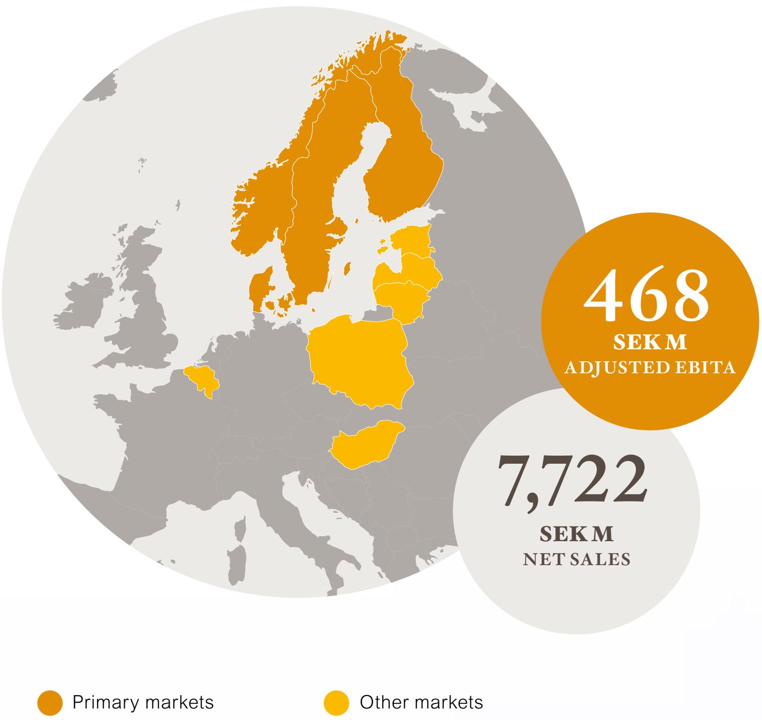
ANNUAL REPORT 2017

INCLUDING SUSTAINABILITY REPORT

Coor Service Management Holding AB

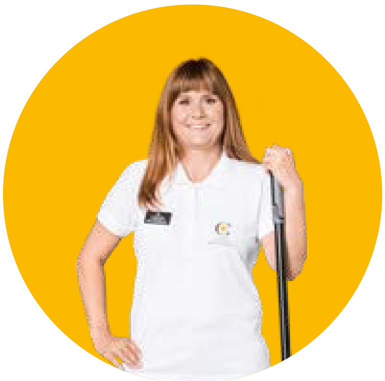
THE NORDIC REGION'S LEADING FACILITY MANAGEMENT COMPANY

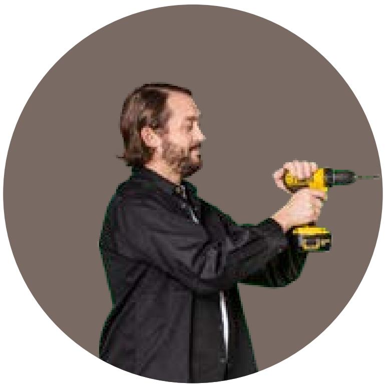
Coor is one of the Nordic region's leading service providers in facility management. Coor's customer base includes large and small companies in many sectors and industries. Coor has its home market in the Nordic region, but also has a presence in Belgium, Poland, Hungary and the Baltic region as the Company has followed some large clients out into Europe.



SERVICE *with* IQ

Coor coordinates, executes and develops various services in and around a given property. Coor offers innovative, customized and flexible service solutions creating business benefits for customers. The Company has specialist competence in property services (hard FM) and workplace services (soft FM). Customers are also offered strategic advisory services in these areas. Coor's offering includes over 100 services that are either delivered as integrated FM services (IFM) or as single FM services. The ambition is to deliver the market's smartest and most developed service offering – we call it Service with IQ.





WORKPLACE SERVICES

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

Strategic advisory services, such as workspace optimization, strategy and implementation of activity-based workplaces are also part of the offering for this segment.

PROPERTY SERVICES

Property services account for 36 per cent of consolidated sales. The services include both basic maintenance assignments and complex efforts, such as energy optimization, security solutions and technical property systems.

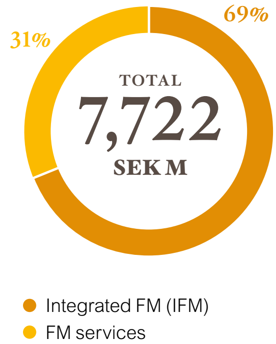
Strategic advisory services, such as reconstruction/construction and security consulting, various KPI-analyses and action plans are also part of the offering for this segment.

COOR IN THE NORDIC REGION

	NET SALES, SEK M	ADJUSTED EBITA, SEK M	NUMBER OF EMPLOYEES
SWEDEN	4,527	456	3,843
NORWAY	1,851	123	1,163
DENMARK	799	37	777
FINLAND	550	16	829

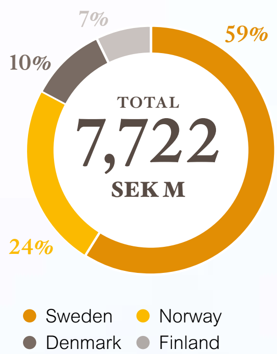
COOR IN FIGURES

NET SALES BY TYPE OF CONTRACT



NET SALES BY SERVICE CATEGORY

NET SALES BY COUNTRY

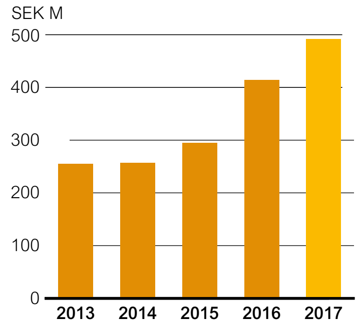


2017 – GROWTH AND STRONG CASH FLOW

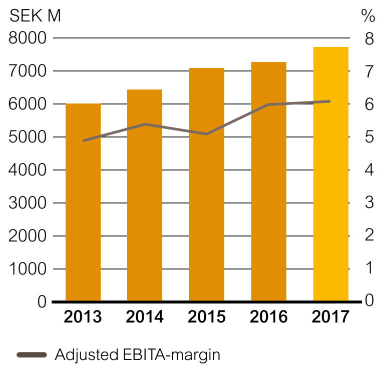
Growth and strong cash flow create opportunity for value-creating acquisitions and high dividend.

Mikael Stöhr, President and CEO

OPERATING CASH FLOW



NET SALES AND ADJUSTED EBITA-DEVELOPMENT



RESULT IN BRIEF, GROUP	2017	2016
Net sales, SEK m	7,722	7,272
Organic growth, %	6	3
Adjusted EBITA, SEK m	468	435
Adjusted EBITA-margin, %	6.1	6.0
EBIT, SEK m	268	242
Profit after tax, SEK m	188	123
Operating cash flow, SEK m	492	414
Earnings per share, SEK	2.0	1.3
Number of employees at the end of the year (FTE)	6,695	6,108
Dividend, SEK	4.00[1]	3.00

1) Proposed to the annual general meeting

492
SEK M
OPERATING CASH FLOW

Q1

- Coor wins a new IFM assignment with ABB for services to be provided at a number of facilities in Sweden, Norway, Finland, Estonia, Latvia and Lithuania.
- Extended assignments with Aibel, SAS and Akelius, among others. Letter of Intent signed with Gävleborg County Council for a new cleaning assignment.
- Anders Ehrling is proposed as a new Board Member.

Q2

- Coor, as the first company in Europe, is testing the next generation cleaning robot.
- Coor was awarded the contract to provide patient meals at Karolinska University Hospital in Solna. Coor will provide meals to patients and run the food preparation kitchen in the new hospital.
- Coor announces plans to divest its damage services business in Norway.

Q3

- The sales process of the damage services business in Norway was concluded through an agreement with Polygon.
- Coor extended a Nordic IFM contract with Telia Company, one of Coor's ten largest customers.
- Launch of Coor SmartClimate™, a system to measure and improve the indoor climate.

Q4

- Coor signed a new agreement with Sokotel in Finland and a new four-year agreement with the Municipality of Copenhagen.
- Magdalena Öhrn was appointed Communications Director and will join the Group's Executive Management Team. She took office on 15 January 2018.
- Extended IFM agreement with Borealis and GKN Aerospace. Extended and expanded agreement with Vasakronan and Fortum Värme.

CUSTOMER EXPERIENCE AT THE CENTRE

Coor delivered its best annual results ever in 2017, exceeding 2016's high point. By keeping the service experience in focus, we create added value for our customers in a market with great potential for continued growth.

Coor's Nordic home market offers good opportunities for expansion, partly because a large share of it still has not been outsourced, and partly because a larger proportion of companies is now ready to move towards an integrated approach in their FM services. For Coor, this is an interesting starting point for coming years – and there is still a lot left to do.

As service delivery always takes place between a customer and a supplier, customer relationships are extremely important for Coor. Our goal is to have satisfied customers who want to continue working with us in the years to come. To succeed, we must have solid professional expertise within the FM services we offer, as well as good knowledge of our customers and the challenges they face.

It is through our ability to understand our customers that we can adapt and develop our services to suit new needs. That is how we will become a value-adding partner for our customers.

AUSPICIOUS CUSTOMER PARTNERSHIPS

In 2017, Coor renegotiated contracts at a volume of approximately SEK 1 billion. Over a period of three years, the reten-

tion rate is 89 per cent, which says a lot about the long-term perspectives of our customer partnerships. Examples of extended IFM contracts include SAS, Telia Company, Borealis, GKN Aerospace and Fortum Värme. Coor also signed a number of new agreements during the year, such as Sokotel in Finland and the Municipality of Copenhagen. The largest IFM contract was signed with ABB for delivery to a number of facilities in the Nordic and Baltic regions. Also, in the public sector, Coor expanded its business through its contract to deliver patient meals to Karolinska University Hospital in Solna, and deliver cleaning to Gävleborg County Council. We now close 2017, as a year of very good growth.

PROGRESS IS PART OF OUR DNA

Innovation is something we continuously and systematically work with at Coor. Our innovation work is undertaken through large Group-wide initiatives such as the development of Coor SmartClimate, as well as in individual contracts where our employees work to further develop deliveries through continuous improvements. Our success lies in our ability to create customer value and we do this through our dedicated employees who, through their understanding of our customers' everyday lives, can develop their work methods and responsibilities. All employees should feel that they make a difference and that they are valuable. It is in a creative environment characterised by openness that we can fully help our customers to become more productive, efficient and sustainable.

PASSION FOR PEOPLE

Coor is a value-based company and we have clear models for how we help our managers and employees to develop. One goal is to have the best managers on the market. Managers who give individuals responsibility and development opportunities through clear leadership. It is the manager's role to build commitment and provide the best possible conditions for their employees. Both as a manager and an employee, a genuine interest in progressing and developing is needed. We call this *passion for people*.

For several years, we have rewarded deserving employees with Coor Awards. These internal awards are presented annually in the following five categories; Employee of the Year, Manager of the Year, Innovation of the Year, Sales of the Year and Guardian Angel of the Year. Coor Awards are a means for us to reward exceptional efforts in these important areas and the awards are highly appreciated.

Passion for service is the key to our success

SUSTAINABILITY IN PRACTICE

Coor strives for a corporate culture characterised by diversity and tolerance. We want the entire business to be permeated by high risk awareness, as well as by care for the environment and society - this is sustainability in practice. As sustainability issues extend beyond our own business, they need to be integrated into a global context and, therefore, we have linked our sustainability goals to five of the UN's 17 global sustainability goals that are most relevant to Coor. Working with these issues is also a requirement if our business is to be justifiable in the future.

STRONG DEVELOPMENT

Coor has delivered its best annual results ever in 2017. A strong market and good customer relationships are part of the reason, another is that we are seeing the results of several internal improvement programmes. Coor sums up 2017 with 6 per cent organic growth, 7 per cent improvement in operating profit, 103 per cent cash conversion and a continued good pipeline of new business opportunities across the Nordic region.

GOOD PROSPECTS

Coor completed two acquisitions after the end of 2017, OBOS Eiendomsdrift AS and Elite Miljø A/S, thereby further strengthening our position on the Nordic FM market. Our ambition is clear: to create the market's best offering with the customer experience at the centre. Service quality is about the customer's perceived value of the services we deliver, and what separates us from other service companies is that we are passionate about what we do - passion for service.

Stockholm, March 2018

Mikael Stöhr
President and CEO

GOAL-ORIENTED BUSINESS

Coor is a responsible corporate citizen. Coor has, therefore, adopted long-term ambitions in terms of business, social and environmental sustainability. The short-term operational goals describe the areas the company will focus on in the coming financial year.

LONG-TERM GOALS

Coor strives to conduct business in a way that is responsible and sustainable in the long term. Customers, employees, owners and other stakeholders should be able to trust that Coor manages its business professionally, profitably, safely and sustainably over time. The ambition is to create value in three dimensions: business, social and environmental. Read more about Coor's work in the three dimensions in the *Sustainability Report*.

SHORT-TERM OPERATIONAL GOALS

Each year, Group Management sets internal operational targets determining the way in which the business is managed. These goals are also included in the three sustainability dimensions. The operational goals are key management instruments for the business and are channelled down through the organization. They are specified for each country, business unit and region/contract. In order to effectively manage the business, action plans are drawn up locally. All employees are involved in the preparation of these plans, which creates commitment to the Group's development. Action plans are followed up at country and Group level three times a year.

In addition to internal objectives, Coor also has external objectives. On the next page, the external financial targets and outcomes for the last three years are reported.

LONG-TERM AMBITIONS

BUSINESS SUSTAINABILITY

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

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.

ENVIRONMENTAL SUSTAINABILITY

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

FINANCIAL TARGETS AND OUTCOMES 2015-2017[1]

Target	Description	2017	2016	2015
ORGANIC GROWTH OF 4–5%	Over a business cycle, Coor is to grow organically by 4-5 per cent annually. The growth rate may vary between years due to changes in the customer base. The organic growth can also be supplemented with acquisitions.	6%	3%	11%
ADJUSTED EBITA MARGIN ~5.5%	In the medium term, Coor is to deliver an adjusted EBITA margin of around 5.5 per cent.	6.1%	6.0%	5.1%
CASH CONVERSION >90%	In the medium term, Coor is to maintain cash conversion exceeding 90 per cent.	103%	91%	115%
CAPITAL STRUCTURE <3.0	The target in the medium term is that Coor's net debt is to be less than 3.0 times the adjusted EBITDA.	1.4	1.7	2.3
DIVIDEND POLICY[2] ~50%	The target is to distribute about 50 per cent of the company's adjusted net profit for the period (before amortization and impairment of intangible assets) to the shareholders.	107%	96%	52%

[1] Excluding damage services business sold in 2017.
[2] For 2017, the proposed dividend is to be determined by a resolution of the annual meeting of shareholders to be held on 26 April 2018.

FIVE STRATEGIC AREAS

Coor's strategic platform consists of five areas setting the direction for all of its activities. These make it easier to prioritize from a holistic perspective and lead to Coor's vision of being the leading facility management provider in the Nordic region.

A DISTINCT BUSINESS CONCEPT

Coor's business concept is to take over, manage and develop services in offices, properties, production facilities and the public sector. The ambition is to conduct our business in an efficient, long-term sustainable and value-creating manner in relation to customers, employees and investors, but also society and the environment at large.

Coor offers intelligent services that support the customers' core business, and continuously develops and adapts these services to the customer's changing requirements and challenges. To be at the forefront, Coor adapts its services to the new needs that arise in a connected society with an agile approach and new consumption patterns. Coor offers *Service with IQ*.

A CLEAR 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 market leader of integrated FM deliveries to larger businesses with complex needs in the Nordic region. In order to maintain market share and continue to grow within the IFM segment, it is important that Coor offers the best solutions to the market, with a strong customer focus and continuous work with improvements, value-added development and innovations.

GROWTH IN SINGLE SERVICES

Within Coor, there is major competence and leading expertise in many different service areas, which is a strategic advantage for expansion in single service segments. Coor has chosen to expand within property services, cleaning and food & beverages, as these three form the basis of the majority of customer agreements.

CUSTOMIZED DELIVERY

Coor's service offering is adapted to the customer's needs. The delivery model is based on a mix of employees and subcontractors. This mix provides a flexible and customized delivery catering to all of our customers' needs.

OPERATIONAL EFFICIENCY

Coor has a strong focus on improvement and efficiency. Coor is a service provider supplying increased customer benefit by introducing new innovations that, among other things, increase customer efficiency. The continuous improvement of operations is an important part of everyday life for Coor's employees. Coor operates Group-wide development and efficiency projects as part of its work with increased customer benefit.

NORDIC SPECIALIST

Coor's home market is the Nordic region. Coor's position in the Nordic market shows that Coor is the first choice for many companies in the Nordic region. Many of the major Nordic companies have high technical maturity and are attracted to Coor's innovative development agenda and focus on efficiency. Coor has also chosen to follow some large customers into new European markets.

A STABLE MARKET IN POSITIVE DEVELOPMENT

The Nordic FM market is growing. Coor holds the position as the leader in IFM services and focuses, at the same time, on growth in single FM services.

STRONG GROWTH WITHIN IFM

In total, the FM market in the Nordic region is estimated to have a turnover of around SEK 400 billion, where more than SEK 200 billion is outsourced to third parties. The annual growth is estimated at 2-3 per cent, mainly driven by a growing shift from own delivery to outsourced solutions. Of this SEK 200 billion, outsourced IFM services constitute a minor portion of around SEK 14 billion, although the market is growing faster by around 5-6 per cent per year. The most well-developed markets for IFM services are in Sweden, Denmark and Norway. In Finland, it is still most common that customers buy single services from a variety of suppliers.

TWO KINDS OF CUSTOMERS

Today's Nordic FM market can be divided into two different customer groups. One group consists of companies or organizations with explicit IFM strategies who choose one supplier for all services. These customers are often found among large companies and organizations. They seek development, innovation, greater technical content and digitalization. The other customer group consists of companies or organizations having a narrower need and who purchase smaller deliveries of single FM services; these customers generally seek good quality at a good price and are most often found in the segment of small and medium-sized enterprises (SME).

COOR KEEPS ITS MARKET POSITION WITHIN IFM

During the year, the number of SME transactions increased in the market. Coor's offering has done well in competition and the market share in the SME segment has, therefore, increased. The number of procurements of IFM contracts may differ from year to year, but over time, the share of contracts won by Coor is stable. Coor is the market leader in IFM with 37 per cent of the market. ISS and Sodexo are the two largest competitors in the IFM segment.

SMALLER DEALS EVEN OUT

In individual FM services, Coor's explicit objective is to grow in property service, cleaning and food & beverages among small and medium-sized enterprises. The purpose is to create a stable revenue flow that balances the more uneven flow of large IFM deals.

Today, more companies choose to buy services from the same supplier for the majority of their offices within a larger geographic area. These smaller transactions are an important part of Coor's growth in the future. Coor has many different competitors for these contracts.

STRONG TRENDS

There are several trends in the Nordic FM market. Coor mainly works with the trends described below.

Digitalization and innovation

Digitalization is making strong progress, primarily in the larger IFM assignments. For some time now, the *internet of things* has been a highly relevant area in the industry with connected offices or entire properties in which sensors communicate with each other, controlling and signalling when something needs to be addressed. This year, digitalization has become concrete - products and applications are in use by customers and the demand for new innovations has grown.

Large relation-based contracts

Among larger companies, so-called relation-based contracts are becoming increasingly common whereby a customer and client enter a more extensive and longer partnership to jointly develop the business in the best possible manner for both parties. These contracts are less detail oriented and are governed by jointly set goals.

Continued focus on sustainability and quality

The customers are to a larger extent evaluating the manner in which FM suppliers work to safeguard society's resources and how they contribute to a more sustainable environment in the areas in which they work. Quality issues are also becoming increasingly important in the selection of FM suppliers. Many companies have realized that a qualitative FM delivery can create comfort, improve efficiency, improve the operations and also strengthen one's own brand.

SERVICE SOLUTIONS OF THE FUTURE ALREADY TODAY

Coor offers a broad range of FM services to companies in many different sectors and industries. Through innovation and development, the industry's best offering is created.

SERVICE WITH IQ

Coor tailors intelligent service solutions to the customers' needs and circumstances. To be on the forefront, the solutions need to be adapted to today's society with an agile approach, new consumption patterns and digitalization. Coor does this by delivering smart services – Service with IQ. The customers also increasingly ask how Coor can best support their core business, such as by making offices more attractive and staff more productive, or logistics and peripheral services at hospitals more efficient and better. Ultimately, it is always about creating a positive customer experience among the end users.

UNDERSTANDING THE CUSTOMER'S CORE OPERATIONS

In order for Coor to be able to deliver the best service, Coor's employees need to understand the customer's core business and needs. Seeing the customer's business in a broader context and having the courage to think innovatively and outside the box is central to delivering maximum value to the customer. To support this, the majority of Coor' employees have taken the course *Star-class Service*, a course on service skills, customer approach and customer understanding.

AGILE WORKPLACES

During the year, Coor has helped many customers transform from a traditional office environment to a more operationally adapted, activity-based environment. The objective is often to increase the customer's attractiveness as an employer, the motivation and productivity among the customer's employees and the optimal utilization of the office space. Agile work environments require an adapted service delivery and this is something that Coor actively works with and continuously develops.

FOCUS ON INNOVATION AND DEVELOPMENT

Within Coor, digitalization is under way in full swing. More user friendly and effective tools for resource planning and mobility are being developed and introduced in the service areas of property services and cleaning. The tools in the form of hand units and apps, for example, help Coor's employees become more effective. In the formulation of new, or the development of existing, customer contracts, innovation is a key factor.

SMART SOLUTIONS MORE SCALABLE

The demand for Coor Smart Solutions – innovative technology-based solutions with considerable customer value – is growing among customers. During the year, already existing smart solutions were made fully scalable, such as Coor SmartFlow™ for effective postal handling and Coor SmartResponse™ for simple fault reporting and case management. Adding to the growing portfolio of smart solutions was Coor SmartClimate™, an entirely new solution for the analysis of indoor climates and an improved version of Coor SmartUtilization™, which maps occupancy and available space.

CAPTURING NEW TRENDS

Coor is open to adopting new concepts and trends, both at an overall level and for specific customers. During the year, several new concepts were launched within food & beverages. Notable among these are Coor's new restaurant and café concept Livet ('the Life') and mobile deliveries of food and beverages by bicycle and food trucks.

ENVIRONMENTALLY FRIENDLY SOLUTIONS

To be a good collaborative partner for customers with high environmental ambitions, Coor has developed its own environmental tool, Coor Green Services. Using this tool, Coor can proactively propose concrete environmental improvement measures in a large number of services.

COOR SMART SOLUTIONS

Read more at
www.smartoffice.coor.com

Coor SmartArchive™

Digitalization of documents and archiving for cost-effective and simple access.

Coor SmartFlow™

An efficient digital post management system for mobile personnel and agile workplaces.

Coor SmartReception™

Enables personal customer service and interaction remotely.

Coor SmartClimate™

Digital solution for measuring and improving the indoor climate.

Coor SmartID™

An efficient management system for ID cards and authorizations.

Coor SmartResponse™

Simple fault and case management through specific QR codes.

Coor SmartDrone™

Drones for efficient inspection of buildings and land areas.

Coor SmartMeetings™

Smart virtual meeting solutions that supplement existing equipment.

Coor SmartUtilization™

Smart sensors and analyses for optimal use of workspaces.

Coor Smart Solutions is a series of services based on modern technology, creating the conditions for a modern, smart office. Solutions that simplify daily life for those who work in the office, for the person ordering our services and for our own personnel.

STABLE AND LONG-TERM CUSTOMER RELATIONSHIPS

Coor has a diversified customer portfolio with a mix of large leading corporate customers and small and medium-sized enterprises active in various sectors and industries throughout the Nordic region.

SATISFIED CUSTOMERS THAT STAY LONGER

Coor works continuously to retain and develop its customer relationships. The objective is to have satisfied customers who want to renew their cooperation agreements. Coor has, historically, succeeded in renewing and extending its collaboration to a high degree. In 2017, agreements were renegotiated at a volume of around SEK 1 billion. A full 98 per cent of the contract volume was extended and over the past three years, the total retention rate was 89 per cent.

Coor places considerable importance on delivering professional, safe and good service adapted to the customers' shifting needs. A vibrant improvement culture permeates the operations and Coor works continuously to implement changes where required. A well-structured customer dialogue and regular delivery follow-up based on jointly defined key performance indicators form the basis of discussions about delivery improvements. Coor also ensures that the services are at the forefront through constant development and innovation work, which provides clear added value to the company's customers.

Every year, Coor also conducts a Group-wide customer survey to measure customer satisfaction using an external market research company. Coor's index for customer satisfaction has been on a stable, high level over time.

A BROAD CUSTOMER BASE

Since Coor began operations, the focus has mainly been on the large IFM assignments, but in recent years, Coor has also invested in individual FM services, primarily within property service, cleaning and food and beverages. This has led to a more diversified customer portfolio with a mix of large leading corporate customers and small and medium-sized enterprises in the entire Nordic region.

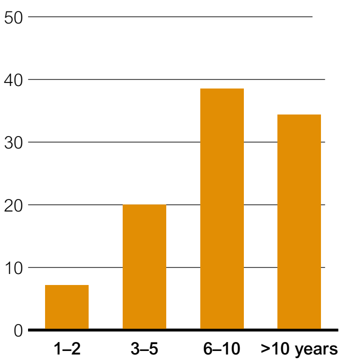
In Coor's client portfolio, there are customers in all industries, but for the Group as a whole, the oil and gas sector, the IT/telecom sector and the manufacturing industry are the largest industries.

For the 2017 financial year, the ten largest customers accounted for 56 (53) per cent of Group sales, and the five largest customers accounted for 42 (40) per cent. In 2017, Coor had 24 (23) customers accounting for annual net sales in excess of SEK 50 million.

CUSTOMIZED AGREEMENTS

A fundamental aspect for well-functioning cooperation is clear agreements. Coor places major importance on signing clear and comprehensive agreements that, at the same time, provide room for flexibility. IFM contracts generally entail a basic subscription, which means that a number of basic services are delivered at a fixed monthly price, as well as entailing variable assignment- or project-based volumes. Portions of these assignment-based volumes are guaranteed through minimum volumes or exclusivity clauses. IFM agreements normally run for three to five years. Agreements for individual services most often run over a somewhat shorter period. For smaller assignments with fewer services, more standardized contracts are used.

LONG-TERM CUSTOMER RELATIONSHIPS, %



NEW AND COMPLETED CONTRACTS DURING THE PERIOD [1]

	Number	Annual sales
New contracts during the period	17	565
Completed contracts during the period	-1	-25
Net change in the portfolio	**16**	**540**

[1] Both the retention rate and changes in the contract portfolio pertain to contracts with over SEK 10 million in contracted or assessed annual sales. For completed contracts, sales for the last 12-month period are stated with full delivery. For details on what contracts are included, please refer to the *Administration Report*.

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SATISFIED CUSTOMER INDEX

EXCEPTIONAL IMPLEMENTATION OF MAJOR IFM ASSIGNMENT FOR ABB

At the beginning of January 2017, Coor was awarded a new contract by ABB. This agreement was the single largest new IFM contract to have been concluded in the Nordic market during 2017. The delivery of services was to be underway only three months after the signing of the contract. A well composed team with good communication and a close sense of cooperation throughout the entire Coor organisation in the Nordic region has made this possible.

ABB is a pioneering technology leader in electrification products, robotics and motion, industrial automation and power grids, serving customers in utilities, industry and transport & infrastructure globally. Continuing a history of innovation spanning more than 130 years, ABB today is writing the future of industrial digitalization with two clear value propositions: bringing electricity from any power plant to any plug and automating industries from natural resources to finished products. As title partner of Formula E, the fully electric international FIA motorsport class, ABB is pushing the boundaries of e-mobility to contribute to a sustainable future. ABB operates in more than 100 countries with about 135,000 employees (www.abb.com). After an extensive tendering process, ABB signed a five-year contract with Coor for the coordination, delivery and development of a large number of FM services for 26 offices and production sites across the Nordic region and the Baltic states. These services include everything from property management services, security services and cleaning, to workplace management services, such as the servicing of coffee machines and fruit deliveries.

During the autumn of 2015, the ABB Group developed a global strategy, based on the cooperation of ABB's Real Estate and Supply functions, for the implementation of a global project to introduce IFM solutions throughout the entire Group. Europe was the first region chosen for the roll-out of these services, to be followed by all of the other ABB locations. In the Nordic region, Coor, thereby, replaces the previous hundreds of different suppliers.

ABB had a number of major goals in this procurement: to achieve cost savings and a radical reduction in the number of suppliers, to secure the standardization and harmonization of the services, in particular, as regards ABB's high HSE requirements (health, safety and environment), and to ensure that ABB's production processes incurred no negative effects in this context.

Christina Anell, Country Facility Manager at ABB, Sweden and responsible at Nordic level for the contract with Coor, and who remembers well the start-up of the implementation:

– The start-up in the Nordic region began shortly before Christmas 2016, in Västerås, Sweden. Coor was well prepared and from the very beginning they worked intensively with structuring the work and with having a physical presence at the various locations. The first implementation visit by Coor took place already between Christmas and the New Year.

WHAT STRENGTHS DID YOU SEE IN COOR'S OFFERING?

– Coor has a strong presence in the Nordic region and has a number of contracts with Nordic industrial companies. Coor can offer a large portion of services which it executes, itself, and has a high level of competence within both property management services and workplace management services.

WHAT WAS IMPORTANT IN YOUR SELECTION OF IFM SUPPLIER?

– The supplier was to have a strong commitment to supporting ABB in the long term in its efforts to decrease costs for the services concerned and to harmonize these services cross locations and borders in order to enhance productivity. It was also important that the supplier understood ABB as a company and that ABB's and the supplier's corporate cultures were well-suited to each other; this applied, not the least, to HSE as we have great HSE-focus in the ABB Group. A high level of competence within property maintenance, security and fire safety services were also decisive selection criteria.

HOW WOULD YOU DESCRIBE THE COOPERATION WITH COOR?

– Our cooperation with Coor has been positive and has been characterized by flexibility and a practical approach at both site and country level. Of course, there has been a lot of work to be done on behalf of both parties – and there continues to be a lot of work to be done – but this is natural as the assignment is so large and has such a broad scope. In addition, we are now preparing for the start-up at six new locations in Sweden from 1 January 2018.

HOW HAS COOR FURTHER DEVELOPED THE WORK DURING THE PROGRESS OF THE ASSIGNMENT?

– Coor leaves nothing to chance. This is a premise for ensuring the consistent quality of the delivery of the services from beginning to end. The weakness of a small detail can lead to a major problem.

HOW DO YOU VIEW FUTURE COOPERATION WITH COOR?

– I see ABB and Coor's cooperation as the beginning of a long-term partnership. We are two business partners who are to agree on a day-to-day basis and where new possibilities and challenges needing to be solved are continually coming to the fore. But with positive cooperation at all levels, pragmatic solutions can be identified based on respect for the interests of both parties

Coor's innovative ability is something that Christina Anell emphasizes was essential in the tendering process and comprised a contributive factor in ABB choosing Coor as a supplier:

– We experience and understand that Coor has innovative capabilities which are necessary for Coor to utilize in order to achieve the costs savings stipulated in the contract. However, during the first year, the focus has been on ensuring that there is good order in all aspects of this very large and broadly scoped delivery of services. In the future, we will seek to identify additional innovative solutions together with Coor. ABB looks forward to having a partner with whom we can, together, and continually, implement new improvements.

CHRISTINA ANELL
COUNTRY FACILITY MANAGER
ABB SVERIGE

– I see ABB and Coor's cooperation as the beginning of a long-term partnership

WHAT ADDED VALUE HAS COOR CREATED FOR YOU?

– Through its cooperation with Coor, ABB has secured better control over expenses within the entire IFM area. Furthermore, IFM services are now executed in a uniform manner throughout all of ABB. Thanks to the IFM contract and Coor we have been able to reach standardized response and resolution time as well as uniform supervision and care over different sites and countries. Now ABB can compare KPI's and costs and more easily enhance best practice, states Christina Anell.

STRONG ORGANIC GROWTH

Coor's operations in Sweden expanded during the year by 7 per cent, where many satisfied customers also chose to extend their agreements, such as Telia Company.

GREW WITH THE CUSTOMERS

In the Swedish FM market, Coor has a very large share of the outsourced IFM contracts. During the year, we won multiple IFM deals and also grew organically within individual services, mainly within food & beverages and cleaning. Coor's assignment for Karolinska University Hospital in Solna was ramped up in 2017 in connection with the start of service deliveries to several of the new hospital buildings.

ABB NEW LARGE CUSTOMER

In April, an extensive IFM assignment was started for ABB - this was the single largest new IFM assignment concluded in the market in the past 12 months. The agreement is Nordic, but a large part of the delivery takes place in Sweden.

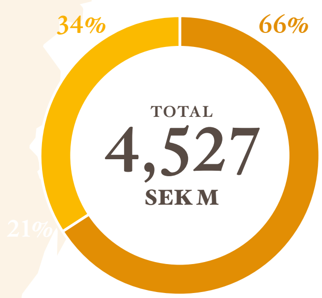
INNOVATIONS IMPROVE EFFICIENCY

Coor launched and introduced multiple innovations streamlining the work or improving the customer experience. One example is Coor SmartDrone that films or photographs hard-to-reach places in properties, which is a of major assistance in, among other things, roof inspections. In Sweden, Coor has begun using these smart drones at several customers with great success during the year.

TOP FIVE CUSTOMERS

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

NET SALES BY TYPE OF CONTRACT



- Integrated FM
- FM services

SHARE OF GROUP SALES

59%

SWEDEN, KEY PERFORMANCE INDICATORS	2017	2016
Net sales, SEK m	4,527	4,250
Organic growth, %	7	6
Adjusted EBITA, SEK m	456	423
Adjusted EBITA-margin, %	10.1	9.9
Number of employees, FTE	3,843	3,420

ANNACARIN GRANDIN
COUNTRY MANAGER, SWEDEN

THE GREATEST SUCCESSES OF THE YEAR?

"We continued to grow organically. This is proof that our work is providing results and that our offer is attractive. During the year, we delivered large project volumes to customers when we, among other things, helped with the customers' change journeys in relocation and transition projects in production. Internally, we focused on working in dedicated customer teams, where the composition of Coor's various competencies contributed, and continue to contribute, to developing the relationships with our customers."

THE GREATEST CHALLENGES OF THE YEAR?

"Recruiting the most suitable employees for Coor in the current economic expansion; many companies are competing for the same people."

WHAT ARE YOU MOST PROUD OF?

"I am most proud of the many extended contracts with our customers during the year. I am also pleased that we appointed extra resources in health and safety to be able to further increase the focus on the issue during next year."

STABLE YEAR WITH STREAMLINING

Coor's Norwegian operations have many customers in the oil and gas sector. During the year, the energy and broadband group, Lyse, was also added through a new IFM agreement.

EXTENDED CUSTOMER CONTRACTS

Coor remains the leader in IFM services in Norway where only a few players are active. However, within single FM services, the market is more fragmented. All agreements that Coor renegotiated during the year were extended, including agreements with Aibel, Arcus, Telia Company, Veidekke and CGI.

FOCUS ON THE CORE BUSINESS

To streamline the business, Coor sold the damage service operations in Norway, Skadegruppen AS, to Polygon in November. This means that Coor in Norway can focus on the core business, facility management.

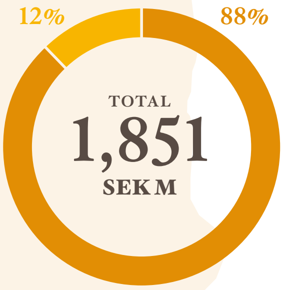
STRONGER SAFETY CULTURE

As a complement to Coor's active and targeted health and safety work, an effort began during the year to strengthen the safety culture in Coor Norway – of major significance to both employees and customers.

TOP FIVE CUSTOMERS

- Aibel
- Aker Solutions
- SAS
- Statoil
- Telia Company

NET SALES BY TYPE OF CONTRACT



- Integrated FM
- FM services

SHARE OF GROUP SALES

24%

NORWAY, KEY PERFORMANCE INDICATORS	2017	2016
Net sales, SEK m	1,851	1,834
Organic growth, %	0	10
Adjusted EBITA, SEK m	123	128
Adjusted EBITA-margin, %	6.6	7.0
Number of employees, FTE	1,163	1,090

THE GREATEST SUCCESSES OF THE YEAR?

"I am proud that we were successful in all negotiations that we were involved in during the year. This shows that the customers are satisfied and rely on the work that Coor delivers. We have also had the courage to invest in innovation by appointing new, expanded expertise to both increase focus on the issue and conduct good innovation work for our customers. We also strengthened our expertise with several specialists in property, cleaning and food & beverages."

THE GREATEST CHALLENGES OF THE YEAR?

"It is a real challenge to be involved in driving the development in innovation and digitalization in the FM market. It's a real 'game changer' for the entire industry."

HOW DO YOU THINK 2017 WENT AS A WHOLE?

"Coor is well positioned in Norway. We are now prepared to take the next step in our positive development; we have the right resources, expertise and tools. It has been a good year."

NIKOLAI UTHEIM
COUNTRY MANAGER, NORWAY

RETURN TO A GROWTH PHASE

Growth is back. Coor's Danish operations signed several new contracts during the year, many in restaurant and property services.

STATE DRIVING THE MARKET

The Danish state has an unusually high maturity for IFM services. During the year, the state gathered all procurement under one board. In combination with medium-sized enterprises also being mature for outsourcing, this means that the market remains strong in Denmark, where Coor's foremost competitor is ISS.

NOVOZYMES NEW LARGE CUSTOMER

During the year, Coor signed a five-year agreement in property services with the world-leading biotech company Novozymes, where Coor will manage operations and maintenance of the company's properties and facilities in Denmark. Crucial in the selection of Coor was the needs-based maintenance, advanced technology and a partnership in close cooperation.

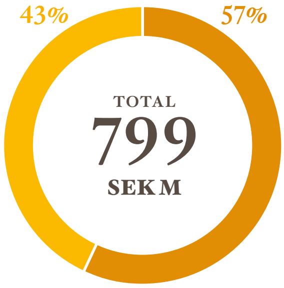
HIGHLIGHTED HEALTH AND SAFETY

The internal health and safety work had a greater focus in the organization, which took large strides forward during the year. This took place mainly through communication, appointed safety representatives, education and risk reporting. All employees are also encouraged to make improvement suggestions in this area.

TOP FIVE CUSTOMERS

- Danish Police
- GN Store Nord
- Novozymes
- SAS
- Velux

NET SALES BY TYPE OF CONTRACT



- Integrated FM
- FM services

SHARE OF GROUP SALES

10%

DENMARK, KEY PERFORMANCE INDICATORS	2017	2016
Net sales, SEK m	799	703
Organic growth, %	12	-20
Adjusted EBITA, SEK m	37	27
Adjusted EBITA-margin, %	4.7	3.8
Number of employees, FTE	777	746

JØRGEN UTZON
COUNTRY MANAGER, DENMARK

THE GREATEST SUCCESSES OF THE YEAR?

"We focused on "One Coor" with the customer in focus to ensure that everyone is working towards the same objectives for the best of the company. We succeeded in this, and it has shown in the financial outcome, with which I am very pleased."

THE GREATEST CHALLENGES OF THE YEAR?

"The operations have continued on track. We have refined and fine-tuned the organization and our processes. In December, we also moved the entire head office, so next year will be a new chapter."

IN 2017, YOU RECEIVED SOME NICE AWARDS, TELL US ABOUT THAT!

"Coor received external appreciation through the *Copenhagen Change Awards* for our strengthened property services and the *Canteen Prize* that rewarded our restaurant service. We are very proud of these awards."

GROWTH AND PROFITABILITY

The Finnish operations developed in a positive direction in 2017, despite a relatively immature market.

SUCCESS AND GROWTH

In Finland, there is extensive competition for FM assignments, but Coor Finland showed strong growth and improved profitability despite this. The market's demand for IFM services is weak compared with the rest of the Nordic region, but is however, big on single FM assignments. Through the ABB contract, Coor's Finnish operations execute customer coordination for Sweden, Norway, Finland and the Baltic countries.

PREMIERE FOR HOTEL CLEANING

During the year, Coor signed a major agreement with one of Finland's largest hotel operators, Sokotel Oy, where Coor offers hotel cleaning for the first time on a large scale. This means that Coor's Finnish operations in cleaning are growing significantly and this entails new recruitment of around 150 new employees.

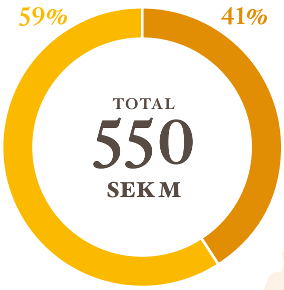
COOPERATION WITH STARTUPS

Coor participated in the partially state-funded innovation project, *Bees and Trees*, where large companies were paired together with smaller startups. Here, Coor worked together with three startups to develop different digital solutions handling the end user's needs, such as receiving and giving feedback or requesting service over a mobile phone.

TOP FIVE CUSTOMERS

- ABB
- Attendo
- Ericsson
- Telia Company
- Varma

NET SALES BY TYPE OF CONTRACT



- Integrated FM
- FM services

SHARE OF GROUP SALES

7%

FINLAND, KEY PERFORMANCE INDICATORS	2017	2016
Net sales, SEK m	550	488
Organic growth, %	11	-5
Adjusted EBITA, SEK m	16	9
Adjusted EBITA-margin, %	3.0	1.9
Number of employees, FTE	829	778

JOHAN MILD
COUNTRY MANAGER, FINLAND

THE GREATEST SUCCESSES OF THE YEAR?

"The growth! After a few years of a recession, we have returned to growth. The ABB assignment is the year's largest deal within the FM industry in Finland. We also invested in a well-needed platform for health and safety, which included an extensive training programme for all middle managers. We can already see positive results from this endeavour."

THE GREATEST CHALLENGES OF THE YEAR?

"Managing the growth and recruiting the right employees in the current competition for labour. This is, partly, about filling the vacancies we have and, partly, about introducing Coor's values in a good way. We are, therefore, working a great deal on being an attractive employer."

ONE EXCITING ASSIGNMENT DURING THE YEAR?

"Our assignment with Attendo. As their chosen partner in property services, we have grown with them in their expansion in elderly care in Finland. It has been great to grow with Attendo."

COMMITTED EMPLOYEES ENSURE CUSTOMER SATISFACTION

For Coor, committed employees with a passion for service are the key to success. The goal is to be the market's most attractive service company.

STRONGER EXPERTISE

During the year, Coor's effort to develop the employees' expertise in their specific service areas continued through web-based training. One example is *Cleaning the Coor Way,* which was taken by around 2,000 cleaners. Additional e-learning courses are planned for the upcoming year.

As a part of Coor's work to develop a common view on good service, tools, courses and campaigns have been developed, including the course *Star Quality Service* which was taken by around 3,000 employees.

THE MARKET'S BEST LEADERS

Coor works conscientiously to recruit, develop and follow the development of all of its managers and employees. The ambition is to appoint, to the greatest possible extent, already current employees to senior management positions in the company, as they are deemed to have the greatest ability to develop Coor in a positive direction. The work of assessing current employees' and managers' future potential takes place continuously.

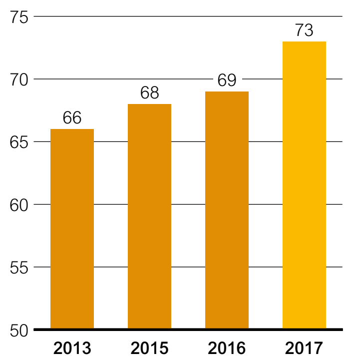
INNOVATIVE CORPORATE CULTURE

The improvement culture in Coor has long been deeply rooted in the company's DNA. In combination with structured innovation work and more easily accessible, cost-effective technology, this forms the basis of the innovation culture that is now steadily growing in Coor. During the year, a record number of innovative new concepts and solutions were developed in Coor; never before have so many proposals been developed, tested and launched.

MOTIVATED EMPLOYEES

Coor conducts annual employee surveys with associated concrete action plans. This year's survey showed both a high response rate and a very strong Motivated Employee Index (MEI) with an upwards trend in all countries where Coor is present.

EMPLOYEE SATISFACTION, 2013–2017



In 2014, no measurement was done.

More information on Coor's employees and how Coor takes its employer responsibility is described in the section *Social sustainability.*

FOCUS ON COMMITMENT

During the year, Coor recruited a *Head of People Engagement*, who will focus on the employees' motivation and commitment. Coor already has high measured values in terms of commitment, but by further strengthening the commitment, customer satisfaction will likely increase further and create an even more successful Coor. In 2018, a large number of activities in *People Engagement* are planned to take place.

COOR'S GUIDING STARS

The basis of Coor's corporate culture is the company's values, which are expressed as three guiding stars. They are based on Coor's perception of what distinguishes a professional service delivery. The guiding stars guide all of the employees in their daily work.

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 createtive solutions in place quickly that are smarter and less costly – for us and our customers. Thus, we both benefit.

EMPLOYEE OF THE YEAR GETS OTHERS TO FLOURISH

JUKKA-PEKKA FALENIUS

Lives in: Helsinki, Finland
Age: 37
Employed at Coor since: 2014
Works as: A gardener by training, currently a team leader and manager for two major customers: Scandic hotels in the capital region and the Helsinki church diocese. Jukka-Pekka Falenius' team is responsible for the property work in 75 churches and outdoor care of around 50 properties, including eight Scandic hotels.

Jukka-Pekka Falenius is the former gardener who, today, helps others to grow through his work as a team leader. Thanks to his good relationships with both employees and customers, he was named Employee of the Year for 2017.

You were named Employee of the Year. What makes a good Coor employee in your opinion?
"A good Coor employee is happy and open, and willing to develop both oneself, and the company. I feel that there is every possibility to pursue a career in Coor if one wants to."

What does your work entail?
"I organize a team of super-motivated professionals, make sure that there are resources where and when they are needed and, at the same time, take care of the relationship with the customer."

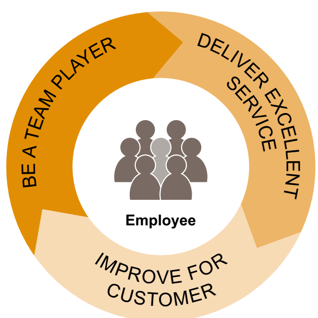
A good Coor employee is willing to develop both oneself and the company

Tell us a bit about your team
"My team includes ten people, but sometimes it feels as if I have twice as many employees; not just because they are productive, but also because of their broad expertise. We have employees who have experience as lumberjacks, some who can weld and others who can do metal work and take care of machinery. This broad expertise makes both my job and theirs fun and diversified."

CLEAR MODELS ENABLE SUCCESS

To create a successful service delivery that provides satisfied customers, Coor has defined managers' and employees' most prioritized goals and tasks in a manager and employee model. The models form the basis of both recruitment efforts, introduction and education, as well as follow-up tools.

COOR'S MANAGEMENT MODEL



COOR'S EMPLOYEE MODEL

SUSTAINABILITY REPORT 2017

CONTENTS

● SUSTAINABILITY REPORT

This Sustainability Report is part of Coor's annual report 2017, which explains why the report starts on page 24. The Sustainability Report can be read on its own, but refers to other parts of the annual report.

The Sustainability Report for Coor Service Management Holding AB (corp. ID no. 556742-0806) refers to the financial year 2017.

ABOUT THE SUSTAINABILITY REPORT

Coor Service Management Holding AB (corp. ID no. 556742-0806), publishes a Sustainability Report annually describing the business from a sustainability perspective. This report refers to the 2017 financial year. Data that is reported follows the relevant reporting and consolidating principles for financial reporting.

The Sustainability Report largely complies with the international GRI G4 Guidelines for sustainability reports, Core option. This means that the content of the Sustainability Report reflects the issues that the company and its stakeholders consider to be most important. The GRI index is available from April 2018 on the company's website under the About Coor/Sustainability tab. The report has been reviewed by Coor's auditors, from whom a statement is provided at the end of the report.

EFFECTIVE MANAGEMENT OF SUSTAINABILITY

During the year, a specially appointed committee worked with sustainability within Coor. With the aim of working with sustainability in a more integrated manner throughout the entire company, a new sustainability organization was established that will apply starting 2018.

ORGANIZATION IN CHANGE

The sustainability framework is comprised of Coor's Sustainability Policy, Code of Conduct and values/guiding stars. Coor's CEO and Executive Management Team have overall responsibility for the company's sustainability work. During the year, a Sustainability Committee, reporting directly to Group management, was responsible for the management and follow-up of the company's sustainability work. In order to ensure that sustainability issues permeate all of Coor's operations, a new sustainability organization and management model was established that will apply from 2018. The organization is led by Coor's Sustainability Manager.

Environmental and work environment issues are handled nationally within Coor as the regulatory framework and practice in this area sometimes differ between countries. The Group's sustainability network undertakes cross-functional work between the company's operating units in order to both standardize the work and to share experience throughout the operations.

WORK DURING THE YEAR

The Committee's duties during the year included the preparation of a policy, overall goals and principles for managing sustainability work. In addition, the Committee worked with formulating and following up, on an ongoing basis, the sustainability indicators, and proposed special improvement measures within this area. The Committee also addressed new legal and practical developments arising within this field, followed up various sustainability issues, took initiatives and discussed priorities.

During the year, the sustainability committee met four times.

LOW SUSTAINABILITY RISKS

From a sustainability perspective, the Nordic FM industry is understood to have a low risk profile due to two reasons: 1) legislation and regulatory requirements in the Nordic countries is extensive and similar between the countries, and 2) the nature of the work activities concerned is associated, largely, with a low level of risk.

At Coor, only one environmental permit is necessary for the operations to be allowed to be undertaken. This permit refers to the process cooling in a small operation in Kotka, Finland. In general, Coor's personnel have the personal authority and competence required to be able to execute their work correctly and securely. Read more about the company's risks under the section, *Risks and risk management*.

COOR'S CODE OF CONDUCT

In order to clarify what is ethically applicable within Coor, there is a common Code of Conduct for the entire company. The Code requires that all employees comply with the laws governing the business. It also includes principles for managing:

- Competition issues
- Conflicts of interest
- The environment
- Work environment and work conditions
- Confidential information
- Gifts and benefits in Coor's business relationships
- Behaviour towards customers and suppliers

SUSTAINABILITY MANAGEMENT WITHIN COOR IN 2017

GROUP MANAGEMENT

SUSTAINABILITY COMMITTEE

- Head of Communications and Sustainability
- Senior Vice President, Operations Development
- HR Manager Group
- Procurement Manager[2]
- Head of HSEQ[1,2]
- Chief Legal Counsel

The Committee consists of managers with responsibility for issues that are important from a sustainability point of view. The Committee also works with the Group's network for work environment, environmental and quality and social issues (part of the Nordic HR network).

EMPLOYEE, HEALTH AND SOCIAL RESPONSIBILITY

- HR Manager, Group
- HR Managers in the Nordic countries

WORK ENVIRONMENT, THE ENVIRONMENT AND QUALITY

- Head of HSEQ[1,2]
- HSEQ[1] Managers in the Nordic countries

1) HSEQ stands for Health, Safety, Environment and Quality.

2) Not members of Group Management.

AMBITIONS AND FOCUS AREAS

Coor wants to develop its business from a long-term perspective. This involves doing profitable business today, without compromising on the possibility to continue doing so in the future.

THREE DIMENSIONS

The sustainability work at Coor is based on the *Triple Bottom Line,* which means that it covers business, social and environmental dimensions. Principal standpoints and goals for how the business is to be conducted have been established for each dimension. A sustainable business is ultimately about taking long-term responsibility for the activities being conducted. The obvious starting point is that the business should thrive and generate maximum economic return, with care and respect for people and the environment.

FOCUS AREAS

A materiality analysis is carried out annually on the basis of external developments, taking into account the interests of different stakeholders. The analysis is used as a basis for possible changes in focus areas. In autumn 2017, Coor's Board of Directors adopted new long-term ambitions and focus areas for sustainability work.

OPERATIONAL TARGETS

Group management sets internal operational targets that are monitored according to Coor internal target process. In accordance with the business plan, the company established internal operational targets for 2018 over a three-year period instead of the previous one-year period. The internal operational targets are determined within the respective sustainability dimension and are monitored continuously.

SUSTAINABLE BUSINESS

BUSINESS SUSTAINABILITY

Coor is to ensure stable, profitable development over time with good business ethics. In order to achieve this, Coor offers competitive, professional and value-added service solutions based on continuous improvements. There is also a strong focus on results, while complying with legislation and good business practices. This also applies to all of the company's suppliers.

FOCUS AREAS

- Financial performance development
- Customer relationships

AMBITION

- Stable financial development
- A high level of customer satisfaction

SOCIAL SUSTAINABILITY

Coor is a responsible employer and wants to contribute to positive social development in the areas in which it operates. To achieve this, the principle of the equal worth and rights of all people applies. Coor offers a good and safe working environment as well as a fair, non-discriminatory and stimulating workplace. In addition, Coor contributes to social sustainability through involvement in local community initiatives.

FOCUS AREAS

- Employee engagement
- Health & safety
- Diversity

AMBITION

- Committed and motivated employees
- No accidents or long-term absences due to illness
- Equal opportunities

ENVIRONMENTAL SUSTAINABILITY

Coor is to actively reduce its own and customers' environmental impact by continuously optimizing and taking responsibility for its resource utilization. Coor strives to improve environmental performance by acting as a green adviser to the company's customers and actively reducing the company's own environmental impact. This occurs primarily in energy use, emissions from transport, waste management, chemical use and purchasing.

FOCUS AREAS

- Renewable & efficient
- Energy & emissions

AMBITION

- Responsible consumption
- A fossil-free company

GLOBAL PERSPECTIVES AND AGREEMENTS

Coor's sustainability work is based on established principles in the UN Global Compact and in recent years also on the UN's sustainability development goals, where five goals initially were identified as being relevant to the company.

GLOBAL CHALLENGES AND EXTERNAL PERSPECTIVES

There are a number of external trends and challenges at global, regional and national level that impact conditions for all operations.

Through 17 global sustainability goals, the UN addresses today's greatest challenges and Coor also connects its sustainability efforts to these goals. Initially, five of the goals were selected as being most relevant to the company.

WORK GUIDELINES

Coor is guided in its sustainability work by the following international agreements:

- The principals in the UN's Global Compact
- The UN's Universal Declaration of Human Rights
- ILO's core conventions on human rights in the workplace
- The OECD's anti-bribery convention

In addition, Coor also adheres to the principles of the *Swedish Code of Corporate Governance* and the gender equality principles described therein.

THE UN'S SUSTAINABILITY DEVELOPMENT GOALS – THE 5 MOST RELEVANT FOR COOR

THE UN'S GOAL	THE UN'S DEFINITION	COOR'S WORK TOWARDS THE GOAL
3 HÄLSA OCH VÄLBEFINNANDE	Ensure healthy lives and promote wellbeing for all at all ages.	Coor focuses strongly on occupational health and safety. Within Coor there is a clear "zero tolerance" for work-related accidents. Coor undertakes various health-enhancing activities for its personnel in every country in which it operates.
5 JÄMSTÄLLDHET	Achieve gender equality and empower all women and girls.	Coor implements an annual payroll survey on a gender equality basis in accordance with Swedish law. The work towards an even distribution of female and male managers and employees is central to Coor. Coor's Code of Conduct and diversity policy clearly states that every employee should be treated respectfully and fairly, regardless of gender, age, ethnicity, religion, disability or sexual orientation.
8 ANSTÄNDIGA ARBETSVILLKOR OCH EKONOMISK TILLVÄXT	Promote inclusive and sustainable economic growth, employment and decent work for all.	Coor has great diversity among its employees. Coor sets fair wages based on market terms. All company employees must have a safe, non-discriminatory and stimulating workplace. Sustainable growth and stable earnings development are important for Coor and reflected in the financial goals.
12 HÅLLBAR KONSUMTION OCH PRODUKTION	Ensure sustainable consumption and production patterns.	Coor continuously takes measures to minimize its environmental impact, and also gives its customers green advice to help them to improve their environmental performance. The company works continuously towards responsible consumption by controlling and following up purchases of goods and services.
13 BEKÄMPA KLIMATFÖRÄNDRINGEN	Take urgent action to combat climate change and its impacts.	Coor carries out measures to reduce its carbon dioxide emissions from its own service vehicles, business travel and heating of its own premises. The company's long-term ambition is to become fossil-free.

*) Read more on goals 3, 5 and 8 in the *Social Sustainability* section. Read more about economic growth, which is a part of goal 8, in the *Business Sustainability* section. Read more about Coor's work on goals 12 and 13 in the *Environmental Sustainability* section.

ACTIVE STAKEHOLDER DIALOGUE

The ability to interpret and understand both business opportunities and risks is crucial in working with sustainability. Coor works with an ongoing stakeholder dialogue and structured external environment monitoring.

ONGOING DIALOGUE

Coor's most important stakeholders are its employees, customers and owners. Other stakeholders include suppliers, trade unions, government authorities and associations. Coor continuously identifies which issues are most important to stakeholders to set the right priorities and establish standpoints. These are presented in the table below.

SUPPLEMENTARY SURVEYS

Physical meetings are central to stakeholder dialogues. For increased efficiency, direct dialogue is supplemented by other channels and regular measurements, with the largest being Coor's annual customer and employee surveys.

DECENTRALIZED RESPONSIBILITY

At Coor responsibility for dialogue and communication towards a particular target group is decentralized, so the person who has the best knowledge of the stakeholder group is responsible. This is clearly defined in the company's communication policy.

STAKEHOLDER DIALOGUE

STAKEHOLDER GROUP	MAIN AREAS OF INTEREST	COMMON TOOLS IN DISCUSSIONS
Employees	Commitment and satisfaction Development opportunities Fair remuneration Corporate culture and ethics Work environment, health and safety Equal treatment: diversity and security	Regular workplace meetings Performance appraisals Management Review Salary revision Employee survey Training
Customers	Customer insight Delivery monitoring Innovations/improvements Green advice/energy issues Life-cycle perspective Work environment, health and safety Efficiency	Ongoing customer dialogue through customary channels (established for each customer) Operational, tactical and strategic meetings, based on a specific meeting structure Delivery monitoring (digital or hard copy format) Customer and market research Other customer relationship promoting activities
Investors and analysts	Financial development Risk management Corporate governance Dividend policy Information security and transparency	AGM Financial reports Open analyst meetings in conjunction with the quarterly reports Analyst and investor meetings in smaller forums
Suppliers	Supplier management Business ethics Innovations/improvements Work environment, health and safety	Ongoing supplier dialogue Supplier monitoring Digital platforms Supplier checks
Trade unions	Labour issues according to MBL (and its equivalent in other countries) Work environment, health and safety	Major trade union associations have Board representation Meeting forum with larger associations centrally Local meetings with local associations
Authorities	Laws, regulations, and rules	Structured monitoring Specialist networks
Associations and specialist networks, such as SWERMA, IFMA, Vinnova, SÄKU, NMC	Relevant special issues	Active membership

BUSINESS SUSTAINABILITY WORK

For Coor, business sustainability means the ethically justifiable and profitable development of the company in the long-term. This is created through a clear focus on results, growth, quality and continuous improvement.

7,722
SEK M
NET SALES

67
SATISFIED CUSTOMER INDEX

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.

STABLE AND STRONG FINANCIAL PERFORMANCE

The company's stakeholders should be able to rely on Coor to develop positively and profitably over time. The ability to attract new customers and employees, sign clear agreements and systematically monitor ongoing operations is central to this work.

During the year, Coor reported improved results and strong cash flow. Sales grew by 6 per cent to SEK 7,722 (7,272) million and operating earnings (adjusted EBITA) rose to SEK 468 (435) million. Operating cash flow was SEK 492 (414) million. Read more about the company's economic development in the *Administration Report*.

For Coor, tax issues are naturally handled according to current legislation and prevailing practice in each country.

LONG-TERM CUSTOMER RELATIONSHIPS

Satisfied customers and long-term customer relationships are a prerequisite for the stable and profitable develop-

ment of Coor over time. This is achieved through value creation and professional and reliable services which are tailored to suit the customers' needs.

Coor works proactively with development and innovation, and continuously proposes improvements to its customers.

In order to ensure a value-added, efficient and qualitative delivery, Coor's operations are certified according to the ISO 9001: 2015 standard, which is regularly monitored through internal and external audits. During the year, the certification company DNV GL conducted external audits in April and November. The number of minor deviations decreased compared with previous years and no serious deviations were reported. DNV GL stated that clear progress has been made since previous audits. One reason for this is the development of Coor's management system, as well as the forward-looking attitude towards external trends, such as technological developments, stakeholder demands, safety and information security.

In connection with the introduction of GDPR, a review of information classification has been carried out within Coor. In addition, a GAP analysis against the ISO 27001 standard on Information security has been initiated. The results of the analysis will provide the basis for the decision on certification in accordance to ISO 27001.

SOUND ETHICS AND MORALS

Coor has gathered its business ethics principles into a Code of Conduct, which guides employees in their daily work duties and decisions. Among other things, the Code deals with how Coor and its employees work to prevent corruption, conflicts of interest and discrimination. The Code is stricter than current legislation and concerns all of Coor.

The content of the Code is discussed during the annual performance appraisal which is offered to all employees. On this occasion, employees must confirm in writing that they have read, understood and agree to abide by the Code. At the end of the year, a web-based course on the Code of Conduct was introduced, which all employees are to take. New employees complete the course in connection with their introduction.

The Code of Conduct is available on the company's website, and is also a part of the employment terms and conditions for employees at Coor.

STRUCTURED COMMUNICATION

According to Coor's communication policy, communication work is to be conducted in a structured and proactive manner. It is to be characterized by a long-term view, clarity, impartiality and transparency, with the goal of laying the foundations for good, trustworthy relationships with the company's stakeholders.

In terms of financial accounting and reporting, the generally accepted principles and standards should be applied. Coor's external financial reporting complies with the international reporting standard IFRS, International Financial Reporting Standards. The external reporting is reviewed by the accounting firm PwC.

WHISTLE-BLOWER PORTAL

All those who are involved in Coor's business should be well treated and feel safe and secure. That is why Coor has a whistle-blower portal, which makes it possible for employees, suppliers and customers to report suspected abuses anonymously.

To ensure anonymity, the service is managed by an external party, and all the reports are treated confidentially. The system is available in all of the Nordic languages, as well as in English, Estonian, French, Hungarian, Dutch and Polish. During the year, 13 cases were reported concerning violations of the Code of Conduct. All reported cases are thoroughly investigated. If a crime is found to be committed, it may result in termination of employment or contract, and/or reporting the matter to the police.

SUPPLIER MANAGEMENT

Coor is a major purchaser of goods and services, which means that procurement issues and supplier management are central.

Suppliers are classified as *significant* or *less significant* based on contract value and/or potential risk. It is crucial for Coor to collaborate with responsible business partners who can help find innovative and sustainable solutions for the company's customers.

During the year, Coor's purchasing organization was reviewed on the basis of supporting the company in the best possible way within the three sustainability dimensions. In addition, the existing purchasing organization with specialist competence was strengthened in a number of prioritized purchasing categories. On 1 January 2017, the new purchasing organization was launched with an updated strategy and new roles and responsibilities.

At the end of the year, work was started to review the purchasing process, work that continues in 2018. The focus will be on a number of different activities, such as integrating risk assessment into the process. The Group's joint procurement process describes how purchasing work is to be conducted with a clear ambition to reduce the number of suppliers and increase the use of framework agreements. Contractual loyalty is important in order to ensure the quality of delivery.

MANAGEMENT OF MAJOR SUPPLIERS

At year-end, Coor had around 200 major suppliers with a framework agreement. Before signing a framework agreement, suppliers are evaluated based on overall delivery capability and sustainability. Suppliers must also prove that their business complies with the requirements of Coor's ethical guidelines for suppliers. A breach of these guidelines is treated as a contractual breach and could lead to the collaboration being terminated.

During the agreement period, Coor monitors both the delivery and the supplier to ensure that the agreements are enforced as far as possible. Digital tools are used as support for the ongoing monitoring, where the supplier provides information on its activities from different aspects of sustainability among other things. Supplier monitoring is carried out at a local and central level. During the year, no suppliers were terminated due to breach of contract. The monitoring work will be further developed in 2018.

SOCIAL SUSTAINABILITY WORK

To Coor, social sustainability means significant responsibility as an employer, but also engagement in local society. Respect for all peoples' equal value and rights is fundamental for Coor.

7,273
NUMBER OF EMPLOYEES IN THE GROUP

48%
PERCENTAGE OF FEMALE MANAGERS

53%
PERCENTAGE OF WOMEN IN THE GROUP

PRINCIPAL STANDPOINTS

- Coor will actively work for the well-being of its employees and a safe working environment.
- 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.

PREVENT RISKS IN THE WORK ENVIRONMENT

Coor works so that all employees can have a good and secure work environment. Due to the broad offering of services, with varying risks, safety work is adapted to local premises. Within Coor, there is a clear "zero tolerance" for work-related accidents. A clear focus during 2017 was the increase of risk awareness within the operations. Examples of Group-wide activities in this context are:

- General training for increased risk awareness
- Training adapted to the risk profile
- Increased focus on the importance of reporting
- Follow-up and analysis of results of focused risk prevention activities.

During the year, country-specific initiatives were also undertaken to increase risk awareness. Within the framework of the risk work, Group management also took part in a number of safety rounds in various parts of the operations – an important and appreciated activity.

REPORTING AND CONTROL

The effect of an increased risk awareness and inclination to report in the operations is reflected in the increased number of risk observations and reported accidents.

The number of accidents requiring medical assistance decreased. On the other hand, the number of smaller accidents not requiring medical assistance increased. The most common accidents were cuts, slips and falls. During 2018, the focus will continue to be on increasing risk awareness and implementing preventive activities within the operations.

Coor's work environment and safety work is undertaken according to the occupational health and safety standard OHSAS 18001. At the end of the year, a GAP analysis was executed in the operations based on the requirements of the new ISO 4500I:2018 Occupational Health & Safety. This certification will be carried out during 2018.

HEALTH-PROMOTION WORK

Coor intensified its efforts to diminish absence due to illness – work which has made an impact. Absence due to illness decreased during the year in all countries and was, in total, 5.8 (6.2) per cent, which is relatively low compared with other service companies. In some occupations, such as cleaning services, absenteeism is higher. Absenteeism is measured, monitored and analysed in each country, and various measures to reduce absenteeism in occupations and units with high absenteeism were implemented. In addition, Coor undertakes health-enhancing activities for its personnel in every country in which it operates.

During the year, a *Flex-and-Stretch* film was produced with Group management as participants. Flex-and-Stretch is a light exercise programme that can be done anywhere. The film has been spread throughout Coor and is often used during meetings.

EMPLOYEE ENGAGEMENT

Coor annually undertakes an extensive employee survey. The survey, which is performed by an external research company, gives employees the opportunity to anonymously express their opinion on what it is like to work for Coor.

In order to increase employees' engagement, sense of belonging and pride in Coor, an initiative called *People Engagement* was started during the year. Employee engagement will be followed up via a new Engagement Index, which will be included as part of the employee survey.

Coor intensified its efforts to decrease the staff turnover rate and this has made an impact. Staff turnover, excluding retirements, decreased to 11.9(12.3) per cent which is relatively low compared with other service companies.

ONGOING COMPETENCE ENHANCEMENT

Coor's ambition is to be the most attractive employer in the Nordic FM industry. A premise for this is that employees are provided with clear possibilities to develop. As a result, Coor works with training programmes and other development activities. In the annual performance appraisal with immediate superiors, which is an important starting point for competence development, individual development plans are produced for each employee.

At Coor there are a number of internal training programmes, such as *Coor Service School* for all personnel and *Coor Business School* for managers. These two programmes focus on Coor's vision, goals, values and success factors. Another important training programme within Coor is *Star Quality Service,* which is about service mindedness and dealing with people. During the year, 380 (270) employees took part in *Coor Service School*, 91 (67) managers in *Coor Business School* and 721 (651) employees in *Star Quality Service.*

In addition to these programmes, local and service-specific training is also offered, such as, training for Coors' cleaners, *Cleaning The Coor Way*.

DEVELOPMENT AND RECRUITMENT OF MANAGERS

There are major advantages with the internal recruitment of managers. Coor's policy is to work actively with identifying internal candidates in conjunction with the staffing of all managerial positions. This means that Coor must continually have a solid view of potential and existing managers, and must work consistently with the development and follow-up of the organization's leaders.

The evaluation and development of the company's managers is based on a number of key factors in Coor's leadership model. Both internal and external manager development programmes are used within Coor. The development of each manager is followed up each year via the employee survey, Leadership Index and *Management Review*.

EMPLOYEE SURVEY 2017

Employee satisfaction at Coor increased in 2017. The result reached 73 (69), on a scale where 100 is the maximum score. The result improved in all countries. During the year, efforts were made to further increase the response rate. Among other things, the number of languages used in the employee survey was expanded.

The 2017 survey was answered by 76 (66) per cent of all employees, a clear improvement on the previous year.

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EMPLOYEE SATISFACTION INDEX

A TRAINEE POSITION IN THE 100 CLUB LED TO A JOB

HIWI KOLIANA MANSOUR

Lives in: Hässelby, Sweden
Age: 26 years
Employed at Coor since: 2017, was a trainee for three months.
Work duties: Educated within Business Management in Lebanon. Is stationed as a receptionist at the financial advisory firm, Söderberg & Partners, in central Stockholm. She receives and registers visitors, serves coffee, books meeting rooms, replies to e-mails, handles the post and various other administrative activities.

Hiwi Koliana Mansour from Lebanon was awarded a trainee position at Coor within the framework of the 100 Club, a cooperation between “Arbetsförmedlingen” (Swedish Public Employment Service) and employees with the aim of helping larger numbers of newly-arrived immigrants to obtain experience at Swedish workplaces. Hiwi’s previous experience from similar work in her home country and good language skills contributed to her assuming the work duties in a quick and efficient manner. Hiwi is now employed at Coor and is very appreciated by her work colleagues.

What does working at Coor mean to you?
-It means a great deal to me; through Coor I got my first job in Sweden. Here I can learn more Swedish and meet very friendly colleagues.

Through Coor I got my first job in Sweden

What did you do prior to coming to Coor?
-I came to Sweden in August 2015. Prior to being a trainee at Coor, I studied Swedish at SFI (Swedish lessons for immigrants).

What has it been like to integrate into Swedish work life?
-It was a bit difficult in the beginning; I didn’t dare to speak so much Swedish. But after a while, I got used to things. I have been received very well by Swedes in my work life.

Any advice to employers considering joining the 100 Club?
-Dare to give a chance to other new arrivals to Sweden. I appreciate this opportunity so much.

CARD GAME INSPIRES DIVERSITY IN SWEDEN

During the year, Coor in Sweden continued to focus on diversity and gender equality issues. As part of these efforts, a so-called inclusive card game was used which allows managers and employees to work more concretely with these issues in their daily lives. The card game provides knowledge and inspiration about how Coor can be better at enhancing talents, knowledge, experiences and perspectives.

EQUALITY, DIVERSITY AND INCLUSION

There is a strong conviction at Coor that a diversity of personalities, experiences and knowledge is enriching. The company's Code of Conduct and diversity policy clearly states that every employee should be treated respectfully and fairly, regardless of gender, age, ethnicity, religion, disability or sexual orientation.

Equal treatment, diversity and gender equality have had high priority at Coor in recent years. For example, there has been an increased focus on these issues during the recruitment process and workshops have been conducted with managers on diversity and gender equality issues. Work on increasing the proportion of female managers has continued to be central and resulted in the percentage of female managers increasing by 4 percentage points, from 44 to 48 per cent, in 2017.

The FM industry generally has good opportunities to offer young people and newly-arrived immigrants a first job. The proportion of people born abroad is also often higher in FM companies than in other companies. Great ethnic diversity means that it is important to have a tolerant and inclusive attitude. Although Coor sets basic requirements of relevant language skills, important information must be adapted so that all employees understand it. Consequently, images and symbols can be helpful when describing working methods, especially in professional groups where ethnic diversity is especially great, such as in cleaning services.

All forms of harassment are unacceptable and there are clear procedures to monitor this. The annual employee survey specifically asks whether employees have experienced discrimination in the workplace. The 2017 results show that 3 (3) per cent of employees experienced some form of harassment. Furthermore, Coor's employees can report grievances via Coor's whistle-blower portal.

HUMAN RIGHTS

Demonstrating respect for human rights is a fundamental part of Coor's responsibility as a company and is important from a sustainability perspective. This is integrated into the company's Code of Conduct and relevant processes.

LOCAL COMMUNITY INVOLVEMENT

Coor's ambition is to engage in development in the communities in which the company operates. Activities vary from country to country. For example Coor has chosen to:

Continue its partnership in Denmark with the non-profit organization Hellebro, who run a drop-in centre in Copenhagen for young homeless people. Coor's employees support Hellebro through a number of activities, such as collecting used clothes and taking other needs-appropriate initiatives.

Run a training program in Finland for newly-arrived young people together with the Helsinki Deaconess institute.

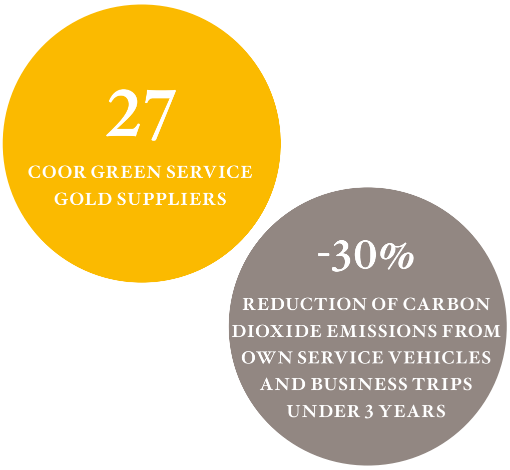
Participate in the 100 Club in Sweden, an initiative aimed at introducing more newly-arrived immigrants to the Swedish labour market.

Donate money in Norway to *Sykehusklovnene,* a group of professional clowns specializing in giving children and young people in demanding life situations positive experiences.

Donate money to *Doctors Without Borders* and local aid organizations in the various countries, instead of giving Christmas gifts to customers and employees.

ENVIRONMENTAL SUSTAINABILITY WORK

For Coor, environmental sustainability means protecting the environment by actively reducing environmental impact, primarily its own but also in customer's companies.



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.

GREEN ADVICE

In order to identify environmental improvement, Coor's customers use the self-developed evaluation tool, Coor Green Services. The tool is based on other known environmental standards, such as the Swan Ecolabel, and it is used to identify the environmental performance of Coor's various services. With the help of the tool, Coor can provide concrete improvement proposals to reduce environmental impact, which is appreciated by environmentally conscious customers. Coor uses Coor Green Services when the company performs an annual audit of its deliveries to customers. Customers meeting 85 per cent of the established criteria achieve *Coor Green Services Gold*, and those who meet 69 per cent achieve *Coor Green Services Silver*. In 2017, a total of 69 customer sites were inspected, and 27 of these achieved the gold level, while 33 achieved the silver level. Coor's own offices in Sweden were also audited and the offices in Kista and Gothenburg were both awarded gold certificates.

Every year, a review of the criteria for Coor Green Services is performed to ensure a high environmental standard. During the year, a further level, *Coor Green Services Platinum*, was introduced to further challenge the customers' environmental work in collaboration with Coor.

In addition, Coor in Sweden annually grants the *Environmental Star of the Year* award to a customer who has excelled in the environmental field. The aim is to encourage customers to engage in active environmental work.

ENVIRONMENTAL STAR OF THE YEAR – WSP

The Environmental Star of the Year is an annual prize that Coor in Sweden awards to a customer who has particularly distinguished itself in the environmental field. The award is based on the results of a comprehensive environmental review using Coor Green Services.

The award was presented to WSP at a prize ceremony on 29 November 2017. The prize consists of money that the winner can donate to the charitable organization of their choice. WSP chose to donate the money to Solvatten, an organization that developed a 10-litre portable water purifier that purifies water through sunlight.

Previous years' winners are Länsförsäkringar, ICA, NCC, Vasakronan and Skanska.

ENERGY CONSULTANCY

Since 2016, energy audits are mandatory for all large EU companies and qualified energy consulting is increasingly being demanded by Coor's customers. Through energy audits combined with systematic energy work, Coor can help customers to reduce energy consumption.

In addition to the ongoing work to optimize existing equipment in customer facilities, Coor has also performed many energy projects. Some examples:

- Design, planning, installation and operation of a photovoltaic plant for a research centre.
- Installation of advanced solution for energy monitoring for several customers to allow the collection of energy data in real time. The aggregate data compares and identifies deviations in the plants, which results in energy saving projects.
- Installation of heat pumps to recycle waste heat in internal heating systems at a plant.

OWN ENVIRONMENTAL IMPACT

Coor's own operations have a significant environmental impact through energy use, emissions from transport, chemical handling, and waste and raw materials management.

Energy use & emissions

Coor's operations generate carbon dioxide emissions from own service vehicles, business travel and office heating. Coor's long-term goal is to phase out fossil fuels.

During the year, the company focused primarily on reducing CO_2 emissions from service vehicles by increasing the proportion of electric cars. The number of electric cars more than doubled in 2017.

Within Coor's property services, transport has the single biggest environmental impact. Several projects were initiated during the year to reduce transport in connection with daily deliveries, such as mobility solutions for more efficient planning and work, and to avoid unnecessary travel for Coor's technicians.

In recent years, Coor's carbon dioxide emissions from own service vehicles and business trips have fallen by 30 per cent. At our head office, green electricity is used and skype, video and phone meetings are used to reduce travel.

Chemical handling

During the year, Coor worked in a structured manner to phase out the company's chemicals and replace them with more environmentally-friendly alternatives.

Within Coor there is a common chemical management system, iChemistry, which provides good guidance on the environmental impact of different products. At the end of 2017, a total of 3,456 (3,288) products were registered in the system. This increase compared with the previous year is a result of more units joining the system. Coor focuses heavily on chemical management and this work will intensify in 2018.

ENERGY CONSULTANCY SAVED SEK 5 MILLION

"Coors diligent work and extensive understanding of how the property system can run energy-efficiently has been enormously important to our energy efficiency efforts," says one of Coor's customers.

Since 2013, Coor has implemented measures in their work with a customer amounting to cumulative savings of almost SEK 5 million per year. During a twelve-month period, Coor implemented 40 different measures including customized ventilation (airflow and operating hours), heat recovery from air compressors, and a reduction in power consumption to support systems in computer suites. The computer suites were also streamlined to make better use of remote cooling.

Waste management

All of Coor's larger offices have recycled waste for several years. Waste is recycled to a high degree. Even discarded work computers are handled by specialists to ensure that they are reused or recycled in a responsible manner.

Food waste has a significant environmental impact, and therefore needs to be reduced at all stages of the food chain. During the year, Coor continued its efforts to reduce food waste from its own restaurants. As part of this work, all restaurants have begun to measure their waste daily with the aim of a 20 per cent reduction. The results of these measurements provide important information to optimize food production.

Raw materials management

In 2017, Coor was responsible for over 160 restaurants and cafes under the brand name *FOOD by Coor*. This makes Coor a major purchaser of raw materials and has made raw materials management a major issue for the company. In order to improve the control of raw materials purchases, a joint purchasing and food planning system was introduced during the year.

FOOD by Coor's customer promise includes promoting reduced environmental impact and providing modern, healthy meal solutions.

Specifically, red-listed fish are forbidden in all restaurants, fair trade coffee is served and the proportion of organic products and vegetarian options is to increase.

In Sweden, the majority of restaurants are KRAV organic label certified, and in Denmark one of the restaurants has a bronze diploma in ecology, which means that at least 30 per cent of the ingredients are organic. The work on getting more restaurants certified is ongoing.

SYSTEMATIC ENVIRONMENTAL WORK

Coor's environmental work is ISO 14001:2015 certified, which means that it is regularly monitored through internal and external audits. During the year, DNV GL conducted external audits in April and November. DNV GL stated that clear progress has been made since previous audits. A contributing factor is the committed group management that gives Coor favourable conditions for continued positive development in the environmental area.

At Coor there is basic, mandatory environmental training that all new employees must complete during their first year of employment. The aim is to highlight environmental issues and ensure qualitative and systematic environmental efforts throughout the company.

SUSTAINABILITY DATA

Coor reports on a number of indicators annually, which together provide an overview of the progress of the company's sustainability work.

MONITORING OF SUSTAINABILITY INDICATORS

BUSINESS SUSTAINABILITY	OUTCOME 2017	OUTCOME 2016	OUTCOME 2015
Net sales, SEK million	7,722	7,272	7,086
Adjusted EBITA margin, % 1)	6.1	6.0	5.1
Cash conversion, % 2)	103	91	115
Paid taxes, SEK billion 3)	2.4	2.3	2.1
Number of reported and investigated cases of suspected violations of the Code of Conduct 4)	13	6	5
Number of registered and implemented improvement initiatives 5)	8,302	8,103	6,936
Outcome of the customer survey 6)	67	68	66
Percentage of customer contracts extended 7)	98	80	90
Contractual loyalty relating to purchases, annual average, % 8)	81	80	75

SOCIAL SUSTAINABILITY	OUTCOME 2017	OUTCOME 2016	OUTCOME 2015
Number of managers 9)	679	659	635
... of which women (share of total amount), %	48	41	41
Voluntary employee turnover, % 10)	11.9	12.3	9.2
Absenteeism, % 11)	5.8	6.2	5.9
Number of risk observations 12)	4,170	1,168	433
Number of incidents	736	710	332
Number of fatalities	0	0	0
TRIF 13)	10.7	21.3	N.A.
LTIF 14)	6.9	8.4	N.A.
Outcome of the employee survey 15)	73	69	68
Leadership index 16)	76	74	73
Number of major local social development projects	7	5	N.A.

ENVIRONMENTAL SUSTAINABILITY	OUTCOME 2017	OUTCOME 2016	OUTCOME 2015
Number of products registered in the chemical handling system 17)	3,456	3,288	2,893
Energy use in larger offices, kWh/m^2 18)	43.3	52.9	N.A.
Vehicle fleet: average emissions for leased service vehicles, g/km 19)	137	161	163
Carbon dioxide emissions from business travel (by train or plane) per employee 20)	0.084	0.095	0.070
Average outcome after environmental audits conducted using Coor Green Services, % 21)	83.8	83.2	80.8

NOTES

1) For definition, see *Definitions*
2) For definition, see *Definitions*
3) Refers to all paid taxes (corporate tax, VAT and employee-related taxes) to the tax authorities in the respective years.
4) Cases notified via Coor's whistle-blower system, through which employees, suppliers and customers can anonymously report suspected violations of Coor's Code of Conduct.
5) Number of improvement suggestions, registered in Coor's IT-based system Actio.
6) Coor conducts a comprehensive annual customer survey with the help of an external survey company.
7) Customer renegotiation rates are commented on in the *Customers and customer contracts* section
8) Share of purchases from central and local framework suppliers.
9) A foreman responsible for staff is defined as a manager.
10) Staff turnover is commented on in the *Social sustainability* section.
11) Absenteeism is commented on in the *Social sustainability* section.
12) The increase during 2017 is explained by an enhanced risk awareness and expanded interest and involvement in reporting, see the *Social sustainability* section.
13) TRIF (total recorded injury frequency) measures the total number of accidents that have occurred in the period. For the calculation of TRIF the following formula was used: total number of accidents x 1,000,000/number of hours worked. Accidents on the journey to and from work are excluded. Definition adopted in 2017.
14) LTIF (lost time injury frequency) measures the number of accidents which have caused an absence

EMPLOYEE RELATED KEY PERFORMANCE INDICATORS	GROUP TOTAL	GROUP FUNCTIONS	SWEDEN [23]	NORWAY	DENMARK	FINLAND [24]
Personnel 2017, (2016)						
Number of employees in total, FTE [22]	6,695 (6,108)	84 (75)	3,843 (3420)	1,163 (1,090)	777 (746)	829 (778)
Number of employees in total, HC	7,273 (6,626)	84 (75)	4,121 (3,692)	1,250 (1,168)	912 (865)	905 (826)
Share of managers, %	9.3 (9.6)	27.4 (30.7)	7.9 (9.7)	13.9 (12.6)	9.3 (4.2)	7.1 (8.0)
Average age, total	43 (43)	43 (43)	42 (43)	45 (44)	45 (45)	42 (40)
Personnel turnover 2017 (2016)						
Personnel turnover total, %	13.6 (13.7)	7.4 (12.0)	13.3 (12.3)	9.1(14.5)	18.4 (14.8)	17.0 (17.4)
.... of which voluntary resignation, %	11.9 (12.3)	7.4 (12.0)	13.3 (10.8)	4.8 (13.0)	17.6 (13.8)	16.3 (16.6)
…of which pension, %	1.0 (1.4)	0 (0)	1.2 (1.5)	0.8 (1.5)	0.8 (1.5)	0.7 (0.8)
Equality 2017 (2016)						
Percentage of women total, %	53 (53)	36 (37)	54 (52)	45 (50)	51 (52)	61 (62)
Share of female managers, %	48 (44)	18 (39)	51 (47)	49 (43)	44 (38)	44 (39)
Wellness work 2017 (2016)						
Absenteeism	5.8 (6.2)	2.0 (1.7)	5.1 (5.7)	8.5 (8.6)	5.3 (5.5)	4.9 (5.8)

NOTES CONT.

from work of over 8 hours. For the calculation of LTIF per million hours worked, the following formula was used: number of accidents that have caused absenteeism (8 hours) x 1,000,000 / number of hours worked. Accidents on the journey to and from work are excluded. Definition adopted in 2017.

15) Coor conducts a comprehensive annual employee survey with the help of an external survey company. More information about this result can be found in the section entitled *Social Sustainability.*

16) There are a number of leadership-related questions in Coor's annual employee survey, which are summarized in a special leadership index.

17) Coor uses a chemical management system (iChemistry), and the information relates to products registered in this system. The increase compared with 2016 was entirely due to more units having joined the system during 2017.

18) This includes Coor's offices in Espoo (Finland), Kista (Sweden) and Birkeröd (Denmark). The decrease in comparison with 2016 is largely due to the fact that Birkeröd is included in 2017.

19) Average emissions from the number of leased service vehicles at Coor.

20) Reported emissions are calculated at a flat rate by the number of business trips by train and air travel booked through the Group's common travel portal. Coor's guidelines state that all business trips should be ordered via the portal.

21) A self-inspection under Coor Green Services will be implemented after talking to the customer. In 2017 76 sites were audited

22) Number of employees (FTE) means number of employees calculated as full-time positions. This number includes temporary and permanent hired employees. Employees without a guaranteed number of working hours are not included.

23) Including Belgium, Poland and Hungary

24) Including Estonia

AUDITOR'S OPINION REGARDING THE STATUTORY SUSTAINABILITY REPORT

To the Annual General Meeting of the shareholders of Coor Service Management Holding AB (publ), Corporate Identity Number 556742-0806

ASSIGNMENT AND DIVISION OF RESPONSIBILITY

The Board of Directors are responsible for the Sustainability Report for the year 2017, found on pages 24-41 and that it has been prepared in accordance with the Annual Accounts Act.

AUDIT'S FOCUS AND SCOPE

Our audit has been conducted in accordance with FAR's statement RevR 12 Auditor's opinion on the statutory Sustainability Report This means that our audit of the Sustainability Report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.
We consider that this audit provides us adequate grounds for our statement.

STATEMENT

A Sustainability Report has been prepared.

Stockholm, 19 March 2018
Öhrlings PricewaterhouseCoopers AB

Magnus Brändström
Authorised Public Accountant

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 operations, creates good prospects for continued growth. In the short term, growth is affected by the volume of large IFM contracts available in the market in any particular period and can therefore vary, but over time growth in the IFM segment has significantly outpaced GDP and the FM market as a whole.

The company's services are also in demand regardless of the level of economic activity. When the economy is growing rapidly, the volume of FM services 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. A combination of strong local management in customer contracts, and better use of synergies within the Group, provide a good foundation for maintaining stable profitability. The company also has a relatively flexible cost base, which means that changes in turnover usually have a limited impact on the operating margin.

STRONG CASH CONVERSION

Due to its very limited need for capital for investments and operational finance, Coor has a strong cash conversion, which means that a high portion of the operating profit is converted into cash flow.

HIGH DIVIDEND YIELD

Available cash can be used for additional acquisitions, repayment of debt or dividends. Any acquisitions are expected to be relatively minor, however, and net debt is already well 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 excess to the shareholders.

COOR AS AN INVESTMENT

COOR'S FINANCIAL TARGETS

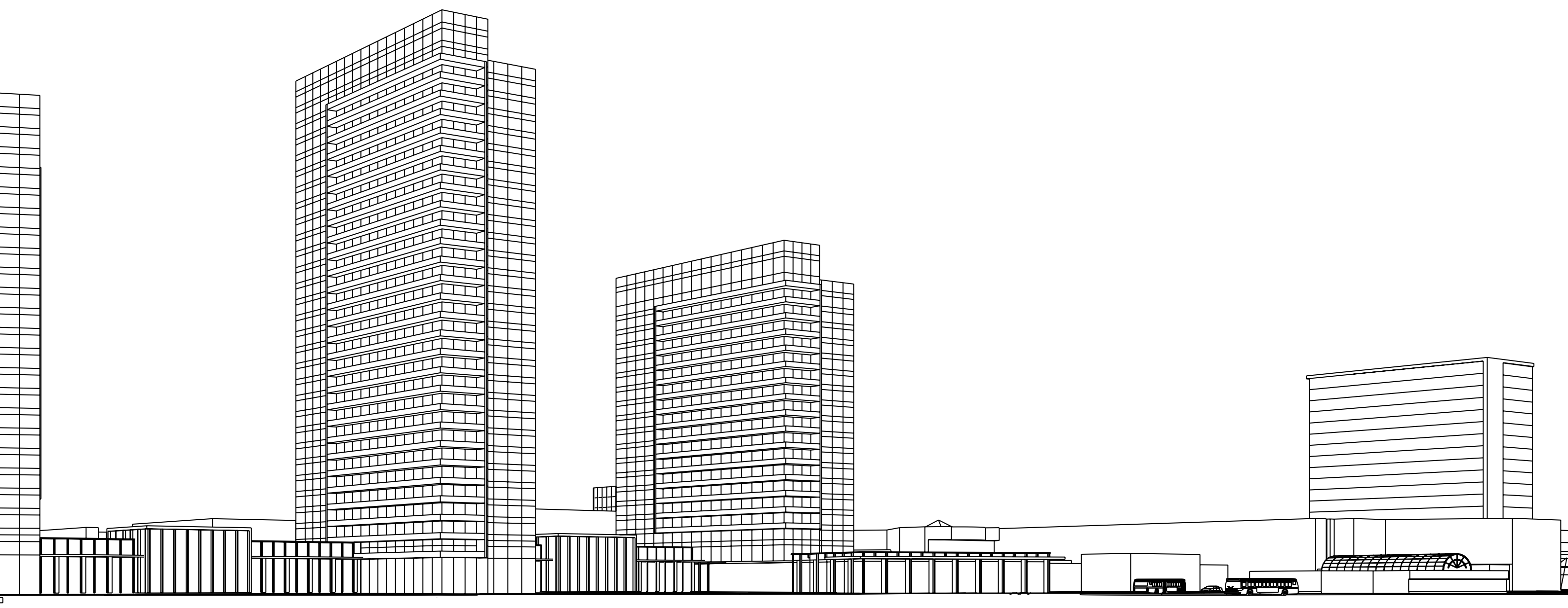
4–5%
ORGANIC GROWTH

~5.5%
ADJUSTED EBITA-MARGIN

>90%
CASH CONVERSION

<3.0
CAPITAL STRUCTURE

~50%
DIVIDENDS



THE COOR SHARE

SHARE PRICE TREND

Coor's share price developed positively during 2017. At 29 December 2017, the closing price was SEK 62.50, which gave an increase during the year of 23 per cent and 29 per cent including the dividend of SEK 3.00 per share. OMXSPI (Stockholm all-share) increased during the same period by 6 per cent. The highest closing price during the year was SEK 67.00 on 6 December 2017 and the lowest was SEK 52.00 on 2 January 2017.

TRADING VOLUME

During the year, 21,159,227 shares were sold for a total value of SEK 1,218,409,287 (1.2 billion). On average, 84,300 shares were sold per day.

SHAREHOLDERS

On 31 December 2017, Coor had 2,678 shareholders. The fifteen largest shareholders controlled 63 per cent of capital and votes at year-end. The three largest shareholders were Fidelity, the Second Swedish National Pension Fund and Swedbank Robur Fonder. Non-Swedish-based shareholders accounted for 59 per cent of the votes and capital. Changes to the ownership structure were limited during the year.

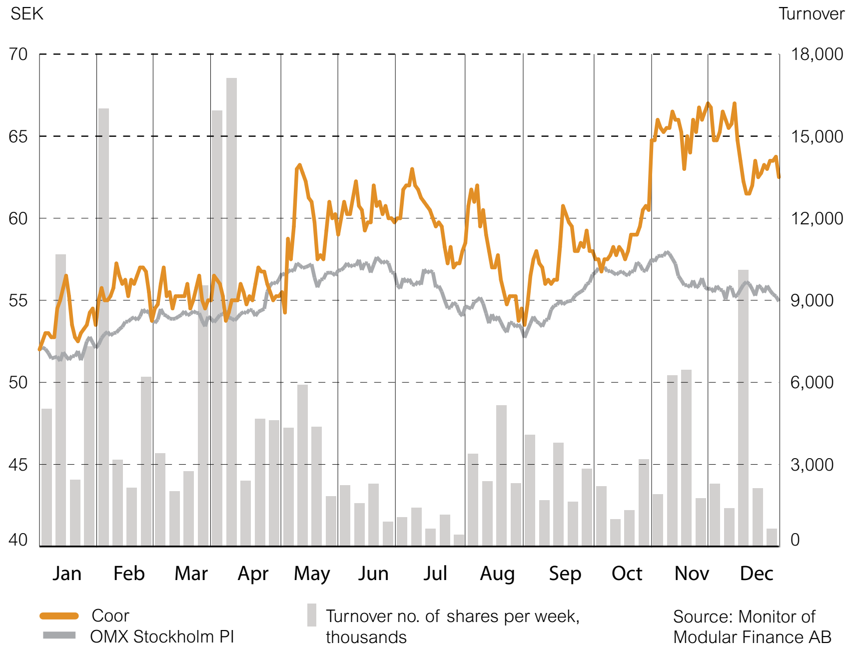
SHARE CAPITAL

The share capital of Coor was SEK 383 million at 31 December 2017. The number of shares is 95,812,022 corresponding to a nominal value per share of SEK 4. According to the Articles of Association, the share capital must not be less than SEK 200 million and is not to exceed SEK 800 million, allocated to a minimum of 50,000,000 shares and a maximum of 200,000,000 shares. The proportion of shares available for trading (free float) at year-end was 100 per cent.

DIVIDEND POLICY

The Board of Directors proposes a dividend for 2017 of SEK 4.00. The dividend comprises an ordinary dividend of SEK 1.80 in accordance with the

COOR SHARE 1 JANUARY – 31 DECEMBER 2017



THE 15 LARGEST OWNERS

SHAREHOLDER	VOTES, %	PARTICIPATING INTEREST, %	TOTAL NUMBER OF SHARES
Fidelity	8.8%	8.8%	8,466,202
Second Swedish National Pension Fund (AP2)	6.1%	6.1%	5,884,628
Swedbank Robur Fonder	5.9%	5.9%	5,682,597
Nordea Fonder	5.3%	5.3%	5,095,693
Crux Asset Management Limited	4.9%	4.9%	4,698,166
Taiga Fund	4.3%	4.3%	4,114,457
Capital Group	4.0%	4.0%	3,797,729
AFA Försäkring	3.7%	3.7%	3,585,256
SEB-Stiftelsen	3.6%	3.6%	3,450,000
Didner & Gerge Fonder	3.4%	3.4%	3,250,000
BMO Global Asset Management	3.3%	3.3%	3,188,205
Handelsbanken Fonder	3.1%	3.1%	2,954,923
Aviva	2.8%	2.8%	2,649,128
Ilmarinen Mutual Pension Insurance Company	2.5%	2.5%	2,428,506
Aktie-Ansvar Fonder	1.6%	1.6%	1,553,400
Total, 15 largest shareholders	**63.5%**	**63.5%**	**60,798,890**
Other shareholders	36.5%	36.5%	35,013,132
TOTAL	**100.0%**	**100.0%**	**95,812,022**

OWNERSHIP STRUCTURE

SIZE CLASSES	NUMBER OF KNOWN SHARE-HOLDERS	NUMBER OF SHARES	PARTICI PATING INTEREST, %	VOTES, %	SHARE OF KNOWN SHAREHOLDERS
1 - 500	1,936	370,550	0.4%	0.4%	72.3%
501 - 1,000	303	250,394	0.3%	0.3%	11.3%
1,001 - 5,000	283	601,925	0.6%	0.6%	10.6%
5,001 - 10,000	45	363,935	0.4%	0.4%	1.7%
10,001 - 15,000	8	92,960	0.1%	0.1%	0.3%
15,001 - 20,000	10	177,219	0.2%	0.2%	0.4%
20,001 –	93	78,062,224	81.5%	81.5%	3.5%
Anonymous ownership		15,892,815	16.6%	16.6%	
TOTAL	**2,678**	**95,812,022**	**100.0%**	**100.0%**	**100.0%**

LIQUIDITY 1 JANUARY – 31 DECEMBER 2017

Lowest, SEK	50.75
Highest, SEK	68.25
Volume-weighted median price	57.58
No. of shares traded	21,159,227
Average per day	84,300
No. of transactions	39,777
Average no. transactions per day	158.5
Average value per transaction, SEK	30,631
Average daily volume, SEK m	4.8
Daily volume in % of market value	0.1%
Percentage Nasdaq (regular trading), %	37.9%
Percentage block transactions, %	61.8%
Percentage dark pools (Nasdaq), %	0.2%

dividend policy. In addition, there is an extraordinary dividend of SEK 2.20. The extraordinary dividend represents cash in excess of the Group's target for net debt. The total dividend is, thereby, SEK 383 million.

IR WORK

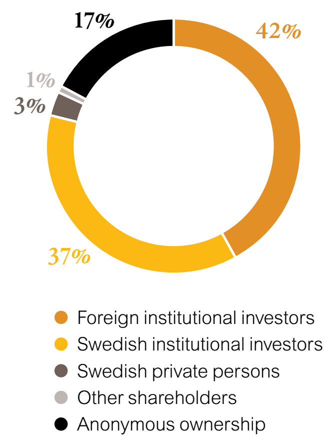
IR activities in 2017 focused on the establishment of Coor on the capital market. Management has participated in a series of conferences, and has been available for questions while attending a large number of meetings on both the sales and the purchase side to ensure that there is extensive knowledge of the company on the market. Primarily in connection with the quarterly reports, Coor has visited London, New York, Boston, Zürich, Paris, Amsterdam, Brussels, Oslo and Helsinki, in addition to Stockholm. Since 2015, Coor has had a cooperation with SME Direkt in order to obtain an independent earnings estimate. This is published on the company's homepage and is updated quarterly.

ANALYSTS

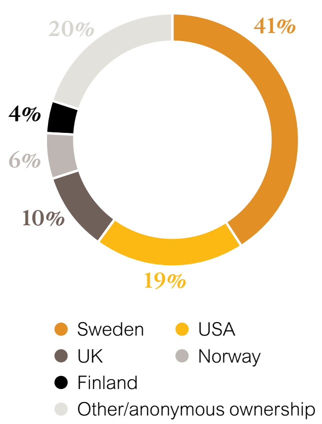
Coor is followed by DNB, Nordea, SEB and Jarl Securities.

Source: Monitor by Modular Finance AB. Compiled and processed data from such sources as Euroclear, Morningstar, Swedish Financial Supervisory Authority and Fidessa.

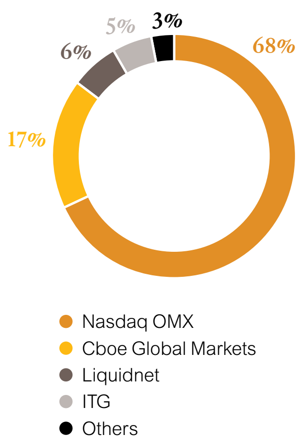
DISTRIBUTION OF OWNERSHIP BY CATEGORY



DISTRIBUTION OF OWNERSHIP BY COUNTRY



TRADING PLATFORMS



ANNUAL ACCOUNTS AND CONSOLIDATED FINANCIAL STATEMENTS 2017

CONTENTS

LEGAL ANNUAL REPORT

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 2017 – 31 December 2017.

ADMINISTRATION REPORT

All amounts are in millions of Swedish kronor unless otherwise indicated. Due to rounding, some totals may differ from the sum of the individual items.

Coor summarizes a strong 2017 with 6 per cent organic growth, an improved margin and a strong cash flow. The company had a strong influx of new small and medium-sized contracts, and a high retention rate. This good development creates financial space for both value-creating supplemental acquisitions and a higher dividend.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Changes in the contract portfolio

The net change in the contract portfolio for the year was SEK +540 million. A large number of small and medium-sized contracts were secured, including for the patient meals for Karolinska University Hospital in Solna (Sweden) and the contracts with Novozymes and the Municipality of Copenhagen in Denmark. At the same time, only one small contract was terminated during the year. The retention volume in 2017 was in line with the previous year and amounted to around SEK 1 billion. The retention rate for the year was a full 98 per cent. Over the past three years, the total retention rate has been 89 per cent.

CHANGES IN THE CONTRACT PORTFOLIO

	2017		2016	
	NUMBER OF CONTRACTS	ANNUAL SALES	NUMBER OF CONTRACTS	ANNUAL SALES
New contracts during the period	17	565	12	820
Concluded contracts during the period	-1	-25	-6	-365
Net change in the portfolio	**16**	**540**	**6**	**455**

Changes in the contract portfolio comprise all contracts with annual sales of over SEK 10 million. For new agreements concluded during the period, the contracted or estimated annual sales volume is indicated. For contracts which were terminated during the period the sales volume for the last 12-month period in which the full volume of services was provided is indicated.

COOR IN BRIEF

Coor is one of the Nordic region's leading facility management providers, with specialist expertise in over a hundred services helping 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 into four geographic areas: Sweden, Norway, Denmark and Finland, but also operates in Belgium, Hungary, Poland and Estonia.

Coor's vision is to be the first choice service provider, employer or investment 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 its 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 environmental and quality management standards ISO 14001 and ISO 9001. 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

Changes in the Board of Directors and management

In connection with the Annual General Meeting on 4 May 2017, Anders Narvinger and Søren Christensen withdrew from the company's Board, at the same time that Mats Granryd became the new Chairman and Anders Ehrling joined as a new Board member.

During the year, it was announced that Magdalena Öhrn will begin as the new Communications Director on 15 January 2018 and will, then, also join the Group's management team.

DEVELOPMENT DURING THE FINANCIAL YEAR

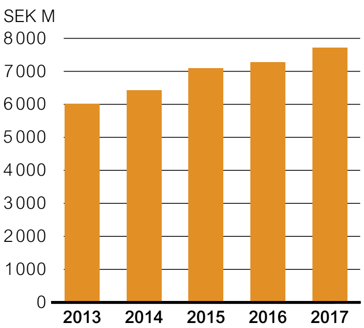
FINANCIAL SUMMARY	2017	2016
Net sales	7,722	7,272
Organic growth, %	6	3
Adjusted EBITA	468	435
Adjusted EBITA-margin, %	6.1	6.0
EBIT	268	242
EBIT margin, %	3.5	3.3
Profit after tax	188	123
Operating cash flow	492	414
Number of employees (FTE)	6,695	6,108

Sales and earnings

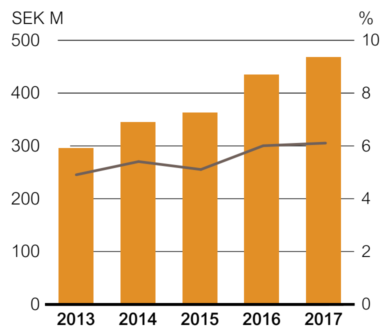
Net sales for the year were SEK 7,722 (7,272) million. Organic growth was 6 (3) per cent compared with the previous year.

The sales increase during the year was driven by good growth in Sweden, Denmark and Finland. The growth in Sweden came partly from the ABB contract and other new contracts, and partly from the continued commissioning of the new buildings at Karolinska University Hospital in Solna, and good variable project volumes in a number of other large IFM contracts. In Denmark

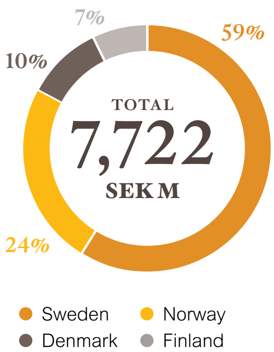
NET SALES PER YEAR



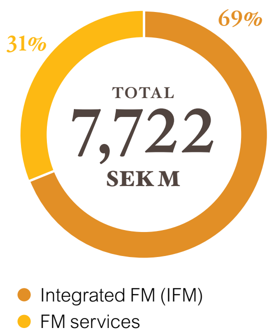
OPERATING PROFIT (ADJUSTED EBITA) AND MARGIN



NET SALES BY COUNTRY



NET SALES BY TYPE OF CONTRACT



and Finland, growth was driven by new contracts, in Finland mainly the ABB contract. Norway showed zero growth, as a result of a contractual price adjustment to a large customer, implemented contract extensions and limited new contract volumes.

The operating profit (adjusted EBITA) was SEK 468 (435) million, which is an increase of 7 per cent compared with the previous year. Operating margin improved to 6.1 (6.0) per cent. EBIT for the full year was SEK 268 (242) million. The change compared with the previous year was driven by higher margins in Sweden, Denmark and Finland. In Sweden, the margin increased as a result of a strong focus on operational efficiency and good margins on variable volumes. In Denmark and Finland, the margin increase is mainly due to the operations with increasing volumes having made gains on implemented efficiency enhancements and cost adaptations. In Norway, the margin decreased as the operations have not fully succeeded in compensating for the effects of the aforementioned price adjustments and contract renegotiations. During the year, all countries saw positive effects on profitability from Group-wide operational improvement programmes.

During the year, decisions were made to divest the Norwegian damage service operations. Sales were concluded as of 1 November 2017. Due to this, the damage service operations are reported as a discontinued operation according to IFRS 5. This affects the Group and Norway and means that earnings and cash flow attributable to this operation are reported on separate lines in the financial statements; the comparative figures have also been adjusted. For more information, see *Note 23 Discontinued operations*.

NET SALES AND EARNINGS BY SEGMENT

SWEDEN	2017	2016
Net sales	4,527	4,250
Organic growth, %	7	6
Adjusted EBITA	456	423
Adjusted EBITA-margin, %	10.1	9.9

NORWAY	2017	2016
Net sales	1,851	1,834
Organic growth, %	0	10
Adjusted EBITA	123	128
Adjusted EBITA-margin, %	6.6	7.0

FINLAND	2017	2016
Net sales	550	488
Organic growth, %	11	-5
Adjusted EBITA	16	9
Adjusted EBITA-margin, %	3.0	1.9

DENMARK	2017	2016
Net sales	799	703
Organic growth, %	12	-20
Adjusted EBITA	37	27
Adjusted EBITA-margin, %	4.7	3.8

Net financial items and tax

NET FINANCIAL ITEMS AND TAX	2017	2016
Net financial items		
Net interest	-30	-32
Borrowing costs	-3	-3
Other	-6	-5
Total excl. translation differences	**-39**	**-39**
Exchange gains	15	-36
Total financial items	**-24**	**-75**
Profit before tax	244	167
Tax	-56	-44
Profit after tax	**188**	**123**

Net financial items improved by SEK 51 million compared with the previous year, which is attributable to positive translation differences. These were due to the revaluation of loans in foreign currency at lower year-end closing rates for NOK compared with the previous year. Last year, these translation differences were negative. Net interest income and other financial expenses were essentially unchanged compared with the previous year.

Tax for the year amounted to SEK -56 (-44) million, which corresponds to 23 (26) per cent of profit before tax. The change compared with the previous year is mainly because the corporate tax rate in Norway has been reduced.

Profit after tax was SEK 188 (123) million.

Cash Flow

CASH FLOW SUMMARY	2017	2016
Adjusted EBITA	468	435
Depreciation/amortisation	50	41
Net investments	-75	-71
Change in net working capital	89	29
Cash flow for calculation of cash conversion	**531**	**434**
Cash conversion, %	*103*	*91*
Items affecting comparability	-29	-17
Other	-10	-3
Operating cash flow	**492**	**414**
Net financial items	-36	-37
Income tax paid	-36	-36
Cash flow from operating activities including net investments	**420**	**341**
Change in liabilities to credit institutions	11	-1
Dividends	-287	-192
Net lease payments	-2	-2
Cash flow from financing activities	**-278**	**-195**
Cash flow from discontinued operations	**-23**	**10**
CASH FLOW FOR THE YEAR	**119**	**156**
Cash and cash equivalents at the beginning of the year	603	428
Exchange gains on cash and cash equivalents	-13	19
Cash and cash equivalents at year-end	**709**	**603**

Operating cash flow

Operating cash flow for the full year 2017 was SEK 492 (414) million. The increase in operating cash flow compared with the previous year is due partly to improved earnings and partly to successful work with both invoicing and securing payments, mainly in the Norwegian business. In 2017, working capital declined by SEK 89 (29) million, which indicates continued positive effects from the Group's structured long-term efforts to optimize working capital. Net investments in 2017 were up slightly on the previous year, at SEK -75 (-71) 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 103 (91) per cent, which exceeds the Group's target of 90 per cent.

Cash flow from financing activities

Net financial payments were in line with the previous year and amounted to SEK -36 (-37) million. During the year, dividends totalling SEK 287 (192) million were paid to the shareholders.

Other

Cash flow from the damage service operations is reported in accordance with IFRS 5 in a separate line in the cash flow statement. The cash flow from this business affected the Group's cash flow by SEK -23 (10) million.

Financial position

The Group has intangible assets consisting mainly of goodwill at SEK2,693 (2,781) million and customer contracts at SEK 723 (896) 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 -630 (-552) million. Working capital declined during the year as a result of the Group's structured long-term efforts to optimize working capital.

Consolidated net debt for the full year was SEK 699 (807) million. The decrease compared with the previous year is due mainly to an increase in cash

FINANCIAL POSITION

ASSETS	2017	2016
Intangible assets	3,533	3,783
Property, plant and equipment	85	77
Financial assets	238	264
Total non-current assets	**3,856**	**4,124**
Accounts receivable	1,159	1,080
Other current assets	412	419
Cash and cash equivalents	709	603
Total current assets	**2,280**	**2,102**
TOTAL ASSETS	**6,136**	**6,225**
Working capital	-630	-552
Net working capital/Net sales, %	-8.2	-7.6
Equity/assets ratio, %	40	44
Leverage, times	1.4	1.7

EQUITY AND LIABILITIES	2017	2016
Equity	**2,464**	**2,734**
Borrowings	1,399	1,401
Other non-current liabilities	45	59
Total non-current liabilities	**1,444**	**1,460**
Borrowings	3	7
Accounts payable	944	790
Other current liabilities	1,282	1,235
Total current liabilities	**2,228**	**2,032**
TOTAL EQUITY AND LIABILITIES	**6,136**	**6,225**

NET DEBT		
Liabilities to credit institutions	1,394	1,395
Other	13	16
	1,408	**1,410**
Cash and cash equivalents	-709	-603
Net debt	**699**	**807**

of SEK 100 million. Leverage, defined as net debt to adjusted EBITDA, was 1.4 (1.7) at year-end, which is well below the Group's target of a leverage below 3.0. Leverage was also lower than in the previous year, despite a dividend payment of SEK 287 million during the year.

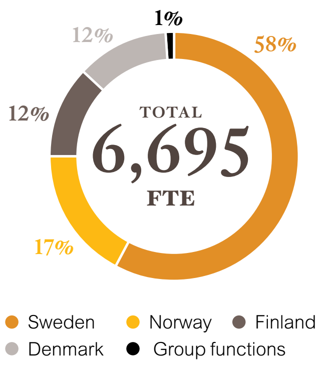
Equity at the end of the year was SEK 2,464 (2,734) million. The consolidated equity/assets ratio was somewhat lower compared with the previous year, at 40 (44) per cent. Comprehensive income for the year increased equity by SEK 17 million while the dividend payment decreased equity by SEK 287 million.

Cash and cash equivalents at the end of the period were SEK 709 (603) million. At the same date, the Group had undrawn credit lines of SEK 290 (285) million.

ORGANIZATION AND EMPLOYEES

The number of employees at 31 December 2017 was 7,273 (6,626), or 6,695 (6,108) on a full-time equivalent basis.

NUMBER OF EMPLOYEES (FULL-TIME EMPLOYEE EQUIVALENTS) AT 31 DECEMBER 2017



For more information on Coor's employees and on Coor's health and safety, and management and employee development activities, see the section entitled *Employees*, as well as the section entitled *Social Sustainability* in the *Sustainability Report*.

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*, respectively.

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 Fidelity, with 8.8 per cent, the Second Swedish National Pension Fund (AP2), with 6.1 per cent, and Swedbank Robur, with 5.9 per cent of the shares and voting rights.

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

THE 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.

Earnings after tax in the Parent Company were SEK 179 (158) million. The Parent Company's total assets at 31 December 2017 amounted to SEK 8,187 (8,255) million. Equity in the Parent Company amounted to SEK 5,568 (5,676) million.

OUTLOOK

Coor is a market-leading service company operating in a growing market. Generally speaking, Coor is experiencing a strong interest and good demand in the market, and sees interesting business opportunities throughout the Nordic market. Coor believes its prospects for achieving long-term growth, profitability and cash flow in line with the company's objectives are good.

SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

- On 9 January, Coor announced that the company signed an agreement to acquire the Norwegian property service company, OBOS Eiendomsdrift AS. The company has 45 employees and annual sales of around SEK 70 million. In connection with the acquisition, Coor is signing a strategic cooperation agreement with the seller, the OBOS Group. The acquisition was completed on 1 February 2018.
- On 10 January, Coor announced that an agreement had been signed to acquire the Danish commercial premises care company, Elite Miljø A/S. Elite Miljø has annual sales of around SEK 700 million and more than 2,000 employees. The acquisition provides Coor greater geographic coverage, paves the way for significant synergy effects and contributes positively to Coor's competence in the important commercial premises care segment. The acquisition was completed on 23 February 2018.

PROPOSED DIVIDEND

The Board of Directors proposes a dividend of SEK 4.00 (3.00) per share for 2017. The dividend comprises an ordinary dividend of SEK 1.80 (1.55) in accordance with the dividend policy. In addition, there is an extraordinary dividend of SEK 2.20 (1.45). The extraordinary dividend represents cash in excess of the Group's target for net debt. The total dividend is thereby SEK 383 million.

Proposed record date for dividend payment

The Board proposes that the record date for the dividend be 30 April 2018. Subject to approval by the AGM of the Board's proposal, it is expected that the dividend will be paid to the shareholders on 3 May 2018.

STRUCTURED RISK WORK

The FM industry is generally perceived as an industry of relatively low risks. For the purpose of minimizing the risks that, nonetheless, do exist, Coor conducts structured risk work based on mapping, analysis and control.

OPERATIONAL RISKS

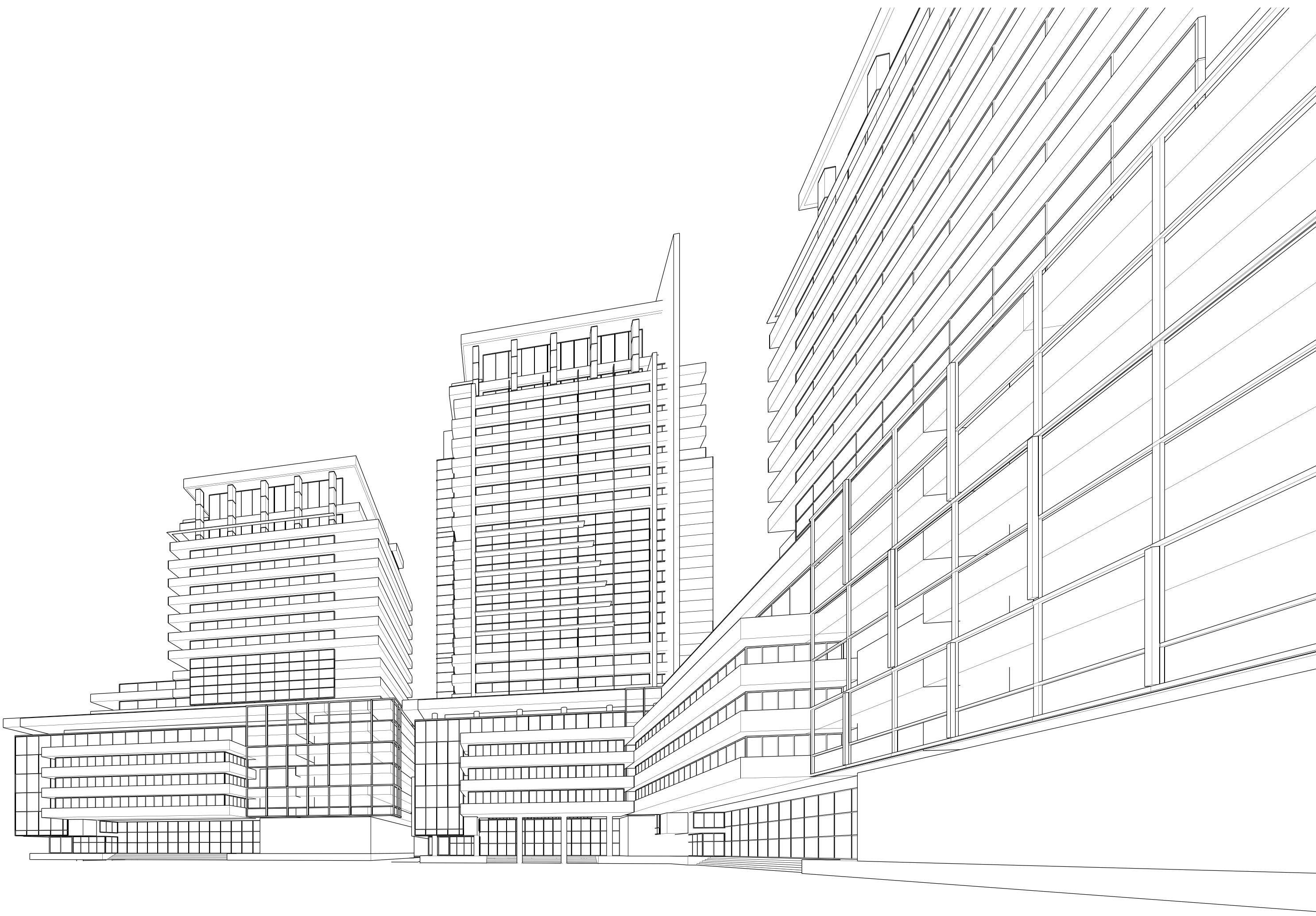
Coor is exposed to a number of strategic, operational, financial and legal risks. The most significant risks identified by Coor, how they are handled and brief information on the development in 2017, are presented in the table on the following page.

A WELL-DEVELOPED RISK PROCESS

The objective of Coor's risk management activities is to secure the Group's long-term earnings performance and goal fulfilment. The Group's Board of Directors and management have the ultimate responsibility for the company's risk management. The starting point in this work is a Group-wide risk policy and risk-management process. The risk work is based on an annual risk mapping carried out in the entire operation. The past year's risk work is summarized and discussed by Group management and presented to the company's Board.

RISK MAPPING AT COOR

The risk analysis consists of an annual inventory in which the most important risks are identified. At the same time, the probability of the risks arising is assessed, as well as their consequences. In the analysis, an assessment is also undertaken as to how effective existing controls and measures are for reducing and managing the risks. The results are summarized in a risk map per operating unit, which is, then, aggregated upwards in the Group.



OPERATIONAL RISKS

TYPE OF RISK	DESCRIPTION	HANDLING	DEVELOPMENT 2017
STRATEGIC AND OPERATIONAL RISKS			
Quality deficiencies in the delivery	If the delivery deviates from the agreed services or agreed quality, it can lead to lost revenues or lost contracts.	• Delivery in accordance with contracts. • Specific working groups, with the customer in focus. • Structured follow-up, with the customer at a strategic level.	Customer-focused working groups have been established for several large contracts. Follow-up at a strategic level with the customer has had an impact.
Delivery disruptions and interruptions in the delivery	Strike, fire, electrical outage and similar (non-IT related) events can lead to disruptions or interruptions in Coor's deliveries.	• A well-communicated plan and strict procedures in disruptions and interruptions.	Continuity planning and crisis exercises have been executed. No major delivery disruptions occurred in 2017.
Disruptions in IT systems and infrastructure	Coor's operations are dependent on access to advanced IT systems and a secure IT environment. Availability and reliability on these are, therefore, critical to a disruption-free business operation.	• A well-communicated plan and strict procedures in the event of IT disruptions. • Effective firewalls and virus protection, as well as regular technical upgrades of software and redundant data centres.	A new IT operating agreement minimizes the risk of IT disruptions. Restoration procedures have been tested with good results.
Information leaks	Deficient classification of information can lead to uncertainty about how the information should be protected and to information leakage.	• Classify information. • Use IT support to protect the information. • Inform and train the organization. • Greater focus on GDPR to ensure compliance prior to the effective date in May 2018.	The GDPR project has increased in intensity and scope.
Work environment	A bad work environment can lead to mental and physical illness among employees or third parties. Coor has a clear zero vision regarding work-related accidents.	• Systematic preventive work environment efforts. • Safety rounds with the participation of all levels of management. • Training to increase risk awareness. • Increase focus on reporting. • Follow-up and analysis of results for initiating targeted prevention activities.	The number of reported risk observations is increasing strongly, which indicates a greater risk awareness and reporting culture. The number of accidents reported is stabilising with a marked decrease during the year.
Assignments	The risk that assignments are not estimated, documented or handled in a positive manner can lead to lost revenues and dissatisfied customers or suppliers.	• Internal supervision of the organization, processes and system support. • Preparation of templates and guidelines and analysis of applicable system support.	Internal supervision of processes, system support and expertise has been initiated. An interim solution has been implemented.
Negative publicity	Poor handling of media attention can lead to negative publicity.	• Media training. • Collaboration with various stakeholders.	Media training has been undertaken at various levels. Collaboration meetings have been held.
FINANCIAL AND LEGAL RISKS			
Interest, currency and liquidity risks	Changes in interest rates, exchange rates and the market prices of financial instruments can have an impact on Coor's income statement and balance sheet, and on cash flow.	• The company works according to a treasury policy establishing the guidelines for financial risk management. A more detailed description of the company's financial risks are in *Note 16 Borrowing and financial risk management.*	No new risks arose during the financial year.
Risk regarding financial reporting	Risk of misstatements arising and failing to prepare the reports in accordance with statutory requirements, requirements on listed companies and applicable accounting rules.	• The company has a clear process for managing the risk of misstatements in the financial reporting. This is described in more detail in the company's *Corporate Governance Report.*	In 2017, the company produced quarterly reports and an annual report. One quarterly report and the annual report were audited by the company's external auditors without qualifications.
Credit risk	Risk of loss due to the customers not meeting their payment obligations.	• Clear process for the credit check of customers through credit rating agencies. • Structuring credit monitoring of accounts receivable. For more information, see *Note 13 Accounts receivable* and *Note 16 Borrowing and financial risk management.*	Historically, Coor has had very limited customer bad debts, which is also true of 2017.
Environmental risks	The risk of causing damage to the environment.	• The company's environmental work is certified according to ISO 14001. • The Group's Sustainability Policy also comprises environmental issues. • More information about the environmental work is available in the company's *Sustainability Report* in the section *Environmental sustainability.*	Coor's environmental risk is very limited. The operations requiring permits are located in Kotka, Finland and refer to the impact on waste water.
Political decisions and laws	Political/legal changes giving rise to changed conditions for the business.	• Continuous external monitoring. • Cooperation with various national and international specialist and trade bodies to affect political decisions.	New rules on sustainability reporting, diversity policy, market abuse regulations and energy mapping.

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 26 April 2018.

The Annual General Meeting is to resolve on the appropriation of the following retained earnings in the Parent Company:

	SEK
Retained earnings, including share premium account	5,005,449,529
Profit for the year	179,214,780
TOTAL	**5,184,664,309**

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	4,801,416,221
TOTAL	**5,184,664,309**

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 requested to adopt a resolution on the appropriation of retained earnings in the amount of SEK 5,184,664,309 as at 31 December 2017. 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 4,801,416,221 will be carried forward.

The Board has established that the company will have full coverage of its restricted equity after the payment of the proposed dividend. The Board also considers that the proposed dividend is defensible 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 their short- and long-term ability to fulfil their obligations and undertake 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 68 to 63 per cent and the consolidated equity/assets ratio from 40 to 36 per cent as at 31 December 2017. The Board considers that these ratios are adequate and deems that Parent Company 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 to operate and fulfil 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 accounts.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

	NOTE	2017	2016
Net sales	2,3,7	7,722	7,272
Cost of services sold	3,4,5,6,7	-6,896	-6,476
Gross profit		**827**	**796**
Selling expenses	4,5,6	-100	-94
Administrative expenses	4,5,6,8	-459	-460
Operating profit		**268**	**242**
Financial income	9	21	6
Financial expenses	9	-45	-81
Net financial items		**-24**	**-75**
Profit before tax		**244**	**167**
Income tax	10	-56	-44
Profit for the year from continuing operations		**188**	**123**
Profit for the year from discontinued operations	23	-148	1
PROFIT FOR THE YEAR		**40**	**124**
Earnings per share, SEK [1]	15		
Continuing operations		1.96	1.29
Discontinued operations		-1.54	0.01
EARNINGS PER SHARE		**0.42**	**1.30**
Dividend per share, SEK	15		
Proposed ordinary dividend per share, SEK		1.80	1.55
Proposed extraordinary dividend per share, SEK		2.20	1.45
DIVIDEND PER SHARE		**4.00**	**3.00**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2017	2016
PROFIT FOR THE YEAR	**40**	**124**
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	-23	68
Total	**-23**	**68**
Other comprehensive income for the year, net after tax	**-23**	**68**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**17**	**192**

1) There are no dilution effect in any of the periods.

The Notes on pages 59-81 constitute an integral part of the Consolidated financial statements.

CONSOLIDATED BALANCE SHEET – ASSETS

	NOTE	2017	2016
ASSETS			
Non-current assets			
Intangible assets	11		
Goodwill		2,693	2,781
Customer contracts		723	896
Trademarks		40	40
Other intangible assets		76	67
Property, plant and equipment	12		
Land and buildings		1	1
Machinery and equipment		83	75
Financial assets			
Other long-term receivables		12	12
Deferred tax asset	10	226	252
Total non-current assets		**3,856**	**4,124**
Current assets			
Inventories		12	11
Accounts receivable	13	1,159	1,080
Current tax receivables	10	8	1
Other receivables		18	12
Prepaid expenses and accrued income	14	374	395
Cash and cash equivalents		709	603
Total current assets		**2,280**	**2,102**
TOTAL ASSETS		**6,136**	**6,225**

CONSOLIDATED BALANCE SHEET – EQUITY AND LIABILITIES

	NOTE	2017	2016
EQUITY AND LIABILITIES			
Equity			
Share capital	15	383	383
Other contributed capital		6,670	6,670
Other reserves		-34	-11
Retained earnings, including net profit for the year		-4,556	-4,309
Total equity		**2,464**	**2,734**
Liabilities			
Non-current liabilities			
Borrowings	16	1,399	1,401
Deferred tax liability	10	24	32
Provisions for pensions and similar liabilities	17	19	19
Other provisions	18	2	7
Total non-current liabilities		**1,444**	**1,460**
Current liabilities			
Borrowings	16	3	7
Accounts payable		944	790
Current tax liabilities	10	30	25
Other liabilities	19	189	185
Accrued expenses and prepaid income	20	1,059	1,018
Other provisions	18	3	7
Total current liabilities		**2,228**	**2,032**
Total liabilities		**3,672**	**3,492**
TOTAL EQUITY AND LIABILITIES		**6,136**	**6,225**

Refer to *Note 21* for pledged assets and contingent liabilities.

The Notes on pages 59-81 constitute an integral part of the Consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	SHARE CAPITAL	OTHER CONTRIBUTED CAPITAL	OTHER RESERVES	RETAINED EARN-INGS INCL. PROFIT OR LOSS FOR THE YEAR	TOTAL EQUITY
Opening balance, 1 January 2016	**383**	**6,670**	**-78**	**-4,242**	**2,733**
Comprehensive income					
Profit for the year	0	0	0	124	124
Total other comprehensive income for the year	0	0	68	0	68
Transactions with shareholders					
Dividends	0	0	0	-192	-192
BS **Closing balance, 31 December 2016**	**383**	**6,670**	**-11**	**-4,309**	**2,734**
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**

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 effects on remeasurement of the net pension obligation.

The total translation difference for 2017 was SEK -23 (68) million. The translation difference attributable to DKK and EUR was positive while the translation difference attributable to NOK was negative.

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 54*.

§ ACCOUNTING PRINCIPLES

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	NOTE	2017	2016
Continuing operations			
Cash flow from operating activities			
IS Operating profit		268	242
Adjustment for non-cash items		208	213
Interest received		2	2
Interest paid		-33	-33
Financial costs paid		-6	-6
Income tax paid		-36	-36
Cash flow from operating activities before changes in working capital		**404**	**382**
Increase(-)/decrease(+) inventories		-1	7
Increase(-)/decrease(+) accounts receivable		-132	25
Increase(-)/decrease(+) other current receivables		-57	-15
Increase(+)/decrease(-) accounts payable		192	-73
Increase(+)/decrease(-) other current operating liabilities		87	85
Cash flow from operating activities		**493**	**411**
Investing activities			
Purchases of intangible assets	11	-30	-41
Purchases of property, plant and machinery	12	-48	-33
Proceeds from sale of property, plant and equipment		4	4
Cash flow from investing activities		**-74**	**-70**
Cash flow from financing activities	16		
Dividends		-287	-192
Borrowings raised		17	0
Repayments of borrowings		-6	-1
Repayments of leasing liabilities		-7	-11
Repayments of leasing receivables		5	9
Cash flow from financing activities		**-278**	**-195**
Cash flow from continuing operations		**142**	**146**
Cash flow from discontinued operations	**23**	**-23**	**10**
Cash flow for the year		**119**	**156**
Cash and cash equivalents at the beginning of the year		603	428
Exchange gains on cash and cash equivalents		-13	19
BS **Cash and cash equivalents at year-end**		**709**	**603**

CONSOLIDATED OPERATING CASH FLOW

	NOTE	2017	2016
Continuing operations			
IS Operating profit		268	242
Depreciation, amortization and impairment	11, 12	219	217
Net investments in property, plant and equipment and intangible assets		-74	-70
Change in net working capital		89	29
Non-cash items		-11	-4
Operating cash flow		**492**	**414**
Adjustment for items affecting comparability	4	29	17
Other		10	3
Cash flow for calculation of cash conversion		**531**	**434**
Cash conversion		**103**	**91**

NON CASH ITEMS

		2017	2016
Depreciation/amortization	11, 12	219	217
Change in provisions		-9	-3
Net profit/loss from sales of non-current assets		-2	-1
Other		0	0
SCF **Total**		**208**	**213**

SPECIFICATION OF CASH AND CASH EQUIVALENTS

	2017	2016
Cash and bank balances	709	603
BS **Total**	**709**	**603**

§ 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.

CONSOLIDATED NOTES

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

The consolidated financial statements for 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, 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. Financial statements are thus 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 deems 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

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

ITEMS WHICH ARE SUBJECT TO ASSUMPTIONS AND JUDGEMENTS	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 2017 are presented below:
• Disclosure initiatives – changes to IAS 7
Changes to IAS 7 requires expanded disclosures regarding financial liabilities, see *Note 16 Borrowings and financial risk management*.

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 2017 and 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 9: Financial Instruments
IFRS 9 is introducing new rules regarding the classification and measurement of financial instruments, impairment of financial instruments and hedge accounting. After a completed analysis, it is confirmed that the standard will not have an effect on the consolidated financial statements.

The standard is applicable for financial years beginning on 1 January 2018 or later.

• IFRS 15: Revenue recognition
IFRS 15 introduces a new principle-based model for revenue recognition, a five-step model is introduced that prescribes that the revenue shall be recognized when the customer receives control of the product or service and has the possibility of using or receiving the benefit from the product or service. The Group's main revenue consists of services where control is transferred to the customer in connection with delivery. After a completed analysis, it is assessed that there are no significant differences compared with today's applied accounting principles. It can thereby be confirmed that the standard will not have any effect on the consolidated financial statements besides the expanded disclosure requirements that are in IFRS 15.

The standard is applicable for financial years beginning on 1 January 2018 or later.

• IFRS 16: Leases
IFRS 16 supersedes IAS 17 Leases and the related interpretations IFRIC 4, SIC-15 and SIC-27. The standard requires that assets and liabilities attributable to all leases, with a few exceptions, be recognized in the balance sheet. This accounting treatment is based on the view that the lessee has a right to use an asset during a specific period of time as well as an obligation to pay for this right. The exceptions are short-term leases and low-value assets. For the lessor the accounting treatment will remain essentially unchanged.

The application of IFRS 16 will mainly affect the recognition of the Group's operating leases and result in an increase in the Group's property, plant and equipment, and financial liabilities. See *Note 7 Leases* for a summary of the Group's current leases. The Group has not yet assessed the extent to which these obligations will be recognized as assets and liabilities, and how this will affect the consolidated income statement, classification of cash flows and key performance indicators. Some obligations may be covered by the exemption for short-term contracts and low-value contracts, and some obligations may constitute arrangements which should not be recognized as leases under IFRS 16.

The standard is applicable for financial years beginning on 1 January 2019 or later. The Group currently does not intend to choose the option of early application of the recommendation.

Other standards, amendments and interpretations which become effective for financial years beginning after 1 January 2017 are not deemed 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 interest in the company and is able to influence the return through its interest in the company. Subsidiaries are included in the consolidated financial statements as of the date on which control is transferred to the Group. They are excluded from the consolidated financial statements as of 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 the income statement. 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 the income statement. 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 company primarily operates (functional currency). In the consolidated financial statements, Swedish kronor (SEK) are used, which is the functional and reporting currency of the Parent Company. The financial statements of the companies in the Group 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 with 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 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 billed under the terms of subscription contracts or on a fixed-price or time and materials basis. Sales of goods are made mainly as part of Coor's restaurant business or as part of a service delivery. Where applicable, net sales have been reduced by the value of discounts offered.

The Group recognizes revenue when the amount can be reliably measured, it is probable that future economic benefits will accrue to the company and specific criteria have been met for each type of revenue.

Revenue from subscription contracts
Subscription contract refers to a contract concluded by the Group for the regular provision of services over a longer period of time. Revenue from subscription contracts is recognized as the service is provided. If the content or volumes of the subscription contracts change over time the recognition of revenue is affected accordingly.

Revenue from fixed-price projects
Revenue from fixed-price projects is recognized based on the degree of completion of the projects. The degree of completion is determined based on services provided at the balance sheet date in proportion to the total undertaking. If the outcome of a project cannot be reliably estimated, revenue is recognized only to an extent that is equivalent to that portion of expenditure incurred which is expected to be compensated by the buyer. An expected loss in a project is charged to expense immediately.

Revenue from time and materials contracts
Compensation relating to shorter-duration contracts is recognized as revenue on delivery of the service in accordance with the contract, or on a monthly basis in accordance with what has been delivered.

The Group's services are provided under customer contracts of two main types:

- IFM (integrated FM contracts, customer contracts covering a broad range of services with a strong element of strategic advisory services);
- FM services (provision of individual or a few combined FM services, such as restaurant services and cleaning). Limited element of strategic advisory services)

Both contract types may have subscription as well as project revenue features. A presentation of consolidated net sales by contract type and country is given in *Note 3 Segment information.*

NOTE 3 SEGMENT INFORMATION

§ ACCOUNTING PRINCIPLES

Operating segments are accounted for in a way that is consistent with the internal reports submitted to the most senior executive. The most senior executive is the function that is responsible for allocating resources and assessing the results of operating segments. In the Group this function has been identified as the Group's executive management team.

The Group operates in Sweden, Norway, Finland and Denmark (and has smaller 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 organized as part of the Swedish business and the operation in Estonia is organized as 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 individual 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 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 expenses 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 comprises costs for central Group support functions, such as operational development, business development, the Group finance function and legal services.

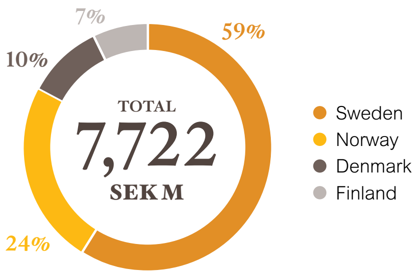
The Group's executive management team does not monitor total assets or liabilities on a segment basis. The executive management team analyses the change in working capital for each segment in connection with its analysis of operating cash flow.

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

GEOGRAPHICAL SEGMENTS

NET SALES	2017	2016
Sweden	**4,527**	**4,250**
Total sales	*4,657*	*4,373*
Internal sales	*-130*	*-123*
Norway	**1,851**	**1,834**
Total sales	*1,861*	*1,841*
Internal sales	*-10*	*-7*
Finland	**550**	**488**
Total sales	*550*	*488*
Internal sales	*0*	*0*
Denmark	**799**	**703**
Total sales	*802*	*706*
Internal sales	*-3*	*-3*
Group functions/other	**-5**	**-4**
IS **Total**	**7,722**	**7,272**

NET SALES BY COUNTRY 2017



ADJUSTED EBITA	2017	2016
Sweden	456	423
Norway	123	128
Finland	16	9
Denmark	37	27
Group functions/other	-165	-152
Total	**468**	**435**
Adjusted EBITA is reconciled to profit before tax as follows:		
Amortization and impairment of goodwill and customer contracts (Note 11)	-170	-176
Items affecting comparability (Note 4)	-29	-17
IS Net financial items	-24	-75
IS **Profit before tax**	**244**	**167**

ADJUSTED EBITA MARGIN, %	2017	2016
Sweden	10.1	9.9
Norway	6.6	7.0
Finland	3.0	1.9
Denmark	4.7	3.8
Group functions/other	-	-
Total	**6.1**	**6.0**

OTHER INFORMATION

INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS	2017	2016
Sweden	-43	-20
Norway	-2	-11
Finland	-1	-2
Denmark	-1	-2
Group functions/other	-30	-39
SCF **Total**	**-78**	**-74**

NON-CURRENT ASSETS	2017	2016
Sweden	2,775	2,895
Norway	448	575
Finland	152	155
Denmark	165	168
Group functions/other	77	66
Total	**3,617**	**3,860**

CHANGES IN NET WORKING CAPITAL	2017	2016
Sweden	10	53
Norway	85	24
Finland	-5	-8
Denmark	-13	-46
Group functions/other	12	6
SCF **Total**	**89**	**29**

NET SALES BY TYPE OF CONTRACT	2017	2016
IFM	5,300	5,027
FM services	2,423	2,245
IS **Total**	**7,722**	**7,272**

The Group has one customer which accounts for more than 10 per cent of consolidated net sales. Net sales to this customer in 2017 were SEK 1,191 (**1**,183) 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 described in the segment information above.

NOTE 4 OPERATING EXPENSES

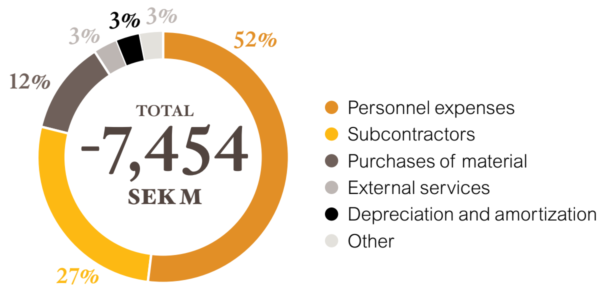
Coor has chosen to use an income statement by function, as this type of income statement provides a more true and fair view of the governance and monitoring of the operations. A breakdown of costs by nature of expense is shown below.

COSTS BY FUNCTION	2017	2016
IS Cost of services sold	-6,896	-6,476
IS Selling expenses	-100	-94
IS Administrative expenses	-459	-460
Total	**-7,454**	**-7,030**

COSTS BY NATURE OF EXPENSE

COSTS BY NATURE OF EXPENSE	2017	2016
Personnel expenses	-3,848	-3,563
Subcontractors	-2,041	-1,988
Material	-909	-861
External services	-248	-210
Depreciation/amortization	-219	-217
Other operating expenses	-189	-191
Total	**-7,454**	-7,030

COSTS BY NATURE OF EXPENSE 2017



ITEMS AFFECTING COMPARABILITY

Items affecting comparability are excluded from the measure of operating profit, adjusted EBITA, which management regards as the most relevant metric, as it gives a more true and fair view of the underlying business.

Items affecting comparability for 2017 mainly comprise costs for integration and acquisitions. Integration costs refer to external non-recurring costs incurred in connection with acquisitions or the assumption of new contracts, such as IT costs and reprofiling costs.

RECONCILIATION ADJUSTED EBITA	2017	2016
IS **Operating profit (EBIT)**	**268**	**242**
Amortization and impairment of customer contracts	170	176
Items affecting comparability	29	17
Adjusted EBITA	**468**	**435**

ITEMS AFFECTING COMPARABILITY	2017	2016
Integration	-20	-7
Restructuring	-4	-8
Acquisition-related costs	-6	0
Other	1	-2
Total	**-29**	**-17**

ITEMS AFFECTING COMPARABILITY SPECIFIED BY FUNCTION	2017	2016
Cost of services sold	-21	-9
Selling and administrative expenses	-9	-8
Total	**-29**	**-17**

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.

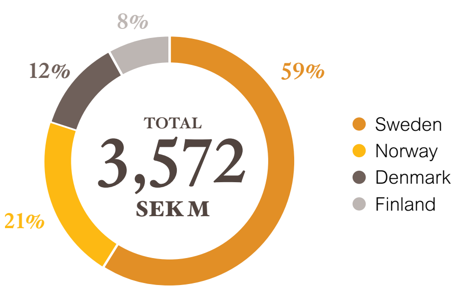
EMPLOYEE BENEFIT EXPENSES

Salaries, other remuneration and social security contributions

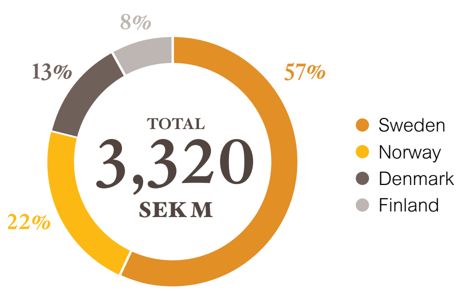
	2017					2016				
	SALARIES AND REMUNERATION[1)]	*OF WHICH BONUSES*	SOCIAL SECURITY CONTRIBU-TIONS	*OF WHICH RETIRE-MENT BENEFIT COSTS*	TOTAL	SALARIES AND REMUNERATION[1)]	*OF WHICH BONUSES*	SOCIAL SECURITY CONTRIBU-TIONS	*OF WHICH RETIRE-MENT BENEFIT COSTS*	TOTAL
Board of Directors, CEO and VP	33	*9*	13	*4*	**46**	29	*7*	11	*4*	**40**
Other senior executives	17	*6*	9	*3*	**26**	15	*4*	8	*2*	**22**
Other employees	2,726	*25*	881	*204*	**3,606**	2,583	*25*	822	*200*	**3,405**
Total	**2,776**	*40*	**903**	*211*	**3,678**	**2,626**	*36*	**841**	*207*	**3,467**
Less employee benefit expenses discontinued operations	-91	*0*	-15	*-3*	-107	-131	*0*	-17	*-3*	-148
Total from continuing operations	**2,684**	*40*	**887**	*209*	**3,572**	**2,495**	*35*	**824**	*204*	**3,320**

[1)] Salaries and termination benefits totalled 4 (8). Of this amount, 0 (0) refers to severance pay to the CEO and other senior executives.
The group Board of Directors, CEO and Vice President includes remuneration to the Board of Coor Service Management Holding AB and remuneration of the Group's CEO, as well as remuneration of the Presidents and Vice Presidents of all of the Group's subsidiaries. The group of senior executives referred to above is a part of the Group's Executive management team, excluding those individuals who are Presidents or Vice Presidents for the respective subsidiaries.

EMPLOYEE BENEFIT EXPENSES BY COUNTRY* 2017



EMPLOYEE BENEFIT EXPENSES BY COUNTRY* 2016

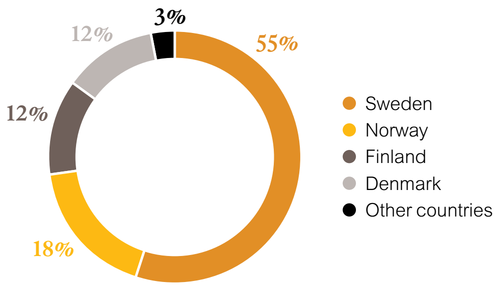


** Employee benefit expenses for Belgium, Poland and Hungary are included in Sweden's costs since these countries operate under Sweden. Employee benefit expenses for Estonia are included in Finland's costs as Estonia operates under Finland. Staff costs for Sweden also include costs for Group functions.*

NUMBER OF EMPLOYEES AND GENDER DISTRIBUTION

AVERAGE NUMBER OF EMPLOYEES	2017 AVERAGE NO. OF EMPLOYEES	2017 *OF WHICH MEN*	2016 AVERAGE NO. OF EMPLOYEES	2016 *OF WHICH MEN*
Sweden	3,518	*1,667*	3,235	*1,573*
Norway	1,313	*722*	1,369	*680*
Finland	795	*310*	774	*291*
Denmark	766	*375*	732	*348*
Other countries	197	*92*	153	*73*
Total	**6,588**	***3,166***	**6,263**	***2,965***
Less discontinued operations	-178	*-98*	-233	*-116*
Total from continuing operations	**6,411**	***3,068***	**6,030**	***2,849***

AVERAGE NUMBER OF EMPLOYEES (FTE) 2017



GENDER DISTRBUTION REGARDING BOARD OF DIRECTORS, CEO AND OTHER SENIOR EXECUTIVES

	2017 NO. AT BALANCE SHEET DATE	2017 *OF WHICH MEN*	2016 NO. AT BALANCE SHEET DATE	2016 *OF WHICH MEN*
Board of Directors	10	*7*	11	*8*
CEO and senior executives	12	*10*	12	*10*
Total	**22**	***17***	**23**	***18***

NOTE 6 REMUNERATION OF THE BOARD AND SENIOR EXECUTIVES

The Board refers to members of the Board of Directors of the Parent Company in accordance with the resolution of the Annual General Meeting. For the current composition of the Board, see the section *Presentation of Board of Directors.*

Senior executives 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 SENIOR EXECUTIVES	2017	2016
Board fees	2.7	2.8
Remuneration of CEO and executive management team	51.8	45.5
Total	**54.5**	**48.2**

REMUNERATION OF BOARD OF DIRECTORS – GUIDELINES

Fees are paid to the Chairman and members of the Board of Directors in accordance with the resolution of the Annual General Meeting.

During the year, Chairman of the Board Anders Narvinger and Søren Christensen withdrew as Board members at the 2017 Annual General Meeting. Anders Ehrling was elected as a new Board member at the 2017 Annual General Meeting and Mats Granryd was appointed as the new Chairman of the Board.

The following tables specify the fees that were expensed during the year for each Board member. For a specification of fees approved by the AGM, see the *Corporate Governance Report*.

REMUNERATION OF THE BOARD 2017

2017	BASIC FEE/ BOARD FEE	FEE FOR COMMITTEE WORK	TOTAL
Board fees			
Anders Narvinger	0.3	0.0	**0.3**
Anders Ehrling *	0.2	0.0	**0.2**
Heidi Skaaret	0.2	0.1	**0.3**
Kristina Schauman *	0.2	0.2	**0.4**
Mats Granryd	0.6	0.2	**0.8**
Mats Jönsson	0.2	0.1	**0.3**
Monica Lindstedt *	0.2	0.1	**0.3**
Søren Christensen	0.1	0.0	**0.1**
Other Board members	0.0	0.0	**0.0**
Total	**2.0**	**0.7**	**2.7**

** Invoices Board fee from own company. For Board members who invoice the fee via his or her company, the fee has been increased to include the social security contributions which, otherwise, would have been payable on the fee, in order to ensure cost-neutrality for Coor.*

REMUNERATION OF THE BOARD 2016

2016	BOARD FEE	FEE FOR COMMITTEE WORK	TOTAL
Board fees			
Anders Narvinger	0.7	0.1	**0.8**
Bernt Magnusson *	0.1	0.0	**0.1**
Heidi Skaaret	0.2	0.0	**0.2**
Kristina Schauman *	0.3	0.2	**0.4**
Mats Granryd	0.2	0.1	**0.3**
Mats Jönsson	0.3	0.1	**0.3**
Monica Lindstedt *	0.3	0.1	**0.4**
Søren Christensen*	0.2	0.1	**0.3**
Other Board members	0.0	0.0	**0.0**
Total	**2.2**	**0.6**	**2.8**

** Invoices Board fee from own company. For Board members who invoice the fee via his or her company, the fee has been increased to include the social security contributions which, otherwise, would have been payable on the fee, in order to ensure cost-neutrality for Coor.*

REMUNERATION OF THE CEO AND SENIOR MANAGEMENT – GUIDELINES:

The Annual General Meeting 2017 approved the following guidelines for senior executives for the period until the 2018 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 equity-related instruments in Coor. Variable cash remuneration is contingent on the achievement of defined and measurable targets and shall be capped at 50 per cent of the annual fixed salary. 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 may be concluded on one-off remuneration, provided that such remuneration does not exceed three times the individual's fixed monthly salary and is not paid more than once a year to the same individual.

Pension benefits must be defined contribution benefits.

Severance pay is normally paid in case of termination by the company. The contracts of members of senior management 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 individual cases.

REMUNERATION OF CEO AND EXECUTIVE MANAGEMENT TEAM – 2017

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

REMUNERATION OF CEO AND EXECUTIVE MANAGEMENT TEAM – 2016

2016	BASIC SALARY	VARIABLE REMUNERATION	OTHER BENEFITS	RETIREMENT BENEFIT COSTS	SEVERANCE PAY	OTHER REMUNERATION	TOTAL
Remuneration of the CEO							
Mikael Stöhr	5.6	2.7	0.1	1.8	0.0	0.0	**10.1**
Remuneration of other executive management team members							
Rest of management team, 11 persons	21.7	8.3	0.9	4.5	0.0	0.0	**35.4**
Total	**27.3**	**10.9**	**1.0**	**6.3**	**0.0**	**0.0**	**45.5**

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 or her salary which exceeds 30 base amounts. In addition to the CEO, two other senior executives are entitled to pension contributions of 30 per cent of that portion of their salary which exceeds 30 basic amounts and two senior executives are entitled to pension contributions of 20 per cent of that portion of their salary which exceeds 30 basic 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 for each country.

NOTE 7 LEASING

ACCOUNTING PRINCIPLES

Leases are classified and accounted for as finance or operating leases. If the risks and rewards associated with ownership have essentially been transferred to Coor, the contracts are classified as finance leases. Other leases are accounted for as operating leases.

Coor has concluded 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 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 applied for other assets of the same class.

For operating leases, the payments are charged to expense 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. Payments from a finance lease are divided into repayment of receivable and interest income to obtain a fixed rate of interest for the recognized 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 lease payments is as follows:

	2017	2016
Maturing within one year	3	8
Maturing later than one year but within five years	3	5
Maturing after five years	0	0
Total	**6**	**13**
Future financial costs for finance leases	0	-1
Present value of future minimum lease payments	**6**	**12**

Operating leases:
The Group has concluded operating leases for trucks, trailers, cars, 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 lease payments attributable to operating leases is as follows:

	2017	2016
Maturing within one year	153	141
Maturing later than one year but within five years	222	208
Maturing after five years	26	23
Total	**401**	**372**

Lease payments under operating leases (excluding discontinued operations) for the year were SEK 172 (170) 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 lease payments is as follows:

	2017	2016
Maturing within one year	1	5
Maturing later than one year but within five years	1	3
Maturing after five years	0	0
Total	**3**	**8**
Unearned financial income from finance leases	0	0
Present value of future minimum lease payments	**2**	**7**

Operating leases:
As lessor, the Group has mainly concluded operating leases for machinery such as trucks and trailers.

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

	2017	2016
Maturing within one year	14	20
Maturing later than one year but within five years	13	26
Maturing after five years	0	0
Total	**27**	**46**

Lease payments under operating leases for the year were SEK 24 (30) million.

NOTE 8 AUDIT FEES

AUDIT FEES	2017	2016
PwC		
Audit engagement	6	5
Audit services in addition to audit engagement	0	1
Tax advisory services	0	2
Other services	2	0
Total	**8**	**8**

Audit engagements refer to the audit of the annual report and accounts as well as the Board of Director's and CEO's management, other duties incumbent on the company's auditors to carry out and advice or other assistance that arises from observations in such an audit or the implementation of other such duties. All else falls under other engagements.

NOTE 9 FINANCIAL INCOME AND EXPENSES

NET FINANCIAL ITEMS	2017	2016
Financial income		
Interest income	2	2
Exchange gains	18	4
Other financial income	0	0
IS **Total**	**21**	**6**
Financial expenses		
Interest expense	-33	-34
Exchange gains	-3	-40
Other financial costs	-9	-7
IS **Total**	**-45**	**-81**
Total net financial items	**-24**	**-75**

Interest expenses refer mainly to interest on bank loans. Foreign exchange differences refer principally to the result of 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. Current 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 loss carry-forwards 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 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 judgements 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 loss carry-forwards exist in Finland and Sweden. In Sweden, there are no time limitations on the use of the tax loss carry-forwards. In Finland, tax loss carry-forwards must be used within a ten-year period from when they arise. In Finland, a deferred tax asset attributable to tax loss carry-forwards 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 loss carry-forwards against taxable profits within the ten-year time limit. In Sweden, it has been deemed that it will be possible to use all tax loss carry-forwards against future taxable profits. All tax loss carry-forwards have therefore been recognized as a deferred tax asset. The assessment of how large a portion of the tax loss carry-forwards 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 EXPENSES (–), TAX INCOME (+)	2017	2016
Current tax	-38	-29
Deferred tax	-19	-15
IS **Total**	**-56**	**-44**

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

	2017	%	2016	%
IS **Profit before tax**	244		167	
IS **Tax expense**	-56	*-23*	-44	*-26*
Calculated tax expense	-57	*-23*	-40	*-24*
Difference	**1**	*0*	**-4**	*-2*
Unrecognized deferred tax on loss carry-forwards	0	*0*	-2	*-1*
Use of previously unrecognized loss carry-forwards	1	*0*	0	*0*
Tax effect of non-deductible expenses	-3	*-1*	-3	*-2*
Tax effect of non-taxable income	0	*0*	1	*1*
Other	2	*1*	0	*0*
Total	**1**	*0*	**-4**	*-2*

The weighted average tax rate was 23 (24) per cent and the effective tax rate 23 (26) per cent. The change compared with the previous year is mainly because the corporate tax rate in Norway has been reduced.

Tax attributable to components in other comprehensive income was SEK 0 (0) million.

DEFERRED TAX LIABILITY AND TAX ASSET IN THE BALANCE SHEET

In the countries in which the Group has several legal entities, it is possible to offset tax liabilities and tax assets through Group contributions, which is why deferred tax assets and liabilities are recognized on a net basis for each country.

DEFERRED TAX BY COUNTRY, NET	2017	2016
Deferred tax asset		
Sweden	226	252
BS **Total deferred tax asset**	**226**	**252**
Deferred tax liability		
Norway	20	28
Denmark	4	4
Finland	0	0
BS **Total deferred tax liability**	**24**	**32**
Deferred tax, net	**203**	**220**

SPECIFICATION REGARDING CHANGES IN DEFERRED TAX LIABILITY/TAX ASSET

2017	GOODWILL ARISING FROM PURCHASE OF NET ASSETS	LOSS CARRY-FORWARD	CASH FLOW HEDGE	CUSTOMER RELATIONS AND TRADEMARKS	OTHER	TOTAL
At 1 January 2017	**20**	**399**	**0**	**-208**	**10**	**220**
Recognized in the income statement	-7	-51	0	39	1	-19
Less discontinued operations	0	0	0	0	2	2
Translation differences	0	0	0	1	-1	0
At 31 December 2017	**13**	**347**	**0**	**-168**	**11**	**203**

2016	GOODWILL ARISING FROM PURCHASE OF NET ASSETS	LOSS CARRY-FORWARD	CASH FLOW HEDGE	CUSTOMER RELATIONS AND TRADEMARKS	OTHER	TOTAL
At 1 January 2016	**27**	**441**	**0**	**-245**	**12**	**235**
Recognized in the income statement (continuing operations)	-7	-43	0	40	-4	-15
Recognized in the income statement (discontinued operations)	0	0	0	0	2	2
Translation differences	0	0	0	-3	0	-3
At 31 December 2016	**20**	**399**	**0**	**-208**	**10**	**220**

Of the above net asset related to deferred tax, the Group estimates that SEK 27 (32) million will be used within a 12-month period. In this amount, that portion of the Group's reported tax losses that will be used in the coming year has been excluded.

TAX LOSS CARRY-FORWARDS

The Group has tax loss carry-forwards of SEK 378 million, of which SEK 347 (399) 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 loss carry-forwards attributable to Finland have been recognized only to the extent that there exists an equivalent deferred tax liability.

TAX LOSS CARRY-FORWARDS AS PER 31 DEC 2017	TOTAL	OF WHICH RECOGNIZED IN BALANCE SHEET
Sweden	342	342
Finland	36	5
Total	378	347

CURRENT TAX LIABILITY/TAX ASSET

The current tax liability at 31 December 2017 was SEK 30 (25) million and the current tax asset SEK 8 (1) 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.

Goodwill is allocated to those cash-generating units which are expected to benefit from the business combination which 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 on expected 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 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 apply.

Customer contracts which have been recognized and measured in connection with an acquisition have an estimated useful life of five to 18 years.

Trademarks

Trademarks which have been identified as intangible assets in connection with a business combination are recognized at fair value at the acquisition date. Trademarks are deemed to have indefinite useful lives and are therefore not subject to scheduled amortization. The company deems trademarks to be permanent. The trademark is tested annually for impairment based on the same principle as for goodwill.

Other intangible assets

Other intangible assets mainly comprise software and licences.

Acquired software licences 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 licences are amortized over the estimated useful life, which ranges from three to five years.

! CRITICAL ASSUMPTIONS

IMPAIRMENT TESTING OF GOODWILL

In connection with the annual impairment test of goodwill, a calculation is made of the recoverable amount. 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 judgements, of which the most significant relate to the forecasts for organic growth and margin growth.

– Forecasts for organic growth

Growth is achieved partly through add-on 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 comprise 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 2017 was 7.6 (7.6) per cent in all units. 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 calculated pre-tax WACC would have been 9.2 (9.3) per cent.

– Sensitivity analysis

The following sensitivity analyses of the calculation of value in use 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 the future sustainable cash flow

In 2017, 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 are sensitive in varying degrees 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 have been identified in preparing the acquisition analysis. 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 the assessment made as at 31 December 2017, management has 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 didn't believe there is any evident 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 assessment 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	2017	2016	2017	2016	2017	2016	2017	2016
Opening cost	3,074	3,007	2,931	3,023	40	40	160	121
SCF Investments	0	0	0	0	0	0	30	41
Sales and disposals	0	0	0	-140	0	0	-4	-2
Less discontinued operations	-72	0	0	0	0	0	0	0
Translation differences for the year	-7	67	-11	49	0	0	0	1
Closing accumulated cost	**2,995**	**3,074**	**2,921**	**2,931**	**40**	**40**	**186**	**160**
Opening accumulated amortization and impairment	-293	-280	-2,036	-1,964	0	0	-93	-79
Sales and disposals	0	0	0	140	0	0	4	2
Amortization charges for the year	0	0	-170	-173	0	0	-20	-14
Impairment losses for the year*	-74	0	0	-3	0	0	0	-1
Less discontinued operations	72	0	0	0	0	0	0	0
Translation differences for the year	-6	-13	8	-35	0	0	0	-1
Closing accumulated amortization and impairment	**-302**	**-293**	**-2,198**	**-2,036**	**0**	**0**	**-110**	**-93**
BS **Closing carrying amount**	**2,693**	**2,781**	**723**	**896**	**40**	**40**	**76**	**67**
Amortization and impairment losses by function								
Cost of services sold	0	0	-170	-176	0	0	-20	-15
Administrative expenses	0	0	0	0	0	0	0	0
Total amortization and impairment (*continuing operations*)	**0**	**0**	**-170**	**-176**	**0**	**0**	**-20**	**-15**

** Impairments for the year are entirety attributable to discontinued operations in Norway.*

The allocation of goodwill and customer contracts to the Group's cash-generating units (CGU) is as follows:

	GOODWILL		CUSTOMER CONTRACTS	
SPECIFIED BY SEGMENT	2017	2016	2017	2016
Sweden	2073	2073	597	739
Norway	359	453	78	100
Finland	121	117	26	31
Denmark	142	138	22	27
BS **Total**	**2,693**	**2,781**	**723**	**896**

NOTE 12 PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING PRINCIPLES

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment. Cost includes 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.

The following periods of depreciation are applied:

Buildings	25–40 years
Machinery and other technical equipment	5–15 years
Equipment, tools, fixtures and fittings	5–10 years

PROPERTY, PLANT AND EQUIPMENT	LAND AND BUILDINGS 2017	LAND AND BUILDINGS 2016	MACHINERY AND EQUIPMENT 2017	MACHINERY AND EQUIPMENT 2016
Opening cost	**6**	**5**	**305**	**465**
SCF investments, continuing operations	0	0	48	33
Investments, discontinued operations	0	0	1	3
Sales and disposals	0	0	-25	-207
Reclassifications	0	0	0	1
Translation differences for the year	0	0	0	10
Less discontinued operations	0	0	-50	0
Closing accumulated cost	**6**	**6**	**280**	**305**
Opening accumulated depreciation and impairment	**-4**	**-4**	**-230**	**-396**
Sales and disposals	0	0	23	204
Depreciation for the year, continuing operations	0	0	-30	-25
Depreciation for the year, discontinued operations	0	0	-4	-6
Translation differences for the year	0	0	-1	-7
Less discontinued operations	0	0	45	0
Closing accumulated depreciation and impairment	**-5**	**-4**	**-197**	**-230**
BS **Closing carrying amount**	**1**	**1**	**83**	**75**
Depreciation and impairment by function				
Cost of services sold	0	0	-28	-23
Administrative expenses	0	0	-2	-2
Total depreciation and impairment (continuing operations)	**0**	**0**	**-30**	**-25**

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

	2017	2016
Cost – finance leases	12	33
Accumulated depreciation	-10	-29
Carrying amount	**2**	**4**

Also refer to *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 operating activities. 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 initially stated at cost and subsequently at amortized cost by applying the effective interest method, less any provisions for impairment. However, accounts receivable are in most cases measured at cost, as they fall due in the near future. A provision for impairment of accounts receivable is made when there is objective evidence that the Group will not be able to recover all overdue amounts in accordance with the original terms for the receivables.

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	2017	2016
Accounts receivable	1,161	1,082
Provision for impairment of accounts receivable	-2	-2
BS **Total**	**1,159**	**1,080**

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

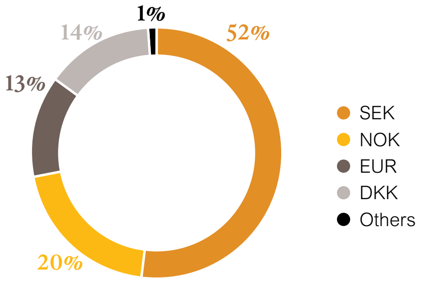
AGING ANALYSIS OF ACCOUNTS RECEIVABLE:
The Group's policy is to recognize provisions for 30 per cent of accounts receivables which are three to six months past due and provisions of 70 per cent for accounts receivable which are more than six months past due. If the provision is deemed to be insufficient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

AGING ANALYSIS OF ACCOUNTS RECEIVABLE:	2017	2016
Accounts receivable which are neither overdue nor impaired	999	970
Accounts receivable which are overdue but not impaired		
0–3 months	156	101
>3 months	6	11
Accounts receivable which are overdue but not impaired	**162**	**112**
Provision for impairment of accounts receivable	-2	-2
BS **Total**	**1,159**	**1,080**

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

PROVISION FOR DOUBTFUL ACCOUNTS RECEIVABLE	2017	2016
Provision at beginning of period	-2	-3
Provision for expected losses	-1	0
Confirmed losses	0	1
Less discontinued operations	1	0
Translation differences	0	0
Total	**-2**	**-2**

ACCOUNTS RECEIVABLE BY CURRENCY IN 2017:



NOTE 14 PREPAID EXPENSES AND ACCRUED INCOME

PREPAID EXPENSES AND ACCRUED INCOME	2017	2016
Accrued income, subscriptions	20	18
Accrued income, projects	159	191
Prepaid expenses	196	187
BS **Total**	**374**	**395**

NOTE 15 SHARE CAPITAL AND DATA PER SHARE

The company's share capital at 31 December 2017 comprised 95,812,022 (95,812,022) ordinary shares. The quotient value of the shares at 31 December 2017 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 2017 was SEK 383,248,088 (383,248,088).

DATA PER SHARE	2017	2016
Share price at end of period	62.5	50.8
No. of shares at end of period	95,812,022	95,812,022
No. of ordinary shares (weighted average)	95,812,022	95,812,022
Dividend per share, SEK[1)]		
Ordinary dividend, SEK	1.80	1.55
Extraordinary dividend, SEK	2.20	1.45
Total	**4.00**	**3.00**
Earnings per share, SEK [2)]		
Continuing operations	1.96	1.29
Discontinued operations	-1.54	0.01
Total	**0.42**	**1.30**
Equity per share, SEK	25.71	28.53

1) Proposed dividend that is subject to adoption at the Annual General Meeting on 26 April 2018.
2) There is no dilution effect in any of the periods.

NOTE 16 BORROWING AND FINANCIAL RISK MANAGEMENT

§ ACCOUNTING PRINCIPLES

Financial liabilities are recognized on the settlement date. The liabilities are initially recognized at fair value, net of transaction costs, and subsequently at amortized cost using the effective interest method. Costs incurred in connection with new loans are capitalized as borrowing costs and amortized over the term of the loan. For disclosures in the note relating to borrowings, market interest rates are used for calculating the fair value.

Financial liabilities with a maturity date within less than 12 months are recognized as current borrowings and financial liabilities with a maturity exceeding 12 months are recognized as long-term borrowing.

! CRITICAL ASSUMPTIONS

Through the current financing solution Coor has entered into agreements that result in certain loan terms and conditions. If Coor was to breach any of these terms and conditions, this could result in increased costs and a risk that the current financing agreements could be terminated. As of 31 December 2017, Coor complies with all of the loan terms and conditions.

BORROWINGS

BORROWINGS	2017	2016
Long-term borrowings		
Liabilities to credit institutions	1,401	1,404
Finance lease liabilities	3	5
Capitalized borrowing costs	-6	-9
Other non-current liabilities	2	1
BS Total	**1,399**	**1,401**
Short-term borrowings		
Finance lease liabilities	3	7
BS Total	**3**	**7**
Total borrowings	**1,402**	**1,408**

Liabilities to credit institutions per 31 December 2017 relate to three different loans from a banking syndicate. The loans are in SEK, NOK and EUR. The loans carry an interest rate equivalent to IBOR (depending on the loan's original value) + 1.45 percentage points according to the current level of the interest rate tiers.

LIABILITIES TO CREDIT INSTITUTIONS BY CURRENCY	NOMINAL AMOUNT (SEK M) 2017	NOMINAL AMOUNT (SEK M) 2016
SEK	950	950
NOK	349	349
EUR	102	105
Total	**1,401**	**1,404**

Granted revolving credit facilities per 31 December 2017 amounted to 400 (400) for the Group, of which the utilized portion amounted to 110 (115). Utilised rolling credit facilities at 31 December 2017 consisted of performance bonds.

The fair value of the Group's borrowings at the balance sheet date was as follows:

	CARRYING AMOUNT		FAIR VALUE	
CARRYING AMOUNTS AND FAIR VALUES FOR BORROWINGS	2017	2016	2017	2016
Liabilities to credit institutions (incl capitalized borrowing costs)	1,394	1,395	1,394	1,395
Finance lease liabilities	6	12	6	12
Other non-current liabilities	2	1	2	1
Total	**1,402**	**1,408**	**1,402**	**1,408**

The current credit margin in the Group's financial agreements is deemed to be consistent with market terms, therefore the carrying amount equals the fair value. The Group deems that the valuation is made in accordance with Level 2 of the fair value hierarchy, based on observable inputs. The Group has not provided collateral to credit institutions for any borrowings.

RECONCILIATION OF NET DEBT

2017	CASH AND CASH EQUIVA-LENTS	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
Translation 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**

2016	CASH AND CASH EQUIVA-LENTS	FINANCE LEASE RECEIVABLES	FINANCE LEASE LIABILITIES	LIABILITIES TO CREDIT INSTITUTIONS	OTHER FINANCIAL LIABILITIES	NET PENSIONS	TOTAL
Opening balance, 1 January 2016	**428**	**15**	**-22**	**-1,355**	**-1**	**-9**	**-945**
Repayment of liabilities to credit institutions	-1	0	0	1	0	0	0
Dividends	-192	0	0	0	0	0	-192
Other cash flow	349	-9	11	0	0	0	351
Translation differences	19	0	0	-38	0	0	-19
Other non-cash changes	0	1	-1	-3	0	0	-3
Closing balance, 31 December 2016	**603**	**7**	**-12**	**-1,395**	**-1**	**-9**	**-807**

FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

All of the Group's financial instruments included in the category for loans and receivables and financial liabilities are recognized at cost. The Group does not hold any derivatives or financial instruments to be recognized at fair value.

LOANS RECEIVABLE AND ACCOUNTS RECEIVABLE	2017	2016
Finance lease receivables	2	7
BS **Accounts receivable**	1,159	1,080
BS **Cash and cash equivalents**	709	603
Total	**1,870**	**1,690**

FINANCE LIABILITIES AT AMORTIZED COST	2017	2016
Liabilities to credit institutions including capitalized borrowing costs	1,394	1,395
Finance lease liabilities	6	12
BS **Accounts payable**	944	790
Total	**2,344**	**2,197**

FINANCIAL RISK MANAGEMENT

The Group's treasury policy is the foundation for managing the financial risks to which the Group is exposed. The treasury policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial results.

The Group is exposed to a number of financial risks 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 the payment of interest and the conversion of loans in currencies other than the company's functional currency.

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

The Group holds loans from credit institutions in NOK and EUR, which is why Coor is affected by the payment of interest and the conversion of these loans to the Group's functional currency, SEK. If the exchange rate for NOK and EUR was to change by 10 per cent, it would have the following effects on the Group's profit before tax for the translation of loans in NOK and EUR to SEK:

TRANSACTION RISK (SEK M)	PROFIT BEFORE TAX, ± 2017
NOK	35
EUR	10

The transaction exposure from translation of foreign currency loans is partly offset by the translation exposure when translating foreign subsidiaries' income to SEK, see next paragraph.

Translation risk

Translation risk is the risk that Coor is exposed to at the translation of foreign subsidiaries' income statements and balance sheets to SEK.

To counteract the translation risk, the Group has raised loans distributed in SEK, NOK and EUR, which roughly correspond to the Group's operating cash flow in each currency. The need for currency hedging of the Group's net assets abroad is continuously monitored.

The total external debt in foreign currency at the end of 2017 was NOK 348 (331) million and EUR 10 (11) million.

Of the operating profit in 2017, 35 (34) per cent of EBITA is from operations with a functional currency other than SEK. NOK 22 (24) per cent, EUR 6 (4) per cent, DKK 7 (5) per cent, HUF and PLN 0 (1) per cent.

The translation difference in equity for the year amounted to SEK -23 (68).

In 2017, 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 on equity for 2017:

TRANSLATION EXPOSURE (SEK M)	PROFIT AFTER TAX ± 2017	EQUITY ± 2017
DKK	2	17
EUR	1	-5
NOK	-4	41
HUF and PLN	0	1
Total	**0**	**53**

INTEREST RATE RISK

Interest rate risk is the risk that changes in market interest rates negatively affect net profit, cash flow, or the fair value of financial assets and liabilities.

For assets and liabilities with variable interest rates, a change in market interest rates would have a direct effect on net profit and cash flow.

For fixed rate assets and liabilities, the fair value would instead be affected.

Consolidated debt represents an exposure to interest rate risk, since borrowing is at variable interest rates. In the current financing agreement, the Group has chosen not to enter into any interest rate swap arrangements at present, although this choice is reviewed on an ongoing basis.

At 31 December 2017, the Group is primarily exposed to interest rate risk through bank loans of SEK 1,401 (1,404) million and utilised revolving credit facilities of SEK 110 (115) million. Both bank loans and revolving credit facilities incur variable interest.

The group analyses its exposure to interest rate risk by simulating the impact on profit 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 ± 14 million on the Group's interest expenses.

RISK	POLICY/ACTION
CREDIT RISK	
Credit risk is the risk that a counterparty to a transaction will be unable to fulfil its contractual financial obligations, resulting in a negative impact on the Group's financial position and performance. The majority of the Group's credit risk refers to receivables from customers, comprised of accounts receivable and assignments which have been partially or fully completed, but not yet invoiced.	Credit risk is managed through an active credit assessment of each customer's creditworthiness in connection with the conclusion of new customer contracts and through careful monitoring of overdue accounts receivable, with clear routines for the management of reminders, demands and collection procedures. In 2017, the Group's 10 largest customers accounted for 56 (53) per cent of the Group's total sales. Historically, the Group has had a low level of bad debts relative to sales. At 31 December 2017, the maximum credit exposure in accounts receivable was SEK 1,161 (1,082) million. The concentration of credit risk based on the situation at 31 December 2017 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	2017 SHARE OF TOTAL ACCOUNTS RECEIVABLE	2017 PERCENTAGE OF PORTFOLIO	2016 SHARE OF TOTAL ACCOUNTS RECEIVABLE	2016 PERCENTAGE OF PORTFOLIO
Exposure < SEK 15 m	632	54%	604	56%
Exposure SEK 15-50 m	395	34%	296	27%
Exposure > SEK 50 m	134	12%	182	17%
Total	**1,161**	**100%**	**1,082**	**100%**

The provision for doubtful debts at 31 December 2017 was SEK 2 (2) million, accounting for 0.2 (0.2) per cent of total accounts receivable. For further information on the provision for doubtful debts, refer to *Note 13 Accounts receivable.*

RISK	POLICY/ACTION
LIQUIDITY RISK	
Liquidity risk refers to the risk that the Group will find it difficult to meet its financial obligations because liquid assets are not available.	To ensure adequate short-term liquidity, management analyses the Group's liquidity requirements by continuously monitoring the liquidity reserve (unutilized revolving credit facilities, and cash and bank balances). Liquidity forecasts are drawn up 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 following up these forecasts on an ongoing basis. The liquidity requirement is met through existing credit facilities. The table below divides the Group's financial liabilities based on the contractual maturity times. The amounts indicated below refer to undiscounted cash flows.

2017 - MATURITY ANALYSIS	WITHIN 1 YEAR	BETWEEN 1-2 YEARS	BETWEEN 2-5 YEARS	MORE THAN 5 YEARS
Accounts payable	944	0	0	0
Finance lease liabilities	3	2	1	0
Liabilities to credit institutions	0	0	1,401	0
Interest, borrowing	23	23	12	0
Total	**970**	**25**	**1,414**	**0**

2016 - MATURITY ANALYSIS	WITHIN 1 YEAR	BETWEEN 1-2 YEARS	BETWEEN 2-5 YEARS	MORE THAN 5 YEARS
Accounts payable	790	0	0	0
Finance lease liabilities	8	3	3	0
Liabilities to credit institutions	0	0	1,404	0
Interest, borrowing	25	25	37	0
Total	**822**	**27**	**1,443**	**0**

RISK	POLICY/ACTION
REFINANCING RISK	
Financing risk is the risk that external financing will not be available when required and that refinancing of maturing loans will prove difficult or costly.	In order to reduce its financing risk, the Group strives to establish business relationships with at least two different financial players with good creditworthiness. In conjunction with the listing of the Group on Nasdaq Stockholm in June 2015, a financing agreement was entered into with a consortium of three different credit institutions. The financing agreement has a total credit limit of SEK 1,800 million, of which SEK 1,400 million is comprised of senior loans and SEK 400 million comprises a revolving credit facility. The financing agreement includes customary clauses and stipulates standard terms and conditions for financial covenants. The covenants reported to the credit institutes under the financing agreement are leverage (ratio of interest-bearing net debt and adjusted EBITDA) and interest coverage ratio (ratio between adjusted EBITDA and net interest income). The borrowings have a margin above IBOR and follow an interest rate tier based on the company's recorded debt. The long-term borrowings raised under the existing financing agreement fall due for repayment in June 2020. Discussions are under way with various stakeholders regarding the refinancing of the borrowings. The Group has fulfilled all covenants stipulated in the loan agreements during the current financial year.
CAPITAL RISK	
Capital risk means the risk that the Group is unable to maintain an optimal capital structure and therefore cannot continue to generate returns for shareholders and other stakeholders in line with its objectives.	The Group strives to maintain an efficient capital structure that facilitates long-term growth, enabling the Group to continue to generate returns for its shareholders and benefits for other stakeholders. The Group's goal is to have a leverage that is below 3.0. The table below shows the Group's capitalization and net debt at year-end:

NET DEBT	2017	2016
Liabilities to credit institutions	1,394	1,395
Other	13	16
	1,408	**1,410**
Cash and cash equivalents	-709	-603
Net debt	**699**	**807**
Leverage, times	1.4	1.7
Equity	2,464	2,734
Equity/assets ratio, %	40	44

According to the Group's dividend policy, during a given economic cycle, approximately 50 per cent of the Group's adjusted net profit for the period is to be distributed.

In addition to the goal regarding capital structure and dividend, the Group has set up quantitative financial targets for *organic sales growth, adjusted EBITA margin* and *cash conversion*.

For definitions and goal achievement in 2017, please refer to the Annual Report section on *Goals*.

NOTE 17 PENSIONS

§ ACCOUNTING PRINCIPLES

The Group has a number of pension plans in different countries. The majority of the Group's pension plans consist of defined contribution pension plans, namely pension plans in which payments are being made to the authority or body which then takes over the obligation towards the employees. The Group has no further payment obligations once the contributions are paid. Obligations for defined contribution plans are recognized as an expense in the income statement as incurred. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments may benefit the Group.

Only a small number of Group employees are covered by a defined benefit plan in which the Group reports a provision in the balance sheet. A defined benefit plan is a pension plan which does not have a defined contribution. The defining characteristic of a defined benefit plan is that it specifies an amount for the retirement benefit which an employee will receive upon retirement, normally based on one or several factors, such as age, length of service or salary.

Both pensions secured through insurance with Alecta in Sweden and pensions secured according to the new AFP plan in Norway are, by definition, defined benefit plans. However, sufficient information is not available to produce reliable information regarding each company's share of pension cost, pension obligation and plan assets, so it is not yet possible to report these as defined benefit plans.

PENSION EXPENSES RECOGNIZED IN THE INCOME STATEMENT:	2017	2016
Retirement benefits, defined benefit plans	0	0
Retirement benefits, defined contribution plans	209	207
Total	**209**	**207**

The year's fees for pension insurance policies provided by Alecta amount to SEK 65 (60) million. Alecta's surplus can be distributed to the policyholders and/or insured parties. At the end of 2017, Alecta's surplus, in the form of the collective funding ratio, was 154 (149) 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 are not consistent with IAS 19.

Contributions to pension schemes for the year under the new AFP plan in Norway amount to SEK 28 (30) million.

PENSION OBLIGATIONS RECOGNIZED IN THE BALANCE SHEET:	2017	2016
Endowment policies*	14	12
Retirement benefits, defined benefit plans	6	7
BS **Total**	**19**	**19**
Non-current receivable, endowment policies*	-11	-10
Total, net	**9**	**9**

** Coor has signed endowment policies with a number of employees and beneficiaries. Because the employee is the beneficiary, pension provisions are reported as a long-term receivable in the balance sheet equal to the fair value of the endowment insurance. Special payroll tax has been reserved and will be paid to the Tax Agency in connection with the payment made to the employee.*

CHANGE IN DEFINED BENEFIT PENSION OBLIGATIONS DURING THE YEAR	2017	2016
At the beginning of the year	**7**	**7**
Pension payments made	-1	-1
Acturial gains/losses	0	0
Exchange gains	0	0
Other changes during the year	0	0
Total defined benefit obligation at year-end	**6**	**7**

Pension costs in the coming year

Expected contributions to post-employment benefit plans for the financial year 2018 are 0 for defined benefit pension plans, SEK 65 million for pension plans with Alecta, SEK 27 million for the new AFP plan in Norway and SEK 136 million for other defined contribution pension plans.

NOTE 18 PROVISIONS

ACCOUNTING PRINCIPLES

Provisions are recognized when the group has a legal or informal obligation as a result of an event which has occurred, it is more probable than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably calculated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation.

Provisions for restructuring measures are recognized when a detailed formal plan for the measure exists and a well-founded expectation among those affected has been engendered. No provisions are made for future operating losses. Restructuring costs include items such as large integration projects or broader organizational changes.

SPECIFICATION OF CHANGE IN PROVISIONS:

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

2016	RESTRUCTURING	OTHER PROVISIONS	TOTAL
At 1 January 2016	**12**	**4**	**16**
Recognized in the income statement:			
– additional provisions	8	6	14
– reversed unutilized amounts	0	0	0
Utilized during the year	-12	-5	-16
Translation difference	0	0	1
BS **At 31 December 2016**	**8**	**6**	**14**

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

	2017	2016
Non-current component	2	7
Current component	3	7
BS **Total**	**5**	**14**

NOTE 19 OTHER LIABILITIES

OTHER LIABILITIES	2017	2016
VAT liability	121	119
Employee withholding tax	61	61
Other current liabilities	7	5
BS **Total**	**189**	**185**

NOTE 20 ACCRUED EXPENSES AND PREPAID INCOME

ACCRUED EXPENSES AND PREPAID INCOME	2017	2016
Social security contributions	136	126
Holiday pay	303	296
Other personnel related liabilities	123	98
Accrued interest expenses	0	0
Prepaid income, subscriptions	286	261
Prepaid income, projects	4	3
Other accrued expenses	207	233
BS **Total**	**1,059**	**1,018**

NOTE 21 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 future events, which are not fully within the control of Coor. A contingent liability may also be an obligation arising from past events, but which is not recognized as a liability or provision because it is unlikely that the obligation will be settled or the size of the obligation cannot be calculated with sufficient accuracy.

CONTINGENT LIABILITIES	2017	2016
Performance guarantees	154	207
Total	**154**	**207**

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

PLEDGED ASSETS	2017	2016
Bank guarantees	103	107
Total	**103**	**107**

Pledged assets include bank guarantees issued on behalf of a number of different customers. The primary purpose of the bank guarantees is to ensure the fulfilment of delivery to customers.

NOTE 22 RELATED PARTY TRANSACTIONS

Ownership
Coor's shares were listed on Nasdaq Stockholm on 16 June 2015. For further information on Coor's share and ownership structure, please refer to the Annual report's *Coor Share Section*.

The following transactions with related parties were concluded:
There have been no significant transactions between Coor and any related parties during the year.

For information about the remuneration of senior executives, please see *Note 6 Remuneration of senior executives*.

NOTE 23 DISCONTINUED OPERATIONS

§ ACCOUNTING PRINCIPLES

When an independent line of business or a significant operation within a geographic area is divested, it is classified as a discontinued operation. The time of divestment, or the time when the operation meets the criteria for being classified as held for sale, determines when the operation shall be classified as a discontinued operation.

Profit after tax from discontinued operations and cash flow from discontinued operations are recognized on their own line in the income statement and statement of cash flows. The income statement and statement of cash flows are also similarly adjusted for the comparative period.

Operations sold during the year
In June 2017, Coor communicated its intention to divest the operations in damage services in Norway, the Norwegian subsidiary Skadegruppen AS. The operations in damage services have therefore been reported as a discontinued operation since the second quarter of 2017. At 26 September, a sale agreement was signed with Polygon AS and at 1 November 2017, the sale was concluded after customary review by the competition authorities.

Profit and cash flow from the damage services operations are recognized due to this on separate lines in the consolidated income statement and statement of cash flows. The comparative figures were also adjusted.

Financial information regarding discontinued operations for the period until the divestment date is presented below. Profit and cash flow effects that arose in connection with sale are also specified in the tables below.

PROFIT AND CASH FLOW ATTRIBUTABLE TO THE SOLD OPERATIONS

PROFIT FOR DISCONTINUED OPERATIONS (SEK M)	2017	2016
Income	221	359
Operating expenses	-247	-359
Net financial items	0	0
Income tax	6	1
Total	**-20**	**1**
Revaluation of net assets in connection with sale of subsidiaries	-101	0
Capital gain	-27	0
Profit from discontinued operations	**-148**	**1**

CASH FLOW FROM DISCONTINUED OPERATIONS (SEK M)	2017	2016
Cash flow from operating activities	-13	16
Cash flow from investing activities	-1	-3
Cash flow from financing activities	-1	-2
Cash flow from discontinued operations	**-15**	**10**
Consideration upon sale of subsidiaries, net	2	0
Cash and cash equivalents in sold subsidiaries	-9	0
Cash flow attributable to discontinued operations	**-23**	**10**

SPECIFICATION OF SOLD OPERATIONS (SEK M)	2017	2016
Accounts receivable	36	0
Other current assets	18	0
Total assets	**54**	**0**
Accounts payable	6	0
Other current liabilities	24	0
Total liabilities	**30**	**0**
Net carrying amount	**24**	**0**
Proceeds from sale	2	0
Cash and cash equivalents in sold companies	-9	0
Reclassification of currency translation reserve	4	0
Capital gain	**-27**	**0**

NOTE 24 ACQUISITION AND SALE OF COMPANIES

During the year, the Group sold the damage services business in Norway when the company Skadegruppen AS was sold to Polygon AS on 1 November 2017. The damage service operations are reported as a discontinued operation according to IFRS 5 since June 2017. For information on profit and cash flow attributable to this operation, see *Note 23 Discontinued operations*.

The Group did not implement any acquisitions during the year.

NOTE 25 EVENTS AFTER THE BALANCE SHEET DATE

- On 9 January, Coor announced that the company signed an agreement to acquire the Norwegian property service company OBOS Eiendomsdrift AS. The company has 45 employees and annual sales of around SEK 70 million. In connection with the acquisition, Coor is signing a strategic cooperation agreement with the seller, the OBOS Group. The acquisition was completed on 1 February 2018. The preliminary purchase price amounted to NOK 46 million. Acquisition costs totalled SEK 0 million. The acquisition analysis is yet to be completed.

- On 10 January, Coor announced that an agreement had been signed to acquire the Danish commercial premises care company Elite Miljø A/S. Elite Miljø has annual sales of around SEK 700 million and more than 2,000 employees. The acquisition provides Coor greater geographic coverage, paves the way for significant synergy effects and contributes positively to Coor's competence in the important commercial premises care segment. The acquisition was completed on 23 February 2018. The preliminary purchase price amounted to DKK 247 million which is equivalent to DKK 220 million on a cash-free and debt-free basis. Acquisition costs totalled SEK 6 million. The acquisition analysis is yet to be completed.

PARENT COMPANY ACCOUNTS

PARENT COMPANY INCOME STATEMENT

	NOTE	2017	2016
Net sales		7	5
Net sales		**7**	**5**
Selling and administrative expenses	26,27,28,29	-33	-25
Operating profit		**-26**	**-20**
Other interest income and similar income	30	17	2
Interest expenses and similar expenses	30	-51	-85
Net financial items		**-33**	**-83**
Group contributions		**290**	**307**
Profit before tax		**230**	**204**
Tax on profit for the year	31	-51	-45
PROFIT FOR THE YEAR		**179**	**158**

There is no component of profit that is attributable to other comprehensive income in the Parent Company.

PARENT COMPANY BALANCE SHEET

	NOTE	2017	2016
ASSETS			
Non-current assets			
Financial assets			
Shares in subsidiaries	34	7,789	7,789
Deferred tax asset	31	104	156
Other financial assets		1	1
Total non-current assets		**7,894**	**7,945**
Current assets			
Receivables from Group companies*		292	308
Other receivables		0	1
Prepaid expenses and accrued income		1	0
Total current receivables		**293**	**310**
Cash and cash equivalents*		0	0
Total current assets		**293**	**310**
TOTAL ASSETS		**8,187**	**8,255**

PARENT COMPANY BALANCE SHEET

	NOTE	2017	2016
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		6,670	6,670
Retained earnings		-1,665	-1,536
Profit for the year		179	158
Total non-restricted equity		**5,185**	**5,293**
Total equity		**5,568**	**5,676**
Liabilities			
Non-current liabilities			
Borrowings	32	1,394	1,395
Provisions for pensions		2	2
Total non-current liabilities		**1,396**	**1,396**
Current liabilities			
Accounts payable		0	0
Liabilities to Group companies *		1,209	1,172
Other liabilities		0	0
Accrued expenses and prepaid income	33	14	10
Total current liabilities		**1,223**	**1,182**
Total liabilities		**2,619**	**2,579**
TOTAL EQUITY AND LIABILITIES		**8,187**	**8,255**

** The Company is part of the Group-wide cash pool with the subsidiary Coor Service Management Group AB as master account holder. The balance in the Group cash pool is accounted for as a current receivable 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 2016	**383**	**6,670**	**-785**	**180**	**6,449**
Transfer of profit/loss from previous year according to resolution of AGM	0	0	180	-180	0
Profit for the year	0	0	0	158	158
Merger result	0	0	-739	0	-739
Dividends	0	0	-192	0	-192
BS **Closing balance, 31 December 2016**	**383**	**6,670**	**-1,536**	**158**	**5,676**
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**

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 54.*

PARENT COMPANY STATEMENT OF CASH FLOWS

	2017	2016
Cash flow from operating activities		
IS **Operating profit**	-26	-20
Other non-cash items	0	0
Interest received	0	0
Interest and other financial costs paid	-45	-44
Cash flow from operating activities before changes in working capital	**-71**	**-64**
Increase (+)/decrease (-) net working capital	4	4
Cash flow from operating activities	**-68**	**-60**
Cash flow from investing activities	**0**	**0**
Cash flow from financing activities		
Group contributions received	307	0
Dividend	-287	-192
Borrowings raised	17	0
Repayments of borrowings	-6	-1
Change cash pool balance	37	251
Cash flow from financing activities	**68**	**58**
CASH FLOW FOR THE YEAR	**0**	**-1**
Cash and cash equivalents at the beginning of the year	0	0
Exchange gains on cash and cash equivalents	0	1
BS **Cash and cash equivalents at year-end**	**0**	**0**

PARENT COMPANY NOTES

NOTE 26 ACCOUNTING PRINCIPLES

§ ACCOUNTING PRINCIPLES

The Parent Company has prepared its annual report in accordance with the Annual Accounts Act and RFR 2 Accounting for legal entities. RFR 2 means that, in the annual report for the legal entity, the Parent Company is to apply all IFRS and statements approved by the EU to the furthest possible extent within the framework for the Annual Accounts Act and in consideration of the relationship between accounting and taxation. The recommendation stipulates the exceptions and additions to be made to the IFRS. Differences between the consolidated and the Parent Company's accounting principles are presented below.

The accounting principles for the Parent Company stated below were consistently applied to all periods presented in the Parent Company's financial reports.

Related party disclosures
The Parent Company has related party relationships including a controlling influence over its subsidiaries; see *Note 34 Shares in Group companies*. Information on normal transactions between the Parent Company and the subsidiaries is not normally provided in the annual report. All transactions with related parties take place on market-based terms.

Group contributions
Group contributions paid and received are recognized as an appropriation in profit or loss.

Dividends
Dividends received are recognized when the right to receive a payment is deemed to be certain.

Shares in subsidiaries
The Parent Company recognizes all holdings in Group companies at cost less any accumulated impairment losses. Shareholders' contributions paid are capitalised in shares and participations insofar as impairment is not required.

NOTE 27 COSTS BY NATURE OF EXPENSE

	2017	2016
External services	-6	-3
Payroll costs	-27	-23
Other operating expenses	-0	-0
IS **Total**	**-33**	**-25**

NOTE 28 AUDIT FEES

	2017	2016
PwC		
Audit engagement	2	1
Audit services in addition to audit engagement	0	1
Tax advisory services	0	0
Other services	0	0
Total	**2**	**2**

Audit engagements refer to the audit of the annual report and accounts, as well as to the Board of Director's and CEO's management, other duties incumbent on the Company's auditors to execute and advice or other assistance arising from observations in such an audit or in the implementation of other such duties. All else falls under other engagements.

NOTE 29 EMPLOYEES AND EMPLOYEE BENEFIT EXPENSES

SALARIES AND OTHER REMUNERATION AND SOCIAL SECURITY EXPENSES

	2017				2016			
	SALARIES AND REMUNERATION	*OF WHICH BONUSES*	SOCIAL SECURITY CONTRIBUTIONS	*OF WHICH RETIREMENT BENEFIT COSTS*	SALARIES AND REMUNERATION	*OF WHICH BONUSES*	SOCIAL SECURITY CONTRIBUTIONS	*OF WHICH RETIREMENT BENEFIT COSTS*
Board of Directors and CEO *	14	*5*	7	*2*	11	*3*	5	*2*
Other employees	4	*2*	2	*0*	4	*1*	2	*0*
Total	**18**	*6*	**9**	*2*	**15**	*4*	**7**	*2*

Average number of employees
During the year, the company had 2 (2) employees, of whom 2 (2) were men.

The Parent Company's Board, excluding employee representatives, consisted of 7 (8) members, of whom 4 (5) were men. There were also 3 (3) employee representatives.

NOTE 30 FINANCIAL INCOME AND EXPENSES

	2017	2016
Financial income		
Exchange gains	17	2
IS **Total**	**17**	**2**
Financial expenses		
Interest expenses, Group companies	-19	-18
Interest expenses, external	-24	-25
Exchange gains	-3	-38
Other financial costs	-5	-3
IS **Total**	**-51**	**-85**
Total net financial items	**-33**	**-83**

NOTE 31 INCOME TAX

TAX EXPENSES (-), TAX INCOME(+)	2017	2016
Current tax	0	0
Deferred tax	-51	-45
IS **Total**	**-51**	**-45**

DIFFERENCE BETWEEN REPORTED TAX EXPENSES AND TAX EXPENSES BASED ON THE APPLICABLE TAX RATE

	2017	%	2016	%
IS **Profit before tax**	230		204	
IS **Tax expenses**	-51	-22.2	-45	-22.2
Calculated tax expenses	-51	-22.0	-45	-22.0
Difference	**0**	**-0.2**	**0**	**-0.2**
Use of previously unrecognized loss carry-forwards	0	0.0	0	0.0
Tax effect of non-deductible expenses	1	0.2	0	0.2
Tax effect of non-taxable income	0	0.0	0	0.0
Other	0	0.0	0	0.0
Total	**0**	**0.2**	**0**	**0.2**

DEFERRED TAX ASSET IN THE BALANCE SHEET

	2017	2016
BS **Opening balance**	**156**	**34**
Deferred tax attributable to temporary differences on pensions	0	0
Deferred tax on loss carry-forwards recognized in the income statement	-51	-45
Deferred tax on loss carry-forwards assumed via merger	0	167
BS **Closing balance**	**104**	**156**

NOTE 32 BORROWINGS

	2017	2016
Liabilities to credit institutions	1,401	1,404
Capitalized borrowing costs	-6	-9
BS **Total**	**1,394**	**1,395**

All loans fall due for payment in June 2020. For additional information regarding borrowing and financial risks, refer to *Note 16 Borrowing and financial risk management.*

NOTE 33 ACCRUED EXPENSES AND PREPAID INCOME

	2017	2016
Social security contributions	6	4
Holiday pay	1	1
Other personnel related liabilities	6	4
Other items	1	1
BS **Total**	**14**	**10**

NOTE 34 SHARES IN GROUP COMPANIES

2017	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	10 68 35 48	Denmark	100%	
Coor Service Management AS	983 219 721	Norway	100%	
Coor Service Management Cleaning & Catering AS	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%	

CHANGE DURING THE YEAR	2017	2016
Opening cost	8,489	8,489
Closing accumulated cost	**8,489**	**8,489**
Opening impairment	-700	-700
Closing accumulated impairment	**-700**	**-700**
BS **Closing carrying amount**	**7,789**	**7,789**

DIVESTED ENTITIES	CORP.ID.NO.	REGISTERED OFFICE	SHARE OF EQUITY
Skadegruppen AS	943 578 524	Norway	100%
Coor Service Management Skadeservice Holding AS[1)]	990 610 983	Norway	100%
Coor Service Management Alta AS[1)]	986 926 658	Norway	100%

[1)] *Merged with Skadegruppen AS in 2017*

DECLARATION OF THE BOARD OF DIRECTORS

The Board of Directors and the CEO affirm that the annual report has been prepared in accordance with the international financial reporting 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 financial reporting standards, and in accordance with generally accepted accounting principles and gives a true and fair view of the Parent Company's and the Group's financial position and results. The administration report for the Parent Company and the Group, respectively, gives a true and fair view of the development of the operations, the financial positions and the results of the Parent Company and the Group, and describes all significant risks and factors of uncertainty facing the Parent Company and the companies in the Group.

The Consolidated Statement of Comprehensive Income and Consolidated Balance Sheet, as well as the Parent Company Statement of Comprehensive Income and Balance Sheet will be presented for adoption at the Annual General Meeting held on 26 April 2018.

Stockholm, 19 March 2018

MATS GRANRYD
Chairman

ANDERS EHRLING

MATS JÖNSSON

MONICA LINDSTEDT

KRISTINA SCHAUMAN

HEIDI SKAARET

GLENN EVANS
Employee Representative

PIER KARLEVALL
Employee Representative

GÖRAN KARLSSON
Employee Representative

MIKAEL STÖHR
Chief Executive Officer

Our Auditor's Report was submitted on 19 March 2018

Öhrlings PricewaterhouseCoopers AB

MAGNUS BRÄNDSTRÖM
Authorized Public Accountant
Auditor-in-Charge

AUDITOR'S REPORT

To the General Meeting of the shareholders of Coor Service Management Holding AB (publ), corporate identity number 556742-0806

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

OPINIONS

We have audited the annual accounts and consolidated accounts of Coor Service Management Holding AB (publ) for the year 2017. The annual accounts and consolidated accounts of the company are included on pages 46-87 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2017 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2017 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the supplementary report that has been submitted to the Parent Company's Audit Committee in accordance with Article 11 of the Auditors Ordinance (537/2014).

BASIS FOR OPINIONS

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

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

OUR AUDIT ACTIVITIES

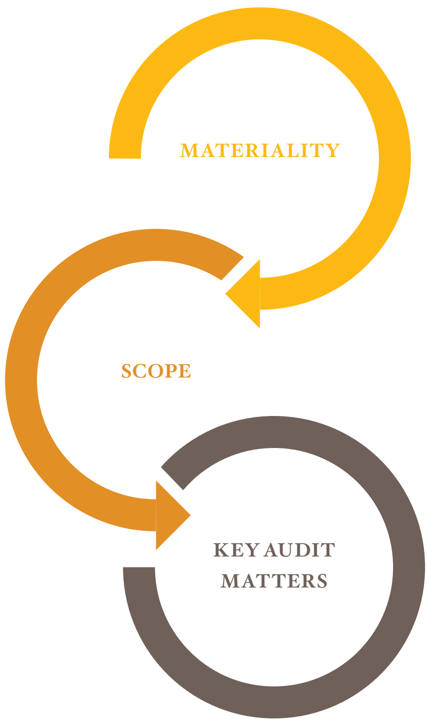
OVERVIEW

Materiality

- Overall materiality: SEK 56 million, corresponding to 1% of revenue

Key Audit Matters

- Assessment of impairment of goodwill and other acquisition related intangible assets.
- Items affected by managements' assessments, foremost deferred tax.
- Routines and processes and revenue recognition.



AUDIT FOCUS AND SCOPE

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where the CEO and Board of Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

MATERIALITY

The scope and focus of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole (see table below). These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall group materiality	SEK 56 (55) million
How we determined the materiality level	Corresponding to almost 1% of revenue
Rationale for benchmark applied	We have chosen this rationale in determining the materiality level as, in our opinion, it is the most relevant measure against which the Group's development is usually measured.

We agreed with the Audit Committee that we would report identified errors exceeding SEK 5.6 million, as well as errors less than this amount which, in our opinion, should be reported for qualitative reasons.

KEY AUDIT MATTERS

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

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Testing for impairment of goodwill and other acquisition-related intangible assets We refer to note 1 for key estimates and assumptions for accounting purposes and note 11, Intangible assets. In Note 11 information is provided on the sensitivity analysis performed based on the changes in the assumptions that could result in an impairment of goodwill Goodwill and other acquisition-related intangible assets, including contracts, amount to SEK 3,456 million at 31 December 2017 corresponding to 56% of total assets. The main risk is that there could be a need for impairment of the value of these assets. Coor prepares a test on an annual basis in order to assess the value of goodwill and other intangible assets and to assess if there is a need for impairment. This testing is complex and depends on management's expectations as regards important parameters, such as future developments relating to sales and cash flow, margins and interest (WACC). Coor has an established process to test the valuation, based on the identified cash-generating units (CGU) as described in Note 11. In 2017, there were four identified cash-generating units. Acquired contracts that can be identified are tested, accordingly. When a contract can be separated based on an acquisition analysis, an assumption is made as regards the life span of the contracts, expected volumes and margins. These assumptions are re-assessed annually. Coor's conclusion is that there was no need of an impairment of the assets referred to above in 2017.	When testing, if there is any need for impairment of goodwill and other acquisition-related intangible assets, we have inter alia performed the following audit procedures in order to ensure, primarily, their valuation and accuracy: • We have utilised PwC's valuation experts in order to examine and evaluate Coor's models, methodologies and assumptions. • We have, on a random sample basis, tested, evaluated and challenged the details applied in the calculations versus Coor's financial plan and, where possible, external information. We then focused on the assumed growth rates, development of margins and the discount rate for each cash generating unit. We also reviewed the accuracy and inherent quality of the company's process for preparing business plans and financial plans based on historical outcome. • Checking of the sensitivity of the valuation to negative changes in key parameters which, on an individual or aggregate basis, could result in an impairment requirement. • Assessment of the disclosures provided in the annual report to ensure that they are correct, based on the conducted tests of valuation, particularly as regards the information on the sensitivity of the valuations. • Comparison of the disclosures provided in the financial statements with IAS 36 requirements. Based on our audit, it is our conclusion that Coor's assumptions are within an acceptable range, and that the information in Note 11 relates to the disclosure requirements on assumptions and risks where small changes in assumptions imply, or may imply, an impairment.
Routines and processes for revenue recognition and revenue recognition We refer to Note 1 for key estimates and assumptions for accounting purposes, 2 Revenue, 13 Accounts receivable, 14 Prepaid expenses and accrued income, 20 Accrued expenses and prepaid income. The revenue recognition of the group has been one of our focus areas. The services performed can sometimes stretch over a longer period of time. Due to this, differences may arise in the accounting in terms of when Coor performs the services and when the revenue is recognized. To assess whether revenue is correctly allocated and valued is, therefore, a key audit matter. The point in time at which revenue can be recognized is based on the wording of the contracts entered into. Customer contracts can vary and can be complex which, in itself, implies an increased risk of error. The revenue process involves both line managers who are responsible for compiling and assessing the supporting documentation for the billing, and a central function executing the invoicing. Income earned, but not invoiced, per each balance sheet date is recognized as accrued income based on an assessment of the portion of the services that can be invoiced. Invoiced income not yet received is recognized in the accounts receivable based on the assessment of the amount to be collected.	Our audit is based both on the evaluation of internal controls and on substantive testing of revenues, material projects, including a systems based analysis of certain balance sheet items, and of income statement items. Completed audit activities include: • We have mapped the processes related to revenue recognition and to the assessment of accrued income and accounts receivable. Based on this, we have, on a random sample basis, tested assessed key controls. We have also, on a sample basis, for randomly selected customers, tested the reported revenues against contracts with regards to the correct amount being recognized in the correct time period. This testing has also included accrued income. • Per year-end, we have performed a systems-based analysis of prepaid revenue to ensure that reported revenue has been properly transferred to the general ledger. • We have assessed any bad debts based on Coor's policy for provisions, as well as by discussing material overdue receivables to assess if a provision has been accurately recognized based on the estimated risk of non-payment. No significant matters have emerged from this review implying the need to report to the Audit Committee.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Items affected by management's judgements, primarily measurement of deferred tax We refer to Note 1 for critical accounting estimates and assumptions and Note 10 Taxes. At 31 December 2017, the company had deferred tax assets arising from unused tax losses of SEK 347 million. This is considered a material item in the consolidated balance sheet. In our audit, we have paid particular attention to the measurement of this asset. Each year, Coor consolidates unused tax losses that exist in the group's companies. An assessment is then made of whether these tax losses can be used to offset expected future profits. As in the test of goodwill and other intangible assets, the assessment is based on future budgets and forecasts. Companies in the group may also become subject to tax audits in which tax profits are wholly or partially challenged, which could alter the basis for calculating deferred tax. Management engages legal or tax professionals to handle tax audits of a material nature. There is also a risk that regulations will change as a result of political decisions, which could affect the assessment and/or calculation of deferred tax.	In our audit, we have checked the measurement of tax losses and verified that deferred tax on these has been calculated in accordance with the applicable regulations. Among other audit procedures, we have: • Engaged PwC's tax experts to confirm that Coor's assessment of temporarily or permanently unusable tax losses is correct based on the information available to us at the time of signing the auditor's report. • Assessed management's assumptions about expected future profits. This is a material assumption with regard to how large a portion of the available unused tax losses management expects to be usable. This assessment also involves a significant degree of subjectivity. This is tested in connection with our impairment test of acquisition-related intangible assets (see above). Coor's assumptions about the company's future earnings performance is tested against adopted budgets and business plans. This test is performed in the same way as for goodwill and other acquisition-related intangible assets, including contracts, as described in that section of this auditor's report. Our audit also involves following up any ongoing tax audits or tax cases which could affect the company's tax losses. Coor has a process for estimating the outcome of such ongoing cases, and we have discussed this with management. In 2017, no tax audits or cases were ongoing that could materially affect the company's tax losses. Nothing material has been identified in this audit that it has been deemed necessary to report to the Audit Committee. We have not observed any inconsistencies in the documentation that we have received and examined or noted that the disclosures made do not meet the requirements of IAS 12.

OTHER INFORMATION THAN THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-45 and 94-113. The Board of Directors and the Managing Director are responsible for this other information.

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

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

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

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

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

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

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

AUDITOR'S RESPONSIBILITY

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

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsnamnden's website: www.revisorsinspektionen.se/rn/showdocument/documents/rev_dok/revisors_ansvar.pdf. This description is part of the auditor's report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

OPINIONS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Coor Service Management Holding AB (publ) for the year 2017 and the proposed appropriations of the company's profit or loss.

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

BASIS FOR OPINIONS

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

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

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

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

The Board of Directors is responsible for the company's organization and the administration of the company's affairs.

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

AUDITOR'S RESPONSIBILITY

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

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

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

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

A further description of our responsibility for the audit of the administration is available on Revisorsnamnden's website: www.revisorsinspektionen.se/rn/showdocument/documents/rev_dok/revisors_ansvar.pdf. This description is part of the auditor's report.

Öhrlings PricewaterhouseCoopers AB, Torsgatan 21, 113 97 Stockholm, was appointed to serve as auditor of Coor Service Management Holding AB by the annual meeting of shareholders held on 4 May 2017 and has been the company's auditors since December 2004.

Stockholm, 19 March 2018
Öhrlings PricewaterhouseCoopers AB

MAGNUS BRÄNDSTRÖM
Authorized Public Accountant
Auditor-in-Charge

CORPORATE GOVERNANCE REPORT 2017

CONTENTS

The Corporate Governance Report is an integral part of Coor's Annual Report for 2017, which explains why it begins on page 94. The Corporate Governance Report can be read separately, but sometimes contains references to other parts of the Annual Report. The Annual Report is available in full 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 2017.

STRUCTURED GOVERNANCE AND INTERNAL CONTROL

Coor's corporate governance, through good control and a sound corporate culture, shall ensure systematic risk management and sustainable value creation for its shareholders.

This corporate governance report has been prepared by the Coor Group's Board of Directors and reports on the corporate governance in Coor during the 2017 financial year. The report has been reviewed by Coor's auditors, from whom a statement is provided at the end of the document.

GENERAL INFORMATION ON CORPORATE GOVERNANCE AT COOR

Coor is a limited liability company with its registered office in Stockholm, whose shares were listed for trade on the Nasdaq Stockholm stock exchange on 16 June 2015. This entails that corporate governance in Coor is based on Swedish laws and ordinances, as well on as the practice applying to companies listed on Nasdaq Stockholm. Coor also complies with the Swedish Corporate Governance Code without deviating from any of its rules. Applicable local legislation is complied with in all countries in which Coor engages in operations.

In addition to the *external regulatory framework,* the Group has implemented its own *internal regulatory framework* with a number of Group-wide steering documents, among which the most important are the the Articles of Association as adopted by the Annual General Meeting of shareholders, the Rules of Procedure for the Board of Directors and Board Committees and the CEO instruction issued by the Board of Directors. A large number of internal policies, instructions and delegations are also in place which clarify responsibilities and authorities within various areas. Coor's most important steering documents are collected in the company's management system, which also describes the company's main processes and shared approaches.

The structure of corporate governance at Coor is well defined, and is described in general in an illustration on the next page.

1. SHARES AND OWNERSHIP STRUCTURE

At year-end, Coor's share capital amounted to SEK 383,248,088 distributed over 95,812,022 shares. Each share entitles the holder to one vote at the General Meeting of shareholders. Coor's shareholder register as per 31 December 2017 listed approximately 2,700 shareholders, and, of the total share capital, approximately 59 per cent was owned by investors outside Sweden. The three largest shareholders at year-end were Fidelity with 8.8 per cent, the Second Swedish National Pension Fund with 6.1 per cent and Swedbank Robur Funds with 5.9 per cent of the share capital and votes. More information on Coor's share and ownership structure is

COOR'S SUSTAINABILITY WORK

All companies have a substantial responsibility for the operations they conduct, and for the operations' environmental and social impact in a broader sense – in both the short and long term. Coor works with a long-term, structured perspective as regards the sustainability aspects deemed to have the largest impact on the company's local environment. The purpose of Coor's sustainability work is to ensure the company's stable and profitable development with the application of sound business ethics and minimal environmental impact, while concurrently having a positive impact on the development of society in general. For more information on Coor's sustainability work and how it is managed, please refer to the separate *Sustainability Report*.

IMPORTANT EXTERNAL AND INTERNAL STEERING DOCUMENTS

External Regulations

- Swedish laws and ordinances (mainly the Swedish Companies Act and the Annual Accounts Act)
- Laws and ordinances in other countries where Coor conducts operations
- Nasdaq Stockholm's Rule Book for Issuers
- Swedish Corporate Governance Code
- International Financial Reporting Standards (IFRS)

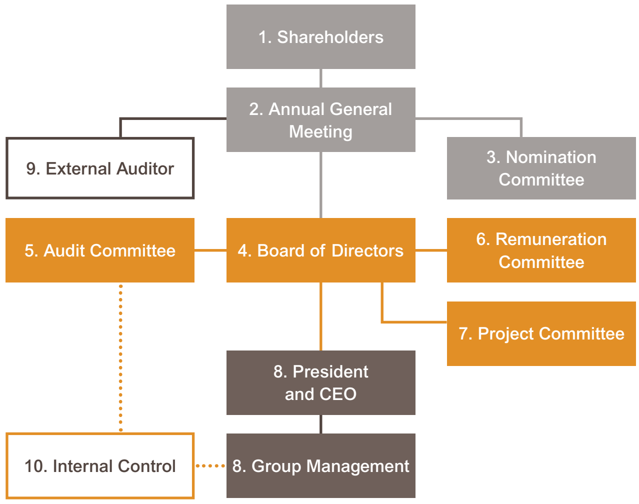
Group-wide Policies and Instructions

- Code of Conduct*
- Insider policy*
- Treasury policy*
- Communication policy*
- Acquisition policy
- Risk management policy
- Procurement policy
- Sustainability policy
- IT policy
- Information security policy
- Framework for internal control
- Finance manual
- Payment and authorisation instructions

*) Policies adopted by the Board

available on the company's *website* under *About Coor/Investors* and in the section *The Coor Share*.

COOR'S CORPORATE GOVERNANCE STRUCTURE



2. ANNUAL GENERAL MEETING

Pursuant to the Swedish Companies Act, the General Meeting is the company's highest decision-making body. All shareholders have the opportunity to participate and vote in the Annual General Meeting (AGM). The AGM addresses the annual report, appropriation of profits, election of the Board and auditors, fees and principles of remuneration. Decisions made at a General Meeting are published after the Meeting by a press release. More information on the convening notice and participation at the company's General Meeting is available on the company's *website* under *About Coor/Corporate Governance.*

3. NOMINATION COMMITTEE

The Nomination Committee's composition and work is governed by instructions approved by the AGM and described on the company's *website* under *About Coor/Corporate Governance.*

Composition and work prior to the 2018 AGM

The Nomination Committee for the 2018 AGM is comprised of Jan Andersson (Swedbank Robur Funds), Ulrika Danielson (Second Swedish National Pension Fund), Jan Särlvik (Nordea Funds), Malin Björkmo (Handelsbanken Funds) and Chairman of the Board Mats Granryd.

Prior to the 2018 AGM, the Nomination Committee met on four occasions. Through the Chairman of the Board, the Nomination Committee received information on the company's operations, development and conditions otherwise. The Nomination Committee also interviewed individual Board members and the Chairman of the company's Audit Committee. The Nomination Committee discussed the primary requirements which should be set on Board members in terms of their required independence, and has reviewed the number of Board assignments that the respective members have in other companies. The Nomination Committee placed significant emphasis on ensuring an even gender distribution, diversity and breadth.

Shareholders were welcome to submit proposals and opinions to the Nomination Committee. No special compensation was paid to any of the members of the Nomination Committee.

4. BOARD OF DIRECTORS

The Board of Directors is ultimately responsible for the company's organization and operations, and continuously assesses the company's and the Group's financial situation.

Composition and Work 2017

Coor's Board of Directors consists of eight ordinary members elected by the General Meeting and five employee representatives (of whom three are ordinary and two deputies). The Board's composition meets the Swedish Corporate Governance Code's requirement of independent Board

5. AUDIT COMMITTEE

Consists of three members appointed by the Board: Kristina Schauman (Chairman), Mats Granryd 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.

6. REMUNERATION COMMITTEE

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

Assists the Board with proposals in remuneration matters and follows up and evaluates remuneration structures and remuneration levels for Group management.

7. PROJECT COMMITTEE

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

Assists the Board with proposals and decisions regarding major customer contracts, acquisitions and other important agreements.

members. Board member independence is illustrated in a table below. The Board is presented at the end of the Corporate Governance Report, where the members' assignments outside the Group and holdings of Coor shares are presented. The Board appointed Coor's General Counsel as the Secretary of the Board.

The Board of Directors met ten times during 2017. The Board continuously addressed strategic issues, financial development and matters related to customers, personnel, sustainability and risk management. Important matters discussed during the financial year have been matters related to new business and potential acquisitions. During the year, the Board also dealt with the sale of the damage services business. Senior executives continuously presented specific issues.

To address issues that need particular attention, the Board has chosen to establish three committees: a Remuneration Committee, an Audit Committee and a Project Committee. These committees have continuously reported to the Board from their respective meetings.

Attendance at this year's Board meetings has been good. The Board members' participation in the Board meetings and committees, as well as remuneration received, are presented in the table below.

Diversity Policy

As a Diversity Policy Coor applies Rule 4.1 of the Swedish Corporate Governance Code, which means that the Board should have an appropriate composition taking into consideration the company's operations, stage of development and other conditions with an emphasis on diversity and breadth in relation to the qualifications, experience and background of the Members elected by the AGM as well as seeking to ensure an even gender distribution.

Coor is of the opinion that the company's Board complies with the requirements set out in the Diversity Policy. The Board is composed of three women and four men. The Members come from various business sectors and have different professional backgrounds and qualifications.

REMUNERATION PRINCIPLES FOR THE BOARD OF DIRECTORS AND SENIOR EXECUTIVES

The Board fees are decided by the AGM after a proposal by the Nomination Committee. The Chairmen and members of the Committees are entitled to a supplementary fee.

The Annual General Meeting also determines the principles for remuneration of senior executives in the Group. These guidelines stipulate that the total remuneration is to be market-based and competitive, and should reflect the individual's performance and responsibilities.

Matters related to remuneration of senior executives are prepared by the Board's Remuneration Committee, which also maintains a continuous overview of and evaluates remuneration structures and remuneration levels. For complete information regarding the guidelines for remuneration, see *Note 6 Remuneration to senior executives* in the annual report.

BOARD MEMBER ATTENDANCE, INDEPENDENCE AND REMUNERATION

	Meeting attendance				Independence		Fees and remunerations
	Board of Directors	Audit Committee	Project Committee	Remuneration Committee	Independent of the company	Independent of major shareholders	Approved remuneration and committee fees, SEK '000s 4)
Total number of meetings	**10**	**5**	**2**	**2**			
Elected ordinary Board members							
Søren Christensen 1)	4	-	-	-	Yes	Yes	-
Anders Ehrling 2)	6	-	1	-	Yes	Yes	325
Mats Granryd, Chairman	10	5	2	2	Yes	Yes	950
Mats Jönsson	9	-	2	-	No	Yes	325
Monica Lindstedt	9	2	-	1	Yes	Yes	300
Anders Narvinger 3)	4	-	1	1	Yes	Yes	-
Kristina Schauman	10	5	-	1	Yes	Yes	450
Heidi Skaaret	9	3	-	-	Yes	Yes	350
Mikael Stöhr	10	-	-	-	No	Yes	-
Union appointed employee representatives							
Glenn Evans	10	-	-	-	No	Yes	-
Pier Karlevall	10	-	-	-	No	Yes	-
Göran Karlsson	10	-	-	-	No	Yes	-
Union appointed deputy employee representatives							
Robert Halén	10	-	-	-	No	Yes	-
Rikard Milde	8	-	-	-	No	Yes	-

1) Withdrew from Board as of AGM on 04/05/2017.
2) Board member since AGM on 04/05/2017.
3) Withdrew from Board as Board Member and Chairman as of AGM on 04/05/2017.
4) The remuneration and fees for Committee work were approved by the Annual General Meeting on 04 May 2017, and are applicable until the next Annual General Meeting on 26 April 2018. For information on the remuneration impacting profit/loss for 2017, please refer to *Note 6 Remuneration to senior executives* in the legal annual report.

EVALUATION OF THE BOARD OF DIRECTORS AND THE CEO

The annual evaluation of the Board's work, including committee work, was done by an external consultant. The evaluation covered the Board's working methods, competence and composition, including the members' background, experience and diversity. The results of the evaluation were presented to the Nomination Committee and the Board.

The work of the CEO is evaluated during a Board meeting, at which corporate management is not present.

AUDITORS

Öhrlings PricewaterousCoopers AB (PwC)

Auditor-in-Charge:
Magnus Brändström (born 1962).

Other audit engagements:
Dometic, Scandic, Troax, Addnode.

8. CHIEF EXECUTIVE OFFICER AND GROUP MANAGEMENT

The Board of Directors has delegated the operative responsibility for the administration of the company and the Group to the President and CEO, who manages the business according to the frameworks and guidelines established by the Board of Directors. The assignment of responsibilities between the Board of Directors and the CEO is detailed in written instructions, reviewed and confirmed annually by the Board of Directors. Mikael Stöhr has been the President and CEO of the company since 2013.

The CEO appoints the Group management, which together with the CEO is responsible for day-to-day operations. This responsibility includes setting targets for the operating activities, allocating resources and following up the business results, as well as preparing proposals of investments, acquisitions and divestments according to the Board's written instructions.

During the year, Group management met eleven times. Matters addressed are earnings follow-up and forecasts, targets and target achievement, market situation, on-going business, status of Group-wide projects, recruitment and other important matters. In addition to this, Group management held brief telephone conferences at least once a month.

The Group also has an expanded management forum, Top Management Team, that comprises Group management and the country management teams. The Group's roughly 130 senior executives gather annually at a special forum (Management Days) to make contacts, exchange experiences, be inspired and discuss matters of common interest.

9. EXTERNAL AUDITORS

The 2017 AGM re-elected Öhrlings PricewaterhouseCoopers AB (PwC) to serve as the company's external auditor until the 2018 AGM. Magnus Brändström has been the Auditor-in-Charge for the audit of Coor since 2015. PwC has been Coor's auditor since 2004.

The external audit of the accounts in Coor is undertaken in accordance with the Swedish Companies Act, International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. The auditor's assignment includes examining the annual accounts, annual report and

ANNUAL CALENDAR 2018

JANUARY | FEBRUARY | MARCH | APRIL | MAY | JUNE

BOARD OF DIRECTORS

FEBRUARY
- Review of external auditors' report.
- Approval of corporate governance report.
- Decision on appropriation of profits.
- Remuneration Committee's evaluation of remuneration of senior management.
- Board's evaluation of CEO.
- Approval of CEO remuneration and other terms of employment.
- Approval of the year-end report.
- Preparation for General Meeting.

MARCH
- Approval of annual report.

APRIL
- Approval of Q1 interim report.
- General Meeting.
- Statutory Board meeting.

AUDIT COMMITTEE

FEBRUARY, Q4 MEETING
- Year-end report.
- Corporate governance report.
- External auditor report.
- External auditor independence.

APRIL, Q1 MEETING
- Q1 interim report.
- Audit plan and fees for external auditors.
- External auditor assessment.
- Review of the Treasury Policy.

REMUNERATION COMMITTEE

MEETING IN FEBRUARY PRIOR TO THE FIRST BOARD MEETING OF THE YEAR
- Evaluation by the Remuneration Committee.
- Approval of remuneration of senior executives excl. CEO.
- Proposal on remuneration and other terms for the CEO.

MARCH (IF NECESSARY)
- Preparation for General Meeting.

consolidated accounts, and the management of the company and the Group by the Board of Directors and Group management. The auditors also conduct a general review of the interim accounts as at September and reviews the work on internal control.

The auditors shall keep the Board updated on the planning, scope and content of the annual audit and inform about services rendered, in addition to auditing services, the fees for such services and other circumstances that may have a bearing on the auditor's independence. To meet the Board's needs for information and ensure that all areas are addressed in a structured manner, Coor's auditors participate in the Audit Committee's meetings and attend at least one Board meeting per year. On at least one occasion, the auditors meet the Board of Directors without the presence of company management. The fees received for 2017 are presented in *Note 8 Remuneration to Auditor* in the *Annual Report*.

Environment and Quality Auditors

Coor's operations are also certified according to the international environmental and quality standards ISO 9001 and 14001, respectively, under which the operations are examined every year by an independent party from an environmental and quality perspective. Det Norske Veritas is responsible for both the environmental audit and for the quality audit. In 2017, Patrik Frykman was the Auditor-in-Charge at Det Norske Veritas. The results of these audits are reported to Group management. More information on this audit is presented in the *Sustainability Report*.

10. INTERNAL CONTROL AND RISK MANAGEMENT REGARDING FINANCIAL REPORTING

Coor's framework for internal control has been designed to ensure accurate, reliable financial reporting in accordance with IFRS, applicable laws and rules, and other requirements incumbent on companies listed on the Nasdaq Stockholm Stock Exchange.

Coor's Board of Directors bears the overall responsibility for ensuring that the company has an effective internal control system. The Board of Directors has established an Audit Committee among its members responsible for monitoring all matters concerning internal control in relation to financial reporting, pursuant to the Committee's rules of procedure.

Coor's work on internal control is based on the framework developed by COSO. According to this framework, internal control consists of multiple components: Control environment, Risk assessment, Control activities, Information and Communication and Monitoring/Improvement. These components are integrated and work together to prevent and discover material misstatements in the financial reporting.

Coor's framework for internal control is intended to create effective processes and make internal control an integral part of the day-to-day operations to the greatest extent possible.

Control Environment

A good control environment forms the basis for the effectiveness of a company's internal control system. The control environment is defined in steering documents in the form of policies, procedures and manuals, and is upheld through clearly-defined and communicated decision-making channels, authorities and areas of responsibility within the organization.

JULY
- Approval of Q2 interim report.

SEPTEMBER
- Approval of strategy.

OCTOBER
- Review of cases by the Audit Committee and the report from the auditors.
- Approval of Q3 interim report.
- Review of risk management.

DECEMBER
- Approval of budget and business plan.

JULY | AUGUST | SEPTEMBER | OCTOBER | NOVEMBER | DECEMBER

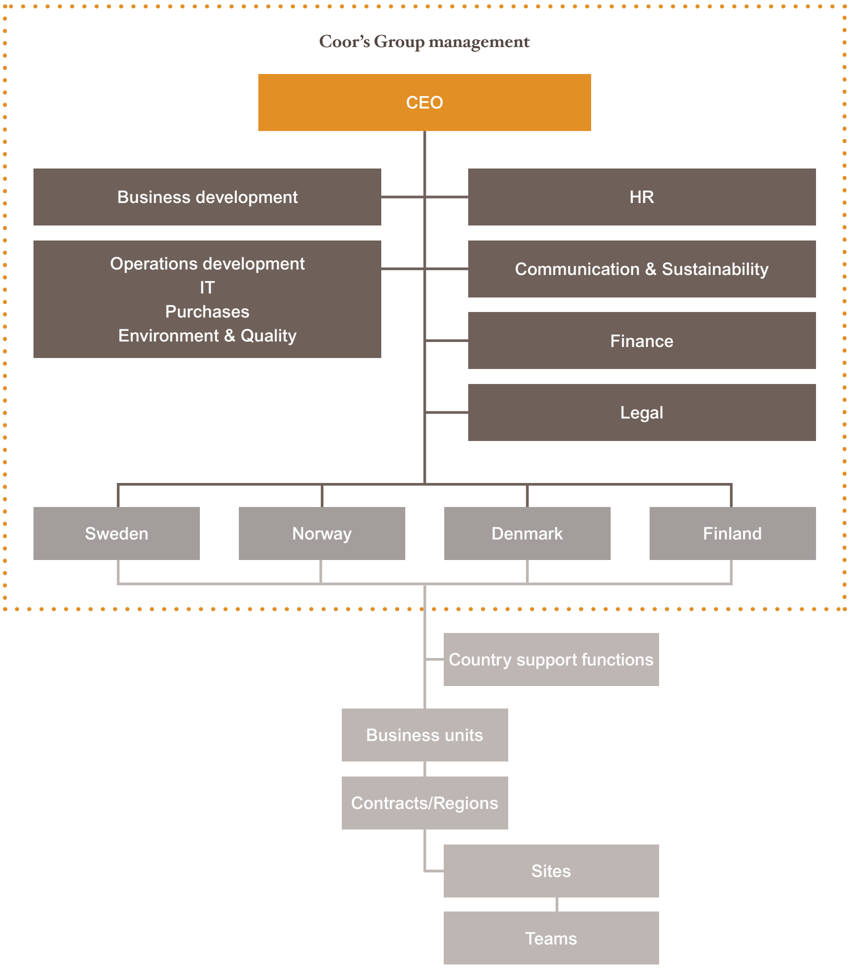
JULY, Q2 MEETING
- Q2 interim report.

OCTOBER, Q3 MEETING
- Q3 interim report.
- Review of the finance function.
- External auditor report.

DECEMBER
- Evaluation, monitoring and planning regarding internal control.
- Draft Corporate Governance Report.
- Questions concerning the annual accounts.
- Evaluation and decision regarding internal audit function.

DECEMBER
- Principles for remuneration to senior executives.
- Succession planning for senior executives.

COOR'S ORGANIZATION STRUCTURE



Coor has a control environment that is based on well-defined responsibility structures with regular reporting and follow-up of financial outcomes, from the site level up to the Group level, through contract, business unit and country.

Coor has determined a number of fundamental guidelines and policies that are of major significance to maintaining an effective control environment, such as the Code of Conduct and payment and authorisation instructions.

Risk Assessment

Based on the overall risk assessment prepared by Group management (see the section *Risks and Risk Management*), a detailed risk assessment is done based on the financial reporting. This aims to identify and evaluate significant risks in the financial processes and risks of improprieties and fraud.

The risk assessment regarding the financial reporting takes into account materiality, complexity and the risk of fraud in various income and balance sheet items as well as the risk of errors occurring in the underlying processes. The risk assessment constitutes a basis in the formulation of control activities intended to manage the risks. The risk assessment is executed through a cooperation between process owners, representatives from the respective countries and Coor's Finance Function at Group level.

Control Activities

Based on the risks identified regarding financial reporting, control activities are designed to limit identified risks and to contribute to both correct, and reliable, financial reporting and process effectiveness.

Coor has defined six key financial processes: financial close, taxes, revenue and receivables, purchase and payables, payroll and investments. In each process, Coor has identified a number of key controls that shall be implemented by all large companies in the Group. In addition to the financial processes, IT is also considered a key area, as it has the potential to materially impact the reliability of the financial processes.

During the year, the Group has implemented a new purchasing system which creates good conditions for an effective purchasing process, with improved control and a more automated flow with many built-in controls.

Coor has different types of key controls: Group-wide controls, manual controls and automatic controls as well as general IT controls. See the illustration as to how risk and objectives are tied to a control activity for the respective types of control.

A central component of the Group's control activities is comprised of a structured and well-functioning financial follow-up, linked to financial responsibility. At different levels in the organization, regular standardized analytical controls are carried out, i.e. deviation analyses and reasonability assessments of large items in the income statement and balance sheet. Together with the additional controls undertaken at Group level, this process is designed to ensure that the financial reporting does not contain any material misstatements.

Information and Communication

In order for all employees within the organization to be able to take responsibility for internal governance and control, it is crucial that they are aware of, and have access to, significant internal governance instruments. An important part of internal control is, therefore, to ensure that important control instruments are kept up to date and are available for all employees on the Group's Intranet, and that changes and updates are communicated in a clear manner.

For communication with external parties, a communication and IR policy is in place stipulating guidelines for how such communication is to take place and ensures that the Group complies with the requirements for providing accurate information on a regular basis through i.e. annual reports, interim reports, press releases and announcements on the company's website, *www.coor.com*.

INTERNAL GOVERNANCE AND CONTROL IN COOR

Internal control in Coor constitutes an integrated part of the day-to-day business and continuous improvement work takes place to minimize the risks in the financial processes. Through a continuous follow-up, evaluation and update of control activities, an effective system of internal control is created. The work on internal control is conducted in the same way in all major countries in which Coor has operations.

FINANCIAL PROCESSES

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

GROUP-WIDE CONTROLS

Objective: Accurate and reliable financial reporting.

Identified risk: Inaccurate financial reporting arising from defective financial governance and follow-up.

Control activity: Maintain an unambiguous responsibility and organization structure for financial governance and follow-up of monthly, quarterly and annual accounting records.

MANUAL CONTROLS

Objective: Accurate and reliable financial reporting.

Identified risk: Incorrect valuations, classifications and reporting of items in the balance sheet.

Control activity: All balance sheet accounts are to be reconciled on a monthly basis.

GENERAL IT CONTROLS

Objective: Ensure the effective use of IT.

Identified risk: Inaccurate financial reporting arising from changes in the IT environment not being verified and tested sufficiently.

Control activity: All changes in the Group's key applications are to be tested and verified according to clear guidelines before being put into operation.

Monitoring — Follow-up and Improvement

The monitoring and follow-up of the Group's internal control constitutes a part of the Group's natural improvement work, and is undertaken in order to ensure that the internal governance and control remain relevant and are correctly carried out.

The Group's financial situation and financial strategies and targets are addressed at each Board meeting. Between meetings, the Board also receives detailed monthly reports regarding financial performance. The Board has assigned the Audit Committee the task of ensuring that follow-up and evaluation of the company's internal control take place as regards the financial reporting. The Audit Committee should follow up the quality of the Group's internal control and ensure that the shortcomings and proposed measures that have come forth in the external audit are addressed. Each year, the Group's external auditors review the internal control and report their observations in a report provided to management and the Audit Committee. The Audit Committee reports to the Board at the subsequent Board meeting.

The Audit Committee has tasked the Group's Finance Function at Group level to develop and improve internal control with regard to financial reporting. These responsibilities are fulfilled proactively through regular analysis and updating of the Group's internal control framework and through reviewing the effectiveness of the internal controls. A key component of the follow-up of internal control is the self-assessment, which is performed annually in the Group. The purpose of the self-assessment is to ensure that all control activities have been executed satisfactorily, but also to identify improvement opportunities in the framework. Follow-up is done for the respective country and process. Detailed conclusions and improvement proposals are reported to the respective country and process owner. A more general reporting is made to the Group's Audit Committee. The conclusions from the self-assessment are also provided to the Group's external auditors who, then, assess the reliability of the work undertaken in the context of their audit.

INTERNAL AUDITING

The Code stipulates that the Board of Directors is to evaluate whether a separate internal audit function is required in the Group. Considering the size of the Group, the Board of Directors has made the assessment that there is, currently, no such requirement for a separate internal audit function. The internal audit work has been organized as an aspect of the work undertaken by the Group Finance Function. The evaluation as to whether a separate internal audit function is required is reassessed annually.

AUDITOR'S REPORT ON THE CORPORATE GOVERNANCE REPORT

To the Annual General Meeting of the shareholders of Coor Service Management Holding AB, Corporate Identity Number 556742-0806

Assignment and division of responsibility
It is the Board of Directors who is responsible for the Corporate Governance Report for the year 2017 presented on pages 94-102 and that it has been prepared in accordance with the Annual Accounts Act.

Review's focus and scope
Our review has been conducted in accordance with FAR's statement RevU 16, Auditor's review of the corporate governance report. This implies that our review of the corporate governance report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We consider that this review provides us with adequate grounds for our statement.

Statement
A corporate governance report has been prepared. The information, in accordance with Ch. 6 Section 6 Paragraph 2 Items 2-6 of the Annual Accounts Act and Ch. 7 Section 31 Paragraph 2 of the same law, is consistent with the annual accounts and consolidated accounts and complies with the Annual Accounts Act.

Stockholm, 19 March 2018

Öhrlings PricewaterhouseCoopers AB

MAGNUS BRÄNDSTRÖM
Authorised Public Accountant

BOARD OF DIRECTORS

MATS GRANRYD

Board Member since 2016. Chairman of the Board of Directors since 2017. Chairman of the Project Committee and the Remuneration Committee, and member of the Audit Committee.

BORN: 1962

EDUCATION: MSc. In Engineering, Royal Institute of Technology (KTH), Stockholm.

WORK EXPERIENCE: President Tele2 Group, Marketing Company Manager of Ericsson India, UK, Northern Europe & Central Asia and North Africa. Responsible for Supply and Logistics within the Ericsson Group. Consultant at Arrigo and Andersen Consulting.

OTHER CURRENT APPOINTMENTS: Director General GSMA, board member of Swedbank.

SHARE OWNERSHIP: 10,000 shares.

ANDERS EHRLING

Board Member since 2017. Member of the Project Committee.

BORN: 1959

EDUCATION: Master in Business and Administration, Stockholm School of Economics.

WORK EXPERIENCE: 23 years within SAS of which the final 5 years as CEO of SAS Sweden, President and CEO of Scandic Hotels AB, President and CEO of Braathens Aviation AB.

OTHER CURRENT APPOINTMENTS: Chairman of the Board of Unlimited Travel Group UTG AB and A-Katsastus Group OY, board member of Parks&Resorts Scandinavia AB and Dreamtroopers AB.

SHARE OWNERSHIP: 0

MATS JÖNSSON

Board Member since 2000. Member of the Project Committee.

BORN: 1957

EDUCATION: MSc. In Engineering, Royal Institute of Technology (KTH), Stockholm.

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

OTHER CURRENT APPOINTMENTS: Chairman of the Board of Logent Holding AB and Lekolar AB. Board member of NCC AB and Assemblin Holding AB.

SHARE OWNERSHIP: 339,155 shares.

MONICA LINDSTEDT

Board Member since 2015. Member of the Remuneration Committee.

BORN: 1953

EDUCATION: Master and PhD 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 the local newspaper Folket Eskilstuna, Bonniers Fackpressförlag, Eductus AB and Previa AB.

OTHER CURRENT APPOINTMENTS: Chairman of the Board of Företagarna and Hemfrid i Sverige AB. Board member of Svenska hus AB, Sveriges Television AB, Apotea AB, AB Gullringsbo Egendomar, SNS (Centre for Business and Policy Studies) and the German-Swedish Chamber of Commerce.

SHARE OWNERSHIP: 10,000 shares.

EMPLOYEE REPRESENTATIVES

GLENN EVANS

Board Member since 2013.

BORN: 1959

Employee Representative, Unionen.

PIER KARLEVALL

Board Member since 2016.

BORN: 1954

Employee Representative, Ledarna.

GÖRAN KARLSSON

Board Member since 2013.

BORN: 1954

Employee Representative, IF Metall.

KRISTINA SCHAUMAN

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

BORN: 1965

EDUCATION: Master in Business and Administration, Stockholm School of Economics.

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

OTHER CURRENT APPOINTMENTS: CEO and Member of the Board of Calea AB. Member of the Board of BEWI Group AB, BillerudKorsnäs AB, ÅF AB, Apoteket AB, Orexo AB, Livförsäkringsbolaget Skandia ömsesidig and Ellos Group Holding AB.

SHARE OWNERSHIP: 10,000 shares.

HEIDI SKAARET

Board Member since 2016. Member of the Audit Committee.

BORN: 1961

EDUCATION: Masters of Business Administration, University of Washington, USA

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

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

SHARE OWNERSHIP: 0

MIKAEL STÖHR

Member of the Board of Directors, President and CEO since 2013.

BORN: 1970

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

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

OTHER CURRENT APPOINTMENTS: Member of the Board of SJ AB.

SHARE OWNERSHIP: 78,947 shares.

DEPUTY EMPLOYEE REPRESENTATIVES

ROBERT HALÉN

Deputy Member of the Board of Directors since 2015.

BORN: 1958

Employee Representative, IF Metall.

RIKARD MILDE

Deputy Member of the Board of Directors since 2016.

BORN: 1967

Employee Representative, Unionen.

EXECUTIVE MANAGEMENT

MIKAEL STÖHR

President and CEO since 2013.

See "Presentation of the Board of Directors" for more information about Mikael Stöhr.

ANDERS ASPLUND

Human Resources Manager since 2000.

BORN: 1955

EDUCATION: Degree in Social Studies from the University of Stockholm

WORK EXPERIENCE: Head of HR ASG and Ohlsson&Skarne. Head of Management Planning Development, Skanska AB.

SHARE OWNERSHIP: 39,398 shares.

KLAS ELMBERG

Vice President of Coor Sweden since 2016.

BORN: 1974

EDUCATION: MSc in International Business, University of Gothenburg.

WORK EXPERIENCE: Several different roles within Coor including President of Coor Norway and Business Unit President in Coor's Swedish operation, Management Consultant, Accenture. Controller, Saab Automobile.

SHARE OWNERSHIP: 20,268 shares.

ANNACARIN GRANDIN

President, Sweden since 2016.

BORN: 1967

EDUCATION: BSc. in Business Administration, Stockholm University and Gävle/Sandvik University College.

WORK EXPERIENCE: Several positions within Coor including President of Coor Norway, Veolia and the Swedish Association of Local Authorities and Regions (SKL).

SHARE OWNERSHIP: 34,704 shares.

JOHAN MILD

President, Finland since 2011.

BORN: 1974

EDUCATION: MSc. in Economics, Hanken School of Economics in Helsinki.

WORK EXPERIENCE: CEO, LujaPalvelut Oy. Director, ISS Palvelut Oy.

OTHER CURRENT APPOINTMENTS: Member of the Board of Länsi-Uudenmaan säästöpankki and Kiinteistötyönantajat ry.

SHARE OWNERSHIP: 16,537 shares.

JENS EBBE RASMUSSEN

Senior Vice President, Business Development since 2009.

BORN: 1968

EDUCATION: MSc. in Business Administration and Economics, Lund University. Finance, École supérieure de commerce de Paris. Sub-lieutenant, Land Warfare Centre, Skövde.

WORK EXPERIENCE: Management consultant, McKinsey & Company. Fixed Income Department, Unibank Markets. Consultant/External Advisor, Fruktbudet.

SHARE OWNERSHIP: 61,213 shares.

ERIK STRÜMPEL

Chief Legal Counsel since 2006.

BORN: 1970

EDUCATION: L.L.M. Major in Business Law, Lund University. IFL Executive Education, Stockholm School of Economics.

WORK EXPERIENCE: Solicitor, Linklaters Advokatbyrå. Notary, Handen District Court.

SHARE OWNERSHIP: 2,499 shares.

OLOF STÅLNACKE

CFO and IR Manager since 2009.

BORN: 1965

EDUCATION: Master's Degree in Financial Economy 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 APPOINTMENTS: Member of the Board of Directors and Treasurer, Erica Foundation.

SHARE OWNERSHIP: 82,929 shares.

NIKOLAI UTHEIM

President, Norway since 2016.

BORN: 1975

EDUCATION: MSc. with a major in finance, Norwegian School of Management (BI) and Copenhagen Business School.

WORK EXPERIENCE: Consultant, PwC Norway, Statoil Norge AS (Deputy CFO, Chief Controlling and Strategy Projects).

SHARE OWNERSHIP: 8,000 shares.

JØRGEN UTZON

President, Denmark since 2001.

BORN: 1961

EDUCATION: MSc in Business Economics, Copenhagen Business School. Executive Programme, International Institute for Management Development, Lausanne.

WORK EXPERIENCE: CEO, Strax Nordic, Logistics Manager and Service Director, Xerox Denmark. Various management functions, Rockwool.

OTHER CURRENT APPOINTMENTS: Chairman of Servicebranchens Arbejdsgiverforening (SBA) and Member of the Board of DI Service (Dansk Industri). Member of the Board of Nordomatic AB and in Dominus A/S.

SHARE OWNERSHIP: 50,000 shares.

RIKARD WANNERHOLT

Senior Vice President, Operations Development since 2013.

BORN: 1962

EDUCATION: Masters of Business Administration, Lund University. Advanced Management Program, Stockholm School of Economics. International Executive Program, IESE Business School, Navarra, Barcelona.

WORK EXPERIENCE: CEO, Sun Microsystems, Sweden. President and CEO, Addici. Executive Vice President, EDB Business Partner.

SHARE OWNERSHIP: 22,746 shares.

MAGDALENA ÖHRN

Communication Manager since 15 January 2018.

BORN: 1966

EDUCATION: B.A. In information science, Uppsala University and Poppius School of Journalism.

WORK EXPERIENCE: Information Manager, Ving,
Director, Account Manager, Project Manager and various other roles at Prime PR, Project Manager, Rikta kommunikation, Public Relations Manager, TV3.

OTHER CURRENT APPOINTMENTS: Member of the Board of New Hope, the Travel Industry Fund for Children.

SHARE OWNERSHIP: 0

MULTI-YEAR SUMMARY, SELECTED KEY PERFORMANCE INDICATORS

SEK MILLION	2017	2016	2015	2014	2013
Net sales					
Net sales	7,722	7,272	7,086	6,424	6,012
Net sales growth, %	*6.2*	*2.6*	*10.3*	*6.8*	*17.7*
whereof organic growth, %	*5.6*	*3.1*	*10.8*	*6.2*	*-1.1*
whereof FX-effect, %	*0.6*	*-0.5*	*-0.5*	*0.6*	*-0.7*
whereof M&A, %	*0.0*	*0.0*	*0.0*	*0.0*	*19.5*
Profit and margin					
Operating profit (EBIT)	268	242	71	-88	-197
Operating margin, %	*3.5*	*3.3*	*1.0*	*-1.4*	*-3.3*
EBITA	438	418	248	243	171
EBITA margin, %	*5.7*	*5.8*	*3.5*	*3.8*	*2.8*
Adjusted EBITA	468	435	363	345	296
Adjusted EBITA margin, %	*6.1*	*6.0*	*5.1*	*5.4*	*4.9*
Adjusted EBITDA	517	476	404	385	345
Adjusted EBITDA margin, %	*6.7*	*6.5*	*5.7*	*6.0*	*5.7*
Profit before tax	244	167	-44	-359	-924
Profit after tax	188	123	193	-315	-588
Adjusted net profit	358	300	370	15	-220
Cash flow					
Operating cash flow	492	414	295	257	255
Cash conversion, %	*103*	*91*	*115*	*108*	*115*
Capital structure					
Working capital	-630	-552	-503	-417	-353
Working capital/Net sales, %	*-8.2*	*-6.5*	*-7.1*	*-6.5*	*-5.9*
Net debt	699	807	945	2,668	2,600
Leverage	1.4	1.7	2.3	6.9	7.5
Equity/assets ratio, %	*40*	*44*	*45*	*18*	*24*
Dividend, SEK	4.00	3.00	2.00	n/a	n/a
Other					
Number of employees (FTE) at year-end	6,695	6,108	6,142	5,809	4,883

PURPOSE OF THE SELECTED KEY PERFORMANCE INDICACTORS

To provide its investors and other stakeholders with more detailed information about the Group's operations and its underlying success factors, Coor has chosen to present details about a number of key performance indicators (KPIs). The purpose of these indicators is explained below. For definitions of terms and for information on how the KPIs are calculated, see the Definitions section.

GROWTH

The Group deems 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 and customer contracts. The Group believes adjusted EBITA is the measure of operating profit which 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 followed up and evaluated internally.

The earnings measure, adjusted net profit, excludes the non-cash items, amortization and impairment of goodwill and customer contracts from consolidated net profit, and is used as a basis for deciding on the payment of dividends to the 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 attributable to financial transactions and income taxes from this measure in order to provide a clearer view of the cash flow generated by the operations.

The Group's objective is to maintain a cash conversion ratio of at least 90 per cent on a rolling 12-month basis. To ensure that the measure provides a true and fair view over time, the Group calculates cash conversion using the measures operating profit and operating cash flow, which exclude items affecting comparability.

To achieve the defined target for cash conversion, a strong emphasis is placed on minimising working capital and maintaining negative working capital. The Group, therefore, continuously monitors the amount 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 fulfil its financial obligations under its loan agreement, it is relevant to analyse 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.

RECONCILIATIION OF SELECTED KEY PERFORMANCE INDICATORS, SEK MILLION	2017	2016	2015	2014	2013
OPERATING PROFIT (EBIT)	**268**	**242**	**71**	**-88**	**-197**
Depreciation and amortization of customer contracts (*Note 11*)	170	176	177	331	368
EBITA	**438**	**418**	**248**	**243**	**171**
Items affecting comparability (*Note 4*)	29	17	115	102	125
ADJUSTED EBITA	**468**	**435**	**363**	**345**	**296**
Depreciations	50	41	41	39	48
ADJUSTED EBITDA	**517**	**476**	**404**	**385**	**345**
Income for the period, continuing operations	**188**	**123**	**193**	**-315**	**-588**
Depreciation and amortization of customer contracts	170	176	177	331	368
ADJUSTED NET PROFIT	**358**	**300**	**370**	**15**	**-220**
SPECIFICATION OF WORKING CAPITAL					
Inventories	12	11	17	17	47
Accounts receivable	1,159	1,080	1,069	1,155	1,215
Other receivables	18	12	15	21	40
Prepaid expenses and accrued income	374	395	368	426	427
Accounts payable	-944	-790	-835	-893	-903
Other liabilities	-189	-185	-182	-209	-189
Accrued expenses and prepaid income	-1,059	-1,018	-893	-908	-879
Less discontinued operations.	0	-52	-55	-25	-96
Less interest-bearing receivables/liabilities	-1	-5	-9	-1	-14
WORKING CAPITAL	**-630**	**-552**	**-503**	**-417**	**-353**
SPECIFICATION OF NET DEBT					
Long-term borrowings	1,399	1,401	1,367	2,802	2,742
Short-term borrowings	3	7	12	216	169
Provisions for pensions	19	19	18	10	12
Liquid funds	-709	-603	-428	-335	-288
Long-term interest-bearing receivables	-12	-12	-15	-13	-22
Interest-bearing operating receivables	-1	-5	-9	-13	-14
NET DEBT	**699**	**807**	**945**	**2,668**	**2,600**

OPERATING CASH FLOW	2017	2016	2015	2014	2013
Operating profit (EBIT)	268	242	71	-88	-197
IPO-related expenses recognized in equity	0	0	-49	0	0
Depreciation, amortization and impairment	219	217	218	370	416
Net investments	-74	-70	-46	-23	-33
Change in net working capital	89	29	106	57	83
Non-cash items	-11	-4	-4	-58	-16
OPERATING CASH FLOW	**492**	**414**	**295**	**257**	**254**
CASH CONVERSION					
Adjusted EBITDA	517	476	404	385	345
Change in net working capital	89	29	106	57	83
Net investments	-74	-70	-46	-23	-33
Other	-2	-1	0	-2	1
Cash flow for cash conversion calculation	**531**	**434**	**463**	**416**	**396**
CASH CONVERSION, %	**103**	**91**	**115**	**108**	**115**

DEFINITIONS

FINANCIAL CONCEPTS AND KEY PERFORMANCE INDICATORS

Costs of services sold
Costs that are directly related to the performance of the invoiced services, depreciation on property, plant and equipment, amortization and impairment of goodwill and customer contracts.

Items affecting comparability
Items affecting comparability consist largely of costs for the integration of contracts and acquisitions, as well as more comprehensive restructuring programmes. Items affecting comparability are included either in costs of goods sold or in the selling and administrative expenses.

EBITA:
Operating profits before depreciation and amortization and impairment on goodwill and customer contracts.

Adjusted EBITA:
Operating profits before amortization and impairment on goodwill and customer contracts, excluding items affecting comparability.

Adjusted EBITDA:
Operating profits prior to depreciation, amortization and impairment on all tangible and intangible non-current assets, excluding items affecting comparability.

Adjusted net profit:
Profit after tax, excluding amortization and impairment on goodwill and customer contracts.

Operating cash flow
Cash flow from operating activities excluding interest income, interest expenses and income tax paid, but including net investments in intangible assets and property, plant and equipment.

Working capital
Non-interest-bearing current assets less non-interest-bearing current liabilities at 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 previous period.

Organic growth
Change in the net sales for the period as a percentage of net sales in the previous year, excluding acquisitions and currency effects.

Operating margin (EBIT margin)
Operating profits 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 EBITDA as a percentage of net sales.

Earnings per Share
Profit for the period attributable to shareholders in the Parent Company in relation to the average number of ordinary shares.

Equity per share
Equity at the end of the period attributable to the Parent Company's shareholders, divided by the number of shares at the end of the period.

Cash conversion
Adjusted EBITDA minus net investments, and adjusted for changes in working capital as a per cent of adjusted EBITDA.

Working capital/net sales
Working capital at balance sheet date as a per cent over net sales (rolling 12 months).

Net debt
Interest-bearing current and non-current assets, less deductions for current and non-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
The Group's equity and reserves attributable to shareholders in the Parent Company, as a percentage of total assets at year-end.

GENERAL CONCEPTS

Supplier loyalty ratio (purchases)
The portion of total purchases undertaken from central and local suppliers with whom supplier's agreements have been established.

Own delivered services
Services that are executed by the company's own staff, instead of subcontractors.

FM and the FM market
Services for and associated with a building, for example, property management, maintenance and cleaning, catering and security.

"Hard" FM
Property management, both interior and exterior. Examples of services include maintenance, repairs and work on buildings.

Full-time services
Full time positions or full time equivalents, also usually referred to as FTE. This indicates the number of personnel calculated in terms of full time employees.

HSEQ
Is an English abbreviation that stands for health, safety, environment and quality. In Swedish this means health, safety, environment and quality.

IFM
Integrated facility management, also referred to as TFM (total facility management) and IFS (integrated facility services). IFM refers to the coordinated management and administration of two or a number of facility management services.

IOT, Internet of Things
The Internet of Things (IoT) refers to the network of physical objects (such as vehicles, buildings, machinery and other objects) equipped with electronics, software, sensors and network connections making it possible for these objects to collect and exchange data. IoT allows objects to be read and remotely controlled in real time. These real-time measurements are integrated into a computer-based system, providing improved efficiency, precision and economic advantages.

The Nordic Region
Denmark, Finland, Norway and Sweden (Iceland excluded).

Service management
Service management is defined as the coordinated control and management of a number of services. The basic concept is the provision of one or more services in a more coordinated manner and the delivery of the services agreed upon in an efficient manner on the basis of established processes with the agreed upon quality and cost.

SME
Small and Medium-sized Enterprises. English abbreviation that describes the segment small and medium-sized companies (SMF in Swedish).

"Soft" FM
Work site service. Soft FM can be divided into premises maintenance, catering, security and other soft FM services. Examples of such services are the operation of personnel restaurants, staffing of security services and support services (among other things, care of plants and conference support).

SPECIAL SHAREHOLDER INFORMATION

ANNUAL GENERAL MEETING 2018

Participation at the annual general meeting
Coor's Annual General Meeting will take place on 26 April at 3:00 pm at the Kista Entré conference facility, Knarrarnäsgatan 7, Kista. Shareholders wishing to participate at the Annual General Meeting are required to register this in advance. Details on the registration procedure are provided in the notice of the meeting.

Distribution of notice and registration information
The notice was published on 20 March 2018. The final date to register for participation at the Annual General Meeting is 20 April 2018.

Record date
30 April 2018.

FINANCIAL CALENDAR 2018

26 April 2018	Interim report January - March 2018
26 April 2018	Annual General Meeting 2018
18 July 2018	Interim report January - June 2018
24 October 2018	Interim Report January - September 2018
21 February 2019	Year-End Report January - December 2018

An up-to-date financial calendar is available at coor.com/Investors.

DISTRIBUTION POLICY

All reports are available in English and Swedish and are regularly published on Coor's home page under the tab **coor.com/Investors**.
A printed version of Coor's annual report is distributed only to shareholders specifically requesting a copy via email: **ir@coor.com**

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