# Q1 INTERIM REPORT, JANUARY–MARCH 2021

*Improved earnings and increased focus on sustainability and innovation*

**First quarter of 2021**

- Net sales in the first quarter amounted to SEK 2,330 (2,541) million. Organic growth was -7 per cent and growth from acquisitions 0 per cent, while exchange rate effects accounted for -2 per cent.
- Adjusted EBITA increased by 14 per cent to SEK 139 (122) million and the operating margin was 6.0 (4.8) per cent.
- EBIT was SEK 84 (61) million. Profit after tax was SEK 53 (31) million.
- Earnings per share were SEK 0.6 (0.3).
- Cash conversion for the most recent 12-month period amounted to 98 (114) per cent.
- Leverage in relation to adjusted EBITDA was 1.5 (2.1).

## GROUP EARNINGS SUMMARY

| | Jan-Mar | | Rolling | Jan-Dec |
|---|---|---|---|---|
| | 2021 | 2020 | 12 mth. | 2020 |
| Net sales | 2,330 | 2,541 | 9,381 | 9,591 |
| *Organic growth, %* | *-7* | *-2* | *-8* | *-7* |
| *Acquired growth, %* | *0* | *2* | *1* | *2* |
| *FX-effects, %* | *-2* | *-1* | *-3* | *-2* |
| Adjusted EBITA | 139 | 122 | 573 | 556 |
| Adjusted EBITA-margin, % | 6.0 | 4.8 | 6.1 | 5.8 |
| EBIT | 84 | 61 | 340 | 318 |
| Income for the period | 53 | 31 | 213 | 191 |
| Cash conversion, % | 91 | 134 | 98 | 108 |
| Earnings per share, SEK | 0.6 | 0.3 | 2.2 | 2.0 |

*See page 27 for definitions and calculations of key performance indicators. Items affecting comparability are presented in Note 3*

## CEO'S COMMENTS

# IMPROVED EARNINGS AND INCREASED FOCUS ON SUSTAINABILITY AND INNOVATION

*Coor delivered an operating profit of SEK 139 million (122) in the first quarter, corresponding to an improvement of 14 per cent compared with the year-earlier period, despite lower sales. The operating margin increased to 6.0 (4.8) per cent. Sales amounted to SEK 2,330 (2,541) million. Coor's cash flow and balance sheet remain strong, with a cash conversion of 98 (114) per cent over the past 12 months and a leverage of 1.5 (2.1) times adjusted EBITDA. We also have a very strong pipeline of new business opportunities.*

### IMPROVED EARNINGS

The Nordic region continued to be impacted by COVID-19 in the first quarter. The pattern from recent quarters continued, with lower variable volumes in food and beverages and property-related projects. Demand for professional cleaning remained high as a result of COVID-19 and somewhat offset the negative effects from the other service areas. Coor's subscription volumes remain strong, which is creating stability for the company.

Coor's customer-oriented and decentralised organisation has successfully continued to adapt and improve the efficiency of operations, benefiting our customers and providing strong financial results. In addition to the organisation's focus on costs and efficiency, a positive volume mix effect also contributed to improved operating profit.

With a strong balance sheet and healthy cash flow, Coor has excellent flexibility and financial capacity for new business opportunities and company acquisitions.

### NEW CUSTOMERS AND EXTENDED CONTRACTS

The level of activity with new and existing customers was high during the quarter. On 29 March, it was announced that Coor had won a new Nordic IFM contract with PostNord worth around SEK 120 million annually. The contract is valid for four years with the option to extend for an additional four years. Deliveries to Denmark commenced in January, and deliveries to Sweden, Norway and Finland will begin on 1 July 2021. We also won a three-year restaurant contract with KAB in Denmark, and a three-year contract with Matkahuolto in Finland, which primarily performs cleaning services.

The IFM contract with Sandvik Materials Technology in Sweden was extended in the quarter. The extension becomes effective on 1 January 2022 and is valid for three years with the option to extend for an additional four years. The contract is worth around SEK 120 million annually.

### IINCREASED FOCUS ON SUSTAINABILITY AND INNOVATION

Delivering on Coor's strategy and developing our business in line with Coor's vision requires a long-term approach to sustainability. Going forward, we will report on our sustainability efforts in our interim reports across three dimensions: financially, socially and environmentally.

In line with this increased focus on sustainability, Coor committed to the Science Based Target initiative (SBTi) during the quarter. This means that Coor sets environmental targets in line with the Paris Agreement, and that the company's environmental targets are in line with the requirements to limit global warming to 1.5 degrees Celsius.

Socially, Coor is focusing on such topics as employee satisfaction, health and safety, and equal opportunities. One of our focus areas concerning equal opportunities is to achieve an equal distribution of men and women among managers in our organisation. We are proud to say that we have now achieved a 50/50 distribution. At Coor, we also contribute actively to society at large. Through our wide range of services, we are often able to provide jobs to young people, new arrivals to the country or other individuals who have a tough time entering the labour market.

The organisational change that took place at the end of 2020 has already yielded effects in the form of increased clarity concerning sustainability, but also in the areas of innovation, digitalisation and service development. It is gratifying to see the new strength of our innovation efforts, with more innovations currently at the testing stage and expected to reach the market soon. During the pandemic, a number of customers have also shown interest in Smart Climate powered by LightAir, a solution for ensuring clean and virus-free air in office environments.

### CONTINUED FAVOURABLE OUTLOOK

Coor is engaged in many positive dialogues with both existing and potential customers who need new solutions to streamline, adapt and develop their businesses. We believe our prospects to achieve growth, profitability and cash flow in line with our targets over time are good.

**Stockholm, 26 April 2021**

AnnaCarin Grandin
*President and CEO, Coor*

# OUR OPERATIONS IN THREE DIMENSIONS

*Delivering on Coor's strategy and developing our business in line with Coor's vision requires a long-term approach to sustainability. Coor strives to conduct its business in a responsible manner. This means that we create value in three dimensions; financially, socially and environmentally.*

**VISION**

Coor creates the happiest, healthiest and most prosperous workplace environments in the Nordic region. We strive tirelessly to build the teams and full-service solutions that enable our customers to do what they do best.

**BUSINESS CONCEPT**

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

**STRATEGY**

- Customer-oriented solutions
- Growth in IFM
- Growth in single services
- Operational effciency

### BUSINESS RESPONSIBILITY

Coor aims to ensure a stable financial performance and to deliver a high level of customer satisfaction by:

- Ensuring sustained growth and profitability over time
- Delivering value-creating and innovative solutions
- Helping its customers achieve their goals

**Targets in business sustainability:**

- Organic growth: 4-5%
- Adjusted EBITA margin: ~5.5%
- Cash conversion: >90%
- Capital structure: <3.0 times
- Dividends: ~50% of adjusted net profit
- Customer satisfaction: ≥70

### SOCIAL RESPONSIBILITY

Coor aims to have committed and motivated employees and zero work-related injuries or long-term sick leave and to promote equal opportunities for men and women by:

- Actively promoting the well-being of its employees as well as a safe work environment
- Promoting diversity and equality
- Developing and engaging the company's employees

**Targets in social sustainability:**

- Employee Motivation Index: ≥70
- Equal opportunities: 50% female managers
- TRIFR: ≤3.5

### ENVIRONMENTAL RESPONSIBILITY

Coor aims to promote responsible consumption and reduced emissions by:

- Actively helping to minimise its customers' environmental impact
- Engaging in structured and proactive internal environmental management activities
- Halving Coor's carbon footprint by 2025

**Targets in environmental sustainability:**

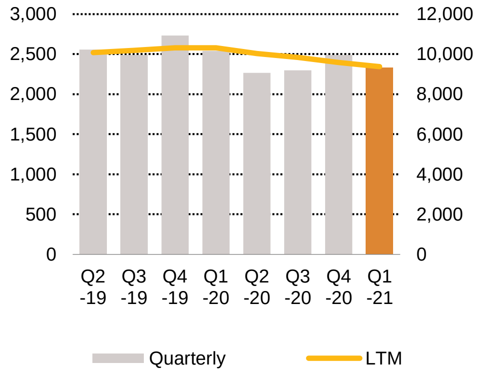
- Reduce Scope 1 and 2 emissions under the global Greenhouse Gas Protocol framework by 50 per cent by 2025 compared with our baseline

# BUSINESS RESPONSIBILITY

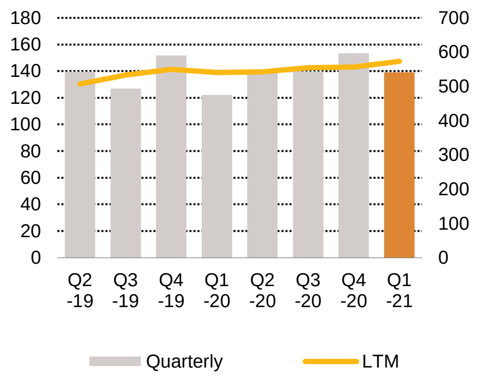
## SALES AND EARNINGS

| Key performance indicators | Jan-Mar 2021 | Jan-Mar 2020 |
|---|---|---|
| Net sales | 2,330 | 2,541 |
| *Organic growth, %* | *-7* | *-2* |
| *Acquired growth, %* | *0* | *2* |
| *FX effects, %* | *-2* | *-1* |
| Adjusted EBITA | 139 | 122 |
| Adjusted EBITA-margin, % | 6.0 | 4.8 |
| EBIT | 84 | 61 |
| EBIT-margin, % | 3.6 | 2.4 |
| Number of employees (FTE) | 8,937 | 9,227 |

**Net sales (SEK m)**




**Adjusted EBITA (SEK m)**



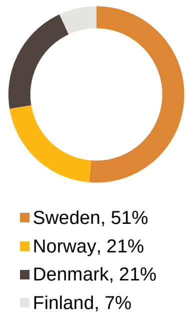

**First quarter (January–March)**

Net sales declined 8 per cent compared with the year-earlier period. Organic growth was negative and amounted to -7 per cent, derived from the effects of COVID-19 in the form of lower variable volumes primarily in food and beverages, but also in property-related projects. New minor contracts and expanded business contributed positively. COVID-19 also generated increased assignment volumes in cleaning services in all countries.

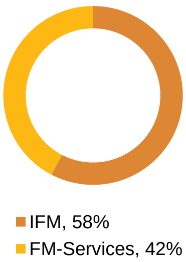
Operating profit (adjusted EBITA) amounted to SEK 139 (122) million. The operating margin for the quarter was 6.0 (4.8) per cent. The improvement was driven by cost reductions, efficiency improvements and profitability-enhancing measures across the organisation as well as positive volume mix effects.

EBIT was SEK 84 (61) million. In addition to the increase in adjusted EBITA, items affecting comparability were also lower compared with the first quarter of the preceding year.

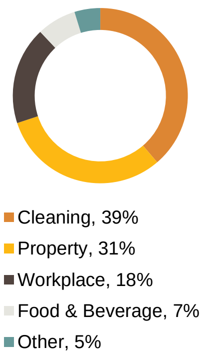
**Net sales by country (LTM)**



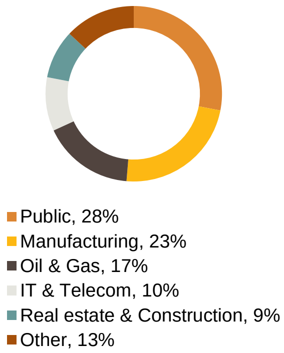

**Net sales by type of contract (LTM)**




**Net sales by type of service (LTM)**




**Net sales by customer segment (LTM)**



## FINANCIAL NET AND PROFIT AFTER TAX

Net financial items for the first quarter improved by SEK 4 million compared with the year-earlier period, primarily attributable to a lower utilisation of the revolving credit facility.

Tax for the first quarter was SEK -17 (-13) million, corresponding to 25 (29) per cent of profit before tax. Profit after tax was SEK 53 (31) million.

| Financial net (SEK m) | Jan-Mar 2021 | Jan-Mar 2020 |
|---|---|---|
| Net interest, excl leasing | -9 | -12 |
| Net interest, leasing | -2 | -3 |
| Borrowing costs | -1 | -1 |
| Exchange rate differences | 1 | -1 |
| Other | -1 | -1 |
| **Total financial net** | **-13** | **-17** |
| **Total** | **71** | **44** |
| Tax | -17 | -13 |
| **Income for the period** | **53** | **31** |

## FINANCIAL POSITION

Consolidated net debt at the end of the period was SEK 1,118 (1,589) million.

The company's leverage, defined as net debt to adjusted EBITDA (rolling 12 months), was 1.5 (2.1) at the end of the period, which is well in line with the Group's target of a leverage below 3.0.

Equity at the end of the period was SEK 2,208 (1,995) million, and the equity/assets ratio was 36 (30) per cent.

Cash and cash equivalents amounted to SEK 373 (578) million at the end of the period. At the end of the period, the Group had undrawn credit lines totalling SEK 1,350 (750) million.

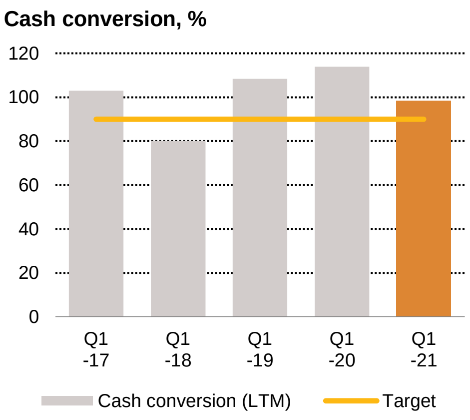
| Net debt (SEK m) | 31 Mar 2021 | 31 Mar 2020 | 31 Dec 2020 |
|---|---|---|---|
| Liabilities to credit institutions | 142 | 740 | 241 |
| Corporate bond | 1,000 | 1,000 | 1,000 |
| Leasing, net | 316 | 364 | 328 |
| Other | 32 | 63 | 33 |
| | **1,491** | **2,167** | **1,603** |
| Cash and cash equivalents | -373 | -578 | -396 |
| **Net debt** | **1,118** | **1,589** | **1,207** |
| Leverage, times | 1.5 | 2.1 | 1.6 |
| Equity | 2,208 | 1,995 | 2,079 |
| Equity/assets ratio, % | 36 | 30 | 34 |

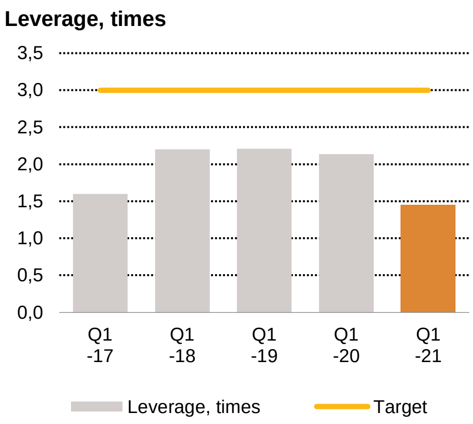
## CASH FLOW

Operating cash flow varies from one quarter to the next. The key parameter to follow is the rolling 12-month change in working capital. In the past 12 months, working capital declined by SEK 45 million. This strong cash flow was primarily attributable to focused working capital management across the organisation. Lower volumes in property-related projects also reduced tied-up capital.

The most important key performance indicator for Coor's cash flow is cash conversion, which is defined as the ratio of a simplified operating cash flow to adjusted EBITDA. Cash conversion for the most recent 12-month period amounted to 98 (114) per cent, which is well in line with the Group's target of cash conversion of over 90 per cent.

| Cash conversion (SEK m) | Rolling 12 mth. 2021 | Rolling 12 mth. 2020 | Jan-Dec 2020 |
|---|---|---|---|
| Adjusted EBITDA | 770 | 744 | 756 |
| Change in net working capital | 45 | 188 | 133 |
| Net investments | -58 | -83 | -70 |
| **Cash flow for calculation of cash conversion** | **758** | **848** | **818** |
| **Cash conversion, %** | **98** | **114** | **108** |



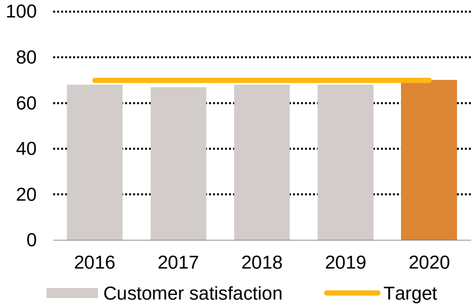
## CUSTOMER RELATIONSHIPS

### Customer satisfaction

Every year, Coor conducts a survey among its customers with the aim of monitoring its performance as a service provider. Coor's customer satisfaction has remained stable at a high level, with a score of 70 (68) in the latest survey. The number of contact persons who completed the survey increased to 805, compared with 676 in the preceding year. The results from the customer survey provide valuable input for the future, with regard to the development of Coor's relationships with its customers as well as its internal development as a company.

As a supplement to the annual survey, we continuously follow up on customer satisfaction. These qualitative and quantitative follow-ups are customised based on the specific customer and focus on both service delivery and customer relations. Quantitative surveys are carried out using, for example, pulse surveys.

**Customer satisfaction index**




## SIGNIFICANT EVENTS DURING THE QUARTER

- On 12 January 2021, it was announced that Coor will lose parts of its IFM contract with Equinor in Norway. Coor's contract with Equinor covers services for production sites, office sites and offshore installations. Following a procurement, Equinor has decided not to extend the office part of the contract with Coor when it expires in October 2021. The annual contract value for the office sites is approximately SEK 500 million. The production sites are not affected by this decision. In March 2020, the offshore part was extended by another three years.

- In February 2021, it was announced that Coor would acquire R&K Service in Norway. The company is a well-run family company that provides cleaning and restaurant services in the Stavanger region. The company has annual sales of around NOK 80 million and is an important acquisition that will strengthen Coor's position. The acquisition was completed on 1 March 2021.

- On 29 March, it was announced that Coor had signed a new IFM contract with PostNord. Once fully implemented, the contract will be worth around SEK 120 million annually. The contract is valid for four years with the option to extend for an additional four years. Deliveries in Denmark commenced on 1 January 2021, and deliveries in Sweden, Norway and Finland will begin on 1 July 2021. Deliveries include cleaning services, outdoor maintenance, internal waste management, coffee machines and water coolers as well as caretaking and internal service for all of PostNord's properties in the Nordic region with a building area of about 1,500,000 square metres.

## SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- No significant events to report after the end of the period.

# SOCIAL RESPONSIBILITY

## ORGANISATION AND EMPLOYEES

At the end of the period, the number of employees was 10,981 (11,427), or 8,937 (9,227) on a full-time equivalent basis.

## EQUAL OPPORTUNITIES

Coor believes firmly that a diversity of personalities, backgrounds, experiences and knowledge creates the right conditions for the company's continued success. As part of its efforts to ensure diversity, Coor clearly strives for an equal gender distribution among its managers. At the end of the period, there was an equal number of men and women in managerial positions.

## EMPLOYEE MOTIVATION

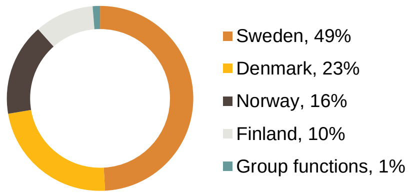
Each year, Coor carries out a comprehensive employee survey with the help of an external research firm. The survey gives employees an opportunity to provide anonymous feedback on what it is like to work at Coor. The results of the survey are important for our efforts to become an even more attractive employer. 85 (80) per cent of all employees responded to the latest survey, which showed an employee motivation score (Employee Motivation Index) of 78 (77), an increase for the sixth year running.

## HEALTH AND SAFETY

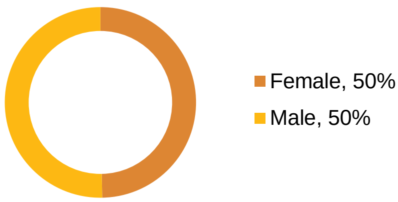
Coor has a clear vision to achieve zero work-related injuries, and it goes without saying that all employees should have a safe work environment. Managers and employees take responsibility for preventing and avoiding injuries. All employees are encouraged to report observed risks. Risk observations, incidents and injuries are reported directly to the relevant manager, after which a follow-up and analysis of preventive measures is conducted. The results are followed up and analysed at the country and Group level on an ongoing basis.

Coor's medium-term goal is for the Group's total recorded injury frequency rate (TRIFR) to be less than 3.5. For full-year 2020, the Group's TRIFR was 9.9. In the first quarter of 2021 (rolling 12 months), the Group's TRIFR was 9.8. Coor is working systematically and continuously to achieve the target level of ≤3.5. Coor has achieved substantial improvements since the baseline was established in 2016 when the Group's TRIFR was 21.3.

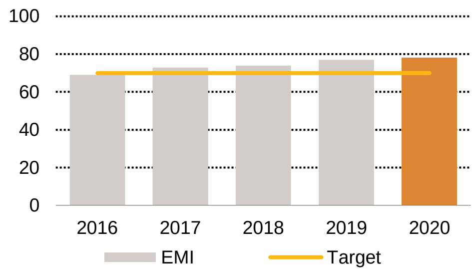
**Distribution of employees (full-time equivalents) at the end of the period**



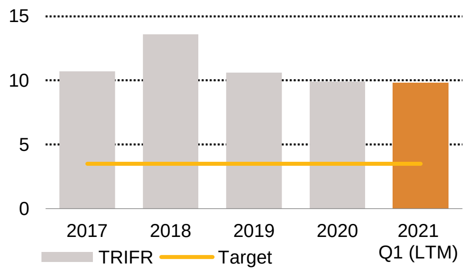

**Equal opportunities (gender distribution of managers at the end of the period)**




**Employee Motivation Index (EMI Index)**




**TRIFR**



# ENVIRONMENTAL RESPONSIBILITY

## AMBITION

In Coor's strategic plan for 2025, the ambition was established to be a truly sustainable company. Part of this involves Coor working to reduce its emissions of greenhouse gases. Coor calculates emissions according to the Greenhouse Gas Protocol.

### Target to reduce greenhouse gases by 50 per cent

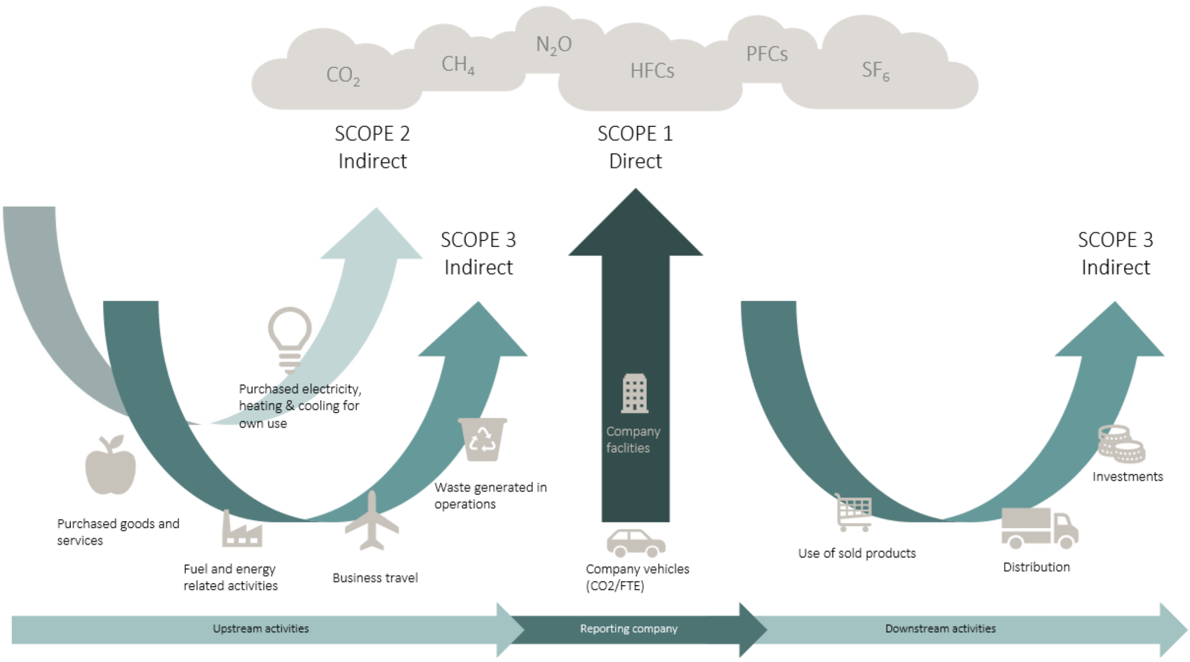
Coor's operations give rise to direct emissions of greenhouse gases from our vehicle fleet (Scope 1), indirect emissions from energy use in the form of electricity, heating and cooling (Scope 2) and emissions that occur in our value chain where Coor does not always own the process or have direct control over production (Scope 3). These include purchases of goods and services, business trips and employees commuting to and from work. Our goal is to reduce our Scope 1 and 2 emissions under the global Greenhouse Gas Protocol framework by 50 per cent by 2025 compared with our baseline.

### Further reduction of Scope 3 greenhouse gases

Coor has calculated its total emissions of greenhouse gases in Scopes 1, 2 and 3 in order to gain an overview of the distribution of greenhouse gas emissions in the value chain and to identify its greatest emission drivers. 7 per cent of our emissions come directly from our operations (Scopes 1 and 2). The vast majority of Coor's greenhouse gas emissions are indirect Scope 3 emissions, arising from purchased goods and services linked to our service delivery to the customer. In addition to reducing our direct emissions, we also want to reduce those indirect emissions that we can influence. Coor's greatest opportunity to help address the global climate challenge is to reduce our footprint in food and beverages.

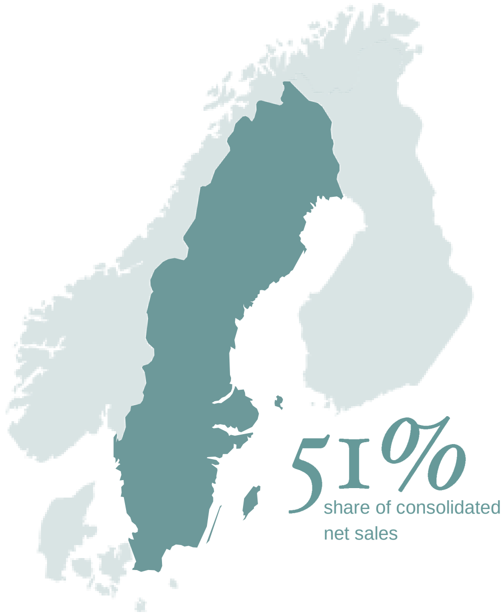
### Coor is committed to the Science Based Target initiative

In the first quarter of 2021, Coor decided to commit to the Science Based Target initiative, thus ensuring that the company's environmental targets are in line with the requirements to limit global warming to 1.5 degrees Celsius.



# SWEDEN

| Key performance indicators | Jan-Mar 2021 | Jan-Mar 2020 |
|---|---|---|
| Net sales | 1,176 | 1,297 |
| *Organic growth, %* | *-9* | *-2* |
| *Acquired growth, %* | *0* | *5* |
| *FX-effects, %* | *0* | *0* |
| Adjusted EBITA | 124 | 124 |
| Adjusted EBITA-margin, % | 10.5 | 9.6 |
| Number of employees (FTE) | 4,393 | 4,639 |



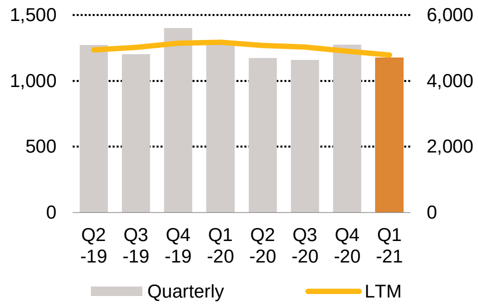

## FIRST QUARTER (JANUARY–MARCH)

During the first quarter, sales in the Swedish operations declined by 9 per cent as a result of negative organic growth. Variable volumes decreased compared with the year-earlier period due to the negative effects of COVID-19, primarily in food and beverages and property-related projects. Increased assignment volumes in cleaning services driven by COVID-19 and a certain positive effect from expanded and new small businesses offset this decline somewhat.

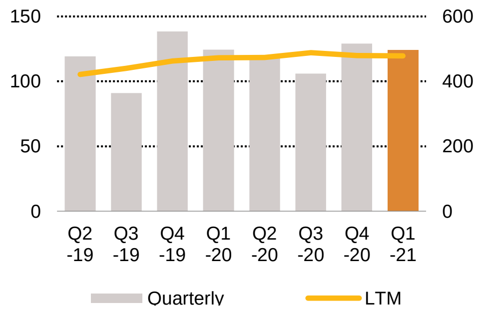
Operating profit (adjusted EBITA) for the quarter was unchanged year-on-year and amounted to SEK 124 (124) million. The operating margin improved to 10.5 (9.6) per cent, despite the negative volume effects from COVID-19 .This was attributable to a continued intense cost focus, efficiency work and positive volume mix effects.

During the first quarter, the IFM contract with Sandvik Materials Technology was extended. The extension, which becomes effective 1 January 2022, is valid for three years with the option to extend for an additional four years.

**Net sales (SEK m)**

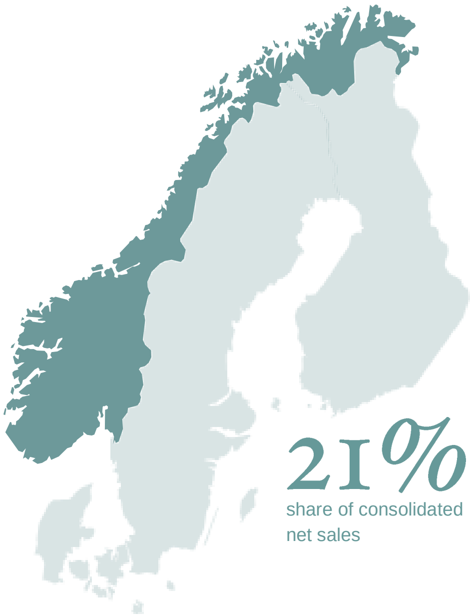



**Adjusted EBITA (SEK m)**



# NORWAY

| Key performance indicators | Jan-Mar 2021 | Jan-Mar 2020 |
|---|---|---|
| Net sales | 520 | 598 |
| *Organic growth, %* | *-11* | *0* |
| *Acquired growth, %* | *1* | *0* |
| *FX-effects, %* | *-3* | *-4* |
| Adjusted EBITA | 35 | 32 |
| Adjusted EBITA-margin, % | 6.8 | 5.4 |
| Number of employees (FTE) | 1,439 | 1,502 |



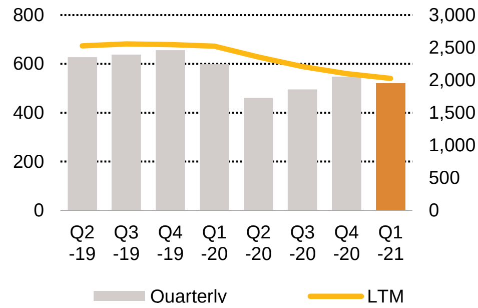

## FIRST QUARTER (JANUARY–MARCH)

During the first quarter, sales in the Norwegian business decreased by -13 per cent owing to negative organic growth, which amounted to -11 per cent, and to negative exchange rate effects amounting to -3 per cent. The acquisition of R&K Service, which was completed on 1 March, contributed 1 per cent growth. The negative organic growth was caused by the effects of COVID-19 and its impact on variable volumes, mainly in food and beverages. Higher demand for cleaning services and somewhat higher volumes from maintenance stoppages in the oil and gas industry made a positive contribution, but only provided partial compensation.

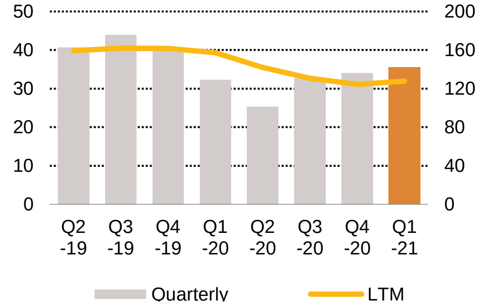
Operating profit (adjusted EBITA) for the quarter amounted to SEK 35 (32) million. The operating margin improved to 6.8 (5.4) per cent. The positive development in terms of operating profit and operating margin is related to cost reductions, efficiency work and positive effects from increased cleaning services and maintenance stoppages in the oil and gas industry. In food and beverages, certain contractual changes have been possible, which have also contributed positively.

The integration of R&K Service is proceeding according to plan. The acquisition strengthens Coor's market position in cleaning and restaurants in the Stavanger area.

**Net sales (SEK m)**

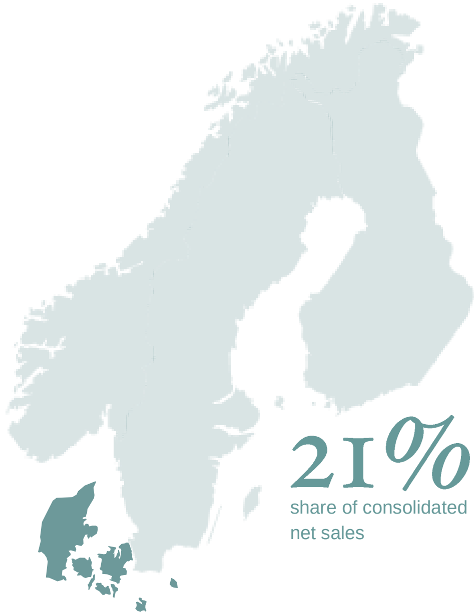



**Adjusted EBITA (SEK m)**



# DENMARK

| Key performance indicators | Jan-Mar 2021 | Jan-Mar 2020 |
|---|---|---|
| Net sales | 474 | 483 |
| *Organic growth, %* | *3* | *4* |
| *Acquired growth, %* | *0* | *0* |
| *FX-effects, %* | *-5* | *2* |
| Adjusted EBITA | 24 | 10 |
| Adjusted EBITA-margin, % | 5.1 | 2.1 |
| Number of employees (FTE) | 2,072 | 2,030 |



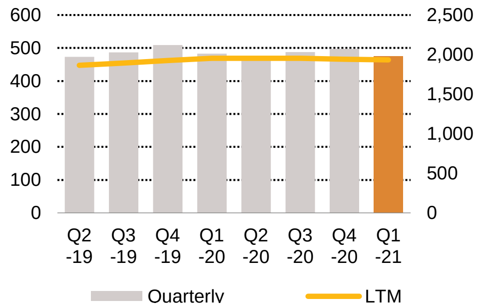

## FIRST QUARTER (JANUARY–MARCH)

During the first quarter, sales declined 2 per cent in the Danish operations compared with the year-earlier period. Organic growth amounted to 3 per cent, but exchange rate effects were negative and amounted to -5 per cent. The new contract with PostNord and high assignment volumes in cleaning, driven by COVID-19, made a positive contribution to sales. At the same time, COVID-19 had a negative effect on other variable volumes, mainly in food and beverages and property-related projects.

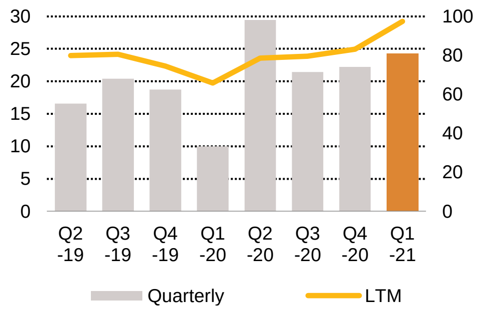
Operating profit (adjusted EBITA) for the quarter amounted to SEK 24 (10) million. The operating margin was 5.1 (2.1) per cent. A major focus on costs and efficiency improvements together with new business and increased demand for cleaning services contributed to an improved operating profit and operating margin. The first quarter of the preceding year was impacted negatively by a non-recurring effect of about SEK 5 million.

In the first quarter, a new three-year restaurant agreement was signed with KAB.

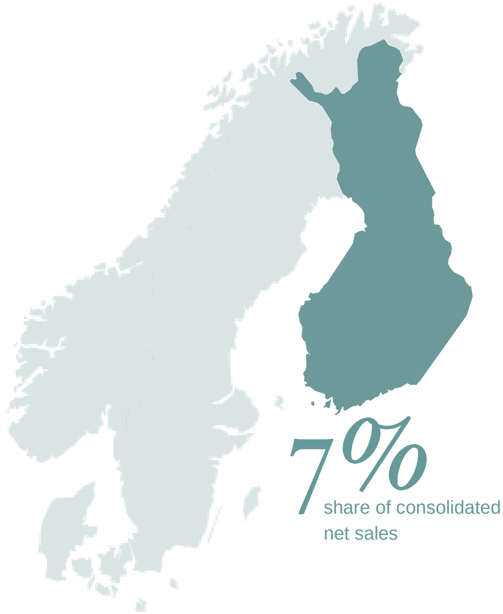
**Net sales (SEK m)**




**Adjusted EBITA (SEK m)**



# FINLAND




| Key performance indicators | Jan-Mar 2021 | Jan-Mar 2020 |
|---|---|---|
| Net sales | 160 | 163 |
| *Organic growth, %* | *3* | *-15* |
| *Acquired growth, %* | *0* | *0* |
| *FX-effects, %* | *-5* | *2* |
| Adjusted EBITA | 4 | 1 |
| Adjusted EBITA-margin, % | 2.5 | 0.9 |
| Number of employees (FTE) | 919 | 937 |

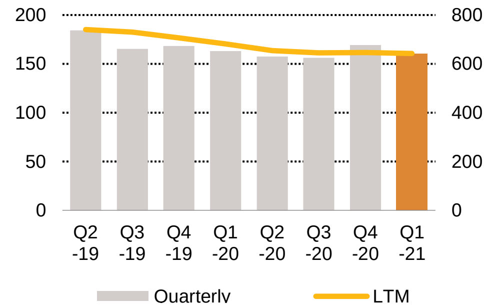
## FIRST QUARTER (JANUARY–MARCH)

Sales in Finland decreased by 2 per cent in the first quarter. Organic growth amounted to 3 per cent, while exchange rate effects were negative and amounted to -5 per cent. The positive organic growth was mainly a result of a new contract with a customer in the financial sector as well as an increase in demand for cleaning services due to COVID-19. Property-related volumes connected to snow removal also increased somewhat year-on-year.

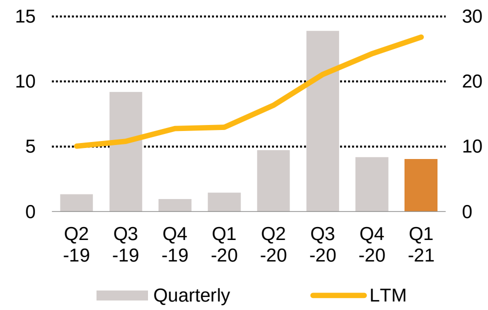
Operating profit (adjusted EBITA) improved compared with the year-earlier period and amounted to SEK 4 (1) million. The operating margin was 2.5 (0.9) per cent. A major cost focus and positive effects from increased cleaning volumes together with new business contributed to the increased operating profit and operating margin.

In the first quarter, a new three-year agreement was signed with Matkahuolto, which primarily concerns cleaning services.

**Net sales (SEK m)**




**Adjusted EBITA (SEK m)**



# OTHER INFORMATION

## SIGNIFICANT RISKS AND UNCERTAINTIES

The Group's significant risks and uncertainties consist of strategic risks related to changes in market and economic conditions as well as sustainability and operational risks related to customer contracts. The Group is also exposed to various kinds of financial risks, such as currency, interest and liquidity risks. A detailed description of the Group's risks is provided in the Annual Report, which is available on the company's website.

## ACQUISITIONS AND SALES

During the first quarter, Coor completed the acquisition of R&K Service AS in Norway. The company is a well-run family company that provides cleaning and restaurant services in the Stavanger area. The company has annual sales of around NOK 80 million. The consideration for the acquisition on a cash-free, debt-free basis is around SEK 65 million. For additional information, refer to Note 5.

## 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.

Loss after tax in the parent company was SEK -19 (-20) million. Total assets in the parent company at the end of the period were SEK 7,844 (7,847) million. Equity in the parent company at year-end was SEK 5,490 (5,473) million.

## RELATED-PARTY TRANSACTIONS

No transactions between Coor and related parties that had a material impact on the company's financial position and results took place during the period.

## OWNERSHIP STRUCTURE

The shares of Coor Service Management Holding AB were listed on Nasdaq Stockholm on 16 June 2015. At the end of the period, the three largest shareholders were Nordea Fonder, the First Swedish National Pension Fund (Första AP-fonden) and Didner & Gerge Fonder.

**Coor's fifteen largest shareholders 31 Mar 2021[1)]**

| Shareholder | Number of shares and votes | Shares and votes, % |
|---|---|---|
| Nordea Fonder | 7,222,227 | 7.5 |
| Första AP-Fonden | 5,590,748 | 5.8 |
| Didner & Gerge Fonder | 4,994,595 | 5.2 |
| Capital Group | 4,744,630 | 5.0 |
| Andra AP-fonden | 4,621,319 | 4.8 |
| Spiltan Fonder | 4,258,343 | 4.4 |
| SEB-Stiftelsen | 4,000,000 | 4.2 |
| Swedbank Robur Fonder | 3,673,923 | 3.8 |
| Taiga Fund Management AS | 3,257,291 | 3.4 |
| Crux Asset Management Ltd | 3,095,917 | 3.2 |
| BMO Global Asset Management | 2,811,744 | 2.9 |
| Wipunen varainhallinta Oy | 2,687,563 | 2.8 |
| Heikantorppa Oy | 2,000,000 | 2.1 |
| DNCA Finance S.A | 1,462,167 | 1.5 |
| Länsförsäkringar Fonder | 1,413,043 | 1.5 |
| **Total 15 largest shareholders** | **55,833,510** | **58.3** |
| Other shareholders | 39,978,512 | 41.7 |
| **Total** | **95,812,022** | **100.0** |

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

The report for the period has not been reviewed by the company's auditors.

Stockholm, 26 April 2021

For the Board of Directors of Coor Service Management Holding AB

AnnaCarin Grandin
President and CEO

As the leading provider of facility management services, Coor aims to create the happiest, healthiest and most prosperous workplace environments in the Nordic region. Coor offers specialist expertise in workplace services, property services and strategic advisory services. Coor creates value by executing, developing and streamlining our customers' service activities. This enables our customers to do what they do best.

Coor's customer base includes many large and small companies and public-sector organisations across the Nordic region, including ABB, AB Volvo, Aibel, DNV-GL, E.ON, Ericsson, Equinor, ICA, NCC, "Danish Police, Public Prosecution Authority and Prison and Probation Service", Saab, Sandvik, SAS, Telia Company, Swedish Transport Administration, Vasakronan and Volvo Cars.

Coor was founded in 1998 and is listed on Nasdaq Stockholm since 2015. Coor takes responsibility for the operations it conducts, in relation to its customers, employees and shareholders, as well as for its wider impact on society and the environment. Read more at www.coor.com

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED INCOME STATEMENT

| Income statement (SEK m) | Jan-Mar 2021 | Jan-Mar 2020 | Rolling 12 mth. | Jan-Dec 2020 |
|---|---|---|---|---|
| Net sales | 2,330 | 2,541 | 9,381 | 9,591 |
| Cost of services sold | -2,065 | -2,292 | -8,368 | -8,595 |
| **Gross income** | **265** | **249** | **1,012** | **996** |
| Selling and administrative expenses | -182 | -188 | -672 | -678 |
| **Operating profit** | **84** | **61** | **340** | **318** |
| Net financial income/expense | -13 | -17 | -62 | -66 |
| **Profit before tax** | **71** | **44** | **278** | **252** |
| Income tax expense | -17 | -13 | -66 | -61 |
| **Income for the period** | **53** | **31** | **213** | **191** |
| **Operating profit** | **84** | **61** | **340** | **318** |
| Amortisation and impairment of goodwill, customer contracts and trademarks | 51 | 49 | 195 | 193 |
| Items affecting comparability (note 3) | 5 | 12 | 38 | 46 |
| **Adjusted EBITA** | **139** | **122** | **573** | **556** |
| **Earnings per share, SEK, before and after dilution** | **0.6** | **0.3** | **2.2** | **2.0** |

| Statement of comprehensive income (SEK m) | Jan-Mar 2021 | Jan-Mar 2020 | Rolling 12 mth. | Jan-Dec 2020 |
|---|---|---|---|---|
| **Income for the period** | **53** | **31** | **213** | **191** |
| *Items that may be subsequently reclassified to profit or loss* | | | | |
| Currency translation differences | 71 | -14 | -21 | -106 |
| Cash flow hedges | 1 | -6 | -3 | -10 |
| **Other comprehensive income for the period** | **72** | **-20** | **-24** | **-116** |
| **TOTAL COMPREHENSIVE INCOME FOR THE PERIOD** | **125** | **11** | **188** | **74** |

The interim information on pages 15–28 is an integral part of this financial report.

## CONSOLIDATED BALANCE SHEET

| Balance sheet (SEK m) | 31 Mar 2021 | 31 Mar 2020 | 31 Dec 2020 |
|---|---|---|---|
| **ASSETS** | | | |
| **Intangible assets** | | | |
| Goodwill | 3,231 | 3,175 | 3,125 |
| Customer contracts | 347 | 542 | 392 |
| Other intangible assets | 167 | 179 | 170 |
| **Property, plant and equipment** | | | |
| Right-of use assets held via leases | 322 | 372 | 334 |
| Other property, plant and equipment | 85 | 88 | 83 |
| **Financial assets** | | | |
| Deferred tax receivable | 141 | 160 | 146 |
| Other financial assets | 19 | 24 | 18 |
| **Total non-current assets** | **4,313** | **4,540** | **4,268** |
| **Current assets** | | | |
| Accounts receivable | 1,207 | 1,224 | 1,144 |
| Other current assets, interest-bearing | 1 | 1 | 1 |
| Other current assets, non-interest-bearing | 266 | 378 | 256 |
| Cash and cash equivalents | 373 | 578 | 396 |
| **Total current assets** | **1,847** | **2,181** | **1,796** |
| **TOTAL ASSETS** | **6,159** | **6,721** | **6,064** |

| Balance sheet (SEK m) | 31 Mar 2021 | 31 Mar 2020 | 31 Dec 2020 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | **2,208** | **1,995** | **2,079** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Borrowings (Note 2) | 1,174 | 1,806 | 1,273 |
| Lease liabilities (Note 2) | 216 | 263 | 227 |
| Deferred tax liability | 16 | 32 | 18 |
| Provisions for pensions | 19 | 20 | 18 |
| Other non-interest bearing liabilities | 1 | 0 | 0 |
| **Total non-current liabilities** | **1,425** | **2,120** | **1,536** |
| **Current liabilities** | | | |
| Lease liabilities (Note 2) | 103 | 103 | 103 |
| Current tax liabilities | 51 | 34 | 50 |
| Accounts payable | 563 | 861 | 607 |
| Other current liabilities | 1,801 | 1,595 | 1,674 |
| Short-term provisions | 8 | 12 | 15 |
| **Total current liabilities** | **2,526** | **2,605** | **2,449** |
| **TOTAL EQUITY AND LIABILITIES** | **6,159** | **6,721** | **6,064** |

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| Statement of changes in equity (SEK m ) | Jan-Mar | | Jan-Dec |
|---|---|---|---|
| | 2021 | 2020 | 2020 |
| **Opening balance at beginning of period** | **2,079** | **1,980** | **1,980** |
| Income for the period | 53 | 31 | 191 |
| Other comprehensive income for the period | 72 | -20 | -116 |
| Long-term incentive programs | 3 | 3 | 10 |
| Share swap for hedging of long-term incentive program [1)] | 0 | 0 | 15 |
| **Closing balance at end of period** | **2,208** | **1,995** | **2,079** |

1)Coor undertook share swaps to secure the LTIP 2018 incentive program, which was resolved on by the 2018 Annual General Meeting. At 31 March 2021, the number of guaranteed shares amounted to 500,000, with an average cost of SEK 58.9.

There are no non-controlling interests, as the Parent Company owns all shares of all subsidiaries.

## CONSOLIDATED CASH FLOW STATEMENT

| Cash flow statement (SEK m ) | Jan-Mar 2021 | Jan-Mar 2020 | Rolling 12 mth. | Jan-Dec 2020 |
|---|---|---|---|---|
| **Operating profit** | **84** | **61** | **340** | **318** |
| Adjustment for non-cash items | 96 | 97 | 394 | 395 |
| Finance net | -13 | -16 | -60 | -64 |
| Income tax paid | -23 | -18 | -52 | -46 |
| **Cash flow before changes in working capital** | **143** | **124** | **622** | **603** |
| Change in working capital | -2 | 86 | 45 | 133 |
| **Cash flow from operating activities** | **141** | **210** | **667** | **736** |
| Net investments | -15 | -25 | -55 | -65 |
| Acquisition of subsidiaries (note 5) | -60 | -12 | -60 | -12 |
| **Cash flow from investing activities** | **-75** | **-37** | **-115** | **-77** |
| Change in borrowings | -100 | -50 | -600 | -550 |
| Net lease commitments | -31 | -32 | -125 | -126 |
| Other | 0 | -0 | -20 | -20 |
| **Cash flow from financing activities** | **-130** | **-82** | **-744** | **-696** |
| **Total cash flow for the period** | **-64** | **91** | **-192** | **-37** |
| Cash and cash equivalents at beginning of period | 396 | 497 | 578 | 497 |
| Exchange gains on cash and cash equivalents | 41 | -9 | -13 | -63 |
| **Cash and cash equivalents at end of period** | **373** | **578** | **373** | **396** |

| Cash conversion | Jan-Mar 2021 | Jan-Mar 2020 | Rolling 12 mth. | Jan-Dec 2020 |
|---|---|---|---|---|
| EBIT | 84 | 61 | 340 | 318 |
| Depreciation and amortisation | 99 | 99 | 392 | 392 |
| Adjustment for items affecting comparability | 5 | 12 | 38 | 46 |
| **Adjusted EBITDA** | **187** | **173** | **770** | **756** |
| Net investments | -15 | -28 | -58 | -70 |
| Change in working capital | -2 | 86 | 45 | 133 |
| **Cash flow for calculation of cash conversion** | **170** | **231** | **758** | **818** |
| **Cash conversion, %** | **91** | **134** | **98** | **108** |

## REPORTING BY SEGMENT

| Geographical segments (SEK m) | Jan-Mar 2021 | Jan-Mar 2020 | Rolling 12 mth. | Jan-Dec 2020 |
|---|---|---|---|---|
| **Net sales** | | | | |
| **Sweden** | **1,176** | **1,297** | **4,783** | **4,904** |
| *Total sales* | *1,189* | *1,337* | *4,924* | *5,072* |
| *Internal sales* | *-12* | *-41* | *-140* | *-168* |
| **Norway** | **520** | **598** | **2,024** | **2,102** |
| *Total sales* | *523* | *600* | *2,032* | *2,109* |
| *Internal sales* | *-2* | *-2* | *-8* | *-8* |
| **Finland** | **160** | **163** | **643** | **646** |
| *Total sales* | *160* | *163* | *643* | *646* |
| *Internal sales* | *0* | *0* | *0* | *0* |
| **Denmark** | **474** | **483** | **1,931** | **1,941** |
| *Total sales* | *474* | *484* | *1,934* | *1,944* |
| *Internal sales* | *-0* | *-1* | *-3* | *-3* |
| **Group functions/other** | **-0** | **-0** | **-1** | **-1** |
| **Total** | **2,330** | **2,541** | **9,381** | **9,591** |
| **Adjusted EBITA** | | | | |
| Sweden | 124 | 124 | 478 | 479 |
| Norway | 35 | 32 | 127 | 124 |
| Finland | 4 | 1 | 27 | 24 |
| Denmark | 24 | 10 | 97 | 83 |
| Group functions/other | -49 | -46 | -157 | -154 |
| **Total** | **139** | **122** | **573** | **556** |
| **Adjusted EBITA is reconciled to profit before tax as follows:** | | | | |
| Amortisation and impairment of goodwill, customer contracts and trademarks | -51 | -49 | -195 | -193 |
| Items affecting comparability (note 3) | -5 | -12 | -38 | -46 |
| Net financial income/expense | -13 | -17 | -62 | -66 |
| **Profit before tax** | **71** | **44** | **278** | **252** |

| Adjusted EBITA margin, % | Jan-Mar 2021 | Jan-Mar 2020 | Rolling 12 mth. | Jan-Dec 2020 |
|---|---|---|---|---|
| Sweden | 10.5 | 9.6 | 10.0 | 9.8 |
| Norway | 6.8 | 5.4 | 6.3 | 5.9 |
| Finland | 2.5 | 0.9 | 4.2 | 3.8 |
| Denmark | 5.1 | 2.1 | 5.0 | 4.3 |
| Group functions/other | - | - | - | - |
| **Total** | **6.0** | **4.8** | **6.1** | **5.8** |

| Net sales by type of contract (SEK m) | Jan-Mar 2021 | Jan-Mar 2020 | Rolling 12 mth. | Jan-Dec 2020 |
|---|---|---|---|---|
| **Net sales** | | | | |
| IFM | 1,391 | 1,531 | 5,410 | 5,550 |
| FM - services | 939 | 1,010 | 3,970 | 4,041 |
| **Total** | **2,330** | **2,541** | **9,381** | **9,591** |

## SEGMENT – QUARTERLY

| | 2021 | 2020 | | | | 2019 | | |
|---|---|---|---|---|---|---|---|---|
| **Geographical segments (SEK m)** | **Q1** | **Q4** | **Q3** | **Q2** | **Q1** | **Q4** | **Q3** | **Q2** |
| **Net sales, external** | | | | | | | | |
| Sweden | 1,176 | 1,275 | 1,158 | 1,174 | 1,297 | 1,400 | 1,201 | 1,272 |
| Norway | 520 | 548 | 495 | 461 | 598 | 656 | 638 | 627 |
| Finland | 160 | 169 | 156 | 158 | 163 | 168 | 165 | 184 |
| Denmark | 474 | 497 | 487 | 473 | 483 | 509 | 487 | 473 |
| Group functions/other | -0 | -0 | -0 | -0 | -0 | -0 | -0 | -0 |
| **Total** | **2,330** | **2,489** | **2,297** | **2,265** | **2,541** | **2,732** | **2,490** | **2,556** |
| | | | | | | | | |
| **Adjusted EBITA** | | | | | | | | |
| Sweden | 124 | 129 | 106 | 120 | 124 | 138 | 91 | 119 |
| Norway | 35 | 34 | 33 | 25 | 32 | 40 | 44 | 41 |
| Finland | 4 | 4 | 14 | 5 | 1 | 1 | 9 | 1 |
| Denmark | 24 | 22 | 21 | 29 | 10 | 19 | 20 | 17 |
| Group functions/other | -49 | -36 | -34 | -38 | -46 | -47 | -37 | -38 |
| **Total** | **139** | **153** | **140** | **141** | **122** | **152** | **127** | **140** |
| | | | | | | | | |
| **Adjusted EBITA-margin, %** | | | | | | | | |
| Sweden | 10.5 | 10.1 | 9.1 | 10.2 | 9.6 | 9.9 | 7.6 | 9.4 |
| Norway | 6.8 | 6.2 | 6.6 | 5.5 | 5.4 | 6.2 | 6.9 | 6.5 |
| Finland | 2.5 | 2.5 | 8.9 | 3.0 | 0.9 | 0.6 | 5.6 | 0.7 |
| Denmark | 5.1 | 4.5 | 4.4 | 6.2 | 2.1 | 3.7 | 4.2 | 3.5 |
| Group functions/other | - | - | - | - | - | - | - | - |
| **Total** | **6.0** | **6.2** | **6.1** | **6.2** | **4.8** | **5.6** | **5.1** | **5.5** |

| | 2021 | 2020 | | | | 2019 | | |
|---|---|---|---|---|---|---|---|---|
| **Type of contract (SEK m)** | **Q1** | **Q4** | **Q3** | **Q2** | **Q1** | **Q4** | **Q3** | **Q2** |
| **Net sales, external** | | | | | | | | |
| IFM | 1,391 | 1,379 | 1,340 | 1,300 | 1,531 | 1,695 | 1,517 | 1,548 |
| FM-services | 939 | 1,110 | 956 | 965 | 1,010 | 1,038 | 974 | 1,008 |
| **Total** | **2,330** | **2,489** | **2,297** | **2,265** | **2,541** | **2,732** | **2,490** | **2,556** |

# PARENT COMPANY FINANCIAL STATEMENTS

## PARENT COMPANY INCOME STATEMENT

| Income statement (SEK m ) | Jan-Mar 2021 | Jan-Mar 2020 | Rolling 12 mth. | Jan-Dec 2020 |
|---|---|---|---|---|
| **Net sales** | **3** | **1** | **6** | **4** |
| Selling and administrative expenses | -9 | -8 | -28 | -27 |
| **Operating profit** | **-7** | **-7** | **-22** | **-22** |
| Dividend from group companies | 0 | 0 | 0 | 0 |
| Other net financial income/expense | -11 | -12 | -44 | -45 |
| **Profit/loss after financial items** | **-17** | **-19** | **-66** | **-67** |
| Group contribution | 0 | 0 | 64 | 64 |
| **Profit/loss before tax** | **-17** | **-19** | **-2** | **-4** |
| Income tax expense | -1 | -2 | -6 | -6 |
| **INCOME FOR THE PERIOD** | **-19** | **-20** | **-8** | **-10** |

## PARENT COMPANY BALANCE SHEET

| Balance sheet (SEK m ) | 31 Mar 2021 | 31 Mar 2020 | 31 Dec 2020 |
|---|---|---|---|
| **ASSETS** | | | |
| Shares in subsidiaries | 7,789 | 7,789 | 7,789 |
| Deferred tax asset | 49 | 50 | 50 |
| Other financial assets | 2 | 1 | 2 |
| **Total non-current assets** | **7,840** | **7,840** | **7,841** |
| Receivables from Group companies* | 0 | 2 | 69 |
| Other trading assets | 4 | 4 | 2 |
| Cash and cash equivalents* | 0 | 0 | 1 |
| **Total current assets** | **4** | **7** | **72** |
| **TOTAL ASSETS** | **7,844** | **7,847** | **7,913** |

| Balance sheet (SEK m ) | 31 Mar 2021 | 31 Mar 2020 | 31 Dec 2020 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **Shareholders' equity** | **5,490** | **5,473** | **5,509** |
| **Liabilities** | | | |
| Borrowings | 1,172 | 1,804 | 1,271 |
| Provisions for pensions | 3 | 2 | 3 |
| **Total non-current liabilities** | **1,175** | **1,806** | **1,273** |
| Liabilities to Group companies* | 1,158 | 541 | 1,108 |
| Income tax liability | 7 | 8 | 13 |
| Accounts payable | 1 | 3 | 0 |
| Other current liabilities | 13 | 15 | 10 |
| **Total current liabilities** | **1,179** | **568** | **1,131** |
| **Total liabilities** | **2,354** | **2,373** | **2,404** |
| **TOTAL EQUITY AND LIABILITIES** | **7,844** | **7,847** | **7,913** |

* 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.

# KEY PERFORMANCE INDICATORS

## KEY PERFORMANCE INDICATORS

| Key performance indicators | Jan-Mar 2021 | Jan-Mar 2020 | Rolling 12 mth. | Jan-Dec 2020 |
|---|---|---|---|---|
| Net sales | 2,330 | 2,541 | 9,381 | 9,591 |
| Net sales growth, % | -8.3 | 0.2 | -9.1 | -7.0 |
| *of which organic growth, %* | *-6.6* | *-1.6* | *-8.0* | *-6.8* |
| *of which acquired growth, %* | *0.3* | *2.4* | *1.5* | *2.0* |
| *of which FX effect, %* | *-2.0* | *-0.5* | *-2.6* | *-2.2* |
| Operating profit (EBIT) | 84 | 61 | 340 | 318 |
| EBIT margin, % | 3.6 | 2.4 | 3.6 | 3.3 |
| EBITA | 134 | 110 | 535 | 511 |
| EBITA margin, % | 5.8 | 4.3 | 5.7 | 5.3 |
| Adjusted EBITA | 139 | 122 | 573 | 556 |
| Adjusted EBITA margin, % | 6.0 | 4.8 | 6.1 | 5.8 |
| Adjusted EBITDA | 187 | 173 | 770 | 756 |
| Adjusted EBITDA margin, % | 8.0 | 6.8 | 8.2 | 7.9 |
| Adjusted net profit | 104 | 80 | 407 | 384 |
| Net working capital | -891 | -852 | -891 | -881 |
| Net working capital / Net sales, % | -9.5 | -8.3 | -9.5 | -9.2 |
| Cash conversion, % | 91 | 134 | 98 | 108 |
| Net debt | 1,118 | 1,589 | 1,118 | 1,207 |
| Leverage, times | 1.5 | 2.1 | 1.5 | 1.6 |
| Equity/assets ratio, % | 36 | 30 | 36 | 34 |

## DATA PER AKTIE

| Data per share | Jan-Mar 2021 | Jan-Mar 2020 | Rolling 12 mth. | Jan-Dec 2020 |
|---|---|---|---|---|
| Share price at end of period | 70.9 | 48.6 | 70.9 | 72.4 |
| No. of shares at end of period | 95,812,022 | 95,812,022 | 95,812,022 | 95,812,022 |
| No. of treasury shares[1)] | -340,000 | -340,000 | -340,000 | -340,000 |
| **No. of shares outstanding** | **95,472,022** | **95,472,022** | **95,472,022** | **95,472,022** |
| No. of ordinary shares outstanding (weighted average) | 95,472,022 | 95,472,022 | 95,472,022 | 95,472,022 |
| Earnings per share, before and after dilution, SEK | 0.56 | 0.33 | 2.23 | 2.00 |
| Shareholders' equity per share, SEK | 23.12 | 20.89 | 23.12 | 21.78 |

[1)]To secure its financial exposure in accordance with the LTIP 19 long-term incentive program, Coor undertook acquisition of own shares.

# NOTES

## NOTE 1 – ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU. The applied accounting principles are consistent with those described in the Group's Annual Report for 2020.

The Parent Company financial statements have been prepared in accordance with the Swedish Annual Accounts Act and Recommendation RFR 2 Financial Reporting for Legal Entities of the Swedish Financial Reporting Board.

Due to rounding, some totals in this interim report may differ from the sum of individual items.

## NOTE 2 – FINANCIAL INSTRUMENTS

The carrying amounts and fair values for borrowing, which are included in the category financial liabilities at amortised cost, are as follows:

| | Carrying amount | | | Fair value | | |
|---|---|---|---|---|---|---|
| | 31 Mar | | 31 Dec | 31 Mar | | 31 Dec |
| (SEK m ) | 2021 | 2020 | 2020 | 2021 | 2020 | 2020 |
| Lease liabilities | 319 | 366 | 330 | 319 | 366 | 330 |
| Liabilities to credit institutions | 142 | 740 | 241 | 142 | 740 | 241 |
| Corporate Bond | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Other non-current liabilities | 31 | 66 | 31 | 31 | 66 | 31 |
| **Total** | **1,492** | **2,171** | **1,603** | **1,492** | **2,171** | **1,603** |

The existing credit margin in the Group's financing agreements is deemed to be consistent with market terms, and the carrying amount therefore approximates fair value. The Group considers that the liabilities have been measured in accordance with Level 2 of the fair value hierarchy, which means that the measurement is based on observable market inputs.

## NOTE 3 – ITEMS AFFECTING COMPARABILITY

Items affecting comparability are excluded from the measure of operating profit, adjusted EBITA, which the Group regards as the most relevant metric. The following table specifies the items affecting comparability that had an impact on earnings during the period. Integration and restructuring comprise organic transactions as well as acquisitions. Integration costs refer, for example, to costs for integrating IT systems while restructuring refers to costs related to staff reductions. Acquisition-related costs refer exclusively to transaction costs.

| | Jan-Mar | | Rolling | Jan-Dec |
|---|---|---|---|---|
| Items affecting comparability (SEK m ) | 2021 | 2020 | 12 mth. | 2020 |
| Integration | -3 | -9 | -13 | -19 |
| Restructuring | -1 | -3 | -24 | -25 |
| Acquisition related expenses | -0 | 0 | -0 | 0 |
| Other | 0 | -0 | -1 | -1 |
| **Total** | **-5** | **-12** | **-38** | **-46** |

## NOTE 4–PLEDGED ASSETS AND CONTINGENT LIABILITIES

| Pledged assets (SEK m ) | 31 Mar 2021 | 31 Mar 2020 | 31 Dec 2020 |
|---|---|---|---|
| Bank guarantees | 134 | 137 | 127 |
| **Total** | **134** | **137** | **127** |

| Contingent liabilities (SEK m ) | 31 Mar 2021 | 31 Mar 2020 | 31 Dec 2020 |
|---|---|---|---|
| Performance bonds | 176 | 176 | 169 |
| **Total** | **176** | **176** | **169** |

**Parent company**

The Parent Company has provided a Parent Company guarantee of SEK 31 (33) million to secure financial commitments for the Finnish subsidiary regarding leasing frame and bank guarantees. The Parent Company has also provided a Parent Company guarantee for a subsidiary in Norway to ensure fulfilment of delivery to a larger customer. There are no other pledged assets or contingent liabilities in the Parent Company.

## NOTE 5 – ACQUISITIONS

On 1 March 2021, the acquisition of the company R&K Service, a well-run Norwegian family company that provides cleaning and restaurant services in the Stavanger region, was completed. The company has annual sales of around NOK 80 million.

The transaction costs for the acquisition, totalling SEK 0.2 million, have been recognised as an administrative expense in the income statement.

In conjunction with the acquisition of R&K Service, intangible assets were identified at a value of SEK 62 million, part of which will be allocated to customer contracts and trademarks (not yet completed at the end of the period) and the remainder comprises goodwill. The goodwill that arose from the acquisition is primarily attributable to the employees' skills and to increased profitability in the form of expected synergies from the acquisition. No portion of the recognised goodwill is expected to be tax-deductible.

R&K Service AS increased consolidated sales by SEK 6 million during the period 1 January to 31 March 2021. If the acquisition had taken place on 1 January 2021, the acquired business would have increased consolidated sales by SEK 18 million on a pro forma basis for the period 1 January to 31 March 2021.

| Preliminary acquisition analysis (SEK m) [1)] | R&K Service AS |
|---|---|
| **Preliminary consideration paid** | **79** |
| **The assets acquired and liabilities assumed that have been recognised as a result of the acquisitions are the following** | |
| Property, plant and equipment | 5 |
| Cash and cash equivalents | 19 |
| Accounts receivable and other current receivables | 13 |
| Lease liability | -5 |
| Accounts payable and other current liabilities | -16 |
| **Acquired identifiable net assets** | **17** |
| Goodwill | 62 |
| **Total acquired net assets** | **79** |
| **Cash flow attributable to acquisitions for the period** | |
| Consideration paid | 79 |
| Cash in acquired businesses | -19 |
| **Net outflow, cash and cash equivalents** | **60** |

[1)] Preliminary figures - acquisition analysis not completed at the end of the period.

# SELECTED KEY PERFORMANCE INDICATORS

## PURPOSE OF SELECTED KEY PERFORMANCE INDICACTORS

To give its investors and other stakeholders clearer information about the Group's operations and its underlying success factors, Coor has chosen to provide information about a number of key performance indicators. The purpose of these indicators is explained below. See page 27 for definitions of terms and the calculation of key performance indicators.

### 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 amortisation and impairment of goodwill, customer contracts and trademarks. The Group considers that adjusted EBITA is the measure of operating profit which most clearly reflects the underlying profitability. It is also based on this measure of earnings that the Group's segments are followed up and evaluated internally.

The adjusted net profit measure of earnings excludes the non-cash items amortisation and impairment of goodwill, customer contracts and trademarks from consolidated net profit and is used as a basis for deciding on dividends to the shareholders.

### Cash flow and working capital

Coor always works proactively to safeguard its cash flow, from both a working capital and an investment perspective. Coor focuses on analysing cash conversion, which is defined as the ratio of a simplified operating cash flow to adjusted EBITDA.
The Group's target is a cash conversion of at least 90 per cent on a rolling 12-month basis. To ensure that the measure provides a true and fair picture over time, the Group calculates cash conversion using measures of operating profit and operating cash flow which exclude items affecting comparability.

To achieve the defined target for cash conversion, strong emphasis is placed on minimising working capital and maintaining negative working capital. The Group therefore continuously monitors the size of working capital relative to net sales.

### Net debt and leverage

To ensure that the Group has an appropriate funding structure at all times and is able to 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 on a rolling 12-month basis). The Group's objective is to maintain a leverage of less than 3.0 times.

## RECONCILIATION OF KEY PEFORMANCE INDICATORS

The following table shows a reconciliation between the calculated key performance indicators and the income statement and balance sheet.

| Reconciliation of adjusted key performance indicators (SEK m ) | Jan-Mar 2021 | Jan-Mar 2020 | Rolling 12 mth. | Jan-Dec 2020 |
|---|---|---|---|---|
| **Operating profit (EBIT)** | **84** | **61** | **340** | **318** |
| Amortisation and impairment of customer contracts and trademarks | 51 | 49 | 195 | 193 |
| **EBITA** | **134** | **110** | **535** | **511** |
| Items affecting comparability (Note 3) | 5 | 12 | 38 | 46 |
| **Adjusted EBITA** | **139** | **122** | **573** | **556** |
| Depreciation | 49 | 51 | 197 | 199 |
| **Adjusted EBITDA** | **187** | **173** | **770** | **756** |
| Income for the period | 53 | 31 | 213 | 191 |
| Amortisation and impairment of customer contracts and trademarks | 51 | 49 | 195 | 193 |
| **Adjusted net profit** | **104** | **80** | **407** | **384** |

| Specification of net working capital (SEK m ) | Jan-Mar 2021 | Jan-Mar 2020 | Rolling 12 mth. | Jan-Dec 2020 |
|---|---|---|---|---|
| Accounts receivable | 1,207 | 1,224 | 1,207 | 1,144 |
| Other current assets, non-interest-bearing | 266 | 378 | 266 | 256 |
| Accounts payable | -563 | -861 | -563 | -607 |
| Other current liabilities, non-interest-bearing | -1,801 | -1,595 | -1,801 | -1,674 |
| Adjustment for accrued financial expenses | 1 | 2 | 1 | 1 |
| **Net working capital** | **-891** | **-852** | **-891** | **-881** |

| Specification of net debt (SEK m ) | Jan-Mar 2021 | Jan-Mar 2020 | Rolling 12 mth. | Jan-Dec 2020 |
|---|---|---|---|---|
| Borrowings | 1,174 | 1,806 | 1,174 | 1,273 |
| Lease liabilities | 319 | 366 | 319 | 330 |
| Provisions for pensions | 19 | 20 | 19 | 18 |
| Cash and cash equivalents | -373 | -578 | -373 | -396 |
| Other financial non-current assets, interest-bearing | -19 | -24 | -19 | -18 |
| Other current assets, interest-bearing | -1 | -1 | -1 | -1 |
| **Net debt** | **1,118** | **1,589** | **1,118** | **1,207** |

For reconciliation of cash conversion, see page 18.

## DEFINITIONS

### Cost of services sold

Costs which are directly related to the performance of the invoiced services, depreciation of property, plant and equipment, and amortisation of goodwill, customer contracts and trademarks.

### Items affecting comparability

Items affecting comparability mainly comprise costs for integration of contracts and acquisitions as well as more extensive restructuring programmes. Items affecting comparability are included either in cost of services sold or selling and administrative expense.

### EBITA

Operating profit before amortisation of goodwill, customer contracts and trademarks.

### Adjusted EBITA

Operating profit before amortisation of goodwill, customer contracts and trademarks, excluding items affecting comparability.

### Adjusted EBITDA

Operating profit before depreciation of all property, plant and equipment and amortisation of all intangible assets, excluding items affecting comparability.

### Adjusted net profit

Profit after tax excluding amortisation of goodwill, customer contracts and trademarks.

### Working capital

Non-interest-bearing current assets less non-interest-bearing current liabilities at the balance sheet date.

### Net investments

Investments in property, plant and equipment and intangible assets less consideration received on sale of property, plant and equipment and intangible assets.

### FTE

Number of employees on a full-time equivalent basis.

### Equal opportunities

Gender distribution between men and women in managerial positions.

### Employee motivation index (EMI)

Each year Coor conducts a comprehensive employee survey with the help of an external firm.

### Customer satisfaction (CSI)

Each year Coor conducts a comprehensive customer survey with the help of an external firm.

## CALCULATION OF KEY PERFORMANCE INDICATORS

### Net sales growth

Change in net sales for the period as a percentage of net sales for the same period in the previous year.

### Organic growth

Change in net sales for the period as a percentage of net sales for the same period in the previous year excluding acquisitions and foreign exchange effects.

### Acquired growth

Net sales for the period attributable to acquired businesses, excluding foreign exchange effects, as a percentage of net sales for the same period in the previous year.

### 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.

### Working capital/net sales

Working capital at the balance sheet date as a percentage of net sales (rolling 12 months).

### Net debt

Non-current and current interest-breaking assets less non-current and current interest-bearing liabilities at the balance sheet date.

### Earnings per share

Profit for the period attributable to shareholders of the parent company divided by average number of ordinary shares outstanding.

### Equity per share

Equity at the end of the period attributable to shareholders of the parent company divided by the number of shares outstanding at the end of the period.

### Equity/assets ratio

Consolidated equity and reserves attributable to shareholders of the Parent Company at the balance sheet date as a percentage of total assets at the balance sheet date.

### Cash conversion

Adjusted EBITDA less net investments and adjusted for changes in working capital as a percentage of adjusted EBITDA.

### Leverage/capital structure

Net interest-bearing debt at the balance sheet date divided by adjusted EBITDA (rolling 12 months).

### TRIFR (total recorded injury frequency rate)

Total number of injuries multiplied by 1,000,000 working hours. Injuries to and from the workplace are excluded.


## FOR FURTHER INFORMATION

For questions concerning the financial report, please contact our CFO and IR Director Klas Elmberg (+46 10 559 65 80).

For questions concerning the operations or the company in general, please contact President and CEO AnnaCarin Grandin (+46 10 559 57 70) or Director of Communications Magdalena Öhrn (+46 10 559 55 19).

More information is also available on our website: www.coor.com

## INVITATION TO A PRESS AND ANALYST PRESENTATION

26 April 2021 at 2:00 p.m. CEST, the company's President and CFO will give a presentation on developments in the first quarter via a webcast. To participate in the webcast, please register in advance using the following link:
https://onlinexperiences.com/Launch/QReg/ShowUUID=0E0C6E74-3AAD-42B1-8EC3-876481D71101

To listen to the presentation by telephone, dial +46850558366 (Sweden), +4723963938 (Norway), +4578150107 (Denmark), +358923195172 (Finland) or +443333009268 (UK).

The briefing material and a recording of the webcast will be published on the company's website www.coor.se, under Investors/Reports and presentations, after the briefing.

## FINANCIAL CALENDAR

| | |
|---|---|
| 15 July 2021 | Interim Report January–June 2021 |
| 9 November 2021 | Interim Report January–September 2021 |
| 10 February 2022 | Interim Report January–December 2021 |
| April 2022 | Interim Report January–March 2022 |

*This constitutes information which Coor Service Management Holding AB is required to publish under the EU's Market Abuse Regulation. The information was submitted for publication through the above contact person on 26 April 2021 at 1:00 p.m. CEST.*