 (2) million, representing 0.7 (0.2) per cent of total accounts receivable. For further information on provisions for doubtful debts, see *Note 13 Accounts receivable*.

At 31 December 2018, the group had accrued but not yet invoiced revenue of SEK 245 (179) million. This revenue consists partly of revenue from subscription contracts under which invoices are issued in the month after the work has been performed and partly of accrued revenue from ongoing projects. The group performs aging analyses of all accrued income on an ongoing basis to minimize the risk in recognized but not yet invoiced revenue.

LIQUIDITY RISK

Liquidity risk is the risk that the group will find it difficult to meet its financial obligations due to the unavailability of liquid assets.

To ensure adequate short-term liquidity, management analyses the group's liquidity requirements by continuously monitoring the liquidity reserve (undrawn revolving credit facility, and cash and bank deposits). Liquidity forecasts are prepared on an ongoing basis to ensure that the group has sufficient cash assets to meet its operational requirements.

Longer-term, the group ensures that adequate liquidity is maintained by forecasting future cash flows and monitoring these forecasts on an ongoing basis. The group's liquidity requirement is met through existing credit facilities.

The table below shows a breakdown of the group's financial liabilities by time to contractual maturity at the balance sheet date. The indicated amounts are the undiscounted cash flows.

2018 – MATURITY ANALYSIS	WITHIN 1 YEAR	BETWEEN 1–2 YEARS	BETWEEN 2–3 YEARS	BETWEEN 3–4 YEARS	BETWEEN 4–5 YEARS	MORE THAN 5 YEARS
Accounts payable	1,023	0	0	0	0	0
Finance lease liabilities	4	3	1	1	0	0
Bank loans	0	1,686	0	0	0	0
Interest, borrowing	32	16	0	0	0	0
Total	**1,058**	**1,705**	**1**	**1**	**0**	**0**

2017 – MATURITY ANALYSIS	WITHIN 1 YEAR	BETWEEN 1-2 YEARS	BETWEEN 2-3 YEARS	BETWEEN 3-4 YEARS	BETWEEN 4–5 YEARS	MORE THAN 5 YEARS
Accounts payable	944	0	0	0	0	0
Finance lease liabilities	3	2	1	0	0	0
Bank loans	0	0	1,401	0	0	0
Interest, borrowing	23	23	12	0	0	0
Total	**970**	**25**	**1,413**	**0**	**0**	**0**

RISK	POLICY/ACTION
REFINANCING RISK	
Refinancing risk is the risk that financial expenses will be higher and/or that refinancing opportunities will be more limited or non-existent when the group's liabilities or other liabilities fall due or need to be refinanced.	In order to reduce its financing risk, the group strives to establish business relationships with at least two different financial institutions of high creditworthiness. In connection with the group's listing on Nasdaq Stockholm in June 2015, Coor entered into a financing agreement with a consortium of three credit institutions. The financing agreement provided for a total credit facility of SEK 1,800 million, consisting of SEK 1,400 million in senior loans and a SEK 400 million revolving credit facility. The interest rates on the loans are set at a margin over IBOR and are tiered based on the company's debt level. The financing agreement contains normal conditions and financial covenants. The key ratios reported to the banks under the covenants for the financing are leverage (the ratio of net interest-bearing debt to adjusted EBITDA) and interest coverage ratio (the ratio of adjusted EBITDA to net interest expense). For the current financial year, the group has met all the requirements specified in the loan agreements. In January 2019, Coor refinanced the bank loans raised in connection with the IPO with a new credit facility with two different credit institutions. The new agreement has a total credit line of SEK 2,500 million, of which SEK 1,500 million constitutes a rolling credit facility with a maturity of 3 years and SEK 1,000 million is a bridge financing. The rolling credit facility falls due for payment in January 2023, but there are extension options for an additional 1 + 1 year which, according to the financing agreement, can be utilized if the lenders offer it. With the aim of increasing the Group's financial flexibility and extend the company's maturity profile, Coor issued a senior unsecured bond in the toal amount of SEK 1,000 million in March 2019. The bond has a maturity of 5 years and runs with a variable interest on STIBOR 3m + 230 bps. The bond was used to refinance the above mentioned bridge facility. Both the new financing agreement and the bond are in SEK and have the same covenants as the previous agreement.
CAPITAL RISK	
Capital risk is the risk that the group will be unable to maintain an optimal capital structure and therefore be unable to continue to generate returns to the shareholders and other stakeholders in line with its objectives.	The group strives to maintain an efficient capital structure that promotes the long-term development of the group while also generating returns for its shareholders and benefits for other stakeholders. The group's objective is to have a leverage of less than 3.0. The table below shows the group's capitalization and debt at 31 December 2018:

NET DEBT	2018	2017
Liabilities to credit institutions	1,686	1,394
Other	67	13
	1,753	**1,408**
Cash and cash equivalents	-435	-709
Net debt	**1,318**	**699**
Leverage, times	2.4	1.4
Equity	2,164	2,464
Equity/assets ratio, %	33	40

The group's dividend policy states that, over the course of an economic cycle, approximately 50 per cent of the group's adjusted net profit for the period should be distributed to the shareholders.

In addition to targets for capital structure and dividends, the group has defined quantitative financial targets for *organic sales growth, adjusted EBITA margin* and *cash conversion.*

For definitions and information on target achievement in respect of the financial targets for 2018, see the section *Goals* on pages 6–7.

NOTE 17 PROVISIONS

§ ACCOUNTING PRINCIPLES

Provisions are recognized when the group has a legal or constructive obligation arising from past events, it is more probable than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably measured. The provision is measured at the present value of the amount expected to be required to settle the obligation.

Provisions for restructuring are recognized when a detailed formal plan for the restructuring measure exists and a well founded expectation among those affected has been created. No provisions are made for future operating losses. Restructuring costs refer mainly to costs for large-scale integration projects or major organizational changes.

SPECIFICATION OF CHANGE IN PROVISIONS:

2018	RESTRUCTURING	OTHER PROVISIONS	TOTAL
At 1 January 2018	**4**	**1**	**5**
Recognized in the income statement:			
– additional provisions	14	0	14
– reversal of unused amounts	0	0	0
Utilized during the year	-11	0	-11
Translation difference	0	0	0
BS **At 31 December 2018**	**7**	**1**	**8**

2017	RESTRUCTURING	OTHER PROVISIONS	TOTAL
At 1 January 2017	**8**	**6**	**14**
Recognized in the income statement:			
– additional provisions	2	1	3
– reversal of unused amounts	0	-5	-5
Utilized during the year	-7	-1	-8
Translation difference	0	0	0
BS **At 31 December 2017**	**4**	**1**	**5**

OTHER PROVISIONS ARE DISTRIBUTED BETWEEN CURRENT AND NON-CURRENT COMPONENTS AS FOLLOWS:

	2018	2017
Non-current component	1	2
Current component	6	3
BS **Total**	**8**	**5**

NOTE 18 OTHER LIABILITIES

OTHER LIABILITIES	2018	2017
VAT liability	175	121
Employee withholding tax	67	61
Other current liabilities	7	7
BS **Total**	**249**	**189**

NOTE 19 ACCRUED EXPENSES AND PREPAID INCOME

ACCRUED EXPENSES AND DEFERRED INCOME	2018	2017
Social security contributions	155	136
Vacation pay	411	303
Other personnel-related liabilities	158	123
Accrued interest expense	0	0
Prepaid income, subscriptions	260	286
Prepaid income, projects	3	4
Other accrued expenses	197	207
BS **Total**	**1,185**	**1,059**

NOTE 20 PLEDGED ASSETS AND CONTINGENT LIABILITIES

§ ACCOUNTING PRINCIPLES

A contingent liability is recognized when there is a possible obligation arising from past events and whose existence is confirmed only by the occurrence or non-occurrence of one or more uncertain events which are not fully within the control of Coor. A contingent liability may also be an obligation arising from past events that is not recognized as a liability or provision because it is unlikely that the obligation will be settled or that the size of the obligation can be calculated with sufficient accuracy.

CONTINGENT LIABILITIES	2018	2017
Performance bonds	175	154
Total	**175**	**154**

Companies in the group have issued performance bonds to external parties to ensure that the company fulfils its commitments. Certain companies in the group are involved in legal proceedings which have arisen in the course of their operations. Any liability in connection with such legal proceedings is not considered to materially affect the group's operations or financial position.

PLEDGED ASSETS	2018	2017
Bank guarantees	136	103
Total	**136**	**103**

Pledged assets comprise bank guarantees issued on behalf of a number of customers. The main purpose of the bank guarantees is to ensure delivery to the customers.

NOTE 21 RELATED-PARTY TRANSACTIONS

Ownership
Coor's shares were listed on Nasdaq Stockholm on 16 June 2015. For information on Coor's shares and ownership structure, see the section *Share information*.

The following transactions have been made with related parties:
There were no material related-party transactions between Coor and any related parties in 2018.

For information on remuneration of senior executives, see *Note 6 Remuneration of senior executives*.

NOTE 22 DISCONTINUED OPERATIONS

§ ACCOUNTING PRINCIPLES

When a separate major line of business or geographical area of operations is disposed of, it is classified as a discontinued operation. The date of disposal, or the date when the business meets the criteria to be classified as held for sale, determines when the business should be classified as a discontinued operation.

Earnings after tax from discontinued operations and cash flow from discontinued operations are shown in a separate line in the income statement and in the statement of cash flows. The income statement and statement of cash flows for the comparative period are similarly adjusted.

Discontinued operations
In 2017, the group sold its damage services business in Norway. The damage services business was accounted for as a discontinued operation in accordance with IFRS 5. For a specification of income statement, balance sheet and cash flow effects from the divested operations, see Note 23 in the Annual Report 2017.

NOTE 23 ACQUIRED BUSINESSES

On 1 February 2018, Coor completed the acquisition of OBOS Eiendomsdrift AS, a Norwegian property services company. The company has 45 employees and annual sales of around SEK 70 million. In connection with the acquisition, Coor signed a strategic partnership agreement with the seller, the OBOS group.

On 23 February 2018, Coor completed its acquisition of the Danish cleaning services firm Elite Miljø A/S. Elite Miljø has annual sales of about SEK 700 million and around 2,200 employees. The acquisition will increase Coor's geographic coverage, create significant potential synergies and add to Coor's skills base in key cleaning segments.

The acquisition of the Norwegian service provider West Facility Management AS was completed on 2 July 2018. The company has about 300 employees and generates annual sales of around SEK 140 million. The acquisition has had a positive impact on Coor's growth and skills base, mainly in the important cleaning segment.

INFORMATION ON THE CONSIDERATION PAID, ACQUIRED NET ASSETS AND GOODWILL FOR ACQUISITIONS MADE IN 2018 IS PRESENTED IN THE TABLE BELOW.

(SEK M)	OBOS EIENDOMSDRIFT AS	ELITE MILJØ A/S	WEST FACILITY MANAGEMENT AS	TOTAL
Purchase price				
Total consideration	**47**	**335**	**106**	**488**
The assets acquired and liabilities assumed that have been recognized as a result of the acquisitions are the following				
Property, plant and equipment	4	20	6	29
Intangible assets – customer contracts	0	101	43	144
Intangible assets – trademarks	0	6	1	7
Other financial assets	0	1	0	1
Cash and cash equivalents	11	34	7	52
Accounts receivable and other current receivables	7	134	17	159
Deferred tax liability	0	-22	-10	-32
Liabilities to credit institutions	0	0	-8	-8
Accounts payable and other current liabilities	-17	-145	-27	-189
Acquired identifiable net assets	**5**	**128**	**30**	**163**
Goodwill	42	207	76	325
Total acquired net assets	**47**	**335**	**106**	**488**

Cash flow attributable to acquisitions for the period				
Consideration paid	47	335	106	488
Cash in acquired businesses	-11	-34	-7	-52
Net outflow, cash and cash equivalents	**36**	**301**	**99**	**436**

The total transaction cost for the acquisitions is SEK 7 million and mainly refers to costs for lawyers and financial advisors. These costs are recognized in selling and administrative expenses in the income statement, and are included in operating activities in the statement of cash flows.

In connection with the acquisition of Elite Miljø, customer contracts and trademarks with a total value of SEK 107 million were identified. The goodwill of SEK 207 million which arose from the acquisition of Elite Miljø is primarily attributable to the employees' skills in the cleaning segment and to increased profitability in the form of synergies from the acquisition.

The acquisition of OBOS Eiendomsdrift gave rise to goodwill of SEK 42 million, which is mainly attributable to the employees' expertise in property services as well as the synergies which Coor expects to result from the acquisition.

In connection with the acquisition of West FM, customer contracts and trademarks with a total value of SEK 44 million were identified. The goodwill of SEK 76 million which arose from the acquisition is primarily attributable to the employees' skills in the cleaning segment and to increased profitability in the form of expected synergies from the acquisition.

No portion of the recognized goodwill is expected to be tax-deductible.

Revenue from acquired companies

The acquired businesses increased consolidated net sales by SEK 807 million for the period 1 January to 31 December 2018. If the acquisitions had taken place on 1 January 2018, the acquired businesses would have increased consolidated net sales by SEK 1,018 million on a pro forma basis for the period 1 January to 31 December 2018.

Acquisitions in 2017

There were no business combinations in 2017.

NOTE 24 EVENTS AFTER THE BALANCE SHEET DATE

On March 13, Coor announced the issue of a senior unsecured bond in the toal amount of SEK 1,000 million. The bond has a tenor of 5 years and the proceeds is used to repay the bridge facility that was taken in January, when the previous bank financing was refinanced. The bond generated strong investor interest and the issue was oversubscribed.

PARENT COMPANY FINANCIAL STATEMENTS

PARENT COMPANY INCOME STATEMENT

	NOTE	2018	2017
Net sales		4	7
Net sales		**4**	**7**
Selling and administrative expenses	25,26,27,28	-24	-33
Operating profit		**-20**	**-26**
Other interest income and similar income	29	0	17
Interest expense and similar charges	29	-66	-51
Net financial expense		**-66**	**-33**
Group contributions		**315**	**290**
Profit before tax		**229**	**230**
Tax on profit for the year	30	-52	-51
PROFIT FOR THE YEAR		**177**	**179**

No component of profit is attributable to other comprehensive income in the parent company.

PARENT COMPANY BALANCE SHEET

	NOTE	2018	2017
ASSETS			
Non-current assets			
Financial assets			
Shares in subsidiaries	33	7,789	7,789
Deferred tax asset	30	52	104
Other financial assets		1	1
Total non-current assets		**7,842**	**7,894**
Current assets			
Receivables from group companies*		317	292
Other receivables		2	0
Prepaid expenses and accrued income		0	1
Total current receivables		**319**	**293**
Cash and cash equivalents*		0	0
Total current assets		**319**	**293**
TOTAL ASSETS		8,161	8,187

PARENT COMPANY BALANCE SHEET

	NOTE	2018	2017
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital, 95,812,022 shares	15	383	383
Total restricted equity		**383**	**383**
Non-restricted equity			
Share premium reserve		6,622	6,670
Retained earnings		-1,869	-1,665
Profit for the year		177	179
Total non-restricted equity		**4,930**	**5,185**
Total equity		**5,313**	**5,568**
Liabilities			
Non-current liabilities			
Borrowing	31	1,737	1,394
Provisions for pensions		2	2
Total non-current liabilities		**1,738**	**1,396**
Current liabilities			
Accounts payable		0	0
Liabilities to group companies[1]		1,101	1,209
Other liabilities		1	0
Accrued expenses and prepaid income	32	8	14
Total current liabilities		**1,110**	**1,223**
Total liabilities		**2,848**	**2,619**
TOTAL EQUITY AND LIABILITIES		8,161	8,187

[1] *The company is part of the group cash pool, in which the subsidiary company Coor Service Management Group AB is the master account holder with the bank. The company's balance in the group cash pool is accounted for as a receivable from or liability to group companies.*

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

	SHARE CAPITAL	SHARE PREMIUM RESERVE	RETAINED EARNINGS	PROFIT FOR THE YEAR	TOTAL EQUITY
Opening balance, 1 January 2017	**383**	**6,670**	**-1,536**	**158**	**5,676**
Transfer of profit/loss from previous year according to resolution of AGM	0	0	158	-158	0
Profit for the year	0	0	0	179	179
Dividends	0	0	-287	0	-287
BS **Closing balance, 31 December 2017**	**383**	**6,670**	**-1,665**	**179**	**5,568**
Opening balance, 1 January 2018	**383**	**6,670**	**-1,665**	**179**	**5,568**
Transfer of profit/loss from previous year according to resolution of AGM	0	0	179	-179	0
Profit for the year	0	0	0	177	177
Share-based compensation programs	0	-49	0	0	-49
Dividends	0	0	-383	0	-383
BS **Closing balance, 31 December 2018**	**383**	**6,622**	**-1,869**	**177**	**5,313**

For information on share capital, see *Note 15 Share capital and data per share*. For information on the appropriation of retained earnings for the year, see page 45. Share-based compensation programs refer partly to an effect of SEK -51 million related to the share swap that was entered into to secure access to Coor shares under the program and partly to an effect related to payment of call option premiums and the cost in accordance with IFRS 2.

PARENT COMPANY STATEMENT OF CASH FLOWS

	2018	2017
Operating activities		
IS **Operating profit**	-20	-26
Adjustment for non-cash items	1	0
Interest received	0	0
Interest paid and other financial expenses	-47	-45
Cash flow from operating activities before changes in working capital	**-66**	**-71**
Increase(+)/decrease(-) net working capital	-7	4
Cash flow from operating activities	**-73**	**-68**
Cash flow from investing activities	**0**	**0**
Financing activities		
Group contribution received	290	307
Dividend	-383	-287
Share-based compensation programs	1	0
Proceeds from borrowings	436	17
Repayments of borrowings	-159	-6
Change cash pool balance	-111	37
Cash flow from financing activities	**73**	**68**
CASH FLOW FOR THE YEAR	**0**	**0**
Cash and cash equivalents at the beginning of the year	0	0
Foreign exchange difference in cash and cash equivalents	0	0
BS **Cash and cash equivalents at the end of the year**	**0**	**0**

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

NOTE 25 ACCOUNTING PRINCIPLES

ACCOUNTING PRINCIPLES

The parent company has prepared its annual accounts in accordance with the Swedish Annual Accounts Act and Recommendation RFR 2 Financial Reporting for Legal Entities of the Swedish Financial Reporting Board. Under RFR 2, the parent company is required to apply all EU-adopted IFRS and interpretations in the annual accounts for the legal entity insofar as this is possible under the Annual Accounts Act and with regard to the relationship between accounting and taxation. The recommendation specifies which exemptions and additions should be made in relation to IFRS. Differences between the group and parent company accounting principles are described in the following.

The following accounting principles for the parent company have been applied consistently for all periods presented in the parent company's financial statements.

Related-party disclosures

The parent company has related-party relationships which include a controlling interest over its subsidiaries, see *Note 33 Shares in group companies*. Disclosures on normal transactions between the parent company and subsidiaries are not made in the annual report. All transactions with related parties have been made on market terms.

Group contributions

Group contributions paid and received are accounted for as appropriations through the income statement.

Dividends

Dividend income is recognized when the right to receive payment is deemed to be secure.

Shares in subsidiaries

The parent company recognizes all investments in group companies at cost less accumulated impairment. Shareholder contributions are converted into shares and participations insofar as no impairment loss is required.

NOTE 26 COSTS BY NATURE OF EXPENSE

	2018	2017
External services	-3	-6
Payroll costs	-21	-27
Other operating expenses	0	0
IS **Total**	**-24**	**-33**

NOTE 27 AUDIT FEES

	2018	2017
PwC		
Audit engagement	1	2
Audit services in addition to the audit engagement	0	0
Tax advisory services	0	0
Other services	0	0
Total	**1**	**2**

Audit engagement refers to the examination of the annual accounts and accounting records and of the Board of Directors' and CEO's management of the company, other tasks incumbent on the company's auditor as well as advice and other assistance occasioned by observations made in the course of such examination or the performance of such other tasks. Everything else is defined as other services.

NOTE 28 EMPLOYEES AND EMPLOYEE BENEFIT EXPENSES

SALARIES, OTHER BENEFITS AND SOCIAL SECURITY CONTRIBUTIONS

	2018				2017			
	SALARIES AND BENEFITS	*OF WHICH BONUSES*	SOCIAL SECURITY CONTRIBUTIONS	*OF WHICH RETIREMENT BENEFIT COSTS*	SALARIES AND BENEFITS	*OF WHICH BONUSES*	SOCIAL SECURITY CONTRIBUTIONS	*OF WHICH RETIREMENT BENEFIT COSTS*
Directors and CEO	11	*2*	6	*2*	14	*5*	7	*2*
Other employees	3	*1*	2	*0*	4	*2*	2	*0*
Total	**15**	*2*	**7**	*2*	**18**	*6*	**9**	*2*

Average number of employees

The company had 2 (2) employees during the year, of whom 2 (2) were men.

At the balance sheet date, the Board of Directors of the parent company, not including employee representatives, consisted of 7 (7) members, of whom 4 (4) were men. There are also 3 (3) employee representatives.

NOTE 29 FINANCIAL INCOME AND EXPENSES

	2018	2017
Financial income		
Foreign exchange differences	0	17
IS **Total**	**0**	**17**
Financial expenses		
Interest expense, group companies	-16	-19
Interest expense, external	-30	-24
Foreign exchange differences	-12	-3
Other financial expenses	-8	-5
IS **Total**	**-66**	**-51**
Total net financial expense	**-66**	**-33**

NOTE 30 INCOME TAX

TAX EXPENSE (-), TAX INCOME (+)	2018	2017
Current tax	0	0
Deferred tax	-52	-51
IS **Total**	**-52**	**-51**

Difference between reported tax expense and tax expense based on the applicable tax rate

	2018	%	2017	%
IS **Reported profit before tax**	229		230	
IS **Tax expense**	-52	-22.8	-51	-22.2
Calculated tax expense	-50	-22.0	-51	-22.0
Difference	**-2**	**-0.8**	**0**	**-0.2**
Tax effect of non-deductible expenses	0	0.2	1	0.0
Tax effect of non-taxable income	0	0.0	0	0.2
Tax effect of changed tax rate	1	0.6	0	0.0
Total	**2**	**0.8**	**0**	**0.2**

DEFERRED TAX ASSET IN THE BALANCE SHEET

	2018	2017
BS **Opening balance**	**104**	**156**
Deferred tax on tax losses recognized in the income statement	-52	-51
BS **Closing balance**	**52**	**104**

NOTE 31 BORROWINGS

	2018	2017
Bank loans	1,686	1,401
Capitalized borrowing costs	0	-6
Liability related to share swap	51	0
BS **Total**	**1,737**	**1,394**

All loans mature in June 2020, in accordance with the financing agreement. However, already in January 2019 the above loans were refinanced through a new credit facility totaling SEK 2,500 million, which partly consisted of a bridge facility of SEK 1,000 million. The bridge facility was refinanced when Coor in March 2019 issued a senior unsecured bond. For further information on borrowing and financial risks, see *Note 16 Borrowing and financial risk management*.

NOTE 32 ACCRUED EXPENSES AND PREPAID INCOME

	2018	2017
Social security contributions	3	6
Vacation pay	2	1
Other personnel-related liabilities	2	6
Other items	1	1
BS **Total**	**8**	**14**

NOTE 33 SHARES IN GROUP COMPANIES

2018	CORP. ID NO.	REGISTERED OFFICE	SHARE OF EQUITY	CARRYING AMOUNT
DIRECT				
Coor Service Management Group AB	556739-7665	Stockholm	100%	7,789
INDIRECT				
Coor Service Management AB	556084-6783	Stockholm	100%	
Coor Service Management APS AB	556764-1328	Stockholm	100%	
Addici Security AB	556555-5314	Stockholm	100%	
Coor Service Management CTS AB	556912-0156	Stockholm	100%	
Coor Service Management LB 3 AB	556994-4506	Stockholm	100%	
Coor Service Management LB 4 AB	556994-4498	Stockholm	100%	
Coor Service Management A/S [1)]	10 68 35 48	Denmark	100%	
Coor Service Management AS [2)]	983 219 721	Norway	100%	
Coor Service Management Cleaning & Catering AS [3)]	912 523 918	Norway	100%	
Coor Offshore AS	814 493 962	Norway	100%	
Coor Service Management Øst AS	815 367 952	Norway	100%	
Coor Service Management OY	1597866-9	Finland	100%	
Coor Service Management NV	0480-088-929	Belgium	100%	
Coor Service Management SEC NV	0559-876-971	Belgium	100%	
Coor DOC NV	0668-588-237	Belgium	100%	
Coor Service Management Kft	01-09-931476	Hungary	100%	
Coor Service Management sp. z.o.o	0000350979	Poland	100%	
Coor Service Management OÜ	12169810	Estonia	100%	

1) In 2018, the subsidiary company Elite Miljø A/S (21 01 83 92) was merged with Coor Service Management A/S.
2) In 2018, the subsidiary company Coor Eiendomsdrift AS (corp. ID no. 982 685 109) was merged with Coor Service Management AS.
3) In 2018, the sister company West Facility Management AS (corp. ID no. 941 873 170) was merged with Coor Service Management Cleaning & Catering AS.

CHANGE DURING THE YEAR	2018	2017
Opening cost	8,489	8,489
Closing cost	**8,489**	**8,489**
Opening impairment	-700	-700
Closing accumulated impairment	**-700**	**-700**
BS **Closing carrying amount**	**7,789**	**7,789**

NOTE 34 PLEDGED ASSETS AND CONTINGENT LIABILITIES

The parent company has provided a parent company guarantee of SEK 31 (0) million covering financial obligations of the Finnish subsidiary in respect of leases and bank guarantees as well as a parent company guarantee on behalf of a subsidiary in Norway to ensure delivery to a major customer. The parent company has no other pledged assets or contingent liabilities.

DECLARATION OF THE BOARD OF DIRECTORS

The Board of Directors and Chief Executive Officer certify that the annual accounts 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 as well as generally accepted accounting principles, and give a true and fair view of the financial position and results of the parent company and group. The Auditor's Report for the parent company and group gives a true and fair view of the parent company's and group's activities, their financial position and results, and describes significant risks and uncertainties faced by the parent company and the companies included in the group.

The consolidated statement of comprehensive income and balance sheet and the parent company statement of comprehensive income and balance sheet will be submitted for adoption at the Annual General Meeting on 2 May 2019.

Stockholm, 18 March 2019

MATS GRANRYD
Chairman

ANDERS EHRLING

MATS JÖNSSON

MONICA LINDSTEDT

KRISTINA SCHAUMAN

HEIDI SKAARET

GLENN EVANS
Employee representative

LINUS JOHANSSON
Employee representative

PIER KARLEVALL
Employee representative

MIKAEL STÖHR
Chief Executive Officer

We submitted our Auditor's Report on 18 March 2019

Öhrlings PricewaterhouseCoopers AB

NIKLAS RENSTRÖM
Authorized Public Accountant
Auditor-in-charge

AUDITOR'S REPORT

To the shareholders' meeting of Coor Service Management Holding AB, corp. ID no. 556742-0806

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

OPINION

We have audited the annual accounts and consolidated financial statements of Coor Service Management Holding AB for 2018. The company's annual accounts and consolidated financial statements are included on pages 40-83 of this document.

In our opinion, the annual accounts have been prepared in accordance with the Swedish Annual Accounts Act and give a true and fair view of the state of the parent company's affairs at 31 December 2018 and of its financial results and cash flows 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 give a true and fair view of the state of the group's affairs at 31 December 2018 and of its financial results and cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory Directors' Report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the shareholders' meeting adopt the parent company and consolidated income statements and balance sheets.

Our opinion in this report on the annual accounts and consolidated accounts is consistent with the supplementary report submitted to the Audit Committee of the parent company and group in accordance with Article 11 of the Audit Regulation (537/2014).

BASIS OF OPINION

We conducted our audit in accordance with the International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden (Swedish GAAS). Our responsibilities under these standards are described in the section Responsibilities of the auditor. We are independent of the parent company and the group in accordance with Swedish GAAS and have otherwise fulfilled our ethical responsibilities under these standards. This includes ensuring, based on our best knowledge and conviction, that no prohibited services within the meaning of Article 5.1 of the Audit Regulation (537/2014) have been provided to the audited company or, where applicable, its parent company or its controlled undertakings within the EU.

We believe that the audit evidence we have obtained is sufficient and adequate as a basis for our opinion.

AUDIT APPROACH

FOCUS AND SCOPE OF THE AUDIT

We designed our audit by determining the level of materiality and assessing the risk of material misstatement in the financial statements. We paid particular attention to those areas where the Chief Executive Officer and Board of Directors have made subjective judgments, for example, in respect of critical accounting estimates based on assumptions and forecasts about future events, which are inherently uncertain. As in all our audits, we also addressed the risk that the Board of Directors and Chief Executive Officer will override internal controls, and considered whether there is any evidence of bias that has created a risk of material misstatement due to fraud.

We tailored our audit so as to be able to complete a satisfactory examination aimed at enabling us to express an opinion on the financial statements as a whole, taking account of the group's structure, accounting processes and control procedures as well as the industry in which the group operates.

MATERIALITY

The scope and focus of the audit were affected by our assessment of materiality. An audit is designed to obtain reasonable assurance that the financial statements are free from material misstatement. Misstatements can arise from fraud or error. They are considered material if, individually and in aggregate, they can reasonably be expected to influence financial decisions made by users on the basis of the financial statements.

Based on our professional judgment, we determined certain quantitative thresholds for materiality, including thresholds for the financial statements as a whole. Based on these thresholds, as well as qualitative considerations, we determined the focus and scope of the audit and the nature, timing and scope of our audit procedures, and assessed the effect of any misstatements, both individually and in aggregate, on the financial statements as a whole.

KEY AUDIT MATTERS

Key audit matters are those matters which, in our professional judgment, were of greatest significance for the audit of the annual accounts and consolidated accounts for the period concerned. These matters were addressed in the context of the audit of, and in the preparation of our opinion on, the annual accounts and consolidated financial statements as a whole, but we do not present a separate opinion on these matters.

KEY AUDIT MATTER	HOW THE KEY AUDIT MATTER WAS ADDRESSED IN OUR AUDIT
Testing for impairment of goodwill and other acquisition-related intangible assets We refer to Note 1 for critical accounting estimates and assumptions and to Note 11 Intangible assets for information on the executed sensitivity analysis, with regard to what change in the assumptions used would result in impairment of goodwill. At 31 December 2018, Coor had goodwill and other acquisition-related assets of SEK 3,777 million, representing 58 per cent of total assets. The principal risk is the risk that the value of these assets will need to be written down. Each year, Coor performs a test to measure goodwill and other intangible assets in order to determine whether any impairment has occurred. The test is complex and relies on management's expectations in respect of material parameters, including future sales performance, cash flows, margins and interest rates (WACC). Coor has an established process for testing the measurement that is based on cash-generating units. The process is described in Note 11. For 2018, there were four identified cash-generating units. Acquired identifiable contracts are handled in the same manner. When contracts can be separated from a purchase price allocation, assumptions are made about the duration of the contracts, expected volumes and margins. These assumptions are tested annually. Coor's conclusion is that no impairment had occurred for the aforementioned assets in 2018.	In testing goodwill and other acquisition-related intangible assets for impairment, we performed a number of audit procedures aimed primarily at confirming the measurement and accuracy. In particular, we: • Engaged PwC's experts in accounting measurement to test and assess Coor's models, methods and assumptions. • Through spot checks, tested, assessed and challenged the information used in the calculations in relation to Coor's financial plan and, where possible, external information. In doing so, we focused on assumed growth rates, margin growth rates and discount rates for each cash-generating unit. We also assessed the accuracy and inherent quality of the company's process for preparing business plans and financial plans based on historical outcomes. • Checked the sensitivity of the measurements to negative changes in all parameters which, individually or in the aggregate, could result in impairment. • Assessed whether the disclosures made in the annual report are correct based on tests of the measurements made, with a particular emphasis on disclosures on the sensitivity of the measurements. • Compared the disclosures included in the annual report with the requirements of IAS 36. Based on our examination, it is our conclusion that Coor's assumptions are within an acceptable range, and that the disclosures presented in Note 11 meet the disclosure requirements for assumptions and risks where small changes in the assumptions used result in or can result in impairment.

KEY AUDIT MATTER	HOW THE KEY AUDIT MATTER WAS ADDRESSED IN OUR AUDIT
Recognition of revenue We refer to Note 1 for critical accounting estimates and assumptions, *Note 2 Revenue, Note 13 Accounts receivable, Note 14 Prepaid expenses and accrued income, and other receivables and Note 19 Accrued expenses and prepaid income.* One of the focus areas in our audit was the group's recognition of revenue. The services provided are sometimes performed over an extended period of time. Accounting differences can therefore arise between the point in time when Coor performs a service and the point in time when revenue is recognized. Assessing whether revenue has been allocated to the correct accounting periods and whether it has been correctly measured thus constitutes a key audit matter. When revenue may be recognized depends on the wording of the contracts that have been entered into. Customer contracts vary and can be complex, which in itself constitutes an increased risk of misstatements. The revenue process involves line managers, who are in charge of compiling and assessing the data used for invoicing, as well as a central function, which issues the invoices. Revenue earned that has not been invoiced by the closing date is recognized as accrued income based on an assessment of the percentage of the services provided that can be invoiced. Revenue invoiced but not yet earned is recognized as deferred income based on an assessment of the extent to which the services have yet to be performed. Invoiced revenue that has not yet been paid is accounted for as trade receivables based on an assessment on the portion that will be paid.	Our audit is based both on an evaluation of internal control and substantive testing of revenue and material projects, including systems-based analysis of balance sheet and income statement items. Among other audit procedures, we: • Identified the processes for revenue recognition and assessment of accrued and deferred income and trade receivables. Through spot checks of a random sample of customers, we also tested the recognized revenue against the contracts to determine whether the correct amount has been recognized in the right period and whether the revenue has been fully accounted for. This test also covered accrued and deferred income. • Using a systems-based approach, we analyzed deferred income, checking that registered revenue has been correctly transferred to the main ledger. • We assessed any bad debts based on Coor's policy for provisions and discussed any significant overdue receivables to determine whether provisions have been recognized correctly based on the estimated risk of non-payment. Nothing material was identified in this audit that it was deemed necessary to report to the Audit Committee.

OTHER INFORMATION THAN THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

This document also contains other information than the annual accounts and consolidated financial statements, which is found on pages 1–39 and 100–118. Responsibility for this other information rests with the Board of Directors and Chief Executive Officer.

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

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

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

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

Responsibility for ensuring that the annual accounts and consolidated accounts are prepared and give a true and fair view pursuant to the Annual Accounts Act and, as regards the consolidated accounts, pursuant to the International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act rests with the Board of Directors and Chief Executive Officer. The Board and CEO are also responsible for such internal control as they deem necessary for the purpose of preparing 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 and CEO are responsible for assessing the company's and group's ability to continue as a going concern. Where applicable, they are also required to disclose circumstances which could affect the company's ability to continue as a going concern and use the going concern assumption. The going concern assumption applies unless the Board and CEO intend to liquidate the company or cease operations, or have no realistic alternative but to do so.

The Audit Committee of the Board of Directors is tasked with monitoring, without prejudice to the other responsibilities and duties of the Board, the financial reporting of the company.

RESPONSIBILITIES OF THE AUDITOR

Our objective is to obtain reasonable assurance that the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to submit an auditor's report containing our opinion. Reasonable assurance is a high degree of assurance but does not constitute a guarantee that an audit conducted in accordance with ISA and Swedish GAAS will always detect a material misstatement if it exists. Misstatements can arise from fraud or error and are considered material if they, individually or in the aggregate, can reasonably be expected to affect financial decisions made by users on the basis of the annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on the website of the Swedish Inspectorate of Auditors: www.revisorsinspektionen.se/revisornsansvar.
This description constitutes a part of the Auditor's Report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

OPINION

In addition to our audit of the annual accounts and consolidated accounts, we have audited the Board of Directors' and Chief Executive Officer's management of Coor Service Management Holding AB for 2018 and the proposed appropriation of the company's profit or loss.

We recommend that the shareholders allocate the retained earnings as proposed in the Directors' Report and grant release from liability to the Directors and Chief Executive Officer in respect of the financial year.

BASIS OF OPINION

We conducted our audit in accordance with generally accepted auditing standards in Sweden (Swedish GAAS). Our responsibilities under these standards are described in the section Responsibilities of the auditor. We are independent of the parent company and the group in accordance with Swedish GAAS and have otherwise fulfilled our ethical responsibilities under these standards.

We believe that the audit evidence we have obtained is sufficient and adequate as a basis for our opinion.

RESPONSIBILITIES OF THE AUDITOR

Our objective for the management audit, and thus for our opinion on release from liability, is to obtain audit evidence which enables us to assess with reasonable assurance whether any Director or the Chief Executive Officer has in any material respect:

- taken any action or been guilty of any neglect that could give rise to a liability to indemnify the company.
- otherwise acted in contravention of the Swedish Companies Act, the Swedish Annual Accounts Act or the Articles of Association.

Our objective in respect of our audit of the proposed appropriation of the company's profit or loss, and thus for our opinion on the same, is to obtain reasonable assurance that the proposed appropriation is consistent with the Companies Act.

Reasonable assurance is a high degree of assurance but does not guarantee that an audit conducted in accordance with Swedish GAAS will always detect actions or neglect that could give rise to a liability to indemnify the company, or that the proposed appropriation of the company's profit or loss is consistent with the Companies Act.

A further description of our responsibility for the management audit is available on the website of the Swedish Inspectorate of Auditors: www.revisorsinspektionen.se/revisornsansvar.
This description constitutes a part of the Auditor's Report.

Öhrlings PricewaterhouseCoopers AB, Torsgatan 21, 113 97 Stockholm, were appointed to serve as auditors of Coor Service Management Holding AB by the Annual General Meeting on 26 April 2018 and have been the company's auditors since December 2004.

Stockholm, 18 March 2019
Öhrlings PricewaterhouseCoopers AB

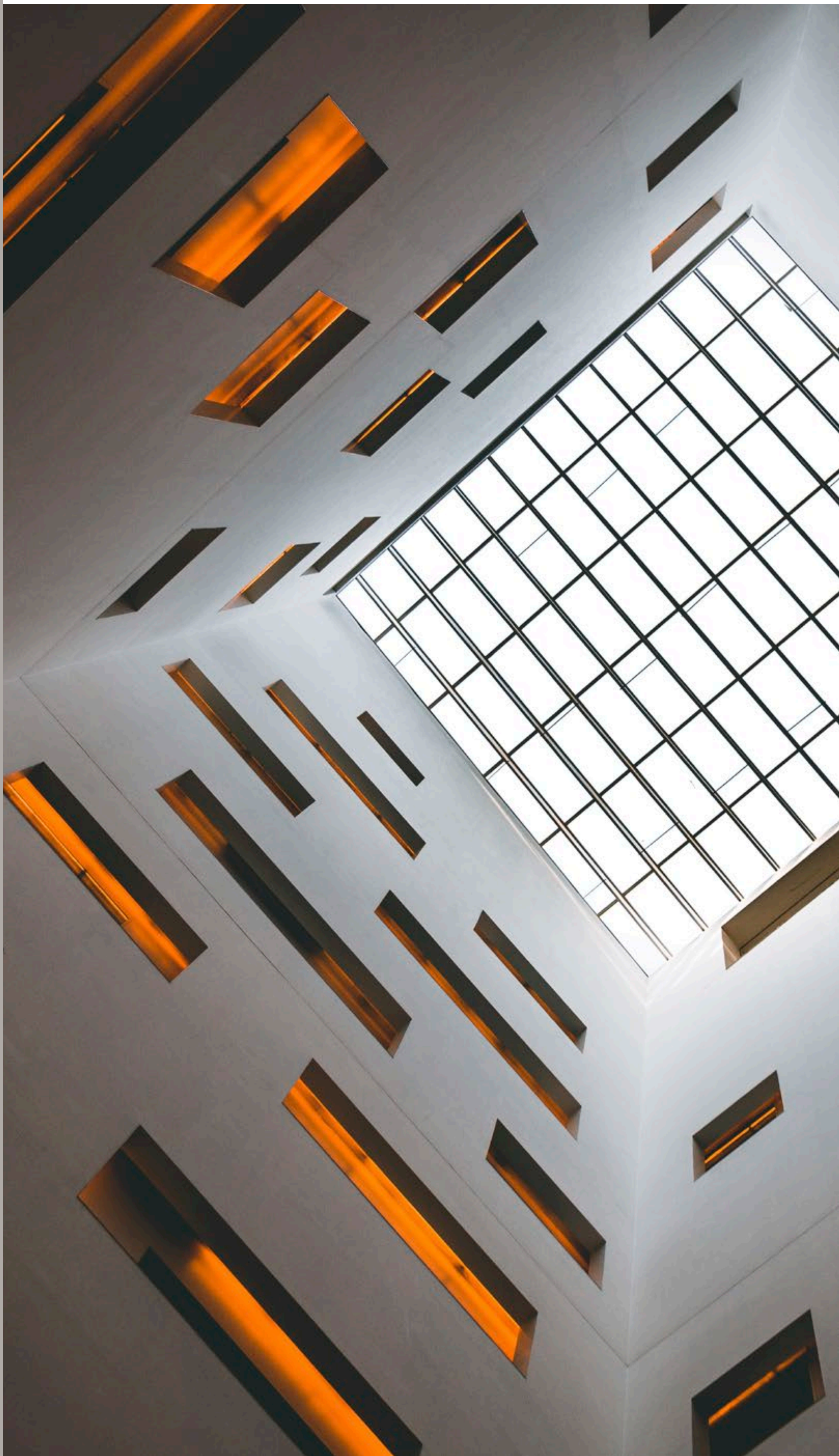
Niklas Renström
Authorized Public Accountant

CORPORATE GOVERNANCE REPORT 2018

CONTENTS

The Corporate Governance Report is a part of Coor's Annual Report 2018, which explains why it begins on page 90. The Corporate Governance Report can be read separately but sometimes contains references to other parts of the annual report. The full annual report is available on the company's website.

The Corporate Governance Report for Coor Service Management Holding AB (corp. ID no. 556742-0806) refers to the financial year 2018.

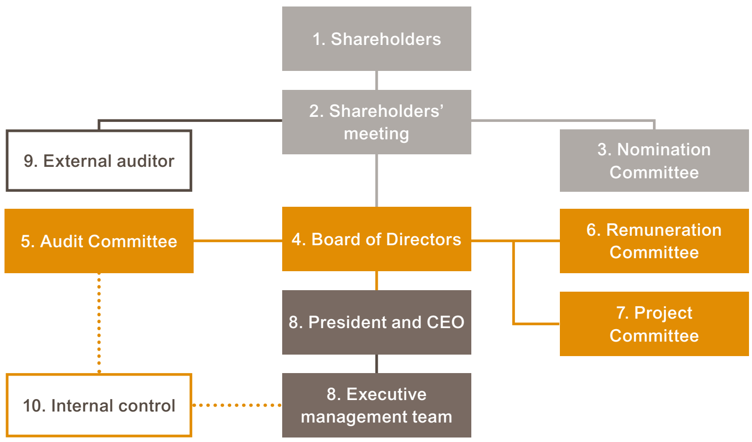


STRUCTURED GOVERNANCE AND INTERNAL CONTROL

The goal of Coor's corporate governance is to ensure systematic risk management and sustained value creation for shareholders through good control and a sound corporate culture.

This Corporate Governance Report has been prepared by the Board of Directors of the Coor Group and describes Coor's corporate governance for 2018. The report has been reviewed by Coor's auditors, whose opinion is presented at the end of the report.

COOR'S CORPORATE GOVERNANCE STRUCTURE



CORPORATE GOVERNANCE AT COOR

Coor is a public limited company with registered office in Stockholm, whose shares were listed on the Nasdaq Stockholm exchange on 16 June 2015. Coor's corporate governance is based on Swedish laws and regulations and on the rules and practices which apply for companies listed on Nasdaq Stockholm. Coor also follows the Swedish Corporate Governance Code without deviating from any of its rules. In the countries where Coor operates the company follows the applicable local legislation.

In addition to the external regulations, Coor has a set of internal regulations consisting of governing documents for the group, of which the most important are the Articles of Association, which are adopted by the shareholders' meeting, the rules of procedure for the Board of Directors and its committees, and the Board's terms of reference for the Chief Executive Officer. In addition, there are a large number of internal policies, instructions and delegation arrangements which clarify responsibilities and authorities in different areas.

The most important governing documents are included in Coor's management system, which also describes the company's main processes and common work methods.

Coor's corporate governance structure is well defined and is illustrated schematically above.

COOR'S SUSTAINABILITY WORK

All companies have a big responsibility for the activities in which they are engaged, and for how these activities affect the environment and society at large, in the short and long term. Coor takes a structured, long-term approach to those sustainability aspects that are considered to have the biggest external impact. The purpose of Coor's sustainability management is to ensure that the company grows in a stable and profitable manner based on sound business ethics while minimizing its environmental impact, and that the company makes a positive contribution to society. For more information on Coor's sustainability management and governance, see the information in the relevant sections of the annual report.

KEY EXTERNAL AND INTERNAL GOVERNING DOCUMENTS

External regulations

- Swedish laws and regulations
- Laws and regulations in other countries of operation
- Nasdaq Stockholm's rules for issuers
- Swedish Corporate Governance Code
- International Financial Reporting Standards (IFRS)

Internal governing documents

- Articles of Association
- Rules of procedure for the Board of Directors
- Rules of procedure for the Board committees
- The Board of Directors' terms of reference for the CEO

Policies and instructions

- Code of Conduct [1)]
- Insider policy [1)]
- Treasury policy [1)]
- Communication policy [1)]
- Risk management policy
- Procurement policy
- Sustainability policy
- IT policy
- Information security policy
- Internal control framework
- Accounting manual
- Authorization manual
- Data protection policy

1) Policies adopted by the Board of Directors

1. SHARES AND OWNERSHIP STRUCTURE

At year-end, Coor had a share capital of SEK 383,248,088, represented by 95,812,022 shares. Each share carries one vote at shareholders' meetings. As at 31 December 2018, Coor's share register listed approximately 4,500 shareholders. Of the total share capital, approximately 55 per cent was owned by investors outside Sweden and the three largest shareholders were Capital Group, with 8.1 per cent of the shares and voting rights, Fidelity Investments with 7.8 per cent and Nordea Fonder with 7.5 per cent. More information about Coor's shares and ownership structure is available on the company's *website* under *About Coor/Investors* and in the section *Share information*.

2. THE SHAREHOLDERS' MEETING

In accordance with the Swedish Companies Act, the shareholders' meeting is the company's highest decision-making body. All shareholders are entitled to participate and vote at the annual meeting of shareholders (Annual General Meeting). At the AGM, shareholders discuss the annual report, payment of dividends, election of Directors and auditors, fees and principles of remuneration as well as other matters. The resolutions adopted at a shareholders' meeting are announced in a press release after the meeting. More information on the convening of and participation in shareholders' meetings is available on the company's *website* under *About Coor/Corporate Governance*.

3. THE NOMINATION COMMITTEE

The composition and activities of the Nomination Committee are governed by the terms of reference adopted by the AGM and are described on the company's *website* under *About Coor/Corporate Governance*.

Composition and activities in preparation for the 2019 AGM

Prior to the Annual General Meeting 2019, the Nomination Committee consists of Ulrika Danielson (Second Swedish National Pension Fund), Henrik Didner (Didner & Gerge Fonder), Caroline Sjösten (Swedbank Robur Fonder), Jan Särlvik (Nordea Funds) and the Chairman of the Board Mats Granryd.

In preparation for the 2019 AGM, the committee met on four occasions. Through the Chairman of the Board and the company's President and Chief Executive Officer, the Nomination Committee received information about the operations, development and other circumstances of the company. The committee interviewed individual Directors and the Chairman of the company's Audit Committee. It also discussed the main requirements that should be applied for Directors, including the requirement for independent Directors, and looked at the number of directorships of other companies held by the Directors. The committee placed a strong emphasis on ensuring a balanced representation of men and women, diversity and breadth.

Shareholders have been welcome to submit proposals and views to the Nomination Committee. No separate fee was paid to any of the members of the Nomination Committee.

4. THE BOARD OF DIRECTORS

The Board of Directors has ultimate responsibility for the company's organization and operations, and continually assesses the financial situation of the company and group.

Composition and activities in 2018

Coor's Board of Directors consists of seven Ordinary Directors elected by the Annual General Meeting and four employee representatives (of whom three are ordinary representatives and one is a deputy). The composition of the Board meets the requirements for independent Directors provided for in the Swedish Corporate Governance Code. Information on the independence of the Directors is presented in a table on the next page. The Board of Directors is presented at the end of the Corporate Governance Report along with information about the Directors' directorships outside the group and their holdings of Coor shares. The Board has appointed Coor's Chief Legal Counsel to act as its secretary.

In 2018, the Board met on nine occasions. The Board addressed strategic matters, financial performance and matters relating to customers, employees, sustainability and risk management on an ongoing basis. Important matters that were addressed in 2018 included matters relating to new deals and potential acquisitions. Senior executives gave presentations on specific issues to the Board on an ongoing basis.

To handle matters that need to be discussed separately, the Board has established three committees: the Remuneration Committee, the Audit Committee and the Project Committee. The committees reported on their meetings to the Board on a regular basis.

Attendance at the year's Board meetings was good. Information on Directors' attendance at meetings of the Board and its committees and on the fees paid for this work is presented in the table on the next page.

5. THE AUDIT COMMITTEE

Consists of two Board-appointed members: Kristina Schauman (Chairman) and Heidi Skaaret. Coor's CFO and external auditors attend all meetings.

Follows up and monitors internal control, audit, risk management, accounting and financial reporting activities.

6. THE REMUNERATION COMMITTEE

Consists of three Board-appointed members: Mats Granryd (Chairman), Monica Lindstedt and Kristina Schauman.

Submits proposals on remuneration to the Board, and monitors and evaluates remuneration structures and levels for the executive management team.

7. THE PROJECT COMMITTEE

Consists of three Board-appointed members: Mats Granryd (Chairman), Anders Ehrling and Mats Jönsson.

Assists the Board by submitting proposals for and providing decision guidance on major customer contracts, acquisitions and other important agreements.

RESOLUTIONS AT THE ANNUAL GENERAL MEETING 2018

At the 2018 AGM, the following main resolutions were adopted:

- To approve a dividend of SEK 4 per share, consisting of an ordinary dividend of SEK 1.80 and a special dividend of SEK 2.20, as proposed by the Board.
- That the Board of Directors should consist of seven Directors with no deputies.
- The election of the Chairman of the Board and Directors in accordance with the Nomination Committee's proposal:
- Mats Granryd was re-elected to the Board as a Director and as Chairman of the Board.
- The Directors Anders Ehrling, Mats Jönsson, Monica Lindstedt, Kristina Schauman, Heidi Skaaret and Mikael Stöhr were re-elected to the Board.
- To approve the payment of Directors' fees totaling SEK 2,680,000, in accordance with the Nomination Committee's proposal, to be distributed as follows:
- SEK 730,000 to the Chairman.
- SEK 260,000 to each of the other AGM-elected Directors.
- SEK 100,000 to Directors who are members of the Audit Committee.
- SEK 150,000 to the Chairman of the Audit Committee.
- SEK 50,000 to Directors who are members of the Remuneration Committee.
- SEK 50,000 to the Chairman of the Remuneration Committee.
- SEK 75,000 to Directors who are members of the Project Committee.
- SEK 100,000 to the Chairman of the Project Committee.
- To introduce a long-term share-based incentive program for the executive management team and the top management team (TMT) as well as a call option scheme for the executive management team.
- To authorize the repurchase and transfer of shares.
- To authorize the issuance of new shares.

The audit firm PwC notified Coor that Niklas Renström will be appointed as auditor-in-charge for the audit.

The full minutes of the AGM are available at *www.coor.com*.

DIRECTORS' ATTENDANCE, INDEPENDENCE AND FEES

	Meeting attendance				Independence		Fees
	Board of Directors	Audit Committee	Project Committee	Remuneration Committee	Independent of the company	Independent of major share-holders	Approved Directors' and committee fees, SEK '000 [5)]
Total number of meetings	**9**	**5**	**5**	**3**			
AGM-elected Directors							
Anders Ehrling	8	-	5	-	Yes	Yes	335
Mats Granryd, Chairman [1)]	9	2	5	3	Yes	Yes	880
Mats Jönsson	9	-	5	-	Yes	Yes	335
Monica Lindstedt	8	-	-	3	Yes	Yes	310
Kristina Schauman	8	5	-	3	Yes	Yes	460
Heidi Skaaret	9	5	-	-	Yes	Yes	360
Mikael Stöhr	9	-	5	3	No	Yes	-
Union-appointed employee representatives							
Glenn Evans	9	-	-	-	No	Yes	-
Linus Johansson [2)]	6	-	-	-	No	Yes	-
Pier Karlevall	9	-	-	-	No	Yes	-
Göran Karlsson [3)]	3	-	-	-	No	Yes	-
Union-appointed deputy employee representatives							
Robert Halén [4)]	3	-	-	-	No	Yes	-
Rikard Milde	7	-	-	-	No	Yes	-

1) Stepped down from the Audit Committee in connection with the AGM on 26 April 2018.
2) Appointed as employee representative in connection with the AGM on 26 April 2018.
3) Stepped down as employee representative in connection with the AGM on 26 April 2018.
4) Stepped down as deputy employee representative in connection with the AGM on 26 April 2018.
5) The fees for committee work were approved by the AGM on 26 April 2018 and apply until the next AGM on 2 May 2019. For information on fees that had an impact on earnings in 2018, see Note 6 *Remuneration of senior executives* in the statutory annual report.

Diversity policy

As its diversity policy, Coor applies Rule 4.1 of the Swedish Corporate Governance Code, which means that the Board should have a composition that is appropriate in view of the company's operations, stage of development and other circumstances, and is diverse and broad with regard to the skills, experience and backgrounds of its AGM-elected members, and that a balanced representation of men and women should be aimed for.

Coor considers that the company's Board of Directors meets the requirements of its diversity policy. The Board consists of three women and four men. The members come from different sectors of industry and have varying professional backgrounds and expertise.

8. THE CHIEF EXECUTIVE OFFICER AND EXECUTIVE MANAGEMENT TEAM

The Board of Directors has delegated operational responsibility for the company and its management to the company's President and Chief Executive Officer (CEO), who manages the business within the limits and guidelines established by the Board. The division of responsibilities between the Board and CEO is set out in written terms of reference, which are adopted annually by the Board. Mikael Stöhr has been the company's CEO since 2013. The CEO appoints the executive management team, who together with the CEO is in charge of managing the company's day-to-day operations. This responsibility includes setting goals for the company's operational activities, allocating resources and monitoring performance as well as preparing proposals for investments, acquisitions and divestments in accordance with the Board's written instructions.

In 2018, the executive management team met 15 times in person or by telephone. Matters addressed included performance monitoring and forecasts, targets and target monitoring, the market situation, ongoing deals, the status of group-wide projects, strategy work, recruitment and other important matters.

The group also has an expanded management forum, the top management team, which consists of the executive management team and the country management teams. The group's roughly 130 senior executives gather annually at a special forum (Management Days) to network, exchange experience, be inspired and discuss matters of common interest.

EVALUATION OF THE BOARD AND CEO.

The annual evaluation of the Board, including the Board committees, was carried out by an external consultant. The evaluation covered Board practices, and the composition and expertise of the Board, including the Directors' backgrounds, experience and diversity. The results of the evaluation were presented to the Nomination Committee and the Board of Directors.

The evaluation of the CEO was discussed at a Board meeting without the presence of management.

ANNUAL CALENDAR 2018

JANUARY | FEBRUARY | MARCH | APRIL | MAY | JUNE

BOARD OF DIRECTORS

FEBRUARY
- Review of the auditor's report.
- Approval of the Corporate Governance Report.
- Resolution on the proposed appropriation of retained earnings.
- Remuneration Committee's evaluation and application of the remuneration guidelines.
- Board's evaluation of the CEO.
- Resolution on remuneration and other terms for the CEO.
- Approval of the year-end report.
- Preparations for the AGM.

MARCH
- Approval of the annual report.

APRIL
- Approval of Q1 report.
- Annual General Meeting.
- Inaugural Board meeting

AUDIT COMMITTEE

FEBRUARY, Q4 MEETING
- Year-end report.
- Corporate Governance Report.
- External auditor's report.
- External auditor's independence.

APRIL, Q1 MEETING
- Q1 report.
- Audit plan and fees for external auditors.
- Evaluation of the external audit.
- Review of treasury policy.

REMUNERATION COMMITTEE

MEETING IN FEBRUARY PRIOR TO FIRST BOARD MEETING OF THE YEAR
- Evaluation of remuneration guidelines and the application of the guidelines.
- Evaluation of the CEO and the proposal for remuneration and other terms for the CEO.
- Evaluation of senior executives and resolution on remuneration and other terms for senior executives.

AUDITORS

Öhrlings PricewaterhouseCoopers AB (PwC)

Auditor-in-charge:
Niklas Renström

Other audit engagements:
Enea AB, Evolution Gaming Group AB, Vitec Software Group AB

ENVIRONMENTAL AND QUALITY AUDITORS

Coor's business has been certified under the international ISO 14001 environmental and ISO 9001 quality management standards, which means that the business is also audited annually by an independent auditor from an environmental and quality perspective. In 2018, a certification audit under the ISO 45001 health and safety management standard was also conducted. The quality, environmental and health and safety audits are carried out by Det Norske Veritas. In July 2018, Jan Olsson took over from Patrik Frykman as auditor-in-charge at Det Norske Veritas. The results of these audits are reported to the executive management team. More information about this audit is presented in the section *Sustainability notes*.

9. EXTERNAL AUDITORS

The company's auditors are appointed by the Annual General Meeting. At the 2018 AGM, Öhrlings PricewaterhouseCoopers AB (PwC) with Niklas Renström as auditor-in-charge were re-elected to serve as the company's external auditors until the 2019 AGM. PwC have been Coor's auditors since 2004. At the 2018 AGM, Niklas Renström took over as auditor-in-charge after Magnus Brändström.

The external audit of Coor's financial statements is conducted in accordance with the Swedish Companies Act, the International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. The auditor is tasked with auditing the annual accounts, annual report and consolidated accounts as well as the Board of Directors' and the executive management team's management of the company. The auditors also review the interim financial statements as at 30 September and the company's internal control.

The auditors are required to keep the Board updated on the planning, scope and content of the annual audit and to inform the Board of any services in addition to audit services that have been provided, the fees for such services and other circumstances that could affect the auditors' independence. To meet the Board's need for information and to ensure that all areas are addressed in a structured manner, Coor's auditors participate at the meetings of the Audit Committee and attend at least one Board meeting a year. On at least one occasion, the auditors meet the Board without the presence of management. The fees paid to the auditors for 2018 are presented in *Note 8 Audit fees* in the *statutory annual report*.

10. INTERNAL CONTROL AND RISK MANAGEMENT IN RESPECT OF FINANCIAL REPORTING

Coor's framework for internal control and risk management has been designed to ensure reliable financial reporting as well as compliance with laws and requirements which Coor as a listed company is required to follow.

JULY
- Approval of Q2 report.

SEPTEMBER
- Approval of strategy.

OCTOBER
- Review of matters presented by the Audit Committee and of the auditor's report.
- Approval of Q3 report.

DECEMBER
- Approval of the budget and business plan.
- Remuneration Committee's evaluation and application of the remuneration guidelines.
- Board's evaluation of the CEO.
- Resolution on remuneration and other terms for the CEO.

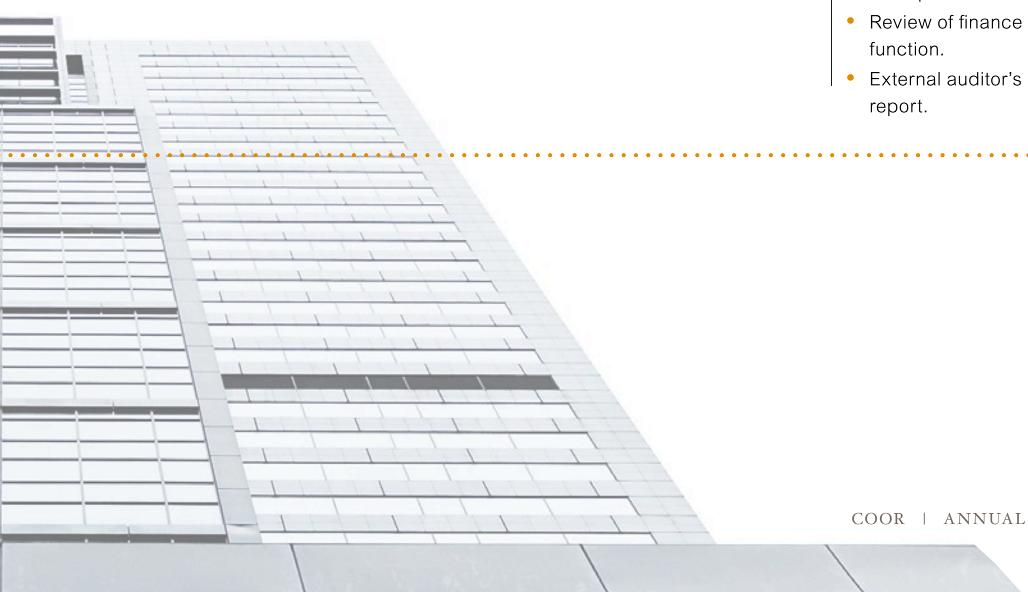
JULY | AUGUST | SEPTEMBER | OCTOBER | NOVEMBER | DECEMBER

JULY, Q2 MEETING
- Q2 report.

OCTOBER, Q3 MEETING
- Q3 report.
- Review of finance function.
- External auditor's report.

DECEMBER
- Evaluation, monitoring and planning of internal control.
- Draft Corporate Governance Report.
- Matters relating to the annual accounts.
- Assessment and decision on the need for an internal audit function.

DECEMBER
- Evaluation of remuneration guidelines and the application of the guidelines.
- Evaluation of the LTIP.
- Evaluation of the CEO and the proposal for remuneration and other terms for the CEO.
- Evaluation of senior executives and resolution on remuneration and other terms for senior executives.



PRINCIPLES OF REMUNERATION OF DIRECTORS AND SENIOR EXECUTIVES

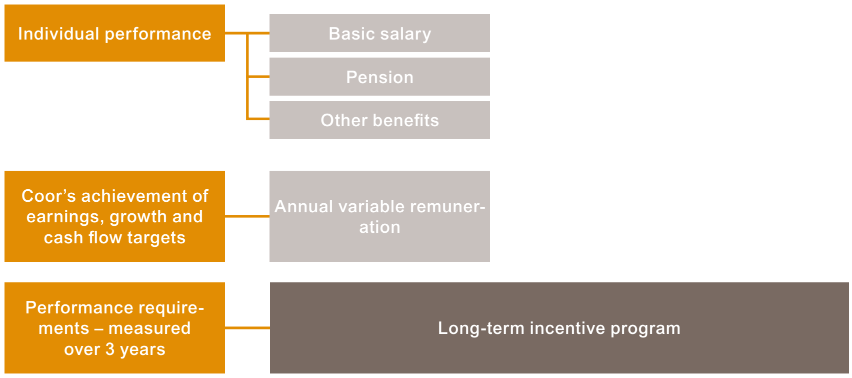
Directors' fees are set by the Annual General Meeting based on the Nomination Committee's proposal. Additional fees are paid to the chairmen and members of Board committees.

The AGM also determines the principles of remuneration of senior executives in the group. These guidelines state that the total remuneration must be in line with market remuneration, competitive and reflect the individual's performance and responsibilities.

Matters relating to senior executives are prepared by the Board's Remuneration Committee, which also monitors and evaluates remuneration structures and levels on an ongoing basis.

For complete information on levels of remuneration and guidelines for remuneration, see *Note 6 Remuneration of senior executives* in the *statutory annual report*.

COOR'S REMUNERATION STRUCTURE



Basic salary
Coor aims to ensure that members of the executive management team are paid a competitive market salary in the form of a fixed monthly salary. The basic salary is paid as remuneration for dedicated work performance at a high level that adds value for Coor's customers, shareholders and employees.

Variable remuneration
In addition to a basic salary, members of the executive management team are offered variable remuneration as well as a long-term incentive program.

Annual variable remuneration
Annual variable remuneration is based on the achievement of Coor's targets for earnings, growth and cash flow. The remuneration is contingent on achievement of defined and measurable targets and is capped at 50 per cent of the fixed annual salary. In special cases, an agreement on non-recurring remuneration may be concluded. Such remuneration is capped at three months' salary.

Long-term share-based incentive program
Coor's long-term incentive program (LTIP) is designed to increase and strengthen the company's ability to recruit and retain key individuals and to encourage participants to become long-term shareholders of Coor as a means of aligning the interests of participants and other shareholders. To participate in the program, participants are required to invest in Coor shares. The LTIP runs for three years and the outcome depends on the achievement of various performance requirements. Members of the executive management team also have the option, as part of LTIP, to purchase call options.

For information on LTIP 2018, see *Note 5 Employees and employee benefit expenses and Note 6 Remuneration of senior executives* in the *statutory annual report*.

Retirement benefits
Retirement benefits for senior executives must be defined contribution benefits. The CEO and other senior executives are covered by an ITP supplementary pension plan solution (or an equivalent solution in other countries). The retirement age is not specified contractually, but is governed by local rules in each country.

Other benefits and severance pay
Other benefits mainly consist of normal company car and health care programs.
The contracts of members of the executive management team are terminable on no more than six months' notice and provide for severance pay of no more than eighteen months' fixed salary. No severance pay is paid in case of voluntary resignation.

Ultimate responsibility for internal control of financial reporting rests with Coor's Board of Directors. The Board has established an Audit Committee from among its members, which monitors issues relating to internal control of financial reporting in accordance with the committee's rules of procedure. The Audit Committee has tasked the group-level finance function with developing and monitoring the company's internal control system for financial reporting.

Coor's internal control activities are based on the framework developed by COSO. Under this framework, internal control is viewed as consisting of a number of components – control environment, risk assessment, control activities, information and communication, and monitoring. These components are integrated and interact with each other to prevent and detect material misstatements in the financial statements.

The intention behind Coor's internal control framework is to create effective processes and integrate internal control in the company's day-to-day activities as far as possible.

1. Control environment

A good control environment is fundamental to the effectiveness of a company's internal control system. Coor's control environment is defined in governing documents in the form of policies, procedures and manuals, and is maintained through clearly defined and communicated lines of command, authorities and responsibilities in the organization.

Coor has a control environment that is based on a well defined structure of responsibilities as well as regular reporting and monitoring of financial results by contract, business unit and country, from site level up to group level.

Coor has adopted a number of basic guidelines and policies which play an important role in maintaining an effective control environment. These include the Code of Conduct, guidelines for financial reporting and the authorization manual.

2. Risk assessment

Based on the overall risk assessment produced by the executive management team (see the section *Risks and risk management*), a detailed risk assessment of financial reporting is made to identify and evaluate material risks in the financial processes as well as the risk of irregularities and fraud.

The risk assessment of financial reporting takes account of materiality, complexity and the risk of fraud in various income statement and balance sheet items as well as the risk of misstatements in underlying processes. Clear process descriptions have been prepared for each process in which identified risks are linked to control activities. The process descriptions are subject to a thorough review once a year and are updated when new risks arise or disappear. The risk assessment is used as a basis for the control activities that are used to manage the risks. Risk assessments are carried out jointly by process owners, representatives from each country and Coor's group-level finance function.

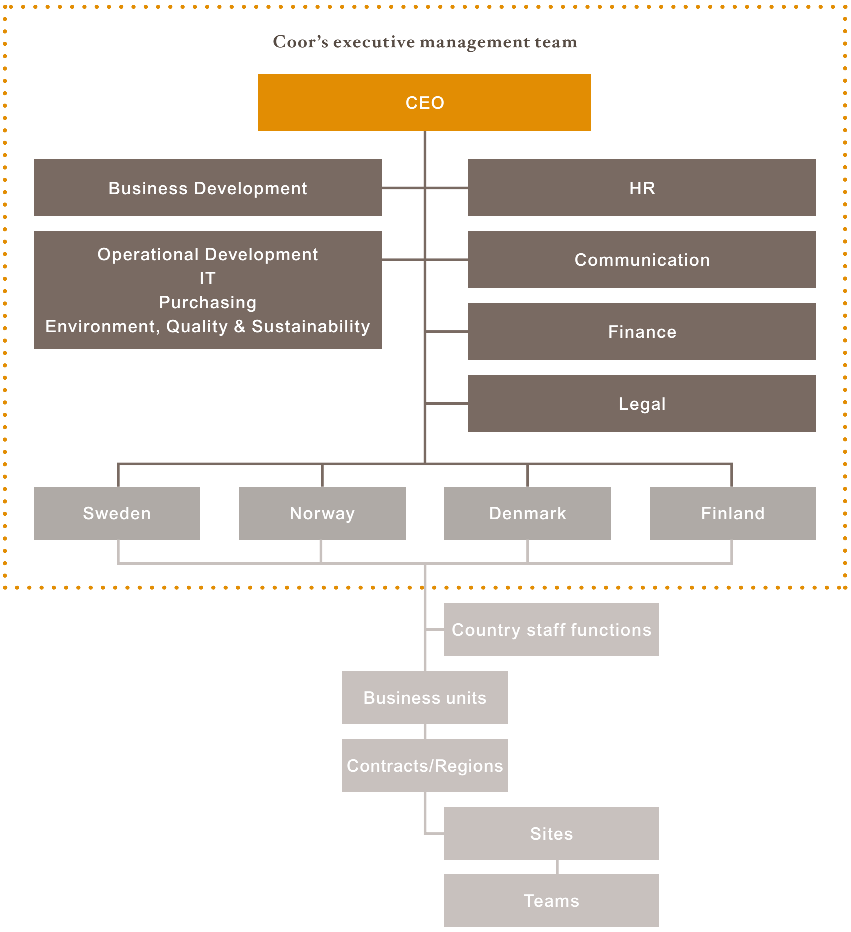
3. Control activities

Based on the risks that have been identified in respect of financial reporting, control activities are designed to prevent and limit the identified risks and to help ensure correct and reliable financial reporting as well as process effectiveness.

In the various financial processes – financial close, tax, revenue and receivables, purchase and payables, payroll and investments – Coor has identified a number of key controls which all large entities in the group are required to apply. The key controls form part of the company's processes for accounting and financial reporting, and include reconciliation of balance sheet accounts, structured financial monitoring through standardized analytical controls at different levels of the organization and automated integrated controls. All key controls are documented in a shared system, where the control activities are clearly described. The system enables clear traceability with controlled work flows for execution, approval and review of control activities.

In addition to the financial processes, IT is also included as a key area that has a significant impact on reliability in the financial processes. IT-related control activities include clear procedures for testing in connection with changes to key applications, regular monitoring of access rights to important systems as well as controls for ensuring correct transfers between pre-systems and accounting information systems.

COOR'S ORGANIZATIONAL STRUCTURE



4. Information and communication

To ensure that all employees in the organization are able to fulfill their responsibility for internal governance and control, it is essential that they be aware of, and have access to, important internal governance instruments. A key element of internal control is therefore to ensure that important governance documents are kept up to date and are accessible to all employees on the group's intranet, and that changes and updates are clearly communicated.

To ensure that the executive management team and the Board of Directors receive important information from the employees, Coor has established formal as well as informal information channels. These include a whistleblower function through which employees can report suspected irregularities.

For communication with external parties, there is a communication and IR policy which sets out guidelines for this communication and ensures that the group meets the requirements for regular disclosure of correct information in the form of annual reports, interim reports, press releases and notices on the company's website, *www.coor.com*.

5. Monitoring

Monitoring of internal control is a part of Coor's natural improvement activities and is carried out to ensure that the group's internal governance and control remain relevant and effective.

The group's financial situation and financial strategies and objectives are discussed at every Board meeting. Between meetings, the Board also receives monthly reports on Coor's financial performance. The Board has tasked the Audit Committee with ensuring that the company's internal control system for financial reporting is monitored and evaluated. The Audit Committee is also charged with monitoring the quality of the group's internal control system and ensuring that any issues and proposed measures identified in the external audit are addressed. Each year, group's external auditors review the group's internal control system and report their observations in a report to management and the Audit Committee. The Audit Committee then reports to the Board at the following Board meeting.

The Audit Committee has tasked the group-level finance function with developing and monitoring the company's internal control system for financial reporting. This is done proactively by continually analysing and updating the group's internal control framework and by assessing the effectiveness of the internal control system. A key instrument for monitoring internal control is the self-assessment which, since 2018, is carried out twice a year in the group. The purpose of the self-assessment is to ensure that all control activities have been carried out in a satisfactory manner, and to identify potential improvements in the framework. Internal control is monitored on a country and process basis. In addition to the self-assessment, the group-level finance function also reviews the group's financial processes according to a rolling schedule. Detailed conclusions and proposed improvements are reported to each country and process owner. Improvement measures are implemented in accordance with an agreed plan and followed up at the next evaluation.

A more detailed report on internal control is submitted to the group's Audit Committee. The conclusions from the self-assessment and internal review are also presented to the group's external auditors, who assess the extent to which they can rely on the results of the activities carried out in connection with their audit.

INTERNAL AUDITING

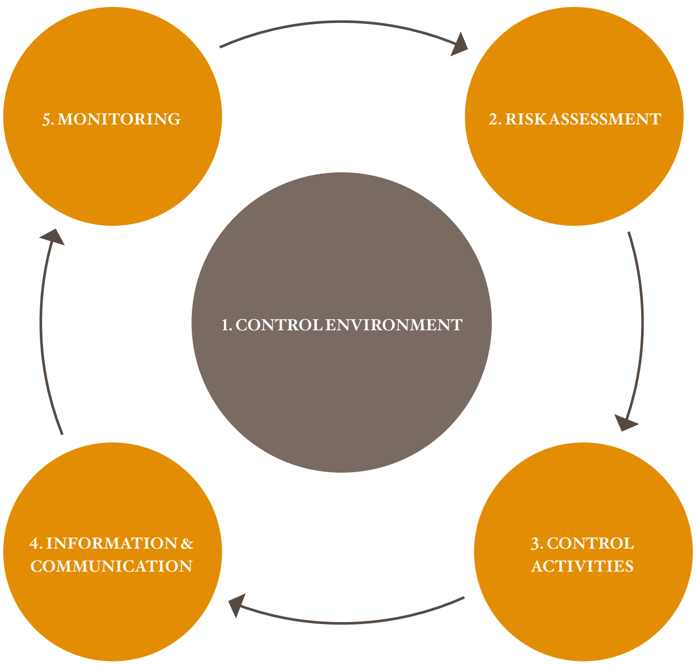
In accordance with the Swedish Corporate Governance Code, the Board of Directors has assessed the need for a separate internal audit function. In view of the size of the group, the Board's current assessment is that there is no need to establish a separate internal audit function. The internal audit activities have been carried out as part of the group's finance function. The need for an internal audit function will be reviewed annually.

INTERNAL GOVERNANCE AND CONTROL IN COOR

Internal control is an integral part of Coor's day-to-day activities, and continuous efforts are made to improve the internal control and minimize risks in financial processes. Through continuous monitoring, evaluation and updating of control activities, Coor creates an effective system of internal control. Internal control activities are conducted in the same way in all of Coor's main countries of operation.

FINANCIAL PROCESSES

- Financial close
- Tax
- Revenue and receivables
- Purchase and payables
- Payroll
- Investments
- IT/IT security



1. CONTROL ENVIRONMENT

- Governing policies, instructions and manuals.
- Defined and communicated lines of command, levels of authority and areas of responsibility.

2. RISK ASSESSMENT

- Review of income statement and balance sheet items with regard to materiality, complexity and the risk of fraud.
- Process descriptions connect risks in underlying processes with control activities.

3. CONTROL ACTIVITIES

- Control matrix – overview of risks and control activities for all processes.
- Structure and classification – a common system with clear traceability for the execution and monitoring of control activities.

4. INFORMATION AND COMMUNICATION

- Updated and clearly communicated policies, instructions and manuals.
- Whistleblower function.
- Communication with external stakeholders through press releases, financial reports and other publications.

5. MONITORING

- Self-assessment twice a year – the company assesses how well it is living up to the requirements of the internal control framework.
- The group's review of key controls in all processes according to a rolling schedule.
- Reporting of conclusions and suggested actions to process owners, management and the Audit Committee.

AUDITOR'S REPORT ON THE CORPORATE GOVERNANCE REPORT

To the shareholders' meeting of Coor Service Management Holding AB, corp. ID no. 556742-0806

Engagement and division of responsibility

Responsibility for the corporate governance report for 2018 on pages 90-98 and for ensuring that it has been prepared in compliance with the Swedish Annual Accounts Act rests with the Board of Directors.

Scope and focus of review

Our review has been conducted in Statement RevU 16 The Auditor's Review of the Corporate Governance Report issued by FAR, the professional institute for accountants in Sweden. Our review of the corporate governance report has a different focus and significantly narrower scope than a full audit conducted in accordance with the International Standards on Auditing and generally accepted auditing standards in Sweden. We believe this review gives us a sufficient basis for our opinion.

Statement

A corporate governance report has been prepared. Disclosures pursuant to Ch. 6 § 6 second para. items 2–6 of the Annual Accounts Act and Ch. 7 § 31 second para. of the same Act are consistent with the annual report and consolidated financial statements and comply with the Annual Accounts Act.

Stockholm, 18 March 2019

Öhrlings PricewaterhouseCoopers AB

NIKLAS RENSTRÖM
Authorized Public Accountant

BOARD OF DIRECTORS

MATS GRANRYD

Board Member since 2016. Chairman of the Board since 2017.

Member of the Project Committee and Remuneration Committee.

BORN: 1962

EDUCATION: M.Sc. in Engineering, KTH Royal Institute of Technology of Stockholm.

WORK EXPERIENCE: President and CEO of Tele2 Group, Managing Director of Ericsson India, UK, Northern Europe & Central Asia and North Africa, Head of Supply & Logistics in the Ericsson Group. Konsult Arrigo and Andersen Consulting.

OTHER CURRENT DIRECTORSHIPS: Director General GSMA. Mmber of the Board of Swedbank.

SHARE OWNERSHIP: 10,000 shares.

ANDERS EHRLING

Board Member since 2017.
Member of the Project Committee.

BORN: 1959

EDUCATION: M.Sc. in Economics and Business, Stockholm School of Economics.

WORK EXPERIENCE: 23 years at SAS, of which the final five years as CEO of SAS Sweden, President and CEO of Scandic Hotels AB, President and CEO of Braathens Aviation AB.

OTHER CURRENT DIRECTORSHIPS: Chairman of Unlimited Travel Group UTG AB, A-Katsastus Group OY and Helsa Vårdutveckling Sverige AB, Member of the Board of Parks&Resorts Scandinavia AB, West Atlantic AB and Dreamtroopers AB.

SHARE OWNERSHIP: 0

MATS JÖNSSON

Board Member since 2000.
Member of the Project Committee.

BORN: 1957

EDUCATION: M.Sc. in Engineering, KTH Royal Institute of Technology of Stockholm.

WORK EXPERIENCE: President and CEO of Coor Service Management. Various positions at Skanska, including President and CEO of Skanska Services.

OTHER CURRENT DIRECTORSHIPS: Chairman of Logent Holding AB and Lekolar AB. Member of the Board of NCC AB and Assemblin Holding AB.

SHARE OWNERSHIP: 329,155 shares.

MONICA LINDSTEDT

Board Member since 2015.
Member of the Remuneration Committee.

BORN: 1953

EDUCATION: M.Sc. and Ph.D. studies in Business Administration, Stockholm School of Economics.

WORK EXPERIENCE:
CEO and founder of Hemfrid i Sverige AB and co-founder of Tidnings AB Metro. CEO of local newspaper Folket in Eskilstuna, Bonniers Fackpressförlag, Eductus AB and Previa AB.

OTHER CURRENT DIRECTORSHIPS: Chairman of Hemfrid i Sverige AB. Member of the Board of Apotea AB, the Centre for Business and Policy Studies (SNS), Sveriges Television AB, and the German-Swedish Chamber of Commerce.

SHARE OWNERSHIP: 10,000 shares.

EMPLOYEE REPRESENTATIVES

GLENN EVANS

Board Member since 2013.

BORN: 1959

Employee representative.

LINUS JOHANSSON

Board Memeber since 2018.

BORN: 1989

Employee representative.

PIER KARLEVALL

Board Member since 2016.

BORN: 1954

Employee representative.

RIKARD MILDE

Deputy Board Member s ince 2016.

BORN: 1967

Employee representative.

KRISTINA SCHAUMAN

Board Member since 2015. Chairman of the Audit Committee and member of the Remuneration Committee.

BORN: 1965

EDUCATION: M.Sc. in Economics and Business, Stockholm School of Economics.

WORK EXPERIENCE: Founder, consulting firm Calea AB. CFO of Apoteket AB, Carnegie Group and OMX AB. Group Treasurer, OMX AB. Vice President, Corporate Finance and Group Treasurer Investor AB.

OTHER CURRENT DIRECTORSHIPS: CEO and Director of Calea AB. Member of the Board of BEWiSynbra Group AB, BillerudKorsnäs AB, ÅF AB, Orexo AB, Nordic Entertainment Group AB and Ellos Group Holding AB.

SHARE OWNERSHIP: 10,000 shares.

HEIDI SKAARET

Board Member since 2016. Member of the Audit Committee.

BORN: 1961

EDUCATION: MBA, University of Washington, USA.

WORK EXPERIENCE: President of Lindorff AS and EVP Lindorff Group AB, CEO of IKANO Bank Norway, Bank Executive DNB ASA.

OTHER CURRENT DIRECTORSHIPS: Chief Operating Officer Storebrand ASA. Chairman of Storebrand Bank ASA, Storebrand Forsikring AS and Storebrand Helseforsikring AS.

SHARE OWNERSHIP: 0

MIKAEL STÖHR

Board Member, President and CEO since 2013.

BORN: 1970

EDUCATION: LL.M. Major in Business Law, Lund University.

WORK EXPERIENCE: President and CEO, Green Cargo AB and Axindustries AB. Vice President, Axel Johnson International AB. Trade Commissioner, Swedish Trade Council in Russia. Consultant, McKinsey & Company. Associate, Mannheimer Swartling Advokatbyrå.

OTHER CURRENT DIRECTORSHIPS: Member of the Board of SJ AB and Ambea AB.

SHARE OWNERSHIP: 78,947 shares and 90,000 call options.

EXECUTIVE MANAGEMENT TEAM

MIKAEL STÖHR

President and CEO since 2013.

See “Board of Directors” for further information about Mikael Stöhr.

ANDERS ASPLUND

HR-Director since 2000.

BORN: 1955

EDUCATION: B.Sc. in Social Services, Stockholm University.

WORK EXPERIENCE: HR Director, ASG and Ohlsson&Skarne. Head of Management Planning Development, Skanska AB.

SHARE OWNERSHIP: 38,598 shares and 27,500 call options.

KLAS ELMBERG

Vice President, Coor Sweden since 2016.

BORN: 1974

EDUCATION: M.Sc. in International Business and Trade, Gothenburg School of Business, Economics and Law.

WORK EXPERIENCE: Several roles at Coor, including President of Coor Norway and Head of Business Unit at Coor Sweden, Management Consultant, Accenture. Controller, Saab Automobile.

SHARE OWNERSHIP: 20,268 shares and 27,500 call options.

ANNACARIN GRANDIN

President of Coor Sweden since 2016.

BORN: 1967

EDUCATION: M.Sc. in Business and Economics, Stockholm University/University of Gävle/Sandviken.

WORK EXPERIENCE: Several roles at Coor, including President of Coor Norway, Veolia (formerly Dalkia) and the Swedish Association of Local Authorities and Regions (SKL).

OTHER CURRENT DIRECTORSHIPS: Member of the Board of CRAMO.

SHARE OWNERSHIP: 34,704 shares and 27,500 call options.

MARCUS KARSTEN

President of Coor Finland since 1 October 2018.

BORN: 1966

EDUCATION: M.Sc. in Business Administration and Economics, Åbo Akademi University.

WORK EXPERIENCE: CEO Bravida Finland, CEO Lemminkäinen Talotekniikka, CEO Tekmanni Service, Head of Business Unit Siemens.

OTHER CURRENT DIRECTORSHIPS: Member of the Board of Oy Hedengren Ab and the Finnish Handball Association.

SHARE OWNERSHIP: 2,750 shares and 27,500 call options.

JENS EBBE RASMUSSEN

Senior Vice President, Business Development & Sales since 2009.

BORN: 1968

EDUCATION: M.Sc. in Business Administration and Economics, Lund University. Finance, École supérieure de commerce de Paris. Cadet, Land Warfare Centre, Skövde.

WORK EXPERIENCE: Management Consultant, McKinsey & Company. Fixed Income Department, Unibank Markets (Nordea). Consultant/External Advisor, Fruktbudet.

SHARE OWNERSHIP: 61,213 shares.

ERIK STRÜMPEL

Chief Legal Counsel since 2006.

BORN: 1970

EDUCATION: LL.M.MAjor in Business Law, Lund University. IFL Executive Education, Stockholm School of Economics.

WORK EXPERIENCE: Solicitor, Linklaters Advokatbyrå. Judicial Clerk, Handen District Court.

SHARE OWNERSHIP: 2,999 shares and 27,500 call options.

OLOF STÅLNACKE

CFO since 2009, IR-Director since 2016.

BORN: 1965

EDUCATION: M.Sc. in Financial Economics and International Business, Stockholm School of Economics.

WORK EXPERIENCE: CFO, The Absolut Company, V&S Group. Several CFO roles and Management Consultant, McKinsey & Company.

OTHER CURRENT DIRECTORSHIPS: Member of the Board and Treasurer, Ericastiftelsen.

SHARE OWNERSHIP: 82,929 shares and 27,500 call options.

NIKOLAI UTHEIM

President of Coor Norway since 2016.

BORN: 1975

EDUCATION: M.Sc. in Economics and Business with a major in Finance, Norwegian School of Management (BI) and Copenhagen Business School.

WORK EXPERIENCE: PwC (transaction-related work), Statoil Norge AS (Chief Controlling and Strategy Projects, Deputy CFO).

SHARE OWNERSHIP: 8,000 shares and 27,500 call options.

JØRGEN UTZON

President of Coor Denmark since 2001.

BORN: 1961

EDUCATION: M.Sc. in Business Administration, Copenhagen Business School. Executive Program, International Institute for Management Development, Lausanne.

WORK EXPERIENCE: CEO, Strax Nordic, Logistics Manager and Service Director, Xerox Danmark. Various executive roles, Rockwool.

OTHER CURRENT DIRECTORSHIPS: Chairman of the Danish Service Sector Employers' Association (SBA) and Director of the Confederation of Danish Industry (DI). Director of Nordomatic AB and Dominus A/S.

SHARE OWNERSHIP: 50,000 shares.

RIKARD WANNERHOLT

Senior Vice President, Operations Development since 2013.

BORN: 1962

EDUCATION: M.Sc. in Economics and Business, Lund University. Advanced Management Program, Stockholm School of Economics. International Executive Program, IESE Business School, Navarra, Barcelona.

WORK EXPERIENCE: President and CEO, Addici. Executive Vice President, EDB Business Partner. CEO, Sun Microsystems Sweden.

SHARE OWNERSHIP: 22,746 shares and 27,500 call options.

MAGDALENA ÖHRN

Communications Director since 2018.

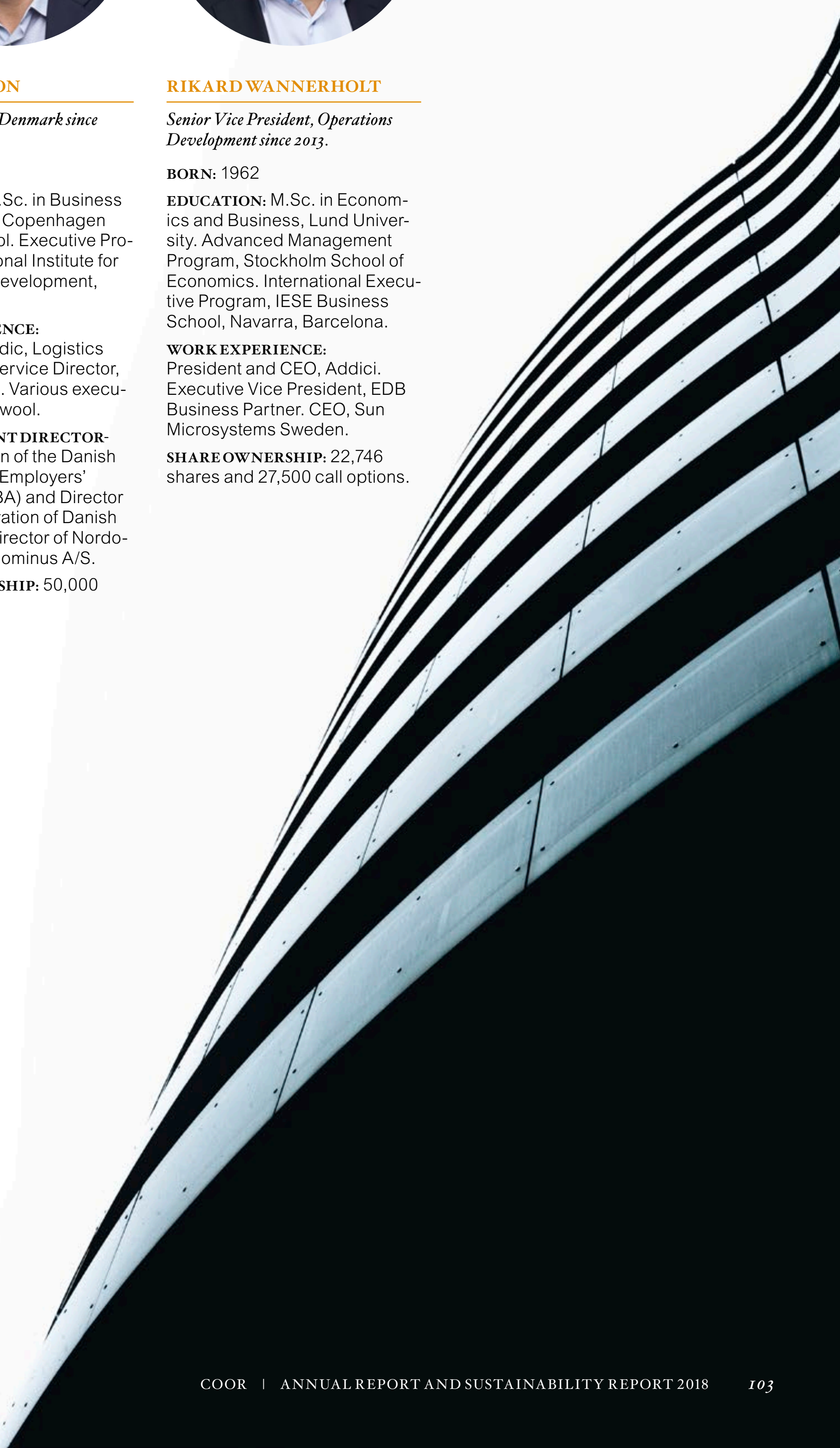
BORN: 1966

EDUCATION: B.Sc. in Information Science, Uppsala University, and the Poppius School of Journalism.

WORK EXPERIENCE: Information Manager, Ving, Head of Department, Account Manager and other roles at Prime PR, Project Manager, Rikta kommunikation, Public Relations Manager, TV3.

OTHER CURRENT DIRECTORSHIPS: Member of the Board of New Hope Reseindustrins Barnfond.

SHARE OWNERSHIP: 1,500 shares and 10,000 call options.



SUSTAINABILITY NOTES

SUSTAINABILITY NOTES

Coor's ambition is to run a sound business, and a commitment to sustainability inspires all aspects of the company's business, from the supplier stage to the end customer. A dedicated organization drives progress on sustainability, which is given the highest priority in all business contexts.

SUSTAINABILITY GOVERNANCE

Coor's framework for sustainability work consists of the group's sustainability policy, Code of Conduct and values/guiding principles. Overall responsibility for the company's sustainability governance rests with Coor's CEO and executive management team. Reporting directly to the executive management team is the Sustainability Management Team (SuMT), which is in charge of managing and monitoring the company's sustainability activities. To ensure that sustainability aspects are integrated in all activities, Coor has a central management model and a sustainability organization which drives the activities. The organization is led by Coor's Head of Sustainability. Health, safety and environment issues are managed nationally, as regulations and practices differ from one country to another. To ensure a uniform approach and spread experience between different operations, the group's sustainability network work cross-functionally across the company's operating units.

As stated in the Corporate Governance Report, the Board of Directors regularly discusses the strategic focus for sustainability. This defines the framework for Coor's sustainability activities, which are directed by the executive management team and the SuMT.

Code of Conduct

Coor's business ethics principles are set forth in a Code of Conduct, which provides guidance for employees in their day-to-day work and in decision-making. The Code of Conduct is stricter than the applicable legislation and covers the whole of Coor. Among other matters, the Code describes how Coor and the company's employees should work to prevent corruption, conflicts of interest and discrimination. At the annual performance review that is offered to each employee, the manager is required to discuss the content of the Code. On this occasion, the employee can confirm in writing that he or she has read, understood and agrees to abide by the Code. Alternatively, all employees also have access to a web-

ABOUT THE SUSTAINABILITY REPORT

Coor Service Management Holding AB (corp. ID no. 556742-0806), publishes an annual sustainability report which describes the company's activities from a sustainability perspective. The report covers all Group companies. This report refers to the year 2018 and is published together with the annual report. The data presented follows relevant reporting and consolidation principles for financial reporting. The Sustainability Report has been prepared in accordance with the GRI standards (Global Reporting Initiative), GRI-referenced. This means that the content of the Sustainability Report reflects those issues which the company and its stakeholders have deemed to be most material. Coor's statutory sustainability report is submitted by the Board but does not form part of the formal annual report documents. The Sustainability Report as prescribed under the Swedish Annual Accounts Act comprises the following pages: 6–9, 24–35, 46–47 and 104–111. The report has been reviewed by Coor's auditors, whose opinion is presented at the end of the report.

SUSTAINABILITY GOVERNANCE AT COOR IN 2018

EXECUTIVE MANAGEMENT TEAM

SUSTAINABILITY MANAGEMENT TEAM

- Vice President Sustainability[1]
- Senior Vice President, Operations Development
- Communications Director
- HR Director
- Chief Legal Counsel and Risk Manager
- Sustainability Manager[1]

EMPLOYEES, HEALTH AND SOCIAL RESPONSIBILITY

- HR Director
- HR Managers in the Nordic countries

HEALTH, SAFETY, ENVIRONMENT AND QUALITY

- Vice President Sustainability[1]
- Sustainability/HSEQ Managers[2] in the Nordic countries

1 Not a member of the executive management team
2 HSEQ is short for health, safety, environment and quality

SUSTAINABILITY NOTES

based course on the Code of Conduct. New employees take the course in connection with their introduction, as it forms part of their terms of employment. The Code of Conduct is available on Coor's intranet and website.

Guidelines for sustainability management

Coor's sustainability management activities are guided by the following international agreements:

- The principles of the UN Global Compact
- The UN Universal Declaration of Human Rights
- The ILO core conventions on labor rights
- The OECD Anti-Bribery Convention

In addition to these, Coor adheres to the principles of the Swedish Corporate Governance Code, including the gender equality principles set forth therein.

Coor is also active in a number of organizations:

- SWERMA
- IFMA
- Vinnova
- SÄKU
- NMC
- Ignite Sweden

In its management system, Coor has also gathered group policies which provide guidance on focus areas and decisions in areas such as sustainability, risk management, communication, IT and purchasing.

Human rights

The equal value of all human beings is a fundamental principle for Coor, and respect for human rights is an essential part of Coor's responsibility as a company. This is integrated in the company's Code of Conduct and relevant processes. It is also essential to the long-term sustainability of the business.

Monitoring

To ensure a value-creating, high-quality and environmentally friendly delivery in a safe and secure work environment, all Coor businesses have been certified according to the ISO 9001:2015, ISO 14001:2015 and 45001:2018 standards. The activities are monitored continually through external and internal audits. DNV GL, which conducts the external audits, stated in its report for 2018 that continued progress had been made during the year. The activities are based on Coor's management system, which is well implemented operationally, and are inspired by the company's forward-looking attitude to global trends in technology, stakeholder requirements, improvement activities and information security. There is a clear and strong commitment to sustainability from the executive management team and managers at all levels. Internal control and legal compliance activities are monitored regularly through internal audits and reported through the management review.

All employees are encouraged to report any hazards or accidents they observe. Processes and procedures contain instructions for the reporting and investigation of incidents. Risk observations, incidents and accidents are reported directly to the relevant manager by mobile phone or computer. The reports are then followed up and targeted risk prevention activities are assessed. The results are followed up and analyzed in each country on a monthly basis and by the executive management team on a quarterly basis. Based on the results, targeted measures and training activities are carried out. New employees are informed about Coor's sustainability policy and revisions to the policy are communicated.

Actio is used as system support. This is the group's mandatory system for goal-oriented activities and action plans in all sustainability-related areas as well as for deviations and reporting of risk observations, incidents and workplace accidents.

Whistleblower portal

Coor has a whistleblower portal where employees, suppliers and customers can anonymously report suspected irregularities at the company. It is an explicit goal for Coor to ensure that all people who are affected by the company's activities are well treated and feel safe and secure. The portal is available in the ten most widely used languages at Coor and guarantees full anonymity to anyone who wants to report an irregularity. The number of cases is presented in the Sustainability indicators table.

Purchasing and supplier monitoring

Purchases are made centrally and locally in each market depending on the nature of the purchase, for example depending on whether the purchase refers to standardized services/products and a Nordic supplier market or a local supplier market and/or services/products for a specific customer. Coor's strategy is to centralize purchases where there are synergies, as in the case of cleaning and hygiene materials for our cleaning delivery, and to decentralize purchases where there are no synergies, as in the case of local property services such as snow removal. Purchases refer mainly to services such as temporary staff, waste management, construction projects and office relocations as well as produce for restaurants, cleaning and hygiene materials, building supplies and other materials.

Before a contract is signed, the supplier is evaluated based on its delivery capacity and sustainability management. The supplier must be able to show that it meets the requirements of Coor's Code of Conduct for Suppliers. A breach of the Code is treated as a breach of contract and can lead to the termination of Coor's relationship with the supplier. During the term of contract, Coor monitors the deliveries as well as the supplier to ensure, as far as possible, that the contract is being followed. The risk model is applied to ensure that the emphasis is placed on those purchasing categories which pose the highest risk to Coor. If a high risk is identified, Coor will perform more thorough checks before signing a contract as well as more frequent checks during the term of the contract. Digital tools are used for ongoing monitoring, and suppliers are required to submit information about their business, including sustainability aspects.

Suppliers are monitored locally as well as centrally. In 2018, Coor initiated a supplier revision project where the focus is on suppliers in high-risk categories. 18 supplier audits were carried out during the year, with good results. Coor engages in a continuous dialogue with suppliers that need to take action in order to meet the company's requirements. In 2018, no supplier contracts were terminated due to a breach of contract.

CHOICES AND PRIORITIES

The ability to interpret and understand business opportunities as well as risks is crucial to successful sustainability management. Coor therefore engages in ongoing dialogue with stakeholders and has a structured approach to business intelligence.

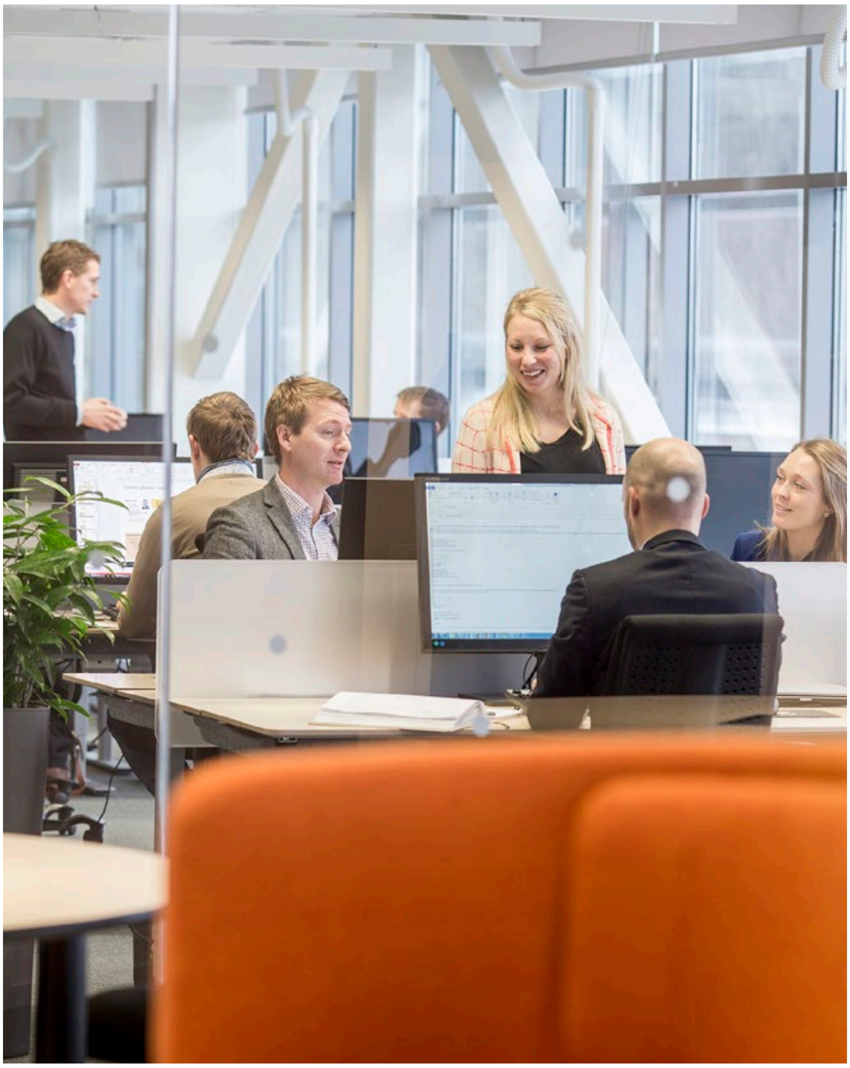
Materiality analysis and focus areas
Coor's materiality analysis is based on stakeholders, risks and opportunities, type of business and the company's significant environmental impact. Material areas for Coor are presented as focus areas in a triple bottom line framework, as described in the section Sustainability. A materiality analysis is performed annually in accordance with the annual plan.

Ongoing stakeholder engagement
Coor's most important stakeholders are employees, customers and owners. Other stakeholders include suppliers, trade unions, authorities and interest groups. Coor identifies which issues are most important for its stakeholders on an ongoing basis to ensure that it is able to determine the right priorities and standpoints. The selection of relevant stakeholders is made in connection with an annual business intelligence review and on the basis of geographic presence, type of business, impact, risks, opportunities and important subjects of common interest for discussion. An agenda is defined with the relevant stakeholder and the main areas of interest for both parties are identified. In 2018, the key issues were health and safety, chemicals, skills transfer, supplier controls and compliance monitoring. Coor's activities in these areas are described in the section Sustainability.

Surveys add to the picture
In the dialogue with stakeholders, personal meetings play a crucial rule. To increase the effectiveness of the direct dialogue, other channels and regular surveys are used to supplement the dialogue, the most important of which are Coor's annual customer and employee surveys.

Decentralized responsibility
At Coor, responsibility for dialogue and communication with a particular target group is decentralized to the person who knows most about the stakeholder group, and this is clearly defined in the company's communication policy.

Operational targets
To ensure a clear link between the materiality analysis and the company's operational performance, operational targets are linked to each focus areas. These targets are defined by the executive management team and monitored based on Coor's process for management by objectives. Based on the business plan, internal operational targets are defined for a three-year period. Action plans for achieving the targets are followed up through the group's digital system, Actio.



STAKEHOLDER GROUP	AREAS OF COMMON INTEREST	MAIN AREAS OF INTEREST FOR COOR	MAIN AREAS OF INTEREST FOR STAKEHOLDER GROUP	KEY TOOLS	GOVERNING PROCESS
Employees	Fair pay Corporate culture and ethics Work environment, health and safety Equal treatment: diversity and safety	Engagement and satisfaction	Opportunity to grow and develop	Regular workplace meetings Performance reviews Management review Salary reviews Employee surveys Training	HR
Customers	Work environment, health and safety Delivery monitoring Supplier control Monitoring of compliance Quality	Customer satisfaction index Work environment, health and safety Customer insight Delivery monitoring Lifecycle perspective	Work environment, health and safety Customer insight Supplier control Monitoring of compliance Innovation/improvement Quality Relationship Green advice, energy issues Efficiency	Ongoing engagement with customers through defined channels (defined for each customer) Operational, tactical and strategic meetings based on a specific meeting structure Delivery monitoring (digital or in paper format) Customer and market research Other customer relationship-building activities	Sales Integration Service delivery Quality Purchasing
Investors and analysts	Integrated and strategic sustainability management Long-term profitability Responsible behavior in the value chain	Earnings performance Risk management Corporate governance Information security and transparency	Dividend policy	Shareholders' meetings Financial reports Open analyst meetings in connection with interim reports Analyst and investor meetings in smaller forums	Strategic management
Suppliers	Market terms	Supplier management Innovation/improvements Work environment, health and safety Contract compliance	Business ethics	Ongoing supplier engagement Supplier monitoring Digital monitoring tools Supplier controls	Purchasing
Trade unions	Labor law issues in accordance with the Co-determination Act (and equivalent laws outside Sweden) Compliance Work environment, health and safety			Major trade unions are represented on the Board Forum for meetings with major unions centrally Local meetings with local unions	HR
Authorities	Laws, regulations and rules	Compliance	Compliance	Structured monitoring Specialist networks Meetings Internal and external audits	Quality
Stakeholder organizations and specialist networks, e.g. SWERMA, IFMA, Vinnova, SÄKU, NMC	Relevant specialist issues	Exchange of experience Market news Trends and developments	Exchange of experience Good practical examples	Active membership through participation in forums and initiatives	

SUSTAINABILITY DATA

Coor reports a number of indicators annually, which together provide a picture of the progress of the company's sustainability management activities.

MONITORING OF SUSTAINABILITY INDICATORS

BUSINESS SUSTAINABILITY	OUTCOME 2018	OUTCOME 2017	OUTCOME 2016
Net sales, SEK million	9,489	7,722	7,272
Adjusted EBITA margin, % [1)]	5.2	6.1	6.0
Cash conversion, % [2)]	80	103	91
Taxes paid, SEK billion [3)]	2.9	2.4	2.3
Number of reported and investigated cases of suspected breaches of the Code of Conduct [4)]	16	13	6
Number of registered and implemented improvement initiatives [5)]	7,676	8,302	8,103
Customer survey score [6)]	68	67	68
Percentage of customer contracts extended [7)]	91	98	80
Contractual loyalty in respect of purchases, annual average, % [8)]	82	81	80

SOCIAL SUSTAINABILITY	OUTCOME 2018	OUTCOME 2017	OUTCOME 2016
Number of managers [9)]	854	679	659
…of which, percentage of women, %	47	48	41
Voluntary staff turnover, % [10)]	12.8	12.6	12.3
Sick leave, % [11)]	6.1	5.8	6.2
Number of risk observations [12)]	4,738	4,170	1,168
Number of incidents	910	736	710
Number of fatalities	0	0	0
TRIF [13)]	13.6	10.7	21.3
LTIF [14)]	9.6	6.9	8.4
Employee survey score [15)]	74	73	69
Leadership index [16)]	76	76	74
Number of major local social development projects	8	7	5

ENVIRONMENTAL SUSTAINABILITY	OUTCOME 2018	OUTCOME 2017	OUTCOME 2016
Number of products registered in the chemicals management system [17)]	4,068	3,456	3,288
Energy use in large Coor offices, kWh/m2 [18)]	56.6	43.3	52.9
Vehicle fleet: average emissions for leased service vehicles, g/km [19)]	130	137	161
Carbon dioxide emissions from business travel (by train or plane) per employee [20)]	0.069	0.084	0.095
Average outcome after environmental audits conducted using Coor Green Services, % [21)]	84.8	83.8	83.2

NOTES

1) For the definition, see *Definitions*.
2) For the definition, see *Definitions*.
3) Refers to all taxes (corporate tax, VAT and employee-related taxes) paid to tax authorities in each year.
4) Cases reported through Coor's whistleblower system, where employees, suppliers and customers can anonymously report suspected breaches of Coor's Code of Conduct.
5) Number of implemented suggestions for improvement, as registered in Coor's IT-based Actio system.
6) Each year, Coor conducts a comprehensive customer survey with the help of an external research firm.
7) The customer retention rate is commented on in the section *Customers and customer contracts*.
8) Percentage of purchases from central and local framework suppliers.
9) A supervisor with staff management responsibilities is defined as a manager.
10) Coor's staff turnover, excluding retirement, has remained stable at a relatively low level compared with other service companies.
11) Sick leave is commented on in the section *Social sustainability.*
12) Efforts to increase the reporting rate have continued and are commented on in the section *Social sustainability.*
13) TRIF (total recordable injury frequency) measures the total number of accidents during the period. The following formula was used to calculate TRIF: total number of accidents x 1,000,000/number of hours worked. Accidents on the journey to and from work are excluded.
14) LITF (lost time injury frequency) measures the total number of accidents resulting in an employee's absence from work for more than 8 hours. The following formula is used to calculate LITF per million hours worked: number of accidents resulting in sick leave (8 hours) x 1,000,000/number of hours worked. Accidents on the journey to and from work are excluded. Definition adopted in 2017.

EMPLOYEE RELATED KEY PERFORMANCE INDICATORS	TOTAL, GROUP	CENTRAL STAFF FUNCTIONS	SWEDEN [23]	NORWAY	DENMARK	FINLAND [24]
Employees 2018 (2017)						
Total number of employees, FTE [22]	9,082 (6,695)	93 (84)	4,222 (3,843)	1,556 (1,163)	2,163 (777)	1,047 (829)
Number of employees, HC	11,174 (7,273)	94 (84)	4,509 (4,121)	1,784 (1,250)	3,620 (912)	1,167 (905)
Share of managers, %	7.6 (9.3)	25.5 (27.4)	7.7 (7.9)	11.6 (13.9)	5.8 (9.3)	5.8 (7.1)
Average age, total	42 (43)	42 (43)	42 (42)	44 (45)	40 (45)	40 (42)
Staff turnover 2018 (2017)						
Total staff turnover, %	13.6 (13.6)	7.8 (7.4)	13.1 (13.3)	5.9 (5.6)	17.1 (18.4)	16.1 (17.0)
… of which voluntary resignation, %	12.8 (12.6)	7.8 (7.4)	12.1 (12.1)	5.3 (4.8)	16.7 (17.6)	14.8 (16.3)
… of which retirement, %	0.8 (1.0)	0 (0)	1.0 (1.2)	0.6 (0.8)	0.5 (0.8)	1.3 (0.7)
Equality 2018 (2017)						
Percentage of women, total, %	59 (53)	39 (36)	54 (54)	41 (45)	62 (51)	65 (61)
Percentage of female managers, %	47 (48)	29 (18)	48 (51)	47 (49)	47 (44)	47 (44)
Health and wellness activities 2018 (2017)						
Sick leave	6.1 (5.8)	2.5 (2.0)	6.1 (5.1)	8.5 (8.5)	5.5 (5.3)	5.0 (4.9)

NOTES, CONT.

15) Each year, Coor conducts a comprehensive employee survey with the help of an external research firm. More information about the results is presented in the section *Social sustainability*.
16) Coor's annual employee survey includes a number of leadership-related questions, which are summarized in a leadership index.
17) Coor uses a chemicals management system, iChemistry. The figure refers to the number of products registered in this system.
18) The figure refers to Coor's offices in Espoo (Finland) and Kista (Sweden). The increase is mainly due to the fact that data for Birkeröd (Denmark) was included in 2017, which resulted in a lower average.
19) Average emissions from the number of service vehicles leased by Coor.
20) The emissions figure has been calculated at a flat rate based on the number of business trips by train and plane that were booked through the group's travel portal. Coor's guidelines state that all business trips must be ordered through the portal. The reduction is partly due to reduced air travel but also to harmonisation with a calculation model based on Defra's guidelines, which resulted in a lower figure than under the previous method.
21) A self-inspection in accordance with instructions from Coor Green Services must be carried out after a discussion with the customer. In 2018, 84 sites were inspected.
22) Number of employees (FTE) refers to the number of employees on a full-time equivalent basis. The figure includes permanent and fixed-term employees. Employees without a guaranteed number of working hours are not included.
23) Including Belgium, Poland and Hungary.
24) Including Estonia.

THE AUDITOR'S OPINION ON THE STATUTORY SUSTAINABILITY REPORT

To the shareholders' meeting of Coor Service Management Holding AB, corp. ID no. 556742-0806

ENGAGEMENT AND DIVISION OF RESPONSIBILITY

Responsibility for the sustainability report for 2018 on pages 6-9, 24-35, 46-47 and 104-111 and for ensuring that it has been prepared in compliance with the Swedish Annual Accounts Act rests with the Board of Directors.

SCOPE AND FOCUS OF REVIEW

Our review has been conducted in accordance with Recommendation RevR 12 The Auditor's Opinion on the Statutory Sustainability Report issued by FAR, the professional institute for accountants in Sweden. Our review of the sustainability report has a different focus and significantly narrower scope than a full audit conducted in accordance with the International Standards on Auditing and generally accepted auditing standards in Sweden. We believe this review gives us a sufficient basis for our opinion.

OPINION

A sustainability report has been prepared.

Stockholm, 18 March 2019
Öhrlings PricewaterhouseCoopers AB

Niklas Renström
Authorized Public Accountant

GRI INDEX 2018

The purpose of this information is to describe at an overall level Coor's approach to sustainability using GRI terminology. References are made to further information in Coor's Annual Report 2018, which includes the company's Sustainability Report and Corporate Governance Report. The Sustainability Report has been prepared in accordance with the GRI standards (Global Reporting Initiative), GRI-referenced.

GENERAL DISCLOSURES

GRI STANDARDS	DISCLOSURE	DESCRIPTION	REFERENCE	COMMENT AND/OR BOUNDARY
GRI 102: General Disclosures (2016)				
	Organizational profile			
	102-1	Name of the organization	Inside cover	
	102-2	Activities, brands, products and services	12-13	
	102-3	Location of headquarters	Back cover	
	102-4	Countries in which the organization operates	41	
	102-5	Ownership and legal form	91	
	102-6	Markets served	10-11, 41	
	102-7	Scale of the company	1-2	
	102-9	Supply chain	105	
	102-10	Significant changes to the organization and its supply chain	41	
	102-11	Application of the precautionary principle	46-47	Coor's approach is based on the precautionary principle and continuous risk assessment.
	102-12	External sustainability initiatives which the organization supports and/or is covered by	25	
	102-13	Membership of associations	105	
	Strategy and analysis			
	102-14	Statement from the CEO about the relevance of sustainability to the company	4-5	
	Ethics and integrity			
	102-16	Values, principles and ethical guidelines	24-35, 104-105	
	Governance			
	102-18	Governance structure	91, 104	
	Stakeholder engagement			
	102-40	Stakeholder groups	107	
	102-41	Number of employees covered by collective bargaining agreements		100 per cent in Sweden, Norway, Denmark, Finland and Belgium.
	102-42	Identification and selection of stakeholders	106	
	102-43	Approach to stakeholder engagement	106	
	102-44	Key topics and concerns that have been raised through stakeholder engagement	106-107	
	Reporting practice			
	102-45	Entities included in the report	82	
	102-46	Process for defining report content	24, 106	
	102-47	Identified material aspects	24, 106	
	102-48	Restatements of information		No material changes.
	102-49	Material changes		No material changes.
	102-50	Reporting period	104	
	102-51	Date of most recent report		April 2017
	102-52	Reporting cycle	104	Annual
	102-53	Contact details for questions regarding the report		Vice President Sustainability, Maria Ekman, maria.ekman@coor.com
	102-54	Claims of reporting in accordance with the GRI Standards	104	
	102-55	GRI content index and level of reporting	110-111	
	102-56	External assurance	109	

SPECIFIC DISCLOSURES

GRI STANDARDS	DISCLOSURE	DESCRIPTION	REFERENCE	COMMENT AND/OR BOUNDARY
GRI 200: Economic				
Economic performance				
GRI 103: Management Approach (2016)	103-1, 103-2, 103-3	Sustainability management	24, 26-27, 104, 106	
GRI 201: Economic Performance (2016)	201-1	Direct economic value generated and distributed	38, 108	
	201-2	Anti-corruption communication and training	104-105	
GRI 300: Environmental				
Emissions				
GRI 103: Management Approach (2016)	103-1, 103-2, 103-3	Sustainability management	24, 33-35, 104, 106	
GRI 305: Emissions (2016)	305-3	Scope 3	108	
Waste				
GRI 103: Management Approach (2016)	103-1, 103-2, 103-3	Sustainability management	24, 34, 104, 106	
GRI 400: Social				
Employee health and safety				
GRI 103: Management Approach (2016)	103-1, 103-2, 103-3	Sustainability management	24, 29-31, 104, 106	
GRI 403: Occupational Health and Safety (2018)	403-1	Occupational health and safety management system	30	
	403-2	Hazard identification, risk assessment and incident investigation	30	
	403-3	Occupational health services	30	
	403-4	Consultation and communication on occupational health and safety		Integrated in day-to-day activities, e.g. through safety inspections, performance reviews and information for visitors.
	403-5	Worker training on occupational health and safety	30	
	403-6	Promotion of worker health	30	
	403-7	Prevention and mitigation of occupational health and safety impacts	30	
GRI 403: Occupational Health and Safety (2018)	403-9	Work-related injuries	30, 108	
Employee training and development				
GRI 103: Management Approach (2016)	103-1, 103-2, 103-3	Sustainability management	24, 29-31, 104, 106	
GRI 404: Training and Education (2016)	404-2	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	29	
	404-3	Percentage of employees receiving regular performance and career development reviews	29	
Diversity and equality				
GRI 103: Management Approach (2016)	103-1, 103-2, 103-3	Sustainability management	24, 29-31, 104, 106	
GRI 405: Diversity and Equal Opportunity (2016)	405-1	Composition of the Board of Directors, management and other employees	100-103, 109	
Supplier assessment of impact on society				
GRI 103: Management Approach (2016)	103-1, 103-2, 103-3	Sustainability management	24, 29-31, 104, 106	
GRI 414: Supplier Social Assessment (2016)	414-1	Percentage of new suppliers that were screened using social criteria		In 2018, Coor signed 86 new agreements with framework suppliers. All were screened using social criteria.

FIVE-YEAR SUMMARY, SELECTED KEY PERFORMANCE INDICATORS

SEK MILLION	2018	2017	2016	2015	2014
Net sales					
Net sales	9,489	7,722	7,272	7,086	6,424
Net sales growth, %	*22.9*	*6.2*	*2.6*	*10.3*	*6.8*
of which organic growth, %	*10.2*	*5.6*	*3.1*	*10.8*	*6.2*
of which acquired growth, %	*9.9*	*0.0*	*0.0*	*0.0*	*0.0*
of which foreign exchange effects, %	*2.8*	*0.6*	*-0.5*	*-0.5*	*0.6*
Earnings and margins					
Operating profit (EBIT)	219	268	242	71	-88
EBIT margin, %	*2.3*	*3.5*	*3.3*	*1.0*	*-1.4*
EBITA	394	438	418	248	243
EBITA margin, %	*4.2*	*5.7*	*5.8*	*3.5*	*3.8*
Adjusted EBITA	490	468	435	363	345
Adjusted EBITA margin, %	*5.2*	*6.1*	*6.0*	*5.1*	*5.4*
Adjusted EBITDA	558	517	476	404	385
Adjusted EBITDA margin, %	*5.9*	*6.7*	*6.5*	*5.7*	*6.0*
Profit before tax	157	244	167	-44	-359
Profit after tax	104	188	123	193	-315
Adjusted net profit	280	358	300	370	15
Cash flow					
Operating cash flow	354	492	414	295	257
Cash conversion, %	*80*	*103*	*91*	*115*	*108*
Capital structure					
Net working capital	-626	-630	-552	-503	-417
Net working capital/Net sales, %	*-6.6*	*-8.2*	*-6.5*	*-7.1*	*-6.5*
Net debt	1,318	699	807	945	2,668
Leverage, times	2.4	1.4	1.7	2.3	6.9
Equity/assets ratio, %	*33*	*40*	*44*	*45*	*18*
Dividend, SEK	4.00[1)]	4.00	3.00	2.00	n/a
Other					
Number of employees (FTE) at year-end	9,082	6,695	6,108	6,142	5,809

1) Proposed dividend that is subject to adoption at the Annual General Meeting on 2 May 2019.

PURPOSE OF THE SELECTED KEY PERFORMANCE INDICACTORS

To give its investors and other stakeholders clearer information about the group's operations and its underlying success factors, Coor has chosen to provide information about a number of key performance indicators. The purpose of these indicators is explained below. For definitions of terms and information on how the key performance indicators are calculated, see the section Definitions.

GROWTH

The group considers that organic growth best reflects the underlying growth of the business, as this measure excludes the effect of acquisitions and fluctuations in exchange rates.

EARNINGS AND PROFITABILITY

To reflect the performance and profitability of the underlying business more accurately, the group has defined key performance indicators in which earnings have been adjusted for items affecting comparability and for amortization and impairment of goodwill, customer contracts and trademarks. The group believes adjusted EBITA is the measure of operating profit that most clearly reflects the underlying profitability of the business. It is also on the basis of this earnings measure that the group's segments are monitored and evaluated internally.

The earnings measure adjusted net profit excludes the non-cash items amortization and impairment of goodwill, customer contracts and trademarks from consolidated net profit and is used as a basis for decisions on the payment of dividends to shareholders.

CASH FLOW AND WORKING CAPITAL

The group continuously monitors operating cash flow, which includes operating profit (excluding non-cash items), net investments and changes in working capital. The group has chosen to exclude cash flow related to financial transactions and income taxes from this measure in order to provide a clearer picture of the cash flow generated by the operations.

The group's target is a cash conversion of at least 90 per cent on a rolling twelve-month basis. To ensure that the measure provides a true and fair picture over time, the group calculates cash conversion using measures of operating profit and operating cash flow which exclude items affecting comparability.

To achieve the defined target for cash conversion, strong emphasis is placed on minimizing working capital and maintaining negative working capital. The group therefore continuously monitors the size of working capital relative to net sales.

NET DEBT AND LEVERAGE

To ensure that the group has an appropriate funding structure at all times and is able to fulfill its financial obligations under its loan agreement, it is relevant to analyze net debt and leverage (defined as net debt divided by adjusted EBITDA). The group's objective is to maintain a leverage of less than 3.0 times.

RECONCILIATION OF SELECTED KEY PERFORMANCE INDICATORS, SEK MILLION	2018	2017	2016	2015	2014
EBIT	**219**	**268**	**242**	**71**	**-88**
Amortization and impairment of customer contracts and trademarks (*Note 11*).	176	170	176	177	331
EBITA	**394**	**438**	**418**	**248**	**243**
Items affecting comparability (*Note 4*)	95	29	17	115	102
ADJUSTED EBITA	**490**	**468**	**435**	**363**	**345**
Depreciation/amortization	68	50	41	41	39
ADJUSTED EBITDA	**558**	**517**	**476**	**404**	**385**
Profit for the period, continuing operations	**104**	**188**	**123**	**193**	**-315**
Amortization and impairment of customer contracts and trademarks	176	170	176	177	331
ADJUSTED NET PROFIT	**280**	**358**	**300**	**370**	**15**
SPECIFICATION OF WORKING CAPITAL					
Inventories	14	12	11	17	17
Accounts receivable	1,343	1,159	1,080	1,069	1,155
Other receivables	123	18	12	15	21
Prepaid expenses and accrued income	352	374	395	368	426
Accounts payable	-1,023	-944	-790	-835	-893
Other liabilities	-249	-189	-185	-182	-209
Accrued expenses and prepaid income	-1,185	-1,059	-1,018	-893	-908
Less discontinued operations	0	0	-52	-55	-25
Less interest-bearing receivables/liabilities	-1	-1	-5	-9	-1
WORKING CAPITAL	**-626**	**-630**	**-552**	**-503**	**-417**
SPECIFICATION OF NET NEBT					
Long-term borrowings	1,744	1,399	1,401	1,367	2,802
Short-term borrowings	4	3	7	12	216
Provisions for pensions	20	19	19	18	10
Cash and cash equivalents	-435	-709	-603	-428	-335
Long-term interest-bearing receivables	-14	-12	-12	-15	-13
Interest-bearing operating receivables	-1	-1	-5	-9	-13
NET DEBT	**1,318**	**699**	**807**	**945**	**2,668**

OPERATING CASH FLOW	2018	2017	2016	2015	2014
Operating profit (EBIT)	219	268	242	71	-88
IPO-related expenses recognized in equity	0	0	0	-49	0
Depreciation, amortization and impairment	244	219	217	218	370
Net investments	-83	-74	-70	-46	-23
Change in net working capital	-27	89	29	106	57
Non-cash items	2	-11	-4	-4	-58
OPERATING CASH FLOW	**354**	**492**	**414**	**295**	**257**
CASH CONVERSION					
Adjusted EBITDA	558	517	476	404	385
Change in net working capital	-27	89	29	106	57
Net investments	-83	-74	-70	-46	-23
Other	-1	-2	-1	0	-2
Cash flow for calculation of cash conversion	**447**	**531**	**434**	**463**	**416**
CASH CONVERSION, %	**80**	**103**	**91**	**115**	**108**

DEFINITIONS

FINANCIAL CONCEPTS AND KEY PERFORMANCE INDICATORS

Cost of services sold
Costs which are directly related to the performance of the invoiced services, depreciation and impairment of machinery and equipment, and amortization and impairment of goodwill, customer contracts and trademarks.

Items affecting comparability
Items affecting comparability mainly comprise costs for integration of contracts and acquisitions as well as more extensive restructuring programs. Items affecting comparability are included either in cost of services sold or selling and administrative expenses.

EBITA
Operating profit before amortization and impairment of goodwill, customer contracts and trademarks.

Adjusted EBITA
Operating profit before amortization and impairment of goodwill, customer contracts and trademarks, excluding items affecting comparability.

Adjusted EBITDA
Operating profit before depreciation, amortization and impairment of all property, plant and equipment and intangible assets, excluding items affecting comparability.

Adjusted net profit
Profit after tax excluding amortization and impairment of goodwill, customer contracts and trademarks.

Operating cash flow
Cash flow from operating activities excluding interest income, interest expense and income tax paid, but including net investments in intangible assets and property, plant and equipment.

Net working capital
Non-interest-bearing current assets less non-interest-bearing current liabilities at the balance sheet date.

CALCULATION OF KEY PERFORMANCE INDICATORS

Net sales growth
Change in net sales for the period as a percentage of net sales for the same period in the previous year.

Organic growth
Change in net sales for the period as a percentage of net sales for the previous year, excluding acquisitions and foreign exchange effects.

Acquired growth
Net sales for the period attributable to acquired businesses, excluding foreign exchange effects, as a percentage of net sales for the same period in the previous year.

Operating margin (EBIT margin)
Operating profit as a percentage of net sales.

EBITA margin
EBITA as a percentage of net sales.

Adjusted EBITA margin
Adjusted EBITA as a percentage of net sales.

Adjusted EBITDA margin
Adjusted EBITA as a percentage of net sales.

Earnings per share
Profit for the period attributable to shareholders of the parent company divided by the average number of ordinary shares.

Equity per share
Equity at the end of the period attributable to shareholders of the parent company divided by the number of shares at the end of the period.

Cash conversion
Adjusted EBITDA less net investments and adjusted for changes in working capital, as a percentage of adjusted EBITDA.

Net working capital/net sales
Net working capital at the balance sheet date as a percentage of net sales (rolling 12 months).

Net debt
Interest-bearing non-current and current assets less non-current and current interest-bearing liabilities at the end of the period.

Leverage
Net debt at the end of the period divided by adjusted EBITDA.

Equity/assets ratio
Consolidated equity and reserves attributable to shareholders of the parent company, as a percentage of total assets at the end of the year.

GENERAL CONCEPTS

Workplace services
Can be divided into cleaning, food & beverages, security, etc. Examples of such services include the operation of staff restaurants, security guards and support services (including plant care and conference support).

Contractual loyalty (purchases)
Percentage of purchases from central and local framework suppliers.

The company
When Coor uses “the company”, this refers to Coor Service Management Holding AB and all companies in the group, including subsidiaries.

Services provided in-house
Services provided by Coor staff rather than by subcontractors.

Property services
Both interior and exterior property services, such as maintenance, repairs and work on properties.

FM and the FM market
Services in and around a property, such as property maintenance, cleaning, food & beverages and security.

Full-time equivalents
Full-time employee equivalents, or FTE for short. The number of employees on a full-time equivalent basis.

HSEQ
Short for health, safety, environment and quality.

IFM
Integrated facility management, also called TFM (total facility management) and IFS (integrated facility services). Coordinated management and control of two or more facility management services.

Nordic region
Denmark, Finland, Norway and Sweden (Iceland excluded).

Service management
Service management is defined as coordinated control and management of a number of services. The idea is to manage one or several services in a more structured and coordinated way, and to deliver what has been agreed more efficiently using established processes, and at the agreed cost and quality.

SME
Small and medium-sized enterprises.

SPECIFIC SHAREHOLDER INFORMATION

ANNUAL GENERAL MEETING 2019

Participation at the AGM

Coor's Annual General Meeting will be held on 2 May 2019, at 3 p.m. at the Kista Entré conference hall, Knarrarnäsgatan 7, Kista. Shareholders who wish to participate at the AGM are required to register in advance. Information about how to register is provided in the notice of AGM.

Notice and registration

The notice of AGM will be published on 26 March 2019. The deadline to register for the AGM is 25 April 2019.

Record date

6 May 2019.

FINANCIAL CALENDAR 2019

2 May 2019	Interim report January – March 2019
2 May 2019	Annual General Meeting 2019
18 July 2019	Interim report January – June 2019
7 November 2019	Interim report January – September 2019
12 February 2020	Year-end report January – December 2019

A continuously updated calendar is available at coor.com/investors.

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