Year-End Report: January–December 2023

Improved earnings and continued growth in the quarter

Fourth quarter of 2023

- Net sales in the fourth quarter amounted to SEK 3,287 (3,088) million. Organic growth was 3 per cent and growth from acquisitions 3 per cent, while exchange rate effects accounted for 0 per cent.
- Adjusted EBITA amounted to SEK 166 (153) million and the operating margin was 5.1 (5.0) per cent.
- EBIT was SEK 86 (97) million. Profit after tax was SEK 30 (54) million.
- Earnings per share were SEK 0.3 (0.6).
- The Board of Directors proposes a dividend for 2023 of SEK 3.00 per share, of which SEK 0.60 comprises an extraordinary dividend. Proposed to be distributed in two payments; SEK 2.40 and SEK 0.60 per share respectively.

Full-year 2023

- Net sales for full-year 2023 amounted to SEK 12,443 (11,789) million. Organic growth was 2 per cent and growth from acquisitions 2 per cent, while exchange rate effects accounted for 1 per cent.
- Adjusted EBITA amounted to SEK 606 (634) million and the operating margin was 4.9 (5.4) per cent.
- EBIT was SEK 364 (408) million. Profit after tax was SEK 155 (257) million.
- Earnings per share were SEK 1.6 (2.7).
- Cash conversion for the full year was 86 (94) per cent.
- Leverage in relation to adjusted EBITDA was 2.5 (1.9).

Group earnings summary

	Oct-Dec		Jan-Dec	
	2023	**2022**	**2023**	**2022**
Net sales, SEK m	3,287	3,088	12,443	11,789
Organic growth, %	*3*	*-1*	*2*	*5*
Acquired growth, %	*3*	*4*	*2*	*9*
FX-effects, %	*0*	*3*	*1*	*3*
Adjusted EBITA, SEK m	166	153	606	634
Adjusted EBITA-margin, %	5.1	5.0	4.9	5.4
EBIT, SEK m	86	97	364	408
Income for the period, SEK m	30	54	155	257
Cash conversion, %	119	149	86	94
Earnings per share, SEK	0.3	0.6	1.6	2.7

See page 30 for definitions and calculations of key performance indicators. Items affecting comparability are presented in Note 3

Improved earnings and continued growth in the quarter

With growth of 6 per cent for the quarter, Coor continued to capture market share in the Nordic FM market. New business, high variable volumes and acquisitions more than compensates for the loss of a large contract. The implementation of the margin improvement program is proceeding according to plan. Operating profit for the quarter increased 9 per cent, and the operating margin was 5.1 per cent. Given the Group's continued stable cash flow, the Board of Directors proposes a dividend of SEK 3.00 per share, corresponding to a healthy dividend yield for our owners.

Growth in all countries

All countries displayed growth in the fourth quarter. It is very satisfying to see that the Swedish operations are compensating for the lost contract with Ericsson through new business such as the property contract with Locum for S:t Göran Hospital, the IFM contract with Alstom and the newly started IFM contract with Swedbank. The acquisition of Skaraborgs Städ is also having a positive impact. Furthermore, I am very pleased with our organic growth of 15 per cent in Norway, which was attributable to several newly started contracts. All countries also continued to report high variable volumes, which further boosted our growth.

Coor successfully extended several important contracts during the year, including those with Aibel, Equinor Offshore, Hemsö and MAN.

Action program proceeding according to plan

Coor has initiated an action program to accelerate the company's progress towards its long-term margin target, as previously communicated. The program includes extended cost control, staff reductions through stronger harmonisation and industrialisation of underlying processes, and an increased focus on procurement to better leverage Nordic economies of scale. The implementation of the action program is proceeding according to plan. The Danish operations, which were the first to initiate the program back in the second quarter, have noted a strong improvement in operating profit. In Coor's other operations, the action program is expected to generate the anticipated earnings improvements in 2024.

Further strengthened safety culture

Coor has a clear vision to achieve zero work-related injuries and I am pleased that we during the year have strengthened the safety culture further, which has contributed to the frequency of injuries being reduced to the company's lowest level ever. Finland stands out positively with significant improvements during the year, which has resulted in very low injury frequency rate.

Favourable outlook

I see high interest and strong demand in the market, generating new business opportunities throughout the Nordic region. Coor has a strong value offering and delivers an enhanced service experience with innovative and sustainable solutions, enabling increased efficiency in workplaces. An excellent example of an innovation that creates value for our customers is the automated lighting service SmartLighting. The service provides value in several dimensions as it reduces the energy consumption of lighting by up to 80 percent compared to traditional lighting, which reduces both climate footprint and costs. The enhanced lighting also creates increased well-being in the workplace.

Coor is growing and developing with a strong Nordic platform, but to continue the development at a high pace and take advantage of business opportunities, changes are being made to the Executive Management Team. Stine Solheim will take up the position as President of the Norwegian operations during the second quarter. In Sweden, an external interim solution will be appointed until a permanent new President is in place, as Magnus Wikström will leave his position in mid-February.

I would like to thank our customers for their continued confidence in us. I would also like to extend my sincere thanks to my colleagues who contributed to a year characterised by growth and adaptations, and I confidently look forward to a new year, with Coor well positioned for the future.

Stockholm, 8 February 2024
AnnaCarin Grandin
President and CEO, Coor

Our operations in three dimensions

Delivering on Coor's strategy and developing our business in line with our 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: business responsibility, social responsibility and environmental responsibility. Coor transparently reports on its progress toward its long-term targets in all three dimensions.

Business responsibility	Focus areas	Target
Coor is to achieve long-term business sustainability through sustained growth and profitability over time. At the same time, we are to maintain strong business ethics and sound customer relationships.	Organic growth	4-5%
	Adjusted EBITA margin	~5.5%
	Cash conversion	>90%
	Capital structure	<3.0x
	Dividend	~50% of adjusted net profit
	Customer satisfaction	≥70

Social responsibility		
Coor is to contribute to a better society and social development by acting as a responsible, inclusive and stimulating employer.	Employee motivation	≥70
	TRIF	≤3.5
	Equal opportunities	50% female managers

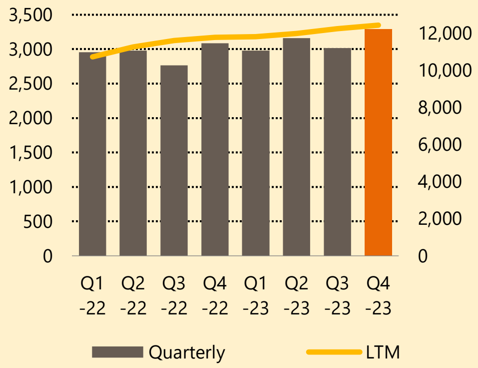
Environmental responsibility		
Coor is to contribute to a better environment by actively reducing its environmental impact and the resources used by the company and its customers.	Reduced Scope 1 and 2 emissions	-50% by 2025 and -75% by 2030
	SBTi signatory suppliers	75% by 2026
	Reduced emissions from food & beverages	-30% by 2025

Business responsibility

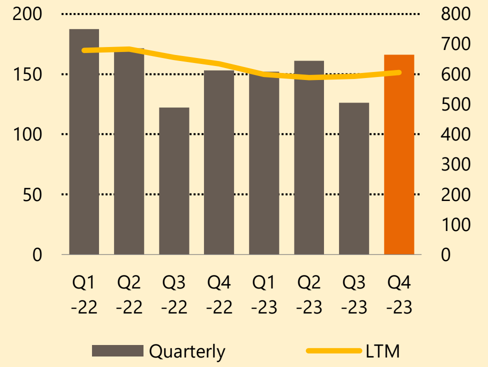
Sales and profit

Key performance indicators	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Net sales, SEK m	3,287	3,088	12,443	11,789
Organic growth, %	*3*	*-1*	*2*	*5*
Acquired growth, %	*3*	*4*	*2*	*9*
FX effects, %	*0*	*3*	*1*	*3*
Adjusted EBITA, SEK m	166	153	606	634
Adjusted EBITA-margin, %	5.1	5.0	4.9	5.4
EBIT	86	97	364	408
EBIT-margin, %	2.6	3.1	2.9	3.5
Number of employees (FTE)	10,648	10,267	10,648	10,267

Net sales (SEK m)



Adjusted EBITA (SEK m)

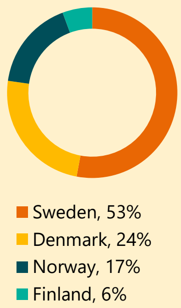


Fourth quarter (October–December)

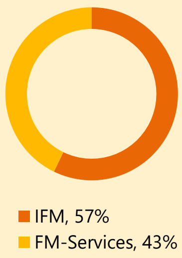
Sales increased by 6 per cent compared with the year-earlier period. Organic growth was 3 per cent. Net growth was positively impacted by newly started contracts such as those with S:t Göran Hospital, Alstom and Swedbank in Sweden as well as IKEA and Studentsamskipnaden i Oslo in Norway. Continued high variable volumes in property services and food & beverages also had a positive impact. The ended contract with Ericsson in Sweden had a negative impact. Acquired growth for the quarter was 3 per cent and pertained to the acquisition of Skaraborgs Städ in Sweden. Exchange rate effects for the quarter amounted to 0 per cent.

Operating profit (adjusted EBITA) amounted to SEK 166 (153) million. The operating margin (adjusted EBITA margin) for the quarter was 5.1 (5.0) per cent. The Danish operations strengthens operating profit and the operating margin compared with the year-earlier period. The stronger operating profit and margin were mainly attributable to positive effects of indexation, which partially had a retroactive effect, as well as the effects of the adjustments to the Danish organisation during the second quarter of the year. The Swedish operations delivered earnings that were on a par with the same period last year, but with a lower margin. The ended contract with Ericsson was completed in the third quarter and negatively impact the comparison with the year-earlier period. The Swedish operations are gradually managing the effects of reduced synergies. The operating margin in the Swedish operations was also negatively affected by high costs for sick leave during the quarter.

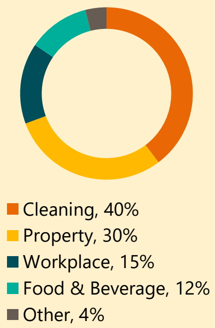
Net sales by country (LTM)



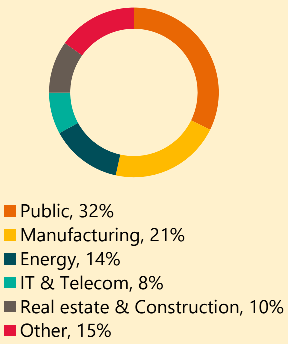
Net sales by type of contract (LTM)



Net sales by service category (LTM)



Net sales by customer segment (LTM)



EBIT totalled SEK 86 (97) million. In addition to changes in operating profit (adjusted EBITA), the change compared with the previous year is primarily due to higher items affecting comparability with a total of SEK -57 (-25) million. Costs of approximately SEK 40 million related to the action program are included as items affecting comparability for the fourth quarter. Integration costs during the quarter pertain to the start-up of new contracts, mainly Swedbank, and the acquisition of Skaraborgs Städ.

Full-year 2023

Sales increased 6 per cent compared with the year-earlier period. Organic growth was 2 per cent and growth from acquisitions 2 per cent, while foreign exchange effects accounted for 1 per cent.

Operating profit (adjusted EBITA) amounted to SEK 606 (634) million and the operating margin (adjusted EBITA margin) was 4.9 (5.4) per cent. EBIT was SEK 364 (408) million.

	Jan-Dec	
Financial net (SEK m)	**2023**	**2022**
Net interest, excl leasing	-115	-59
Net interest, leasing	-8	-7
Borrowing costs	-5	-3
Exchange rate differences	-0	2
Other	-15	-5
Total financial net	**-144**	**-72**
Profit before tax	**220**	**336**
Tax	-65	-79
Income for the period	**155**	**257**

Financial net and profit after tax

Net financial items amounted to SEK -144 (-72) million, an increase from the year-earlier period. The increase compared with the previous year is attributable to higher liabilities to credit institutions and higher interest rates compared with the preceding year.

The tax expense was SEK -65 (-79) million, corresponding to 30 (24) per cent of profit before tax. The higher tax rate compared with the previous year is mainly attributable to higher interest expenses, with limited deductibility in Sweden. Profit after tax was SEK 155 (257) million.

Financial position

Consolidated net debt at the end of the period was SEK 2,149 (1,629) million. The company's leverage, defined as net debt to adjusted EBITDA (rolling 12 months), was 2.5 (1.9) at year-end, in line with the Group's target of leverage below 3.0.

Equity at year-end amounted to SEK 1,565 (1,938) million, and the equity/assets ratio was 21 (27) per cent. During the year, the company paid a dividend of SEK 456 million to the shareholders.

Cash and cash equivalents amounted to SEK 534 (484) million at year-end. At the end of the year, the Group had undrawn credit lines totalling SEK 420 (650) million.

	31 Dec	
Net debt (SEK m)	**2023**	**2022**
Liabilities to credit institutions	1,321	848
Corporate bond	1,000	1,000
Leasing, net	369	301
Other	-6	-36
	2,684	**2,113**
Cash and cash equivalents	-534	-484
Net debt	**2,149**	**1,629**
Leverage, times	2.5	1.9
Equity	1,565	1,938
Equity/assets ratio, %	21	27

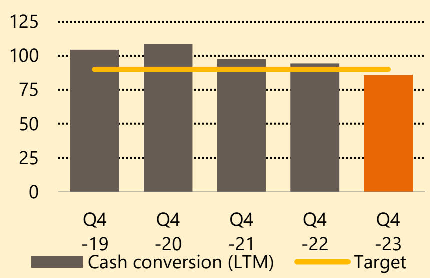
Cash flow

Operating cash flow varies from one quarter to the next. The key parameter to follow is the rolling 12-month change in working capital. For the full year, working capital declined by SEK 12 (47) million, driven by continued focused efforts across the entire organisation.

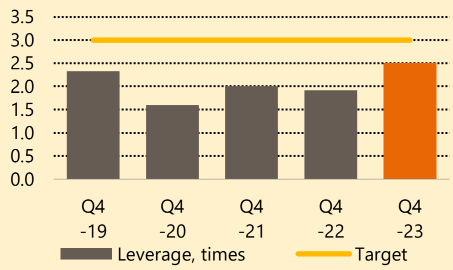
The most important key performance indicator for Coor's cash flow is cash conversion, which is defined as the ratio of a simplified operating cash flow to adjusted EBITDA. Cash conversion for full-year 2023 amounted to 86 (94) per cent, which is slightly lower than the Group's medium-term target of cash conversion of over 90 per cent. This lower result is attributable to the fact that the fourth quarter ended with two public holidays.

	Full year	
Cash conversion (SEK m)	**2023**	**2022**
Adjusted EBITDA	848	851
Change in net working capital	12	47
Net investments	-131	-95
Cash flow for calculation of cash conversion	**728**	**803**
Cash conversion, %	**86**	**94**

Cash conversion, %



Leverage, times



Customer relationships

Customer satisfaction

Every year, Coor conducts a customer survey with the help of an external research firm with the aim of monitoring its performance as a service provider. The number of respondents to the 2023 customer satisfaction survey totalled 1,068, which is in line with the preceding year. The results remain at a high level of 71 (71), which is in line with the company's target of 70 or higher. The customer satisfaction survey also measures our Net Promoter Score (NPS), which remains at a high level of +11. From a benchmarking perspective, values of between -10 and +10 are considered good.

The results from the customer survey provide valuable input for the future, with regard to the development of our customer relationships as well as Coor's 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 pulse surveys, for example.

Contract portfolio

The net change in the contract portfolio for full-year 2023 was SEK 85 million. The largest new contracts are with Swedbank, Locum and ATP Ejendomme. The main ended contract was with Ericsson in Sweden. The net change in the second half of the year was SEK -80 million, with the ended contract with Ericsson in Sweden largely offset by the new IFM contract with Swedbank as well as numerous small and medium-sized contracts.

The renegotiation volume for 2023 was approximately SEK 1.7 (2.0) billion. The retention rate for the year was 62 (82) per cent, a low result attributable to the ended contract with Ericsson. The retention rate excluding Ericsson was 88 per cent, with important extensions including the contracts with Aibel, Equinor Offshore, Hemsö and MAN.

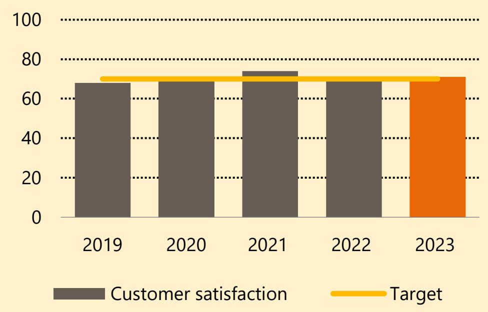
Significant events during the quarter

- There were no significant events to report during the quarter.

Significant events after the end of the period

- There were no significant events to report after the end of the period.

Customer satisfaction index



Contract portfolio

	2023 Jan - Dec		2022 Jan - Dec	
	No. of con-tracts	Annual sales	No. of con-tracts	Annual sales
New contracts during the period	29	620	29	506
Ended contracts during the period	-5	-535	-21	-799
Net change in the portfolio	**24**	**85**	**8**	**-294**

Changes in the contract portfolio include all contracts with over SEK 5 million in annual sales and are reported semi-annually. For new contracts signed during the period, the contracted or estimated annual sales are listed. For contracts ended during the period, the sales for the most recent 12-month period with full delivery are listed.

Social responsibility

Coor's most important asset is its employees. Coor aims to have committed and motivated employees that are treated fairly and respectfully and can develop within the company by being provided with equal opportunities. Coor works actively to promote the well-being of its employees and a safe work environment free from work-related injuries and long-term sick leave. The aim is that our work will contribute positively to the development of society through central and local initiatives.

Organisation and employees

At year-end, the number of employees was 13,156 (12,770), or 10,648 (10,267) 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, the share of women in managerial positions was 53 per cent and the share of men in managerial positions was 47 per cent.

Employee motivation

Each year, Coor carries out an 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. The 2023 survey was conducted in the second quarter. The survey was answered by 77 (79) per cent of all employees and showed that our Employee Motivation Index (EMI) remains very high at 76 (76), which more than meets the company's target of 70 or higher. We also measure our Employee Net Promoter Score (eNPS), which remains at a high level of +25. From a benchmarking perspective, values over 0 are considered good.

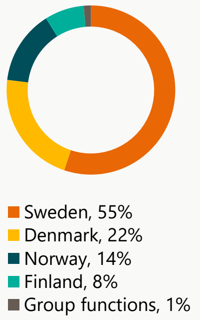
Health and safety

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.

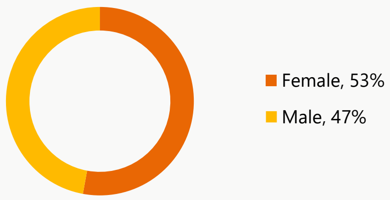
Systematic and ongoing work is taking place to further strengthen the culture of security work and achieve established targets through training. initiatives and campaigns. One example is Coor's Life Saving Rules, in which we highlight our eight most common risk areas and describe how we will act to avoid injuries. Our Life Saving Rules can be compared with a Code of Conduct for health and safety.

Coor's medium-term target is for the Group's total recorded injury frequency rate (TRIF) to be less than 3.5. For full-year 2023, the Group's TRIF amounted to 5.5 (7.0), which is a significant improvement compared with the preceding year.

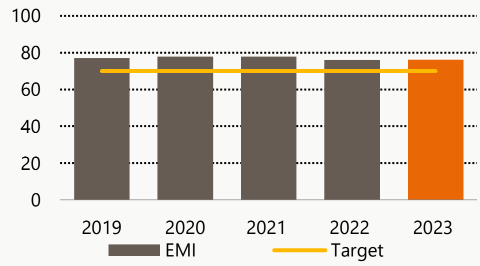
Distribution of employees (FTE at the end of the period)



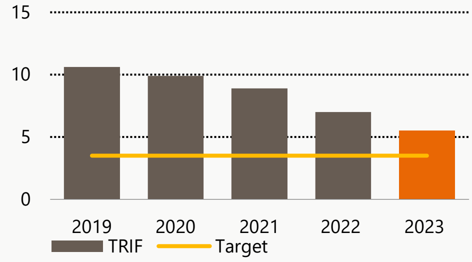
Equal opportunities (gender distribution of managers at the end of the period)



Employee motivation index (EMI)



Total recorded injury frequency (TRIF)



Environmental responsibility

Coor aims to promote responsible consumption and reduced emissions by conducting structured and proactive environmental work and actively minimising our customers' environmental impact.

Net-Zero 2040 strategy

Coor has committed to reach the Net-Zero target – net-zero greenhouse gas (GHG) emissions – by 2040. This is ten years earlier than the SBTi's standard requirement for affiliated companies. The target has been validated by the Science Based Targets initiative (SBTi). To achieve Net-Zero, Coor needs to eliminate GHG emissions in its own operations and reduce emissions throughout the value chain by 90 per cent compared with the baseline (2018).

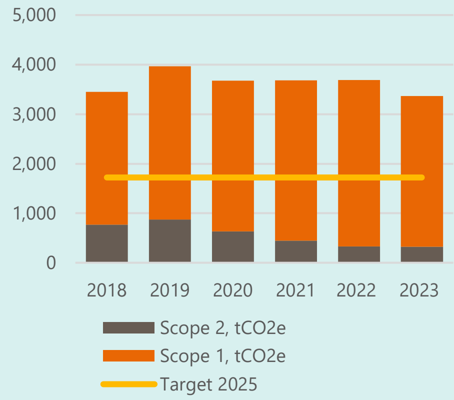
Emissions from operations are divided into Scope 1 (direct emissions from our vehicle fleet), Scope 2 (indirect emissions from premises where Coor has operational control over energy consumption) and Scope 3 (mainly emissions from purchased goods and services). Coor calculates GHG emissions according to the definitions and guidelines adopted by the GHG Protocol.

Scope 1 and 2

Coor's aim is to reduce its absolute Scope 1 and 2 emissions by 75 per cent by 2030 compared with the baseline year (2018). The interim target is to reduce emissions by 50 per cent by 2025.

Emissions at the end of full-year 2023 (3,364 tCO2e) decreased by 3 per cent compared with 2018 (3,450 tCO2e). Total Scope 1 and 2 emissions declined 9 per cent compared with full-year 2022.

CO_2e from our vehicles and premises (Scope 1 and 2)



Scope 1 – Our vehicle fleet

Scope 1 emissions are generated by our vehicle fleet and machinery. Coor primarily uses three types of vehicles: service vehicles, company cars for business use and company cars for private use. The Group's long-term aim of having a fossil-free vehicle fleet requires a combination of increased electrification and a transition to HVO fuel wherever the use of electric vehicles is not yet possible. The availability of HVO varies between countries. In parallel with the transition to an electrified vehicle fleet, the operations and their dedicated fleet managers are working actively with the rotation of the existing fleet to optimise the phase out of fossil-fuel vehicles.

We see a change in greenhouse gas emissions from the vehicle fleet in absolute terms by 14 (25) percent since the base year 2018, which is largely due to an expanded vehicle fleet through growth as well as challenges linked to delivery times and infrastructure for electric vehicles. Coor continuously implement measures to further reduce emissions from the vehicle fleet. During the fourth quarter, emissions decrease to the lowest level for the year on a rolling 12-month basis.

Scope 2 – Our premises

Scope 2 measures emissions generated from energy consumption in the form of electricity, heating and cooling in the premises where Coor has operational control. The Group's target is 100 per cent renewable electricity and entails that the 2018 emissions levels from heating and cooling may not be exceeded, despite the company's growth. Measurements are carried out annually. Through energy-enhancement measures and a transition to renewable energy, Coor has reduced the absolute level of tCO_2e by 58 (57) per cent compared with base year 2018, despite the fact that acquisitions during the year resulted in more reporting units and thus slightly higher consumption measured in kWh. The share of renewable energy (excluding heating and cooling) in 2023 amounted to 77 per cent, compared with 64 per cent in the preceding year.

Scope 3

Most of Coor's climate impact is attributable to purchased goods and services used in our service delivery (Scope 3), which are mainly related to food & beverages. To be able to analyse the climate impact from service deliveries, Coor has developed a climate calculation tool to support more data-driven decisions when it comes to reducing Coor's climate impact. To achieve our targets in the area, Coor is primarily working with activities that target the supply chain and reducing emissions in food & beverages.

Scope 3 – The supply chain

Coor's target is for 75 per cent of emissions from purchased goods and services to come from suppliers who have had their targets approved by the SBTi or an equivalent body. This target is to be achieved by 2026.

Since this is an important factor for Coor when selecting suppliers, a supplier dialogue has been initiated where suppliers are challenged to follow the ambition of limiting global warming to 1.5 °C and committing to the SBTi. Coor increased the share of signatory suppliers during the fourth quarter. The measurement at the end of full-year 2023 showed that 18 per cent of Coor's suppliers had been validated by the SBTi.

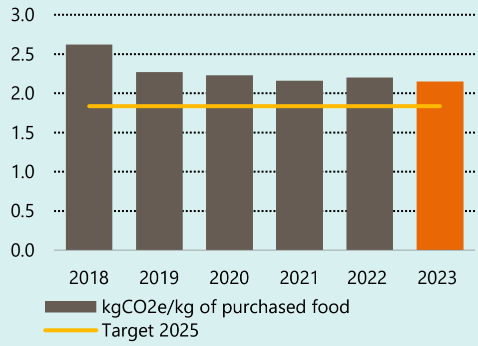
Scope 3 – Food & beverages

Coor provides restaurant and café services across the Nordic region, which makes Coor a major buyer of food. Of Coor's emissions in the base year 2018, approximately 40 per cent of greenhouse gases came directly from these operations.

Coor's goal is to reduce emissions from food & beverages by 30 per cent by 2025 compared with the base year 2018. This is being achieved in part through climate-smart menu planning, which has reduced emissions by 19 per cent compared with the base year. The value for full-year 2023 amounted to 2.15 $kgCO_2e/kg$ (2.20), down 2 per cent compared with the preceding year.

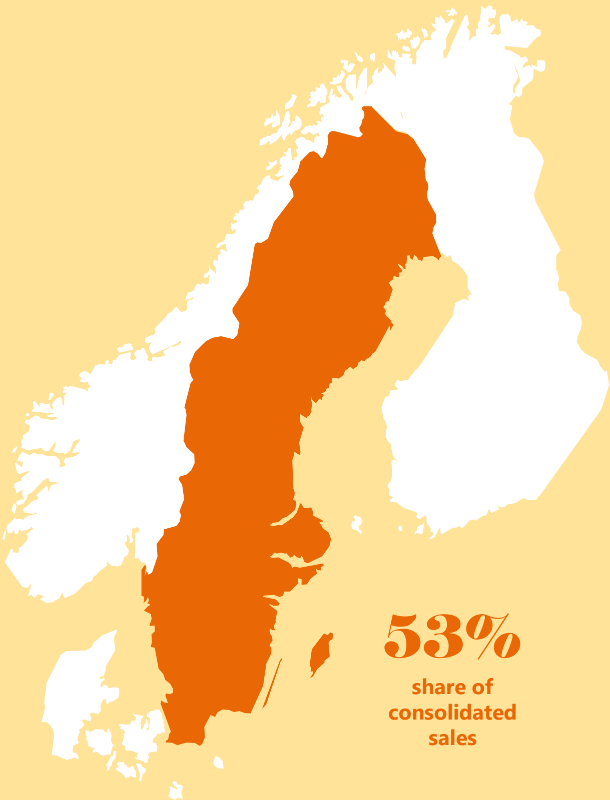
"Our ambition is to contribute to keeping global warming under 1.5 °C"

CO_2e from food & beverages (Scope 3)



Sweden

Key performance indicators	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Net sales, SEK m	1,758	1,657	6,588	6,346
Organic growth, %	*0*	*0*	*-1*	*7*
Acquired growth, %	*6*	*8*	*4*	*18*
FX-effects, %	*0*	*0*	*0*	*0*
Adjusted EBITA, SEK m	154	156	588	627
Adjusted EBITA-margin, %	8.8	9.4	8.9	9.9
Number of employees (FTE)	5,871	5,443	5,871	5,443



Fourth quarter (October–December)

Sales in the Swedish business grew 6 per cent during the fourth quarter, entirely attributable to acquired growth. Organic growth amounted to 0 per cent and was positively impacted by new contracts, such as the contracts with S:t Göran Hospital, Alstom and Swedbank, as well as high variable volumes in property services, conference services, and food & beverages. The ended contract with Ericsson had a negative impact. Acquired growth was attributable to the acquisition of Skaraborgs Städ that took place in the second quarter of 2023.

Operating profit (adjusted EBITA) for the quarter was in line with the year-earlier period and amounted to SEK 154 (156) million. The operating margin (adjusted EBITA margin) was 8.8 (9.4) per cent. Operating profit was positively impacted by newly started contracts and the acquisition of Skaraborgs Städ. Delivery to Ericsson ended in the third quarter, which negatively impacted the comparison with the year-earlier period. This effect was further amplified in the quarter by lost synergies with other contracts, which the business is gradually addressing. Operating profit and the operating margin were also negatively affected by a high level of sick leave during the quarter, resulting in high costs for temporary staff.

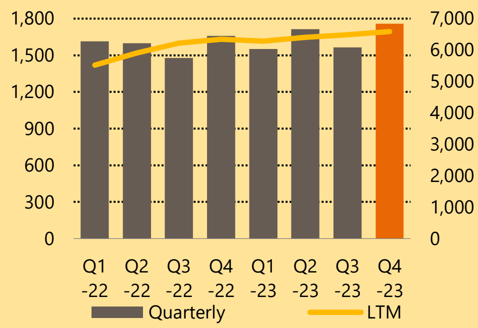
During the fourth quarter, a new agreement was signed with Oskarshamn Nuclear Power Station (OKG) for restaurant, food and beverage services. New agreements were also signed with Locum for the delivery of property services to several hospitals in southern Stockholm and Södertälje. The new contracts extend for a maximum term of eight years, including an extension option, and cover approximately 315,000 square meters of hospital space.

Full-year 2023

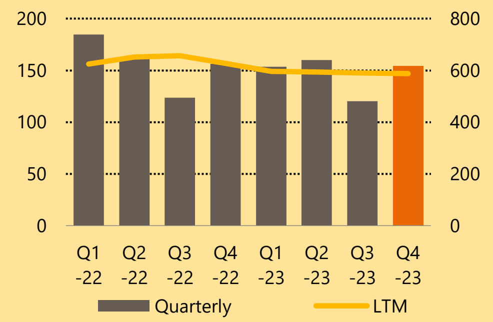
For the full period, sales in the Swedish operations grew by 4 per cent, with negative organic growth accounting for -1 per cent and acquired growth accounting for 4 per cent.

Operating profit (adjusted EBITA) for the full period amounted to SEK 588 (627) million. The operating margin (adjusted EBITA margin) was 8.9 (9.9) per cent.

Net sales (SEK m)

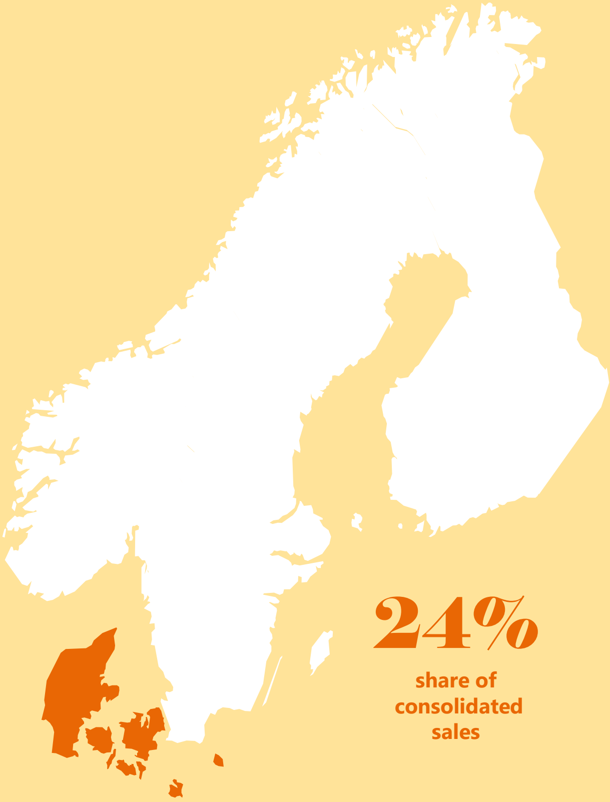


Adjusted EBITA (SEK m)



Denmark

Key performance indicators	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Net sales, SEK m	771	732	3,023	2,652
Organic growth, %	*1*	*15*	*6*	*22*
Acquired growth, %	*0*	*0*	*0*	*0*
FX-effects, %	*5*	*9*	*8*	*6*
Adjusted EBITA, SEK m	41	30	134	109
Adjusted EBITA-margin, %	5.4	4.1	4.4	4.1
Number of employees (FTE)	2,320	2,497	2,320	2,497



24%

share of consolidated sales

Fourth quarter (October–December)

During the fourth quarter, sales in the Danish operations increased 5 per cent compared with the year-earlier period, primarily through positive exchange rate effects. Organic growth was 1 per cent. High variable volumes in property service compared with the year-earlier period as well as indexation had a positive impact on organic growth, while a couple of ended small contracts had a negative impact.

Operating profit (adjusted EBITA) for the quarter amounted to SEK 41 (30) million. The operating margin (adjusted EBITA margin) was 5.4 (4.1) per cent. The stronger operating profit and margin were mainly attributable to positive effects of indexation, which partially had a retroactive effect, as well as the effects of the adjustments to the Danish organisation during the second quarter of the year.

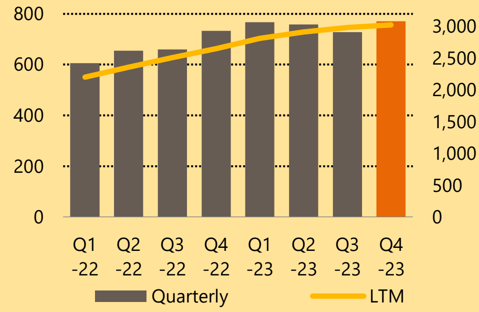
During the fourth quarter, the IFM contract with MAN was extended for another five years, and the contract with MCH A/S regarding Messecenter Herning and Jyske Bank Boxen – which we have had for 17 years – was extended for another three years.

Full-year 2023

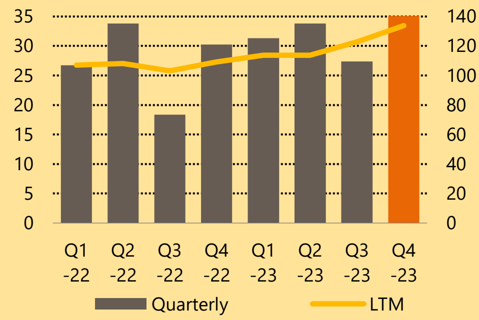
For full-year 2023, sales in the Danish operations increased by 14 per cent compared with the year-earlier period, with organic growth of 6 per cent and positive exchange rate effects of 8 per cent.

Operating profit (adjusted EBITA) for the full period amounted to SEK 134 (109) million. The operating margin (adjusted EBITA margin) increased year-on-year and amounted to 4.4 (4.1) per cent.

Net sales (SEK m)

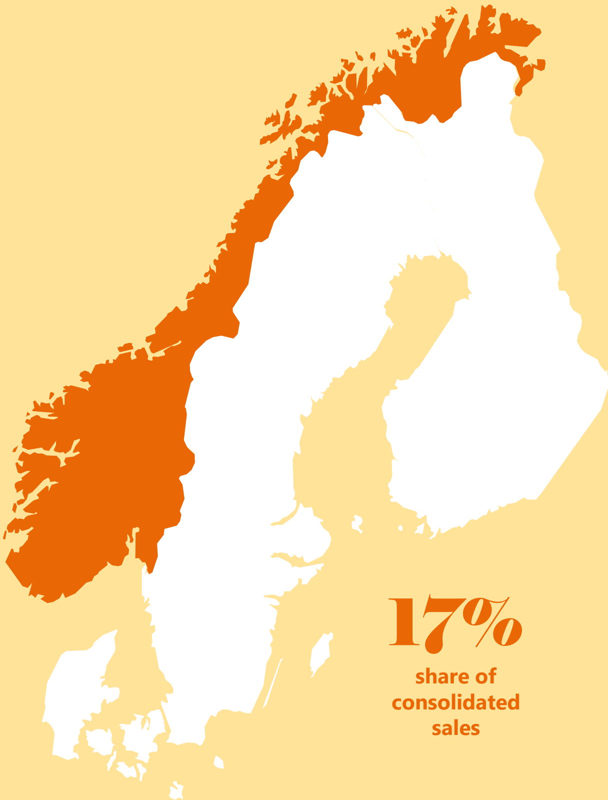


Adjusted EBITA (SEK m)



Norway

Key performance indicators	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Net sales, SEK m	574	530	2,130	2,140
Organic growth, %	*15*	*-16*	*4*	*-13*
Acquired growth, %	*0*	*0*	*0*	*1*
FX-effects, %	*-7*	*3*	*-5*	*5*
Adjusted EBITA, SEK m	23	24	81	101
Adjusted EBITA-margin, %	4.0	4.5	3.8	4.7
Number of employees (FTE)	1,506	1,339	1,506	1,339



17% share of consolidated sales

Fourth quarter (October–December)

During the fourth quarter, sales in the Norwegian operations increased by a total of 8 per cent. Organic growth totalled 15 per cent and was primarily attributable to newly started contracts, such as with Drammen Municipality, Studentsamskipnaden i Oslo and IKEA, as well as high variable volumes in several contracts. Foreign exchange effects were negative, totalling -7 per cent.

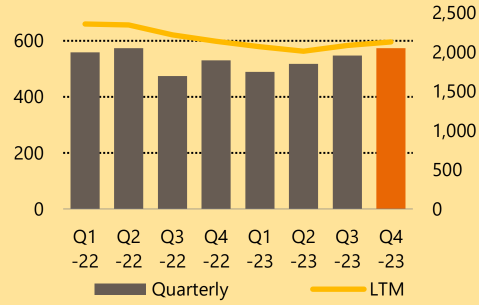
Operating profit (adjusted EBITA) for the quarter amounted to SEK 23 (24) million. The operating margin (adjusted EBITA margin) was 4.0 (4.5) per cent. This negative development of the operating margin was attributable to newly started contracts with lower initial margins.

Full-year 2023

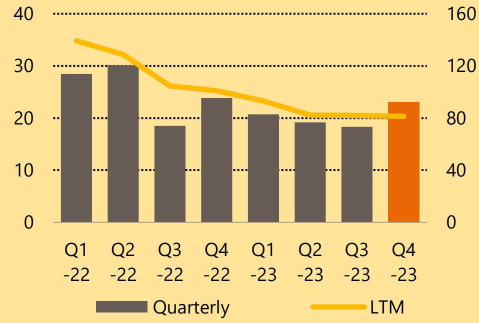
Sales for the full year were on a par with the preceding year. Organic growth was 4 per cent, which was offset by negative foreign exchange effects of -5 per cent.

Operating profit (adjusted EBITA) amounted to SEK 81 (101) million. The operating margin (adjusted EBITA margin) was 3.8 (4.7) per cent.

Net sales (SEK m)

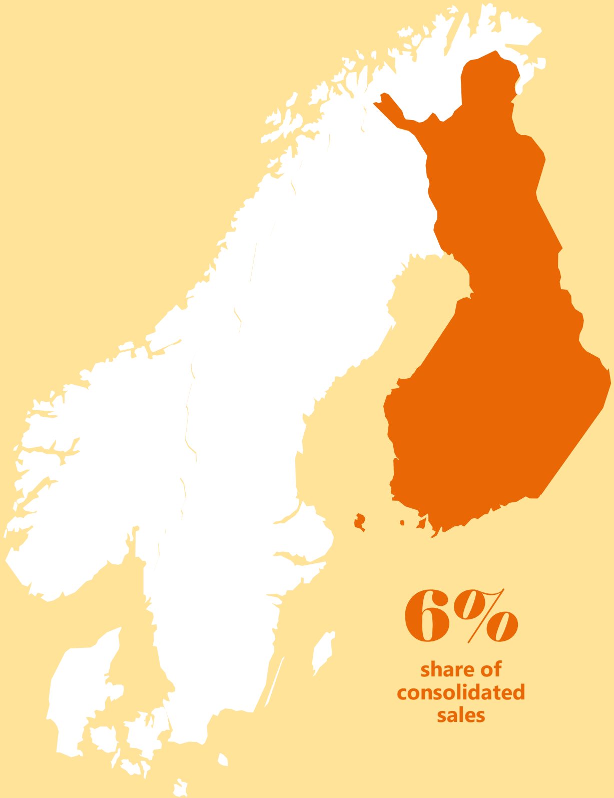


Adjusted EBITA (SEK m)



Finland

Key performance indicators	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Net sales, SEK m	184	169	703	653
Organic growth, %	*4*	*-6*	*-0*	*-2*
Acquired growth, %	*0*	*0*	*0*	*0*
FX-effects, %	*5*	*8*	*8*	*5*
Adjusted EBITA, SEK m	2	0	16	13
Adjusted EBITA-margin, %	1.2	0.2	2.2	2.0
Number of employees (FTE)	805	860	805	860



6%

share of consolidated sales

Fourth quarter (October–December)

During the fourth quarter, sales in Finland increased by 9 per cent compared with the year-earlier period. Organic growth was 4 per cent and was attributable to increased variable volumes and a number of smaller new contracts that were partly offset by a couple of smaller terminated loss-making contracts in northern Finland. Foreign exchange effects were positive and amounted to 5 per cent.

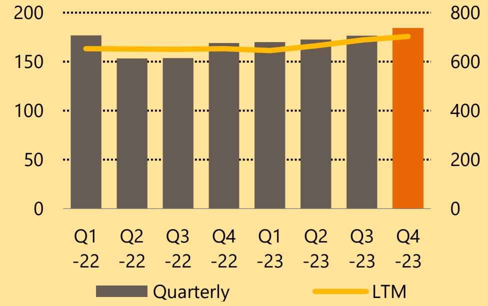
Operating profit (adjusted EBITA) amounted to SEK 2 (0) million. The operating margin (adjusted EBITA margin) was 1.2 (0.2) per cent. The increased margin is attributable to the implementation of efficiency actions in the operations and to a couple of smaller terminated loss-making contracts in northern Finland that had a negative impact on profitability during the same period in the preceding year.

Full-year 2023

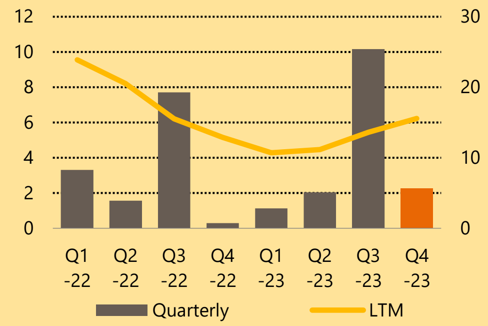
During full-year 2023, sales in the Finnish operations rose by 8 per cent compared with the preceding year, an increase entirely attributable to positive exchange rate effects.

Operating profit (adjusted EBITA) for the full period amounted to SEK 16 (13) million. The operating margin (adjusted EBITA margin) was 2.2 (2.0) per cent.

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.

The Group's interest expenses related to the issued bond are hedged in an interest rate swap that extends to the first quarter of 2024. In the fourth quarter of 2022, Coor signed an agreement on sustainability-linked financing of the company's existing revolving credit facility that secured in advance the option of refinancing the company's non-redeemable bonds which mature in March 2024.

Acquisitions and sales

On 4 April 2023, an agreement was signed for the acquisition of Skaraborgs Städ in Sweden. The acquisition expands Coor's geographic coverage in Västra Götaland, Värmland and Småland. Skaraborgs Städ has 800 employees and annual sales of approximately SEK 400 million. The purchase consideration (on a cash and debt free basis) amounts to SEK 250 million. The acquisition was financed entirely within the framework of Coor's existing financing. The acquisition was finalised on 9 May 2023 after a customary review by the Swedish Competition Authority. 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.

Profit after tax in the parent company amounted to SEK 40 (1,303) million. The parent company's total assets at the end of the period amounted to SEK 8,051 (7,934) million. Equity in the parent company totalled SEK 5,518 (5,925) 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.

The share

The Coor share declined by 32 per cent in 2023, the number of shares at the end of the period amounted to 95,812,022.

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 Första AP-fonden (AP1), Mawer Investment Management and Nordea Funds.

Coor's fifteen largest shareholders 31 Dec 2023[1)]

Shareholder	Number of shares and votes	Shares and votes, %
Första AP-fonden (AP1)	8,531,474	8.9
Mawer Inv. Management	7,134,503	7.4
Nordea Funds	6,329,478	6.6
Didner & Gerge Fonder	5,642,352	5.9
SEB-Stiftelsen	4,300,000	4.5
Andra AP-fonden (AP2)	4,277,284	4.5
Taiga Fund Mgmt AS	3,890,027	4.1
SEB Fonder	3,791,625	4.0
Tredje AP-fonden (AP3)	2,388,732	2.5
Swedbank Robur Fonder	2,306,000	2.4
Svenska Handelsbanken AB	2,050,925	2.1
Avanza Pension	1,545,995	1.6
Ennismore Fund Management	1,523,415	1.6
Dimensional Fund Advisors	1,415,556	1.5
Alcur Fonder	1,399,244	1.5
Total 15 largest shareholders	**56,526,610**	**59.0**
Other shareholders	39,285,412	41.0
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.

Dividend

The Board of Directors proposes a dividend for 2023 of SEK 3.00 (4.80) per share, comprising an ordinary dividend of SEK 2.40 (2.40) and an extraordinary dividend of SEK 0.60 (2.40). Proposed to be distributed in two payments: SEK 2.40 and SEK 0.60 per share respectively, corresponding to a total dividend of SEK 287 million.

The proposed record date is Tuesday, 30 April 2024 for the first payment and Friday, 4 October 2024 for the second payment. Subject to the approval of this proposal by the general meeting of shareholders, it is expected that the first payment, pertaining to the ordinary dividend, will be made on Monday, 6 May 2024 and the second, pertaining to the extraordinary dividend, on Wednesday, 9 October 2024.

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

Stockholm, 8 February 2024

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, Aibel, Alleima, the Danish Building and Property Agency, DNV, DSB, Equinor, ICA, IKEA, Karolinska University Hospital Solna, the Danish Police, Public Prosecution Authority and Prison and Probation Service, PostNord, Saab, SAS, Skanska, Swedbank, Telia Company, Vasakronan and Volvo Cars.

Coor was founded in 1998 and has been 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

	Oct-Dec		Jan-Dec	
Income statement (SEK m)	**2023**	**2022**	**2023**	**2022**
Net sales	3,287	3,088	12,443	11,789
Cost of services sold	-2,961	-2,800	-11,193	-10,549
Gross income	**326**	**288**	**1,250**	**1,241**
Selling and administrative expenses	-240	-191	-886	-832
Operating profit	**86**	**97**	**364**	**408**
Net financial income/expense	-39	-23	-144	-72
Profit before tax	**47**	**73**	**220**	**336**
Income tax expense	-16	-19	-65	-79
INCOME FOR THE PERIOD	**30**	**54**	**155**	**257**
Operating profit	**86**	**97**	**364**	**408**
Amortisation and impairment of goodwill, customer contracts and trademarks	23	32	130	156
Items affecting comparability (Note 3)	57	25	112	69
Adjusted EBITA	**166**	**153**	**606**	**634**
Earnings per share, SEK, before and after dilution	**0.3**	**0.6**	**1.6**	**2.7**

	Oct-Dec		Jan-Dec	
Statement of comprehensive income (SEK m)	**2023**	**2022**	**2023**	**2022**
Income for the period	**30**	**54**	**155**	**257**
Items that may be subsequently reclassified to profit or loss				
Currency translation differences	-61	27	-55	108
Cash flow hedges	-8	-3	-25	26
Other comprehensive income for the period	**-69**	**24**	**-81**	**134**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**-39**	**78**	**75**	**392**

The interim information on pages 16–30 is an integral part of this financial report.

Consolidated balance sheet

Balance sheet (SEK m)	31 Dec 2023	2022
ASSETS		
Intangible assets		
Goodwill	3,815	3,700
Customer contracts	302	305
Other intangible assets	253	197
Property, plant and equipment		
Right-of use assets held via leases	377	309
Other property, plant and equipment	92	89
Financial assets		
Deferred tax receivable	4	39
Other financial assets	35	63
Total non-current assets	**4,878**	**4,702**
Current assets		
Accounts receivable	1,591	1,511
Tax receivables	7	0
Other current assets, interest-bearing	1	1
Other current assets, non-interest-bearing	416	424
Cash and cash equivalents	534	484
Total current assets	**2,549**	**2,419**
TOTAL ASSETS	**7,428**	**7,121**

Balance sheet (SEK m)	31 Dec 2023	2022
EQUITY AND LIABILITIES		
Equity	**1,565**	**1,938**
Liabilities		
Non-current liabilities		
Borrowings (Note 2)	1,321	1,850
Lease liabilities (Note 2)	214	166
Deferred tax liability	2	9
Provisions for pensions	27	25
Other non-interest bearing liabilities	5	2
Total non-current liabilities	**1,569**	**2,052**
Current liabilities		
Borrowings (Note 2)	1,000	0
Lease liabilities (Note 2)	157	136
Current tax liabilities	35	29
Accounts payable	1,177	1,102
Other current liabilities	1,913	1,854
Short-term provisions	11	10
Total current liabilities	**4,293**	**3,131**
TOTAL EQUITY AND LIABILITIES	**7,428**	**7,121**

Consolidated statement of changes in equity

Statement of changes in equity (SEK m)	Jan-Dec 2023	Jan-Dec 2022
Opening balance at beginning of period	**1,938**	**2,003**
Income for the period	155	257
Other comprehensive income for the period	-81	134
Long-term incentive programs	9	13
Share swap for hedging of long-term incentive program [1)]	0	4
Acquisition of own shares [2)]	0	-18
Dividend	-456	-457
Closing balance at end of period	**1,565**	**1,938**

[1)] Coor undertook share swaps to secure its financial commitment under the Group's LTIP 2018 incentive program. As of 31 December 2023, the Group has no financial obligation remaining under LTIP 2018.

[2)] In 2020, 2021 and 2022, Coor repurchased 1,040,000 of its own shares to secure its financial commitment under the Group's LTIP 2019, 2021 and 2022 incentive programs. During the second quarter of 2022, shares were allotted under LTIP 2019. As of 31 December 2023, Coor holds a total of 825,807 treasury shares.

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

Consolidated statement of cash flows

Cash flow statement (SEK m)	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Operating profit	**86**	**97**	**364**	**408**
Adjustment for non-cash items	95	92	385	380
Finance net	-38	-31	-124	-79
Income tax paid	-6	-9	-50	-80
Cash flow before changes in working capital	**136**	**148**	**575**	**629**
Change in working capital	86	136	12	47
Cash flow from operating activities	**222**	**284**	**587**	**676**
Net investments	-42	-35	-131	-93
Acquisition of subsidiaries (Note 5)	0	0	-230	-37
Cash flow from investing activities	**-42**	**-35**	**-361**	**-131**
Change in borrowings	200	0	480	-150
Dividend	-228	-229	-456	-457
Net lease commitments	-45	-40	-167	-147
Other	0	-18	0	-13
Cash flow from financing activities	**-73**	**-286**	**-144**	**-767**
Total cash flow for the period	**107**	**-37**	**82**	**-221**
Cash and cash equivalents at beginning of period	471	504	484	628
Exchange gains on cash and cash equivalents	-44	17	-32	77
Cash and cash equivalents at end of period	**534**	**484**	**534**	**484**

Cash conversion	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
EBIT	86	97	364	408
Depreciation and amortisation	85	88	372	373
Adjustment for items affecting comparability	57	25	112	69
Adjusted EBITDA	**229**	**210**	**848**	**851**
Net investments*	-42	-33	-131	-95
Change in working capital	86	136	12	47
Cash flow for calculation of cash conversion	**273**	**312**	**728**	**803**
Cash conversion, %	**119**	**149**	**86**	**94**

*Net investments incl. profit and loss from sales of fixed assets

Reporting by segment

Geographical segments (SEK m)	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Net sales				
Sweden	**1,758**	**1,657**	**6,588**	**6,346**
Total sales	*1,781*	*1,695*	*6,679*	*6,466*
Internal sales	*-22*	*-38*	*-90*	*-120*
Norway	**574**	**530**	**2,130**	**2,140**
Total sales	*578*	*533*	*2,145*	*2,150*
Internal sales	*-3*	*-2*	*-15*	*-10*
Finland	**184**	**169**	**703**	**653**
Total sales	*184*	*169*	*703*	*653*
Internal sales	*0*	*0*	*0*	*0*
Denmark	**771**	**732**	**3,023**	**2,652**
Total sales	*772*	*733*	*3,026*	*2,654*
Internal sales	*-1*	*-1*	*-4*	*-3*
Group functions/other	**-0**	**-0**	**-1**	**-1**
Total	**3,287**	**3,088**	**12,443**	**11,789**
Adjusted EBITA				
Sweden	154	156	588	627
Norway	23	24	81	101
Finland	2	0	16	13
Denmark	41	30	134	109
Group functions/other	-55	-58	-213	-216
Total	**166**	**153**	**606**	**634**
Adjusted EBITA is reconciled to profit before tax as follows:				
Amortisation and impairment of goodwill, customer contracts and trademarks	-23	-32	-130	-156
Items affecting comparability (Note 3)	-57	-25	-112	-69
Net financial income/expense	-39	-23	-144	-72
Profit before tax	**47**	**73**	**220**	**336**

Adjusted EBITA margin, %	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Sweden	8.8	9.4	8.9	9.9
Norway	4.0	4.5	3.8	4.7
Finland	1.2	0.2	2.2	2.0
Denmark	5.4	4.1	4.4	4.1
Group functions/other	-	-	-	-
Total	**5.1**	**5.0**	**4.9**	**5.4**

Net sales by type of contract (SEK m)	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Net sales				
IFM	1,957	1,834	7,127	6,753
FM - services	1,330	1,254	5,316	5,037
Total	**3,287**	**3,088**	**12,443**	**11,789**

Segments – quarterly

Geographical segments (SEK m)	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1
Net sales, external								
Sweden	1,758	1,564	1,714	1,552	1,657	1,478	1,598	1,613
Norway	574	547	518	490	530	475	575	560
Finland	184	176	172	170	169	154	153	177
Denmark	771	728	758	766	732	659	655	606
Group functions/other	-0	-0	-0	-0	-0	-0	-0	-0
Total	**3,287**	**3,016**	**3,162**	**2,978**	**3,088**	**2,766**	**2,980**	**2,955**
Adjusted EBITA								
Sweden	154	120	160	154	156	124	163	185
Norway	23	18	19	21	24	18	30	28
Finland	2	10	2	1	0	8	2	3
Denmark	41	27	34	31	30	18	34	27
Group functions/other	-55	-50	-54	-55	-58	-46	-57	-56
Total	**166**	**126**	**161**	**152**	**153**	**122**	**172**	**187**
Adjusted EBITA-margin, %								
Sweden	8.8	7.7	9.3	9.9	9.4	8.4	10.2	11.5
Norway	4.0	3.3	3.7	4.2	4.5	3.9	5.2	5.1
Finland	1.2	5.8	1.2	0.7	0.2	5.0	1.0	1.9
Denmark	5.4	3.8	4.5	4.1	4.1	2.8	5.2	4.4
Group functions/other	-	-	-	-	-	-	-	-
Total	**5.1**	**4.2**	**5.1**	**5.1**	**5.0**	**4.4**	**5.8**	**6.3**

Type of contract (SEK m)	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1
Net sales, external								
IFM	1,957	1,667	1,835	1,668	1,834	1,512	1,693	1,714
FM-services	1,330	1,349	1,327	1,310	1,254	1,255	1,288	1,240
Total	**3,287**	**3,016**	**3,162**	**2,978**	**3,088**	**2,766**	**2,980**	**2,955**

Parent company financial statements

Parent company income statement

Income statement (SEK m)	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Net sales	**1**	**2**	**5**	**6**
Selling and administrative expenses	-5	-6	-31	-33
Operating profit	**-4**	**-4**	**-27**	**-26**
Dividend from group companies	0	0	0	1,315
Other net financial income/expense	-34	-14	-108	-48
Profit/loss after financial items	**-38**	**-18**	**-135**	**1,241**
Group contribution	206	68	206	68
Profit/loss before tax	**168**	**49**	**71**	**1,308**
Income tax expense	-22	-1	-31	-6
INCOME FOR THE PERIOD	**147**	**48**	**40**	**1,303**

Parent company balance sheet

Balance sheet (SEK m)	31 Dec 2023	2022
ASSETS		
Shares in subsidiaries	7,789	7,789
Deferred tax asset	20	51
Other financial assets	7	6
Total non-current assets	**7,817**	**7,846**
Receivables from Group companies*	220	73
Other trading assets	9	13
Cash and cash equivalents*	5	2
Total current assets	**235**	**88**
TOTAL ASSETS	**8,051**	**7,934**

Balance sheet (SEK m)	31 Dec 2023	2022
EQUITY AND LIABILITIES		
Shareholders' equity	**5,518**	**5,925**
Liabilities		
Borrowings	1,321	1,848
Provisions for pensions	10	8
Total non-current liabilities	**1,331**	**1,856**
Borrowings	1,000	0
Liabilities to Group companies*	176	141
Income tax liability	0	0
Accounts payable	0	1
Other current liabilities	27	12
Total current liabilities	**1,203**	**153**
Total liabilities	**2,534**	**2,009**
TOTAL EQUITY AND LIABILITIES	**8,051**	**7,934**

* 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 (SEK m)	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Net sales	3,287	3,088	12,443	11,789
Net sales growth, %	6.4	6.4	5.5	16.7
of which organic growth, %	*3.1*	*-0.6*	*1.7*	*5.0*
of which acquired growth, %	*3.2*	*4.1*	*2.3*	*9.1*
of which FX effect, %	*0.2*	*2.9*	*1.5*	*2.6*
Operating profit (EBIT)	86	97	364	408
EBIT margin, %	2.6	3.1	2.9	3.5
EBITA	109	128	494	565
EBITA margin, %	3.3	4.1	4.0	4.8
Adjusted EBITA	166	153	606	634
Adjusted EBITA margin, %	5.1	5.0	4.9	5.4
Adjusted EBITDA	229	210	848	851
Adjusted EBITDA margin, %	7.0	6.8	6.8	7.2
Adjusted net profit	53	86	285	414
Net working capital	-1,060	-1,018	-1,060	-1,018
Net working capital / Net sales, %	-8.5	-8.6	-8.5	-8.6
Cash conversion, %	119	149	86	94
Net debt	2,149	1,629	2,149	1,629
Leverage, times	2.5	1.9	2.5	1.9
Equity/assets ratio, %	21	27	21	27

Data per share

Data per share	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Share price at end of period	43.6	64.3	43.6	64.3
No. of shares at end of period	95,812,022	95,812,022	95,812,022	95,812,022
No. of treasury shares[1)]	-825,807	-825,807	-825,807	-825,807
No. of shares outstanding	**94,986,215**	**94,986,215**	**94,986,215**	**94,986,215**
No. of ordinary shares outstanding (weighted average)	94,986,215	95,087,302	94,986,215	95,159,790
Dividend per share[2)]	3.00	4.80	3.00	4.80
Earnings per share, before and after dilution, SEK	0.32	0.57	1.64	2.70
Shareholders' equity per share, SEK	16.48	20.40	16.48	20.40

[1)] To secure its financial exposure in accordance with the LTIP 21 and LTIP 22 long-term incentive programs, Coor undertook acquisition of own shares.

2[)] Proposed dividend that is subject to adoption at the Annual General Meeting on 26 April 2024. A dividend of SEK 3.00 (4.80) per share is proposed, of which SEK 2.40 (2.40) comprised an ordinary dividend and SEK 0.60 (2.40) an extraordinary dividend. Payment is to take place on two occasions of SEK 2.40 and SEK 0.60 per share respectively. The total dividend is thus SEK 287 million.

Notes to the accounts

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 2022.

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 31 Dec		Fair value 31 Dec	
(SEK m)	**2023**	**2022**	**2023**	**2022**
Lease liabilities	371	301	371	301
Liabilities to credit institutions	1,321	848	1,321	848
Corporate Bond	1,000	1,000	1,000	1,000
Other non-current liabilities	0	2	0	2
Total	**2,692**	**2,152**	**2,692**	**2,152**

The existing credit margin in the Group's financing agreements is considered to be consistent with market terms, and the carrying amount therefore approximates fair value. The Group considers the liabilities to 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.

Items affecting comparability amounted to SEK 57 million for the quarter, mainly related to restructuring costs linked to the action program presented in the third quarter and integration costs for the start-up of new organic contracts, mainly Swedbank, and the acquisition of Skaraborgs Städ.

	Oct-Dec		Jan-Dec	
Items affecting comparability (SEK m)	**2023**	**2022**	**2023**	**2022**
Integration	-16	-12	-49	-50
Restructuring	-38	-14	-57	-18
Acquisition related expenses	0	0	-0	0
Other	-3	2	-5	-1
Total	**-57**	**-25**	**-112**	**-69**

Note 4 – Pledged assets and contingent liabilities

Pledged assets (SEK m)	31 Dec 2023	2022
Bank guarantees	41	41
Total	**41**	**41**

Contingent liabilities (SEK m)	31 Dec 2023	2022
Performance bonds	175	182
Total	**175**	**182**

Parent company

The parent company has provided a parent company guarantee of SEK 33 (33) million covering financial obligations of the Finnish subsidiary in respect of leases and bank guarantees. The parent company has no other pledged assets or contingent liabilities.

Note 5 – Acquisitions

On 9 May 2023, the acquisition of the Swedish company Skaraborgs Städ AB was completed. Skaraborgs Städ includes the subsidiaries Städtjänst i Värmland AB, Kristinehamns All Rent AB and Sanmix AB. The companies in the Skaraborg Group provide workplace services, primarily cleaning, to a large number of customers in Västra Götaland, Småland and Värmland. The acquisition expands Coor's geographic coverage in Sweden. The companies generate annual sales of around SEK 400 million and have about 800 employees. The consideration paid was SEK 297 million. Transaction costs for the acquisition were SEK 0.2 million.

In conjunction with the acquisition of Skaraborgs Städ AB, intangible assets were identified in the form of customer contracts valued at SEK 124 million, trademarks of SEK 4 million and goodwill of SEK 152 million. The goodwill arising from the acquisition is mainly attributable to the expertise of the employees. No portion of the recognised goodwill is expected to be tax-deductible. Skaraborgs Städ increased consolidated sales by SEK 260 million during the period 1 January to 31 December 2023. If the acquisition had taken place on 1 January 2023, the acquired business would have increased consolidated sales by SEK 389 million on a pro forma basis for the period 1 January to 31 December 2023.

Preliminary acquisition analysis (SEK m) 1)	Skaraborgs Städ AB
Consideration paid	**297**
The assets acquired and liabilities assumed that have been recognised as a result of the acquisitions are the following	
Customer contracts	124
Trade marks	4
Property, plant and equipment	11
Cash and cash equivalents	67
Accounts receivable and other current receivables	64
Deferred tax liability	-26
Lease liability	-8
Accounts payable and other current liabilities	-90
Acquired identifiable net assets	**145**
Goodwill	152
Total acquired net assets	**297**
Cash flow attributable to acquisitions for the period	
Consideration paid	297
Cash in acquired businesses	-67
Net outflow, cash and cash equivalents	**230**

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

Note 6 – Share-based incentive programs

In accordance with a resolution of the Annual General Meeting, the Group introduced a target- and performance-based incentive program (LTIP 2023) for senior executives and other key individuals in the Coor Group in September. LTIP 2023 has the same structure and framework as previous incentive programs.

To qualify for the program, participants will be required to own Coor shares that are allocated to the program. Each participant will have the right to allocate a specified number of shares. For each invested share, participants will then be entitled to an allotment of target- and performance-based share rights at the end of the vesting period. The allotment of share rights depends on the extent to which the defined targets and performance conditions have been met during the performance period from 1 January 2023 to 31 December 2025. The employee is also required to retain his or her investment shares and remain an employee of Coor at the end of the vesting period. The vesting period will end in connection with the publication of Coor's interim report for the first quarter of 2026.

In total, the program comprised a maximum of 146,900 investment shares with a maximum allotment of 638,900 performance-based share rights. The take-up of the program was around 76 per cent, which meant that a total of 483,144 share rights were allotted on the issue date, comprising 108,236 share rights of series A, 266,672 of series B and 108,236 of series C. To ensure delivery of shares under the program, the Annual General Meeting resolved to authorise the Board of Directors to acquire own shares.

The performance-based share rights are divided into three series:

- Series A – customer satisfaction index: The allotment of share rights of series A is contingent on the improvement in Coor's customer satisfaction index in relation to the defined targets.
- Series B – earnings performance: The allotment of share rights of series B is contingent on the improvement in Coor's earnings (adjusted EBITA) in relation to the adopted business plan.
- Series C – relative total return performance: The allotment of share rights of series C is contingent on the total return performance of Coor's shares in relation to a weighted average in a group of other companies (the benchmark group).

Selected key performance indicators

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 30 for definitions of terms and the calculation of key performance indicators.

Growth

The Group considers that organic growth best reflects the underlying growth of the business, as this measure excludes the effect of acquisitions and fluctuations in exchange rates.

Earnings and profitability

To reflect the performance and profitability of the underlying business more accurately, the Group has defined key performance indicators in which earnings have been adjusted for items affecting comparability and for 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 performance 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)	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Operating profit (EBIT)	**86**	**97**	**364**	**408**
Amortisation and impairment of customer contracts and trademarks	23	32	130	156
EBITA	**109**	**128**	**494**	**565**
Items affecting comparability (Note 3)	57	25	112	69
Adjusted EBITA	**166**	**153**	**606**	**634**
Depreciation	63	56	242	217
Adjusted EBITDA	**229**	**210**	**848**	**851**
Income for the period	30	54	155	257
Amortisation and impairment of customer contracts and trademarks	23	32	130	156
Adjusted net profit	**53**	**86**	**285**	**414**

Specification of net working capital (SEK m)	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Accounts receivable	1,591	1,511	1,591	1,511
Other current assets, non-interest-bearing	416	424	416	424
Accounts payable	-1,177	-1,102	-1,177	-1,102
Other current liabilities, non-interest-bearing	-1,913	-1,854	-1,913	-1,854
Adjustment for accrued financial expenses	23	4	23	4
Net working capital	**-1,060**	**-1,018**	**-1,060**	**-1,018**

Specification of net debt (SEK m)	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Borrowings	2,321	1,850	2,321	1,850
Lease liabilities	371	301	371	301
Provisions for pensions	27	25	27	25
Cash and cash equivalents	-534	-484	-534	-484
Other financial non-current assets, interest-bearing	-35	-63	-35	-63
Other current assets, interest-bearing	-1	-1	-1	-1
Net debt	**2,149**	**1,629**	**2,149**	**1,629**

For a reconciliation of cash conversion, see page 19.

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 programs. Items affecting comparability are included either in cost of services sold or selling and administrative expenses.

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.

R12/LTM
Rolling 12 months/Last 12 months.

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 research firm.

Customer satisfaction index (CSI)
Each year, Coor conducts a comprehensive customer survey with the help of an external research firm.

NPS/eNPS
Net Promoter Score (NPS/eNPS) is a standardised measurement of customer/employee loyalty. The result comprises the percentage share of customers/employees who graded the company at nine or ten points (ambassadors) less the percentage share of employees who graded the company at zero to six points (critics).

Scope 1–3

Scope 1 encompasses all direct GHG emissions. For Coor, this includes emissions from the combustion of fossil fuels from vehicles and machinery.

Scope 2 includes indirect emissions from energy use in the form of electricity, heating and cooling.

Scope 3 includes all other indirect emissions from purchased goods and services, business travel, capital goods, investments, employee commuting, waste disposal, upstream transportation and distribution.

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-bearing 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).

TRIF (total recorded injury frequency)
Total number of injuries multiplied by 1,000,000 working hours. Injuries to and from the workplace are excluded.

Scope 1 CO_2 emissions – vehicle fleet
Emissions of CO_2 equivalents from purchased fuel for owned and leased machinery and vehicles are reported in absolute terms (tCO_2e).

Scope 2 CO_2 emissions – premises
Emissions of CO_2 equivalents from electricity, heating and cooling in the premises where Coor has operational control over its energy use are reported in absolute terms (tCO_2e).

Scope 3 CO_2 emissions – food & beverages
Emissions of CO_2 equivalents from purchased food as part of service deliveries of food & beverages ($kgCO_2e$/kg purchased food).

Scope 3 CO_2 emissions in the supply chain
Total emissions from suppliers with science-based targets (for the reporting year) divided by the total emissions from purchased goods and services and upstream transportation and distribution (reporting year).

For further information

For questions concerning the financial report, please contact CFO and IR Director Andreas Engdahl (+46 10 559 54 63).

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

On 8 February 2024 at 10:00 a.m. CET, the company's President and CFO will give a presentation on developments in the fourth quarter via a webcast.

To participate, please register using the link below. The audio link may be used if you only wish to listen to the presentation or if you wish to ask a question verbally. If you do not want to ask any questions but want to view the presentation, use the webcast link.

Webcast Audience URL (to register for the web presentation without asking questions):
https://onlinexperiences.com/Launch/QReg/ShowUUID=EEFD95A5-9A42-4913-B172-C5B191C9436B

Audio Conference Call Access (to register to listen to the presentation and to ask questions):
https://emportal.ink/46UV0CK

Financial calendar

5 April 2024	2023 Annual Report
24 April 2024	Interim Report January–March 2024
26 April 2024	2024 AGM
12 July 2024	Interim Report January–June 2024
24 October 2024	Interim Report January–September 2024
6 February 2025	Interim Report January–December 2024

This constitutes information which Coor Service Management Holding AB is required to publish under the EU Market Abuse Regulation. The information was submitted for publication through the above contact person on 8 February 2024 at 7:30 a.m. CET.