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Nothing in this electronic transmission, including the attached document, constitutes an offer of securities for sale in any jurisdiction where it is unlawful to do so.

THE SECURITIES REFERRED TO IN THIS ELECTRONIC TRANSMISSION AND THE ATTACHED DOCUMENT (THE "**SECURITIES**") HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT "OFFSHORE TRANSACTIONS" AS DEFINED IN, AND IN RELIANCE ON, REGULATION S ("**REGULATION S**") UNDER THE U.S. SECURITIES ACT OR WITHIN THE UNITED STATES TO PERSONS REASONABLY BELIEVED TO BE QUALIFIED INSTITUTIONAL BUYERS ("**QIBs**") AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT ("**RULE 144A**") PURSUANT TO RULE 144A OR ANOTHER EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, REGISTRATION UNDER THE U.S. SECURITIES ACT. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS ELECTRONIC TRANSMISSION AND THE ATTACHED DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS NOTICE MAY RESULT IN A VIOLATION OF THE U.S. SECURITIES ACT AND/OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. NOTHING IN THIS ELECTRONIC TRANSMISSION AND THE ATTACHED DOCUMENT CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

This electronic transmission and the attached document are only addressed to and directed at persons in member states of the European Economic Area ("**EEA**") who are qualified investors within the meaning of article 2(1)(e) of European Union Directive 2003/71/EC, as amended including by Directive 2010/73/EU ("**Qualified Investors**"). In addition, in the United Kingdom, this electronic transmission and the attached document are addressed to, and directed only at, Qualified Investors who (i) are persons who have professional experience in matters relating to investments falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), (ii) are persons who are high net worth entities falling within article 49(2)(a) to (d) of the Order, or (iii) are other persons to whom they may otherwise lawfully be communicated (all such persons together being referred to as "**Relevant Persons**"). This electronic transmission and the attached document must not be acted on or relied on (i) in the United Kingdom, by persons who are not Relevant Persons, and (ii) in any member state of the EEA other than the United Kingdom, by persons who are not Qualified Investors. Any investment or investment activity to which this electronic transmission and the attached document relate is available only to Relevant Persons in the United Kingdom and Qualified Investors in any member state of the EEA other than the United Kingdom, and will be engaged in only with such persons.

Confirmation of your representation: This electronic transmission and the attached document are delivered to you on the basis that you are deemed to have represented to Coor Service Management Holding AB (publ) (the "**Company**") and each of Nordea Bank AB (publ), UBS Limited, DNB Markets, a part of DNB Bank ASA, Filial Sverige, and Skandinaviska Enskilda Banken AB (publ) (together, the "**Managers**") that you have understood and agree to the terms set out herein, and (i) you are a person that is outside the United States for the purpose of Regulation S or a QIB inside the United States, and in the latter case, you are acquiring the Securities for your own account and/or for the account of another QIB, or (ii) you are a person in a member state of the EEA, other than the United Kingdom, and you are a Qualified Investor and/or a Qualified Investor acting on behalf of Qualified Investors or Relevant Persons, to the extent that you are acting on behalf of persons or entities in the EEA or the United Kingdom, or

(iii) you are a person in the United Kingdom and you are a Relevant Person and/or a Relevant Person acting on behalf of Relevant Persons or Qualified Investors, to the extent that you are acting on behalf of persons or entities in the United Kingdom or in the EEA, or (iv) you are an institutional investor that is otherwise eligible to receive this electronic transmission and the attached document in accordance with the laws of the jurisdiction in which you are located.

You shall also be deemed to have represented to the Company and each of the Managers that you consent to delivery by electronic transmission.

You are reminded that you have received this electronic transmission and the attached document on the basis that you are a person into whose possession this electronic transmission and the attached document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver this electronic transmission or the attached document, electronically or otherwise, to any other person. If a jurisdiction requires that the private offer to certain institutional and professional investors (the "**Offering**") to which this electronic transmission and the attached document relates be made by a licensed broker or dealer and any Manager or any affiliate of a Manager is a licensed broker or dealer in that jurisdiction, the Offering shall be deemed to be made by such Manager or affiliate on the behalf of the Company in such jurisdiction.

You are reminded that documents transmitted electronically may be altered or changed during the process of transmission and consequently neither the Company nor the Managers nor any of their respective affiliates accepts any liability or responsibility whatsoever in respect of any difference between the attached document delivered by electronic transmission and the hard copy version. Your receipt of this document is at your own risk and you are responsible for protecting against viruses and other destructive items.

Restriction: Nothing in this electronic transmission constitutes, and may not be used in connection with, an offer of securities for sale to persons other than the certain institutional and professional investors described above and to whom it is directed and access has been limited so that it shall not constitute a general solicitation. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

None of the Managers nor any of their respective affiliates accepts any responsibility whatsoever for the contents of this electronic transmission or the attached document or for any statement made or purported to be made by them, or on their behalf, in connection with the Company or the Securities or the Offering referred to herein. The Managers and each of their respective affiliates each accordingly disclaim all and any liability whether arising in tort, contract or otherwise which they might otherwise have in respect of such electronic transmission, attached document or any such statement. No representation or warranty express or implied, is made by any of the Managers or any of their respective affiliates as to the accuracy, completeness or sufficiency of the information set out in this electronic transmission or the attached document.

The Managers are acting exclusively for the Company and no one else in connection with the Offering. They will not regard any other person (whether or not a recipient of this electronic transmission or the attached document) as their client in relation to the Offering and will not be responsible to anyone other than the Company for providing the protections afforded to their clients nor for giving advice in relation to the Offering or any transaction, matter or arrangement referred to herein.

OFFERING MEMORANDUM **STRICTLY CONFIDENTIAL—NOT FOR DISTRIBUTION**

Coor Service Management Holding AB (publ)

(Coor Service Management Holding AB (publ), a public company with limited liability, (Sw. publikt aktiebolag) incorporated under the laws of Sweden, with its corporate seat in the municipality of Stockholm, Sweden)

Admission to listing and trading on Nasdaq Stockholm
and public offering of up to 63,382,785 ordinary shares

Coor Service Management Holding AB (publ) (the "**Company**" or "**Coor**", and together with its subsidiaries, the "**Group**"), a public company with limited liability, (Sw. *publikt aktiebolag*) incorporated under the laws of Sweden, is offering up to 52,343,750 newly issued Shares (as defined below) (the "**New Offer Shares**") and Cinoor S.à.r.l. (the "**Principal Shareholder**", see the section entitled "*Selling Shareholders*" for additional information) is offering up to 14,712,492 existing Shares (the "**Existing Offer Shares**," and together with the New Offer Shares and, unless the context indicates otherwise, the Over-Allotment Shares (as defined below), the "**Offer Shares**"). Assuming no exercise of the Over-Allotment Option (as defined below), the Offer Shares will constitute not more than 60.9% of the issued and outstanding ordinary shares, nominal value SEK395,664,692 in the Company's share capital (the "**Shares**"). If the Offering is fully increased and the Over-Allotment Option is fully exercised, the Offer Shares will constitute not more than 70.0% of the Shares.

The offering of the Offer Shares (the "**Offering**") consists of (i) a public offering in Sweden to institutional and retail investors and (ii) a private placement to certain institutional investors in various other jurisdictions. The Offer Shares are being offered: (i) within the United States of America (the "**United States**" or "**U.S.**"), to persons reasonably believed to be "qualified institutional buyers" ("**QIBs**") as defined in, and in reliance on, Rule 144A under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act, and applicable state and other securities laws of the United States, and (ii) outside the United States, where all offers and sales of the Offer Shares will be made in compliance with Regulation S under the U.S. Securities Act ("**Regulation S**").

Prior to the Offering, there has been no public market for the Shares. Application has been made to list and admit all of the Shares to trading under the symbol "COOR" on Nasdaq Stockholm. Subject to acceleration or extension of the timetable for the Offering, trading on an "as-if-and-when-delivered" basis in the Shares on Nasdaq Stockholm is expected to commence on or about June 16, 2015 (the **"First Trading Date"**).

The price of the Offer Shares (the "Offer Price") is expected to be in the range
of SEK32 to SEK39 (inclusive) per Offer Share (the "Offer Price Range")

The Offering will take place from June 4, 2015 until 17:00 Central European Time ("**CET**") on June 15, 2015 (the "**Offering Period**"), subject to acceleration or extension of the timetable for the Offering. The Offer Price Range is indicative. The Offer Price and the exact number of Offer Shares offered in the Offering will be determined by the Company and the Principal Shareholder, based on close consultation with the Joint Global Coordinators (as defined below), after the end of the Offering Period on the basis of the bookbuilding process and taking into account economic and market conditions, a qualitative and quantitative assessment of demand for the Offer Shares and other factors deemed appropriate. The Offer Price and the number of Offer Shares sold is expected to be announced through a press release on or about June 16, 2015.

Payment for, and issue and delivery of, the Offer Shares ("**Settlement**") is expected to take place on or about June 18, 2015 (the "**Settlement Date**"). If Settlement does not take place on the Settlement Date as planned or at all, the Offering may be withdrawn, in which case all subscriptions for Offer Shares will be disregarded, any allotments made will be deemed not to have been made and any subscription payments made will be returned without interest or other compensation. Any dealings in Offer Shares prior to Settlement are at the sole risk of the parties concerned. None of the Company, the Principal Shareholder, the Managers (as defined below) and Nasdaq Stockholm accept responsibility or liability towards any person as a result of the withdrawal of the Offering or the (related) annulment of any transactions in Offer Shares.

INVESTING IN THE OFFER SHARES INVOLVES RISKS. SEE "RISK FACTORS" BEGINNING ON PAGE 12 OF THIS OFFERING MEMORANDUM FOR A DESCRIPTION OF CERTAIN RISKS THAT SHOULD BE CAREFULLY CONSIDERED BEFORE INVESTING IN THE OFFER SHARES.

The Offer Shares will be delivered in book-entry form through the facilities of Euroclear Sweden AB ("**Euroclear Sweden**").

The Principal Shareholder has granted the Managers (as defined herein) an option (the "**Over-Allotment Option**"), exercisable in whole or in part by Nordea Bank AB (publ) ("**Nordea**") and UBS Limited ("**UBS**") as stabilizing managers, for 30 calendar days after the Settlement Date, pursuant to which the Managers may require the Principal Shareholder to sell at the Offer Price up to 9,507,417 additional Shares, comprising up to 15% of the total number of Offer Shares sold in the Offering (the "**Over-Allotment Shares**"), to cover short positions resulting from any over-allotments made in connection with the Offering or stabilization transactions, if any. Nordea and UBS are acting as joint global coordinators and joint bookrunners (in such and any other capacity, the "**Joint Global Coordinators**") and DNB Markets, a part of DNB Bank ASA, Filial Sverige, ("**DNB**") and Skandinaviska Enskilda Banken AB (publ) ("**SEB**") are acting as joint bookrunners for the Offering (the "**Joint Bookrunners**", and together with the Joint Global Coordinators, the "**Managers**").

The Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States, and may not be offered or sold within the United States unless the Offer Shares are registered under the U.S. Securities Act or an exemption from the registration requirements of the U.S. Securities Act is available. There will be no public offer of the Offer Shares in the United States. Prospective purchasers are hereby notified that the Company and other sellers of the Offer Shares are relying on an exemption from the registration requirements of Section 5 of the U.S. Securities Act, which may include Rule 144A or Regulation S thereunder.

Neither the delivery of this document (the "**Offering Memorandum**") nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof or that the information contained herein is correct as of any time subsequent to its date. In the event of any changes to the information in this Offering Memorandum that may affect the valuation of the Offer Shares during the period from the date of announcement to the first day of trading, such changes will be announced in accordance with the provisions of Chapter 2, Section 34 of the Swedish Financial Trading Act (1991:980) (Sw. *lagen (1991:980) om handel med finansiella instrument*) (the "**Trading Act**"), which, among other things, governs the publication of prospectus supplements.

A separate prospectus in Swedish has been approved by and registered with the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the "**SFSA**") in accordance with the provisions of Chapter 2, Sections 25 and 26 of the Trading Act, implementing the Directive 2003/71/EC of the European Parliament and of the Council, and amendments thereto (including those resulting from Directive 2010/73/EU) (the "**Prospectus Directive**"). Approval and registration by the SFSA does not imply that the SFSA guarantees that the factual information provided herein is correct or complete

Joint Global Coordinators and Joint Bookrunners

Nordea **UBS Investment Bank**

Joint Bookrunners

DNB **SEB**

This Offering Memorandum is dated June 3, 2015

NOTICES TO INVESTORS

The distribution of this Offering Memorandum and the offer, acceptance, delivery, transfer, exercise, purchase of, subscription for, or trade in the Offer Shares may, in certain jurisdictions other than Sweden, including, but not limited to, the United States, be restricted by law. Persons in possession of this Offering Memorandum are required to inform themselves about, and to observe, any such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction. This Offering Memorandum may not be used for, or in connection with, and does not constitute, an offer to sell, or an invitation to purchase, any of the Offer Shares in any jurisdiction in which such offer or invitation is not authorized or would be unlawful. Neither this Offering Memorandum, nor any related materials, may be distributed or transmitted to, or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws or regulations.

None of the Company, the members of the Board of Directors, the Executive Management Team, the Principal Shareholder, the Managers or any of their respective representatives, is making any representation to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

All purchasers of the Offer Shares are deemed to acknowledge that: (i) they have not relied on the Managers or any person affiliated with them in connection with any investigation of the accuracy of any information contained in this Offering Memorandum or their investment decision; and (ii) they have relied only on the information contained in this Offering Memorandum, and that no person has been authorized to give any information or to make any representation concerning us or our subsidiaries, the Principal Shareholder or the Offer Shares (other than as contained in this Offering Memorandum) and, that if given or made, any such other information or representation has not been relied upon as having been authorized by us, the Principal Shareholder or any of the Managers.

EXCEPT AS OTHERWISE SET OUT IN THIS OFFERING MEMORANDUM, THE OFFERING DESCRIBED IN THIS OFFERING MEMORANDUM IS NOT BEING MADE TO INVESTORS IN THE U.S., CANADA, AUSTRALIA, JAPAN, NEW ZEALAND, SOUTH AFRICA, HONG KONG OR SINGAPORE.

This Offering Memorandum does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to acquire, the Offer Shares in any jurisdiction in which such an offer or solicitation is unlawful or would result in us becoming subject to public company reporting obligations outside Sweden.

The distribution of this Offering Memorandum, and the offer or sale of Offer Shares, is restricted by law in certain jurisdictions. This Offering Memorandum may only be used where it is legal to offer, solicit offers to purchase or sell the Offer Shares. Persons who obtain this Offering Memorandum must inform themselves about and observe all such restrictions.

No action has been or will be taken to permit a public offer or sale of the Offer Shares, or the possession or distribution of this Offering Memorandum or any other material in relation to the Offering, in any jurisdiction outside Sweden where action may be required for such purpose. Accordingly, neither this Offering Memorandum nor any advertisement or any other related material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. See "*Plan of Distribution and Transfer Restrictions—Transfer Restrictions*".

The Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States for offer or sale as part of their distribution and may not be offered or sold within the United States unless the Offer Shares are registered under the U.S. Securities Act or an exemption from the registration requirements of the U.S. Securities Act is available. In the United States the Offer Shares will be sold only to persons reasonably believed to be QIBs as defined in, and in reliance on, Rule 144A under the U.S. Securities Act or pursuant to another exemption from, or in a transaction not subject to, the registration requirement under the U.S. Securities Act and applicable state securities laws. All offers and sales of the Offer Shares outside the United States will be made in compliance with Regulation S under the U.S. Securities Act and in accordance with applicable law. See "*Plan of Distribution and Transfer Restrictions—Transfer Restrictions*". The Offer Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offence in the United States.

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ("**RSA**") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

European Economic Area

In any member state of the European Economic Area ("**EEA**") other than Sweden and the United Kingdom that has implemented the Prospectus Directive, this Offering Memorandum is only addressed to, and is only directed at, investors in that EEA member state who fulfill the criteria for exemption from the obligation to publish a prospectus, including qualified investors, within the meaning of the Prospectus Directive as implemented in each such EEA member state.

This Offering Memorandum has been prepared on the basis that all offers of Offer Shares, other than the offer contemplated in Sweden, will be made pursuant to an exemption under the Prospectus Directive, as implemented in member states of the EEA, from the requirement to produce a prospectus for offers of the Offer Shares. Accordingly any person making or intending to make any offer within the EEA of the Offer Shares that is the subject of the placement contemplated in this Offering Memorandum should only do so in circumstances in which no obligation arises for the Company, the Principal Shareholder or any of the Managers to produce a prospectus for such offer. None of the Company, the Principal Shareholder and the Managers have authorized, nor do the Company, the Principal Shareholder or the Managers authorize, the making of any offer of the Offer Shares through any financial intermediary, other than offers made by Managers that constitute the final placement of the Offer Shares contemplated in this Offering Memorandum.

The Offer Shares have not been, and will not be, offered to the public in any EEA member state that has implemented the Prospectus Directive, excluding Sweden (each a "**Relevant Member State**"). Notwithstanding the foregoing, an offering of the Offer Shares may be made in a Relevant Member State:

- to any legal entity that is a qualified investor as defined in the Prospectus Directive;
- to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of the Offer Shares results in a requirement for the publication by the Company, the Principal Shareholder or any Manager of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer to the public**" in relation to any Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offering and the Offer Shares so as to enable an investor to decide to purchase the Offer Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

United Kingdom

In the United Kingdom, this Offering Memorandum is being distributed only to, and is directed only at, qualified investors (as defined above) (a) who have professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), or (b) who are high net worth entities, as described in Article 49(2)(a) to (d) of the Order; or (c) other persons to whom it may lawfully be communicated (all such persons being referred to in (a), (b) and (c) are defined as "Relevant Persons"). In the United Kingdom, any investment or investment activity to which this Offering Memorandum relates is only available to and will only be engaged in with Relevant Persons. Any other persons who receive this Offering Memorandum should not rely on or act upon it.

If any Offer Shares are offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will be deemed to have represented, acknowledged and agreed that the Offer Shares acquired by it in the Offering have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Offer Shares to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of the Joint Global Coordinators has been obtained to each such proposed offer or resale. The Company, the Principal Shareholder, the Managers and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

Enforcement of Civil Liabilities

The ability of shareholders in certain countries other than Sweden, in particular in the United States, to bring an action against the Company may be limited under law. The Company is a public limited liability company (Sw. *publikt aktiebolag*) incorporated in Sweden and has its statutory seat (Sw. *säte*) in the municipality of Stockholm, Sweden.

All of the members of the Board of Directors, the Executive Management Team and our other officers named herein are residents of countries other than the United States. All or a substantial proportion of the assets of these individuals are located outside the United States. Our assets are predominantly located outside of the United States. As a result, it may be impossible or difficult for investors to effect service of process within the United States upon such persons or us or to enforce against them in U.S. courts a judgment obtained in such courts.

The United States and Sweden do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Accordingly, a judgment rendered by a court in the United States will not be recognized and enforced by the Swedish courts. However, if a person has obtained a final and conclusive judgment for the payment of money rendered by a court in the United States which is enforceable in the United States and files his claim with the competent Swedish court, the Swedish court will generally give binding effect to such foreign judgment insofar as it finds that the jurisdiction of the U.S. court has been based on grounds which are internationally acceptable and that proper legal procedures have been observed and except to the extent that the foreign judgment contravenes Swedish public policy.

IMPORTANT INFORMATION

General

The content of this Offering Memorandum is not to be considered or interpreted as legal, financial or tax advice. It is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of us, the members of the Board of Directors, the Executive Management Team, the Principal Shareholder, any of the Managers or any of their respective representatives that any recipient of this Offering Memorandum should subscribe for or purchase any Offer Shares. The Managers are party to various agreements pertaining to the Offering and have entered or may enter into financing arrangements with the Company or the Group, but this should not be considered as a recommendation by them to invest in the Offer Shares. Each prospective investor should consult his own stockbroker, bank manager, lawyer, auditor or other financial, legal or tax advisors before making any investment decision with regard to the Offer Shares, to among other things consider such investment decision in light of his or her personal circumstances and in order to determine whether or not such prospective investor is eligible to subscribe for the Offer Shares.

Potential investors should rely only on the information contained in this Offering Memorandum and any prospectus supplements announced in accordance with the provisions of Chapter 2, Section 34 of the Trading Act. We do not undertake to update this Offering Memorandum, unless required pursuant to the provisions of Chapter 2, Section 34 of the Trading Act, and therefore potential investors should not assume that the information in this Offering Memorandum is accurate as of any date other than the date of this Offering Memorandum. No person is or has been authorized to give any information or to make any representation in connection with the Offering, other than as contained in this Offering Memorandum, and, if given or made, any other such information or representation must not be relied upon as having been authorized by us, the members of its Board of Directors, the Executive Management Team, the Principal Shareholder, any of the Managers or any of their respective representatives. The delivery of this Offering Memorandum at any time after the date hereof will not, under any circumstances, create any implication that there has been no change in our affairs since the date hereof or that the information set forth in this Offering Memorandum is correct as of any time since its date.

No representation or warranty, express or implied, is made or given by or on behalf of the Managers or any of their affiliates or any of their respective directors, officers or employees or any other person, as to the accuracy, completeness or fairness of the information or opinions contained in this Offering Memorandum and nothing in this Offering Memorandum shall be relied upon as, a promise or representation by the Managers or any of their respective affiliates as to the past or future. None of the Managers accepts any responsibility whatsoever for the contents of this Offering Memorandum or for any other statements made or purported to be made by either itself or on its behalf in connection with us, the Principal Shareholder, the Offering or the Shares. Accordingly, the Managers disclaim, to the fullest extent permitted by applicable law, all and any liability, whether arising in tort or contract or which they might otherwise be found to have in respect of this Offering Memorandum and/or any such statement.

The Managers are acting exclusively for the Company and the Principal Shareholder and no one else in connection with the Offering. They will not regard any other person (whether or not a recipient of this Offering Memorandum) as their respective customers in relation to the Offering and will not be responsible to anyone other than the Company and the Principal Shareholder for providing the protections afforded to their respective customers or for giving advice in relation to, respectively, the Offering and the listing or any transaction or arrangement referred to herein.

In connection with the Offering, the Managers and any of their respective affiliates, acting as investors for their own accounts, may subscribe for and/or acquire Offer Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Offer Shares and other of our securities or related investments in connection with the Offering or otherwise.

Accordingly, references in this Offering Memorandum to the Offer Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, dealing or placing by, the Managers and any of their affiliates acting as investors for their own accounts. None of the Managers intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

Supplements

If a significant new factor, material mistake or inaccuracy relating to the information included in this Offering Memorandum that is capable of affecting the assessment of the Offer Shares, arises or is noted between the date of this Offering Memorandum and the later of the end of the Offering Period and the start of trading on Nasdaq Stockholm, a prospectus supplement must be announced in accordance with the provisions of Chapter 2, Section 34 of the Trading Act. Such a supplement will be subject to approval by the SFSA.

Investors who have already agreed to purchase or subscribe for the Offer Shares before the supplement is published shall have the right, exercisable within two business days following the publication of a supplement, to withdraw their acceptances.

Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Offering Memorandum. Any statement so modified or superseded shall, except as so modified or superseded, no longer constitute a part of this Offering Memorandum. For the avoidance of doubt, references in this paragraph to any supplement being published by the Company do not include the pricing statement.

Stabilization

IN CONNECTION WITH THE OFFERING, NORDEA AND/OR UBS, AS STABILIZING MANAGERS (THE "STABILIZING MANAGERS"), OR ANY OF THEIR AGENTS, MAY (BUT WILL BE UNDER NO OBLIGATION TO), TO THE EXTENT PERMITTED BY APPLICABLE LAW, OVER-ALLOT SHARES OR EFFECT OTHER TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE SHARES AT A HIGHER LEVEL THAN THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. THE STABILIZING MANAGERS ARE NOT REQUIRED TO ENTER INTO SUCH TRANSACTIONS AND SUCH TRANSACTIONS MAY BE EFFECTED ON ANY SECURITIES MARKET, OVER-THE-COUNTER MARKET, STOCK EXCHANGE OR OTHERWISE AND MAY BE UNDERTAKEN AT ANY TIME DURING THE PERIOD COMMENCING ON THE FIRST DAY OF TRADING IN THE SHARES ON NASDAQ STOCKHOLM AND ENDING NO LATER THAN 30 CALENDAR DAYS THEREAFTER. HOWEVER, THERE WILL BE NO OBLIGATION ON THE STABILIZING MANAGERS OR ANY OF THEIR AGENTS TO EFFECT STABILIZING TRANSACTIONS AND THERE IS NO ASSURANCE THAT STABILIZING TRANSACTIONS WILL BE UNDERTAKEN. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT PRIOR NOTICE. IN NO EVENT WILL MEASURES BE TAKEN TO STABILIZE THE MARKET PRICE OF THE SHARES ABOVE THE OFFERING PRICE. EXCEPT AS REQUIRED BY LAW OR REGULATION, NEITHER THE STABILIZING MANAGERS NOR ANY OF THEIR AGENTS INTENDS TO DISCLOSE THE EXTENT OF ANY OVER-ALLOTMENTS MADE AND/OR STABILIZATION TRANSACTIONS CONDUCTED IN RELATION TO THE OFFERING.

Potential Conflict of Interest

As of the date of this Offering Memorandum, Nordea Bank Danmark A/S, whose parent company is Nordea, holds direct economic interest in Cinven Funds of in total 0.08% and indirect economic interest in Cinven Funds through Nordea Private Equity II Global Fund of Funds K/S of in total 0.01%. Subsidiaries of Nordea Life Holding AB, whose parent company is Nordea, have as indirect economic interest of Cinven Funds through Nordea Private Equity II Global Funds of Funds K/S of in total 0.15%. In addition, DNB Bank ASA, Filial Sverige, Nordea Bank AB (publ) and Skandinaviska Enskilda Banken AB (publ) are lendors under the Credit Facilities.

Forward-Looking Statements

This Offering Memorandum contains forward-looking statements that reflect our intentions, beliefs or current expectations and projections about our future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which we operate. Forward-looking statements involve all matters that are not historical facts. We have tried to identify forward-looking statements by using words such as "may," "will," "would," "should," "expects," "intends," "estimates," "anticipates," "projects," "believes," "could," "hopes," "seeks," "plans," "aims," "objective," "potential," "goal" "strategy," "target," "continue," "annualized" and similar expressions or negatives thereof or other variations thereof or comparable terminology, or by discussions of strategy that involve risks and uncertainties. Forward-looking statements may be found principally in sections in this Offering Memorandum entitled "*Risk Factors*", "*Industry Overview*", "*Business Overview*", "*Operating and Financial Review*" and "*Shares and Share Capital—Dividends and Dividend Policy*", as well as elsewhere.

The forward-looking statements are based on our beliefs, assumptions and expectations regarding future events and trends that affect our future performance, taking into account all information currently available to us, and are not guarantees of future performance. These beliefs, assumptions and expectations can change as a result of possible events or factors, not all of which are known to us or are within our control. If a change occurs, our business, financial condition, liquidity, results of operations, anticipated growth, strategies or opportunities may vary materially from those expressed in, or suggested by, these forward-looking statements. In addition, the forward-looking estimates and forecasts reproduced in this Offering Memorandum from third-party reports could prove to be inaccurate. A number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement as a result of risks and uncertainties facing us. Such risks, uncertainties and other important factors include, but are not limited to, those listed in the section entitled "*Risk Factors*".

The following include some but not all of the factors that could cause actual results or events to differ materially from those anticipated results or events:

- our exposure to customer concentration;
- our ability to retain existing and win new contracts;
- operational risks or the complexity of our business;
- the competitive environment in which we operate;
- general economic trends and trends in the facility management services industry;
- changes to, or failure or inability to comply with laws or regulations;
- our ability to refinance indebtedness;
- increases in our effective tax rates or other harm to our business as a result of changes in tax laws;
- availability and quality of third party subcontractors;
- fluctuations in currency and interest rates;
- the outcome of any pending or threatened litigation; and
- the loss of key employees and the availability of qualified personnel.

Should one or more of these risks or uncertainties materialize, or should any of the assumptions underlying the above or other factors prove to be incorrect, our actual future financial condition or results of operations could differ materially from those described herein as currently anticipated, believed, estimated or expected.

Investors or potential investors should not place undue reliance on the forward-looking statements in this Offering Memorandum. We urge investors to read the sections of this Offering Memorandum entitled "*Risk Factors*", "*Business Overview*", "*Industry Overview*" and "*Operating and Financial Review*" for a more complete discussion of the factors that could affect our future performance and the markets in which we operate. In light of the possible changes to our beliefs, assumptions and expectations, the forward-looking events described in this Offering Memorandum may not occur. Additional risks currently not known to us or that we have not considered material as of the date of this Offering Memorandum could also cause the forward-looking events discussed in this Offering Memorandum not to occur. Forward-looking statements involve inherent risks and uncertainties and speak only as of the date they are made. We undertake no duty to and will not necessarily update any of the forward-looking statements in light of new information or future events, except to the extent required by applicable law.

PRESENTATION OF FINANCIAL INFORMATION

The summary consolidated financial data as at and for the years ended December 31, 2014, 2013 and 2012 has, unless otherwise stated, been derived from our audited consolidated financial statements for the financial years 2014, 2013 and 2012 included under the "*Historical Financial Information*", (the "**Historical Financial Information**"), prepared in accordance with the Annual Accounts Act, the Swedish Financial Reporting Board's (Rådet for finansiell rapportering) recommendation RFR 1 ("Additional Rules for Group Accounting") and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the EU ("**IFRS**"). The summary consolidated financial data for the three months ended March 31, 2014 and 2015 have been derived from our unaudited consolidated interim financial information for the three months ended March 31, 2015 (included under the "*Historical Financial Information*") prepared in accordance with IFRS, unless otherwise stated, which were reviewed by Öhrlings PricewaterhouseCoopers AB as set forth in their review report included elsewhere herein (the "**2015 Interim Financial Statements**").

The significant accounting policies of the Group applied in the "*Historical Financial Information*" have been applied consistently in the Historical Financial Information in this Offering Memorandum. In certain respects, IFRS differs from generally accepted accounting principles in the United States ("**US GAAP**"). Investors should seek their own advice regarding the differences between IFRS and US GAAP. In making an investment decision, prospective investors must rely on their own examination of the information regarding the Group, the terms of the Offering and the financial and other information in this Offering Memorandum.

The Industrial Service division is accounted for as a discontinued operation in our financial statements for the three months ended March 31, 2015 and 2014 and the financial years ended December 31, 2014, 2013 and 2012. The historical financial information for the years ended 2014, 2013 and 2012 has been restated as compared with the statutory accounts to reflect the effects of IFRS 5 Discontinued operations.

We have also presented certain unaudited financial information for the twelve months ended March 31, 2015 (the "**twelve months ended March 31, 2015**" or "**LTM**"). The unaudited consolidated financial information for the twelve months ended March 31, 2015 was calculated by adding the financial information for three months ended March 31, 2015 and the year ended December 31, 2014 and subtracting the unaudited interim consolidated financial statements for the three months ended March 31, 2014. This LTM data has been prepared solely for the purpose of this Offering Memorandum, has not been prepared in the ordinary course of our financial reporting and has not been audited or reviewed. The financial information for the three months and twelve months ended March 31, 2015 is not necessarily indicative of the results that may be expected for the year ended December 31, 2015, and should not be used as the basis for or prediction of an annualized calculation.

Apart from our audited consolidated financial statements for the financial years 2012 to 2014 and the reviewed interim financial information for the three months ended March 31, 2015 no information in this prospectus has been audited or reviewed by our auditor.

Non-IFRS Information

This document contains certain financial measures that are not defined or recognized under IFRS, including EBITDA, EBITA, Adjusted EBITDA, Adjusted EBITA, Adjusted EBITA Margin, Net Working Capital, Capital Expenditures, Operating Cash Flow, Cash Conversion Ratio, Adjusted Net Income and Organic Growth.

EBITDA represents operating profit before depreciation and amortization. EBITA represents operating profit before amortization.

Adjusted EBITDA and Adjusted EBITA represent EBITDA and EBITA respectively, as defined above, adjusted to exclude items that the Directors believe affect comparability ("**IACs**"). IACs mainly include costs in relation to M&A integration, integration of new contracts and restructuring. More specifically these include: (1) integration costs relating to our acquisitions of Addici and LujaPalvelut, integration costs relating to the new Statoil contract, and other general integration costs; (2) restructuring costs incurred in relation to our cost reduction programs in 2012 and 2013 and (3) onerous rental agreement costs, CEO transition costs, cost for exit process, Cinven monitoring fees and other. Details on restructuring fees are disclosed in note 34 of the combined "*Historical Financial Information*". Adjusted EBITA Margin is defined as Adjusted EBITA expressed as a percentage of net sales (which excludes value added tax ("**VAT**")).

The Directors use EBITDA, EBITA, Adjusted EBITDA and Adjusted EBITA as key performance indicators of our business. We use these indicators in our business operations, among other things, to evaluate the performance of our operations, to develop budgets and to measure our performance against those budgets. The Directors believe EBITDA, EBITA, Adjusted EBITDA and Adjusted EBITA to be useful supplemental tools to assist in evaluating operating performance because, in the case of EBITDA, it eliminates depreciation and amortization, in the case of Adjusted EBITDA, it eliminates IACs, depreciation and amortization, in the case of EBITA, it eliminates amortization, and in the case of Adjusted EBITA, it eliminates IACs and amortization and the Directors believe that such measures provide useful supplemental information without regards to such items. The Directors consider Adjusted EBITDA and Adjusted EBITA to be more accurate reflections of our underlying business performance and believe that these measures provide additional useful information for prospective investors on our performance, and enhances comparability from period to period and with other companies, and is consistent with how business performance is measured internally. EBITDA, EBITA, Adjusted EBITDA and Adjusted EBITA and related measures are not measurements of performance or liquidity under IFRS or US GAAP and should not be considered by investors in isolation or as a substitute for measures of profit, or as an indicator of the Group's operating performance or cash flows from operating activities as determined in accordance with IFRS or US GAAP. The Directors have presented these supplemental measures because they are used by it in managing our business. In addition, the Directors believe that EBITDA, EBITA, Adjusted EBITDA and Adjusted EBITA and related measures are commonly reported by comparable businesses and used by investors and analysts in comparing the performance of businesses without regard to depreciation and amortization, which can vary significantly depending upon accounting methods (particularly when acquisitions have occurred). EBITDA, EBITA, Adjusted EBITDA and Adjusted EBITA and related measures may not be comparable to similarly titled measures disclosed by other companies and investors should not use these non-GAAP measures as a substitute for the figures provided in the "*Historical Financial Information*".

Net Working Capital

Net Working Capital is accounts receivables plus inventories plus accrued revenue and prepaid expenses plus other receivables less accounts payable, accrued expenses and deferred income and other short-term liabilities.

Capital Expenditure

Capital Expenditures is purchase of tangible/intangible fixed assets less proceeds from sale of tangible/ intangible fixed assets plus the net gain or loss on disposals.

Operating Cash Flow and Cash Conversion Ratio

Operating Cash Flow is defined as Adjusted EBITDA plus or minus the changes in Net Working Capital less total capital expenditures. Cash Conversion Ratio is defined as Operating Cash Flow as a percentage of Adjusted EBITDA.

Adjusted Net Income

Adjusted Net Income is profit from continuing operations excluding amortizations.

Organic Growth

Organic Growth is the percentage increase in our net sales from period to period excluding acquisitions. Our adjusted Organic Growth is the percentage increase in our net sales from period to period excluding acquisitions but including run rate effects and from 2012 to 2014 was a CAGR of 4%.

Rounding

Certain figures in this document, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances (i) the sum or percentage change of such numbers may not conform exactly with the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly with the total figure given for that column or row.

Currency Presentation

The tables below set forth the U.S. dollar versus the SEK exchange rates as certified by Sveriges Riksbank (the "**Swedish Central Bank**"). We do not represent that the SEK amounts referred to below could have been or could be converted U.S. dollars into at any particular rate indicated or at any other rate. The rates below may differ from the rates used in the "*Historical Financial Information*" and other financial information appearing in this Offering Memorandum.

The table below shows the high and low Swedish Central Bank daily closing rates for U.S. dollar versus SEK for each respective year and the rate at the end of the year. The average amounts set forth below under "Average" are calculated as the average of the Swedish Central Bank rates for U.S. dollar versus SEK on the last business day of each month for each respective year.

	Low	High	Average	End of Year
	(SEK per U.S. dollar)			
2010	6.5325	8.0650	7.2049	6.8025
2011	6.0050	6.9759	6.4969	6.9234
2012	6.5005	7.2850	6.7754	6.5156
2013	6.2940	6.8360	6.5140	6.5084
2014	6.3392	7.8117	6.8577	7.8117

The table below shows the high and low Swedish Central Bank rates for U.S. dollar versus SEK for each month during the six full months prior to the date of this Offering Memorandum.

	Low	High
	(SEK per U.S. dollar)	
December 2014	7.4455	7.8117
January 2015	7.8239	8.3051
February 2015	8.2483	8.426
March 2015	8.2748	8.7185
April 2015	8.3179	8.839
May 2015	8.2264	8.4917
June 2015 (through to 2 June)	8.5523	8.5743

The U.S. dollar versus SEK Swedish Central Bank exchange rate on June 2, 2015 was SEK8.5523 per U.S.$ 1.00.

MARKET AND FINANCIAL DATA

Certain information contained in this document relating to the FM market and the industry in which we operate as well as certain economic and industry data and forecasts used in, and statements regarding our market position made in, this document were extracted or derived from other third party reports, market research, government and other publicly available information and independent industry publications, as the case may be, as well as a report by an international strategy consultant commissioned by us. See "*Industry Overview*".

While we believe the third party information included herein to be reliable, we have not independently verified such third party information, and none of us, the Managers or the Principal Shareholder make any representation or warranty as to the accuracy or completeness of such information as set forth in this document. We confirm that such third party information has been accurately reproduced, and so far as we are aware and able to ascertain from information available from those publications, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, the accuracy of such third party information is subject to availability and reliability of the data supporting such information and neither the information nor the underlying data has been independently verified. Additionally, the industry publications and other reports referred to above generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed and, in some instances, these reports and publications state expressly that they do not assume liability for such information. We cannot therefore assure you of the accuracy and completeness of such information as it has not independently verified such information.

For information on the presentation of financial and other data, see "*Selected Consolidated Financial, Operating and Other Data*".

Certain Definitions

Unless indicated otherwise in this Prospectus or the context requires otherwise:

- all references to "Cinven" are depending on the context, either Cinven Limited as manager of the Cinven Funds or Cinven Partners LLP as advisor to the manager of the Cinven Funds;
- all references to the "Cinven Funds" are to the Fourth Cinven Fund (No. 1) Limited Partnership, Fourth Cinven Fund (No. 2) Limited Partnership, Fourth Cinven Fund (No. 3 VCOC) Limited Partnership, Fourth Cinven Fund (No. 4) Limited Partnership, Fourth Cinven Fund (UBTI) Limited Partnership, the Fourth Cinven (MACIF) Limited Partnership, the Fourth Cinven Fund Co-Investment Partnership and Fourth Cinven Fund FCPR.
- all references to "Statoil" are to Statoil ASA;
- all references to "ISS" are to ISS A/S;
- all references to "FTEs" are to full time equivalents;

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SUMMARY

Offering Memorandum summaries consist of information requirements presented in "items". The items are numbered in sections A-E (A.1-E.7).

The summary in this Offering Memorandum includes all of the items required in a summary for the relevant type of security and issuer. However, since certain items are not applicable to all types of Offering Memorandums, there may be gaps in the numbering of the items.

Even if an item is required to be included in the summary for the relevant type of security and issuer, it is possible that no relevant information can be provided regarding the item. In such case, the information is replaced by a brief description of the item together with the indication "not applicable".

Section A—Introductions and warnings		
A.1	*Introduction and warnings*	**This summary should be read as an introduction to the Offering Memorandum.** **Any decision to invest in the securities should be based on consideration of the Offering Memorandum as a whole by the investor.** **Where a claim relating to the information in this Offering Memorandum is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Offering Memorandum before the legal proceedings are initiated.** **Civil liability may attach to those persons who produced the summary, including any translation thereof, only if the summary is misleading, inaccurate or inconsistent with other parts of the Offering Memorandum or if, together with other parts of the Offering Memorandum, it fails to provide key information to help investors when considering investing in such securities.**
A.2	*Consent to use the Offering Memorandum*	Not applicable. Financial intermediaries are not entitled to use the prospectus for subsequent resale or final placement of securities.

Section B—Issuer		
B.1	*Company name and trading name*	The Company's name (and trading name) is Coor Service Management Holding AB.
B.2	*Registered office and type of company*	The Company is a Swedish public limited liability company (Sw. *publikt aktiebolag*) incorporated on July 23, 2007 and registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on November 6, 2007. The registered office is situated in the municipality of Stockholm and the Company's corporate identity number is 556742-0806. The business is conducted in accordance with the Swedish Companies Act.
B.3	*Main business operations*	We are a leading provider of IFM and FM services in the Nordic region. More specifically, we are the leading provider of IFM services across the Nordic region with a share of approximately 36% based on net sales in 2014 and with leading segment positions in IFM across Sweden, Norway, Denmark and Finland. Founded in 1998 as a pure-play IFM provider, we have been helping shape the IFM segment in the Nordic region through a number of significant outsourcing contracts.
		We provide over 100 FM services, including cleaning, catering, property, reception, post and parcel, and conference and meeting room services delivered either in a package as an IFM contract or as single or bundled services.

Section B—Issuer		
		Our vision is to be the leading supplier in facility management services in the Nordic region. We seek to be the customer's first choice of service supplier by continuously improving the quality of our service delivery.
B.4a	*Trends*	We are dependent on the continued growth in the demand for outsourcing of facility management services, whether as a single services, bundled FM services or IFM. Outsourcing trends may be influenced by a number of factors, including public opinion, economic constraints in times of economic downturns and adverse tax regulations. The total annual value of Nordic FM in 2014 activities is estimated to amount to approximately SEK380 billion, of which approximately SEK200 billion is estimated to be outsourced. The outsourced Nordic FM market is estimated to have grown at approximately 2.3% per annum between 2012 and 2014. For the period 2014 to 2017, the market is expected to grow with a CAGR of 2.7% according to an international strategy consultant. The IFM segment in the Nordic region is estimated to have grown at a CAGR of approximately 5.9% from 2012 to 2014. Future Noridc IFM segment growth is expected to be approximately a CAGR of 6.0% from 2014 to 2017, mainly driven by large IFM contracts. Sweden is the largest outsourced FM market in the Nordics followed by Denmark, Norway and Finland. We are dependent on the continuous growth in demand for IFM in the Nordics, which depends upon customers continuing to realize the operational and commercial benefits of migrating from single services and multi-services towards IFM. The IFM segment constitutes approximately SEK11 billion of the outsourced FM market in the Nordic region. The share of the outsourced FM market accounted for by outsourced IFM is the highest in Sweden amounting to approximately 9% of the total Swedish FM market.
B.5	*The Group*	Coor is the parent company of the Group, which consists of 29 entities with operations in eight countries.
B.6	*Major shareholders, etc.*	In Sweden, the lowest threshold for mandatory reporting of changes in shareholdings (Sw. *flagging*) is five per cent of all shares or voting rights in respect of all shares. The following table sets forth the Company's shareholders with holdings corresponding to at least 5 per cent of the shares and voting rights as at June 3, 2015 (based on an Offer Price set at the midpoint of the Offer Price Range and assuming that the Share Conversion, the Share Consolidation, the Bonus Issue and the Reallocation of Shares have been effected).

Section B—Issuer		

Shareholder	Shares held prior to the Offering[1] Number	%	Shares held after the Offering if the Offering is not increased and the Over-Allotment Option is not exercised Number	%	Shares held after the Offering if the Offering is fully increased and the Over-Allotment Option is not exercised in full Number	%	Shares held after the Offering if the Offering is fully increased and the Over-Allotment Option is exercised in full Number	%
Shareholders with holdings exceeding 5% of the Shares								
The Principal Shareholder[1][2]	49,070,959	94.9	46,583,622	47.1	36,790,921	37.2	27,754,929	28.1
Shareholding members of the Board of Directors, the Executive Management Team and other shareholders								
Shareholding members of the Board of Directors and the Executive Management Team	1,279,999	2.5	954,986	1.0	954,986	1.0	954,986	1.0
Other shareholders	1,382,116	2.7	930,317	0.9	930,317	0.9	930,317	0.9
Total	51,733,074	100.00	48,468,925	51.0	38,676,224	39.1	29,640,232	30.0
New shareholders	—	—	5,447,248	51.0	60,239,949	60.9	69,275,941	70.0
Total	51,733,074	100.00	98,916,173	100.00	98,916,173	100.00	98,916,173	100.00

(1) The business address of the Principal Shareholder is Cinoor S.à.r.l., 4 Rue Albert, Borschette, Luxembourg.

(2) The Principal Shareholder is controlled by Cinven Funds. See "*Lock-up*".

B.7 *Selected historical financial information*

The summary consolidated financial data as at and for the years ended December 31, 2014, 2013 and 2012 has, unless otherwise stated, been derived from our audited consolidated financial statements for the financial years 2014, 2013 and 2012 and prepared in accordance with the Annual Accounts Act, the Swedish Financial Reporting Board's (Rådet for finansiell rapportering) recommendation RFR 1 and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the EU. The summary consolidated financial data for the three months ended March 31, 2015 and 2014 have been derived from our unaudited consolidated interim financial information for the three months ended March 31, 2015.

Consolidated Income Statement

	For the three months ended March 31,		For the year ended December 31,		
	2015	**2014**	**2014**	**2013**	**2012**
	(SEK thousands)				
Net sales	1,847,524	1,507,589	6,843,791	6,453,617	5,525,946
Cost of services sold	(1,669,975)	(1,377,636)	(6,450,658)	(6,051,022)	(5,050,810)
Gross profit	**177,550**	**129,953**	**393,133**	**402,595**	**475,136**
Selling and administrative expenses	(126,742)	(115,451)	(475,574)	(585,336)	(471,620)
Operating profit	**50,808**	**14,502**	**(82,442)**	**(182,741)**	**3,516**
Financial costs—net	(33,848)	(55,155)	(272,038)	(728,658)	(670,798)
Finance costs—net	**(33,848)**	**(55,155)**	**(272,038)**	**(728,658)**	**(670,798)**
Profit before income tax	**16,960**	**(40,652)**	**(354,480)**	**(911,399)**	**(667,282)**
Income tax expense	(5,120)	2,123	43,633	333,963	105,016
Profit for the period from continuing operations	**11,839**	**(38,529)**	**(310,847)**	**(577,436)**	**(562,266)**
Discontinued operations					
Profit for the year from discontinued operations (attributable to equity holders of the company)	849	(1,634)	(147,002)	(2,186)	45,377
Profit for the period	**12,688**	**(40,163)**	**(457,850)**	**(579,622)**	**(516,889)**
Profit attributable to:					
Owners of the parent	12,688	(40,154)	(458,031)	(579,653)	(517,565)
Non-controlling interests	—	(9)	181	31	676
	12,688	**(40,163)**	**(457,850)**	**(579,622)**	**(516,889)**

Consolidated Balance Sheet

	As at March 31, 2015	As at December 31, 2014	2013	2012
	(SEK thousands)			
Assets				
Non-current assets				
Intangible assets				
Goodwill	2,778,645	2,778,315	2,875,641	2,917,152
Customer contracts	1,204,925	1,249,517	1,596,815	1,988,619
Other intangible assets	75,281	76,352	84,084	92,589
Tangible assets	75,293	78,171	140,170	162,151
Financial non-current assets	10,658	12,883	21,921	29,271
Total non-current assets	**4,144,802**	**4,195 238**	**4,718 632**	**5,189 782**
Current assets				
Inventories	19,113	17,178	46,842	51,944
Receivables service in progress	—	16,531	56,456	69,552
Accounts receivables	1,036,526	1,155,179	1,215,213	1,368,027
Current tax receivables	114	120	109	8,727
Other receivables	20,841	20,523	39,558	37,887
Prepaid expenses and accrued income	448,735	409,919	370,475	365,531
Cash and cash equivalents	218,282	335,198	288,250	248,647
Total	**1,743,611**	**1,954,646**	**2,016,902**	**2,150,315**
Assets of disposal group classified as held for sale	451,011	411,595	—	—
Total current assets	**2,194,623**	**2,366,241**	**2,016,902**	**2,150,315**
TOTAL ASSETS	**6,339,424**	**6,561,479**	**6,735,534**	**7,340,097**
Equity and liabilities				
Equity				
Capital and reserves attributable to owners of the parent	1,188,020	1,177,631	1,627,854	(1,808,969)
Non-controlling interests	—	—	1,740	1,743
Total equity	**1,188,020**	**1,177,631**	**1,629,594**	**(1,807,226)**
LIABILITIES				
Non-current liabilities				
Borrowings	2,794,592	2,804,622	2,747,740	6,374,660
Derivatives	5,384	3,591	2,609	17,579
Provisions for pensions and similar liabilities	11,028	9,688	12,494	18,808
Non-interest bearing liabilities	47,190	50,178	123,429	499,501
Total non-current liabilities	**2,858,193**	**2,868,078**	**2,886,271**	**6,910,548**
Current liabilities				
Accounts payable	713,543	893,162	903,135	829,646
Interest-bearing liabilities	198,085	219,628	173,972	84,595
Current tax liabilities	9,681	3,215	9,747	11,536
Other operating liabilities	1,074,631	1,116,428	1,067,775	1,117,590
Short term provisions	7,778	11,738	65,040	193,408
Total current liabilities	**2,003,718**	**2,515,770**	**2,219,669**	**2,236,775**
Liabilities of disposal group classified as held for sale	289,494	271,600	—	—
Total current liabilities	**2,293,211**	**2,244,171**	**2,219,669**	**2,236,775**
Total liabilities	**5,151,405**	**5,383,849**	**5,105,940**	**9,147,323**
Total equity and liabilities	**6,339,424**	**6,561,479**	**6,735,534**	**7,340,097**

Section B—Issuer

Selected Consolidated Statement of Cash Flows

	For the three months ended March 31,		For the year ended December 31,		
	2015	2014	2014	2013	2012
	(SEK thousands)				
Cash flow from operating activities	(89,592)	(75,633)	74 852	251 179	21 226
Cash flow from investing activities	(9,023)	479	(54,140)	(42,614)	(199,175)
Cash flow from financing activities	(22,242)	(2,755)	32,716	(153,897)	284,547
Cash flow for the period	**(120,858)**	**(77,908)**	**53,428**	**54,667**	**106,598**
Cash and cash equivalents at the beginning of the period	335,198	288,254	288,250	248,647	139,358
Exchange gains on cash and cash equivalents	3,942	2,219	(6,480)	(15,064)	2,691
Cash and cash equivalents at end of the period	**218,282**	**212,564**	**335,198**	**288,250**	**248,647**

Certain Other Financial Data

	For the three months ended March 31,		For the year ended December 31,		
	2015	2014	2014	2013	2012
	(SEK thousands, except %)				
Net sales	1,847,524	1,507,589	6,843,791	6,453,617	5,525,946
Gross profit	177,550	129,953	393,133	402,595	475,136
Gross margin	9.6%	8.6%	5.7%	6.2%	8.6%
Amortization	(44,481)	(51,842)	(330,021)	(368,053)	(209,706)
Adjusted gross margin(1)	12.2%	12.9%	11.8%	12.7%	13.9%
Total IACs(2)	(4,627)	(14,329)	(106,072)	(126,640)	94,098
Net Working Capital(3)	(267,112)	(249,416)	(396,736)	(326,945)	(226,159)
Capital Expenditure(4)	(7,499)	(4,078)	(32,253)	(38,675)	(24,588)
Operating Cashflow(5)	(24,064)	10,938	433,602	436,385	214,862
Cash Conversion(6)	−21%	12%	108%	118%	59%
Adjusted Net Income(7)	56,320	13,313	19,774	(209,382)	(352,558)
EBITDA(8)	107,410	78,161	296,906	244,100	271,486
EBITA(8)	95,289	66,344	248,178	185,313	213,223
Adjusted EBITDA(8)	112,037	92,490	402,977	370,742	365,584
Adjusted EBITA(8)	99,916	80,673	354,250	311,953	307,322
Adjusted EBITA margin(8)	5.4%	5.4%	5.2%	4.8%	5.6%

Notes

(1) Adjusted gross margin is calculated as gross profit as a percentage of net sales after adding back amortizations and IACs in cost of services sold.

(2) IACs consist of integration of Statoil contract, other integration, parts of cost reduction programs, onerous rental agreement costs, costs for Addici and LujaPalvelut integration, CEO transition cost, costs for exit process and Cinven monitoring fees.

(3) Net Working Capital is accounts receivables plus inventories plus accrued revenue and prepaid expenses plus other receivables less accounts payable, accrued expenses and deferred income and other short-term liabilities.

(4) Capital Expenditure consists of purchase of tangible/intangible assets less proceeds from sale of tangible assets plus the net gain or loss on disposals.

(5) Operating Cash Flow is Adjusted EBITDA plus the change in net working capital less capital expenditure.

(6) Cash Conversion is Operating Cash Flow divided by Adjusted EBITDA.

(7) Adjusted Net Income is profit from continuing operations excluding amortizations.

(8) Adjusted EBITDA and Adjusted EBITA represent EBITDA and EBITA respectively, as defined above, adjusted to exclude items that the Directors believe affect comparability ("**IACs**"). IACs mainly include costs in relation to M&A integration, integration of new contracts and restructuring. More specifically these include: integration costs for Addici, LujaPalvelut, Statoil, and general integration costs; restructuring costs incurred in relation to our cost reduction programs in 2012 and 2013; and rental agreement costs, chief executive officer transition costs, Cinven fees and other. The Directors use EBITDA, EBITA Adjusted EBITDA and Adjusted EBITA as key performance indicators of our business.

Material changes since March 31, 2015

Since March 31, 2015, we have prolonged the IFM contract with Ericsson. In May 2015, we entered into a share purchase agreement relating to the sale of our Industrial Services business to the Principal Shareholder for a purchase price of SEK210 million. On June 1, an agreement was signed with Frontica Business Solutions in Norway. The agreement comprises among other things property services, cleaning and reception, to Aker Solutions, which operates within the oil and gas industry.

Section B—Issuer		
		Material changes during the period covered by the historical financial information Our net sales for the three months ended March 31, 2015 were SEK1,847.5 million, an increase of SEK340 million, or 23%, compared to SEK1,507.6 million in the three months ended March 31, 2014. This was principally as a result of the ramp-up of the Statoil contract and the Aibel contract in Norway which were won in 2014, as well as growth in Denmark from the Velux contract and a number of smaller contracts. Our net sales for the year ended December 31, 2014 were SEK6,843.8 million, an increase of SEK390.2 million, or 6.0%, compared to SEK6,453.6 million in the year ended December 31, 2013. This was principally as a result of the Statoil contract we won in 2014 as well as the full year effect of some smaller contract wins from 2013 as well as 2014, which were partially offset by the full year effect of some large contract losses in 2013 and some smaller in 2014. The Norwegian and Danish businesses grew significantly as a result of the new contracts with Statoil and Velux (a new IFM contract in Denmark), respectively, whereas the Finnish business grew at a more modest rate. The Swedish business declined, as a result of the large contract losses, which primarily affected Sweden. Our net sales for the year ended December 31, 2013 were SEK6,453.6million, an increase of SEK927.7 million, or 16.8%, compared to SEK5,525.9 million in the year ended December 31, 2012. This was principally as a result of the acquisition of Addici at the end of 2012 and the full year effect of the large Danish Police contract, which started in September 2012 with a limited service scope and was ramped up to full service scope by January 2013. These net sales increases were partially offset by several large IFM contract losses in 2013. Sweden, which took on most of the Addici net sales, and Denmark showed significant net sales growth in the year, whereas net sales growth in Norway and Finland was more modest.
B.8	*Selected pro forma accounts*	Not applicable. The Offering Memorandum contains no pro forma accounts.
B.9	*Earnings forecast*	Not applicable. The Offering Memorandum contains no earnings forecast or calculation of anticipated earnings.
B.10	*Qualification of audit report*	Not applicable. There are no qualifications of audit reports.
B.11	*Insufficient working capital*	Not applicable. It is our opinion that our working capital is sufficient for its present requirements.

Section C—Securities		
C.1	*Securities offered*	Shares in the Company (ISIN code SE0007158829).
C.2	*Denomination*	The shares are denominated in SEK.
C.3	*Number of shares in the issuer*	As per December 31, 2014, the Company's registered share capital was SEK301,958,610, represented by 301,958,610 shares (200,000,000 ordinary shares and 101,958,610 preference shares divided into several series). All ordinary shares and preference shares are fully paid. Each ordinary share and preference share has a quota value of SEK1.

Section C—Securities		
C.4	*Rights associated with the securities*	At General Meetings, each Share carries one vote. If Coor issues new shares, warrants or convertibles in a cash issue or a set-off issue (Sw. *kvittningsemission*), the holders of Shares have preferential rights to subscribe for such securities in proportion to the number of Shares held prior to the issue. The Shares carry equal rights to dividends and equal rights to our assets and potential surplus in the event of liquidation.
C.5	*Restrictions on transferability*	Not applicable. The shares are not subject to restrictions on transferability.
C.6	*Admission to trading*	The Shares will be subject to trading on Nasdaq Stockholm.
C.7	*Dividend policy*	The Board of Directors has adopted a dividend policy whereby, over a business cycle, around 50% of our Adjusted net profit for the period (before amortization and impairment of intangible assets) shall be paid in dividends, taking into account over time the targeted capital structure defined as net debt in relation to last twelve months EBITDA of not more than 3.0x. Furthermore, the Board of Directors shall take into account a number of additional factors, including our expected future profits, investment needs, liquidity and development opportunities as well as general economic and business conditions, when proposing a dividend.

Section D—Risks		
D.1	*Main risks associated with the issuer or the industry*	Any investment in securities is associated with risk. Prior to any investment decision, it is important to carefully analyze the risk factors considered relevant to the future development of the Company and the Shares. These risks include, among others, the following main industry- and business-related risks: • A large portion of our sales is derived from a limited number of customers. There is no guarantee that a customer will choose to renew its contracts or will renew them on the same or more favorable terms to us. If a major customer terminates or fails to renew a contract it could have a material adverse effect on our business, operating results and financial position. • An inability to grow our business organically, including the inability to retain and expand our relationships with existing customers and to add new customers, may have a material adverse effect on our business, results of operations or financial condition. • Operational risk is inherent in our business and can manifest itself in various ways. In particular, due to our large number of employees and reliance on employees for the delivery of our services, we are exposed to employee errors, insufficient quality of service, malicious acts by our existing or former employees (including unfair competition) and potential labor disputes and disruptions, which could cause damage to our brand and our reputation. Moreover, any of these events may subject us to financial loss (including penalties and fines), the potential barring or disqualification from engaging in public sector business, and/or have a negative impact on our operational effectiveness.

Section D—Risks		
		• Our business and organization have become, and we expect it to continue to become, increasingly complex. Failure to adequately address and manage our increasingly complex business could have a material adverse effect on our business, results of operations or financial condition. • The Nordic facility management services sector is fragmented and there is significant competition from local, national and international companies of varying sizes and financial strength offering an array of service capabilities. We also face competition from in-house providers of facility services. We may not be successful in mitigating the effects of competition, which could have a material adverse effect on our business, results of operations or financial condition. • Downturns in economic conditions in the Nordic markets may impact the demand for facility management services and could have a material adverse effect on our business, results of operations or financial condition. • We are subject to extensive laws and regulations across our business which may constrain our operations or subject us to non-compliance risk, and the cost of compliance may increase in the future. To the extent that we are unable to pass on the costs of compliance with stricter or changing requirements and taxes and duties to our customers, our margins may decline, which could have a material adverse effect on our business, results of operations or financial condition. • The terms of our existing indebtedness and any inability to refinance such indebtedness as it comes due and payable may have a material adverse effect on our business, results of operations or financial condition. • We could be affected by changes in legislation or public policy relating to taxation. Tax regulations in certain countries may discourage the outsourcing of facility management services and, in some countries, tax laws are structured such that if a public sector entity outsources its facility management services, it cannot deduct value added tax. Additionally, the recent changes to the Swedish rules on reduced social security charges payable by Swedish employers on remuneration to young employees may have consequences for our operating result and financial position. Any changes to tax laws or regulations could have a material adverse effect on our business, results of operations or financial condition. • Our competitive position and future prospects depend on our senior management and other key managers. Loss of a significant number of contract managers, or of key members of our senior management, or if we are not able to attract, train and retain a sufficient number of qualified employees, could have a material adverse effect on our business, operating results or financial position. There are additional industry- and business-related risks (including legal and financial risks), and there may also be risks that Coor currently is unaware of.

Section D—Risks		
D.3	*Main risks associated with the securities*	The main risks relating to the Offering and the Offer Shares include • general share-related risks (risks and risk-taking are an unavoidable aspect of owning shares, and since a share investment can both rise and fall in value it is not certain that an investor will regain the capital invested), • future dividends (the size of any future dividends depends on our ability to pay dividends to our shareholder which depends on our future profit, financial condition, cash flows, capital requirements and other factors) and • shareholders with significant influence (the Principal Shareholder will continue to have a controlling interest over the Group and most matters submitted to our shareholders for approval).

Section E—Offering		
E.1	*Issue amount and issue expenses*	The transaction costs associated with the Offering charged to the Company are expected to amount to approximately SEK130 million.
E.2a	*Reasons and use of the issue proceeds*	We intend to use the net proceeds from the issue of the New Offer Shares to, together with new financing, pay down all existing external bank debts. The purpose of the refinancing is, together with the new issue, to strengthen our capital structure.
E.3	*Form and terms of the Offering*	Application to acquire or subscribe for Shares shall be made in accordance with instructions from the Managers.
E.4	*Interested parties of importance for the Offering*	The Managers and their affiliates have engaged in transactions with and performed various investment banking, commercial banking and other services for the Company, the Principal Shareholder and their respective subsidiaries and affiliates in the past and may do so from time to time in the future and may be paid fees in connection with such services from time to time. However, all services provided by the Managers, including in connection with the Offering, have been provided as an independent contractor and not as a fiduciary to the Company or the Principal Shareholder. In addition, DNB Bank ASA, Filial Sverige, Nordea Bank AB (publ) and Skandinaviska Enskilda Banken AB (publ) are lendors under the Credit Facilities and Nordea Bank Danmark A/S holds direct economic interest in Cinven Funds. The Company's CEO, Mikael Stöhr, has agreed with the Principal Shareholder that he shall receive a cash bonus from the Principal Shareholder. Mikael Stöhr has also agreed with the Principal Shareholder that he shall acquire shares in the Company from the Principal Shareholder at the Offer Price for a total amount of SEK3 million, corresponding to 84,507 shares based on an Offer Price set at the midpoint of the Offer Price Range.
E.5	*Seller of the securities and lock up agreement*	The Principal Shareholder will agree with the Managers not to divest its remaining Shares for a period of 180 days after the first day of trading, subject to certain exceptions. Furthermore, the members of our Board of Directors and Executive Management Team will agree with the Managers not to divest Shares for a period of 360 days after the first day of trading, subject to certain exceptions.

Section E—Offering		
E.6	*Dilution effect*	Assuming that the Offer Price will correspond to the price in the midpoint of the Offer Price Range, the new issue of New Offer Shares will, if fully subscribed, lead to the number of Shares increasing from 51,733,074 to 98,916,173, which corresponds to an increase of 91%. For current shareholders, this will lead to a dilution of shares totaling 47,183,099 new shares, corresponding to approximately 48% of the total number of Shares after the completion of the new issue of Shares.
E.7	*Expenses borne by the investor*	Not applicable. The issuer will not impose any charges or taxes on investors.

RISK FACTORS

Any investment in the Offer Shares is subject to a number of risks. Prior to investing in the Offer Shares, prospective investors should carefully consider risk factors associated with any investment in the Offer Shares, our business and the industry in which it operates together with all other information contained in this Offering Memorandum, including, in particular the risk factors described below.

Prospective investors should note that the risks relating to us, our industry and the Offer Shares summarized in "Summary" are the risks that we believe to be the most relevant to an assessment by a prospective investor of whether to consider an investment in the Offer Shares. However, as the risks which we face relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarized in "Summary" but also, among other things, the risks and uncertainties described below.

The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Offer Shares and should be used as guidance only. Additional risks and uncertainties relating to us that are not currently known to us, or that we currently deem not to be risks, may individually or cumulatively also have a material adverse effect on our business, prospects, results of operations and/or financial position and, if any such risk should occur, the price of the Offer Shares may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Shares is suitable for them in light of the information in this Offering Memorandum and their personal circumstances.

Risks Relating to our Business and Industry

We could be adversely affected by our exposure to customer concentration risk

A large portion of our sales is derived from a limited number of customers. Our largest customer accounted for approximately 10% of our net sales in 2014 and, in 2015, we expect that Statoil will become our largest customer and that it will account for 10% to 15% of our net sales in 2015. Our top five customers accounted for 31.5% of our net sales in the year ended December 31, 2014 and our top ten customers accounted for 44.8% of our net sales in the same period. Additionally, our contracts are typically for three to five year periods. There is no guarantee that a customer will choose to renew its contracts or will renew them on the same or more favorable terms to us. If a major customer terminates or fails to renew a contract it could have a material adverse effect on our business, operating results and financial position.

We are subject to risks associated with our contracts, including our ability to correctly assess pricing terms, employee and other financial obligations, the complexity of our IFM contracts and the potential early termination or change of scope of contracts by customers

The profitability of our contracts will generally depend upon our ability to successfully calculate prices by taking into consideration all economic factors, and to manage day-to-day operations under these contracts. Generally, IFM contracts are more complex than single service contracts to price due to their scope and complexity, and the complexities may increase to the extent that the contract relates to services in multiple geographical areas or contains elements that are highly variable from period to period such as corrective maintenance or services influenced by weather (e.g. snow removal). We may not be able to accurately predict the costs and identify the risks associated with these contracts or the complexity of the services which may result in lower than expected margins, losses under these contracts or even the loss of customers, all of which may have a material adverse effect on our business, results of operations or financial condition.

The majority of our contracts have a stated term and, in some cases, termination clauses permitting the customer to cancel the contract prior to the expiration of the agreed contract period following a notice period. There can be no assurances that our customers will not exercise their rights to terminate their contracts prior to expiration or that we will be able to mitigate losses arising from such termination. In addition, we are also exposed to unforeseen changes in the scope of existing contracts, either pricing or volumes, that may occur as a result of any changes in the general business, regulatory or political landscape of our customers. The potential effects of these risks increase with regard to larger contracts, all of which may have a material adverse effect on our business, results of operations or financial condition.

An inability to grow our business organically, including the inability to retain and expand our relationships with existing customers and to add new customers, may have a material adverse effect on our business, results of operations or financial condition

To sustain the organic growth of our business we must continuously adapt our service offering to meet the needs of our existing and potential customers. In particular, our success will depend on:

- the continued growth in the demand for the outsourcing of facility management services as well and in the trend towards service integration and IFM;
- our ability to continue to expand our self-delivery offering of IFM to customers;
- our ability to procure subcontractors for certain facility management services which meet our service standards;
- our ability to grow our market share in the Nordic markets and to follow customers into new markets;
- our ability to shape and package our service offering to allow us to retain and further develop existing customer relationships;
- our ability to continue to innovate our service offering;
- our ability to win the largest Nordic FM mandates; and
- our ability to use our organizational structure to benefit from cross-selling and up-selling opportunities on IFM contracts, bundled service contracts and single service contracts.

There can be no assurances that we will be able to maintain our current portfolio of customers, or further develop our relationship with existing customers or attract new customers. In addition, timing differences in winning large IFM customers might lead to substantial fluctuations in our growth from period to period.

The factors listed above, amongst others, are subject to a number of uncertainties that in some cases are outside of our control. Failure to execute our strategy as planned or to address successfully other unexpected risks, could have a material adverse effect on our business, results of operations or financial condition.

Operational risks may adversely affect our reputation, brand or profitability

Operational risk is inherent in our business and can manifest itself in various ways, including business interruption, poor contract performance, failure by subcontractors to meet their obligations, insufficient insurance coverage, information systems malfunctions or failures, actual or alleged failure to meet applicable health and safety and environmental or other regulatory compliance standards, employee errors or misconduct, labor disruptions, insufficient quality control and/or fraud. In particular, due to our large number of employees and reliance on employees for the delivery of our services, we are exposed to employee errors, insufficient quality of service, malicious acts by our existing or former employees (including unfair competition) and potential labor disputes and disruptions.

Any of these events may cause damage to our brand and our reputation. Moreover, any of these events may subject us to financial loss (including penalties and fines), the potential barring or disqualification from engaging in public sector business, and/or have a negative impact on our operational effectiveness. Any dissatisfaction with our services by any of our significant customers or the termination of a contract with a significant customer (including for failure to be able to provide the service or the mispricing of the services) may damage our brand and reputation and make it more difficult to obtain similar contracts with other customers. Failure to adequately address and manage these operational risks could have a material adverse effect on our business, results of operations or financial condition.

Our business is becoming increasingly complex, which increases our exposure to operational risks

Our business and organization have become, and we expect it to continue to become, increasingly complex.

We have historically focused on providing IFM services to our customers and more recently bundled FM and single services. Our customers' demands require us to provide IFM services to offices and sites in multiple locations (which can include locations in multiple countries) and to transfer operational risk associated with such services from the customer to us, in each case adding to the complexity of our business and operations. Additionally, we have increased the amount of technology used to provide our services, which exposes us to increased risk of information systems malfunctions or failures. Further, both the magnitude and the length of the contract affect the complexity in negotiating the appropriate pricing and service levels. Failure to adequately address and manage our increasingly complex business could have a material adverse effect on our business, results of operations or financial condition.

Our operations may be subject to work stoppages or other labor disputes

Many of our employees are members of unions as many sectors of the facility management services industry are unionized. As union contracts and collective bargaining agreements expire or are re-negotiated from time to time, we may be required to re-negotiate these in an environment of increasing wage rates, which could lead to agreed terms less favorable to us. Our profitability may also be affected if union contracts or collective bargaining agreements restrict our flexibility in using employees across different service types. There can be no assurance that such relationships will continue to be amicable or that we will not be affected by strikes or other types of conflict with employees, any of which could impair our ability to provide our services. Accordingly, any such labor dispute or matter could have a material adverse effect on our business, results of operations or financial condition.

We operate in a highly competitive sector

The Nordic facility management services sector is fragmented and there is significant competition from local, national and international companies of varying sizes and financial strength offering an array of service capabilities. We also face competition from in-house providers of facility services.

Over time, our competitors, whether local, national or international, could consolidate their businesses, and as a result could increase competitive pressure by offering more highly diversified range of services or benefiting from increased synergies which would enable them to offer their services at lower costs. These or other changes to the competitive landscape of our industry could result in a loss of market share, decreased net sales, profit margins and/or a decline in profitability, and could thus have a material adverse effect on our business, results of operations or financial condition.

We may not be successful in mitigating the effects of competition. In particular, we believe that the ability to develop and implement successful innovations in services or in the manner in which they are provided is an increasingly important factor, both in winning new contracts and in maintaining and developing existing customer relationships. If we fail to develop and implement innovations, or do so more slowly or less successfully than our competitors, our competitive position may be adversely affected. More generally, competition may intensify if more single service providers begin to offer IFM services. In addition, certain of our competitors may also be willing to underbid us, reduce staffing costs, accept lower profit margins, expend more capital, offer less protective contractual terms, introduce new technologies, introduce new or more efficient working practices, diversify their service offerings or develop increased synergies within their range of service offerings to obtain or retain customers. They may also develop long-term strategic or contractual relationships with our current or potential customers in markets where we are present, or acquire companies or assets representing potential targets for us. Further, global customers in the Nordic region may seek a single global facility management services provider for all of their businesses, instead of a regional one, such as us. Our customers may also choose to develop or rely to an increased extent on their in-house facility services. As a result, we could lose market share, our profitability could be affected, or we may not be able to take advantage of new commercial opportunities. A significant loss of customers or a sustained reduction in net sales or margins due to competition could have a material adverse effect on our business, results of operations or financial condition.

Downturns in economic conditions in the Nordic markets may impact the demand for facility management services and could have a material adverse effect on our business, results of operations or financial condition

Economic downturns or otherwise uncertain economic outlooks in the Nordic region could adversely affect the demand for outsourcing of facility management services, which could have a material adverse effect on our business, results of operations or financial condition.

Moreover, periods of recession or deflation in the Nordic countries may have an adverse impact on prices and payment terms for new contracts as well as the demand for some of our services which are variable, like our project-based non-subscription services. During the recent economic downturn, we experienced reduced activity levels in certain services, such as catering, and in certain customer segments that negatively impacted our net sales and put pressure on our pricing margins. In addition, in times of economic uncertainty, our public sector customers may face intense budgetary and/or political pressures.

Our IFM services and certain of our other subscription services, which encompass the majority of our net sales, tend to be more resilient and were less affected during the recent economic downturn than our non-subscription services or services delivered as a single service. However, we have not been and may not in the future be able to mitigate all negative effects of economic downturns, which may have a material adverse effect on our business, results of operations or financial condition.

Our competitive position and future prospects depend on our senior management and other key managers

We believe that our senior management and our qualified and experienced business development and operational managers are key to our success. Further, qualified local managers are important in order to ensure the sharing of best practices across the Group, effective management continuity and the implementation and management of our growth strategies. Our future success is highly dependent on our ability to continue to attract and retain our senior management and other key managers. Competition in the Nordic region for managers with relevant expertise and experience is intense due to the relatively small number of qualified individuals. Loss of a significant number of contract managers, or of key members of our senior management, could have a material adverse effect on our business, operating results or financial position.

We may not be able to attract, train and retain a sufficient number of qualified employees, which may have a material adverse effect on our business, results of operations or financial condition

We may face labor shortages due to low unemployment and increased competition for workers, which would likely increase our staff costs. Additionally, there is a risk when we take over transferees from a customer or incumbent suppliers as part of a new contract, they may not want to work for us. The facility management services industry is furthermore characterized by relatively high staff turnover and there can be no assurance that we will be able to attract, train and retain a sufficient number of qualified employees. If we fail to attract, train and retain a sufficient number of qualified employees, it could have a material adverse effect on our business, results of operations or financial condition.

Our public sector contracts may be affected by political and administrative decisions

The public sector is an important customer segment for us. Our public sector business may be affected by political and administrative decisions concerning levels of public spending and public opinion on outsourcing in general. In certain cases, due to applicable regulations, such as European Union ("**EU**") tender rules, certain terms of public sector contracts, such as pricing terms, contract period, use of subcontractors and ability to transfer receivables under the contract, are less flexible than comparable private sector contracts. Pressure to decrease public spending as a result of an economic downturn may result in an increased focus on pricing in respect of public sector contracts. Excessive focus on price as the relevant award parameter for public sector contracts could impair our ability to retain or expand our public sector business, all of which could have a material adverse effect on our business, results of operations or financial condition.

We are subject to risks associated with our acquisitions

We have from time to time acquired businesses and, in the medium term, we may consider further strategic acquisitions. Our ability to successfully identify and integrate acquired businesses may be adversely affected by a number of factors that may include integration difficulties, our failure to retain management and other key personnel, difficulties or failure in converting different systems into our operating and control systems, and the potential disruption of existing operations. In addition, an acquisition may also present liabilities for which we may not be able to receive adequate compensation, operating difficulties that we failed to discover prior to the acquisition, or negative impacts on anticipated future net sales and earnings as a result of changes to our underlying assumptions at the time of the acquisition. Failure to adequately address and manage these risks could have a material adverse effect on our business, results of operations or financial condition.

We are subject to extensive laws and regulations across our business which may constrain our operations or subject us to non-compliance risk, and the cost of compliance may increase in the future

Due to the nature of our industry and our presence across the Nordic region (and to a lesser extent certain other jurisdictions in Europe), we are subject to a variety of laws and regulations governing areas such as labor, employment, pensions, immigration, health and safety, tax (including social security, salary taxes and transfer pricing), corporate governance, customer protection, business practices, competition and the environment. We incur, and expect to continue to incur, costs and expenditures, and to commit a certain amount of our management's time and resources, to comply with increasingly complex and stringent laws and regulations. In addition, changes in such laws and regulations may constrain our ability to provide services to customers or increase the costs of providing such services. To the extent that we are unable to pass on the costs of compliance with stricter or changing requirements (for example, increases in labor costs, such as minimum wages, mandated by law or collective bargaining agreements) and taxes and duties to our customers, our margins may decline, which could have a material adverse effect on our business, results of operations or financial condition.

In particular, because of our large workforce, laws and regulations relating to labor, employment (including the Transfer of Undertakings Directive 2001/23/EC on the transfer of employees resulting in additional risks when changing contractors or acquiring other business), pensions, social security, health and safety of employees, minimum wages and immigration affect our operations and the cost of compliance significantly affects our business, results of operations or financial condition.

Our failure to comply with applicable laws and regulations could result in substantial fines, claims relating to violations of social, labor or other legislation, which could have a substantial impact on our brand and reputation and have a material adverse effect on our business, results of operations or financial condition.

Our business is associated with numerous public health and safety concerns, particularly with regard to our cleaning of food production facilities, medical and pharmaceutical facilities and consulting services relating to damage control and asbestos management. In addition, we operate on customer premises in a number of challenging environments such as hospitals, airports, corporate canteens, the transport sector and infrastructure. As a result, we may be subject to substantial liabilities if we fail to satisfy applicable cleanliness or health and safety standards causing harm to individuals or entities, including, for example, through contamination of food products produced at the facilities that we clean or the outbreak of illness within the hospitals that we service.

We may be exposed to changes in taxation in the jurisdictions in which we operate

We could be affected by changes in legislation or public policy relating to taxation. Any changes to the tax law and regulations to which we are subject may cause us to incur higher costs or reduce our competitiveness relative to the costs borne by in-house service providers. Tax regulations in certain countries may discourage the outsourcing of facility management services and, in some countries, tax laws are structured such that if a public sector entity outsources its facility management services, it cannot deduct value added tax. While certain new tax changes are perceived to benefit the facility management services industry, such as the new tax rules in Norway whereby the public sector no longer will have to pay VAT on services, there is no assurance these will remain in place or result in an increase in facility management service contracts from the public sector. Additionally, the recent changes to the Swedish rules on reduced social security charges payable by Swedish employers on remuneration to young employees may have consequences for our operating result and financial position. As a result, any changes to tax laws or regulations could have a material adverse effect on our business, results of operations or financial condition.

Our net sales streams may be variable, which may have an impact on our margins

We cannot guarantee volumes of work or be certain of net sales streams in a given period, as at least a portion of all of our contracts contain a variable amount of net sales or services. Further, some of our contracts have no minimum or fixed revenue and as a result the volume of services used by customers and our net sales can vary widely, and there are no assurances as to what level of net sales we will receive from such contracts. Further, although a portion of our costs changes with activity levels, the facility management services we provide require the substantial use of personnel, and to a lesser extent equipment. As a result, fixed costs represent a significant element of our cost base. A decline in the level of demand for particular facility management services, as a result of adverse macroeconomic conditions or other factors, can result in a significant decrease in our margins unless the fixed cost base is similarly reduced, which in some circumstances may not be practicable or advantageous for our business. Any of these developments, alone or in combination, could have a material adverse effect on our business, results of operations or financial condition.

We are subject to risks of liability under our customer contracts for which we may not have adequate insurance

Our service offering includes property management, security, cleaning, catering, technical support, repair and renovation, general building maintenance, reception, post and parcel and conference and meeting room services. These activities expose us to potential liability for misconduct, human and/or technical mistakes or damages sustained by third parties. While the vast majority of our customer contracts contain limitations of liability, in respect of certain of our customer contracts, we have unlimited liability for damages. Even though we are not currently involved in litigation which is material for our results of operations or financial condition, we may become subject to liability for damages that cannot be insured against or against which we may not elect to be insured because of high premium costs. Losses from uninsured risks may cause us to incur costs that could have a material adverse effect upon our business, results of operations and financial condition.

We face risks relating to sourcing services from third party subcontractors

We rely on other companies to deliver certain services we have contracted to deliver. We subcontract or outsource various services and virtually all of these services are performed by unaffiliated third-party companies and subcontractors. For example, in 2014, 49% of our net sales were derived from services which were subcontracted. The limitations of liability we impose on our subcontractors are often much less than our total limitation of liability in respect of our customers (which partly relates to liability for subcontractors being tied to their specific services, while our liability is often for the whole contract to the customer). In the event that services provided by a subcontractor give rise to liabilities which exceed the limitation of liability which we have agreed with such subcontractor, we will remain liable for the excess amount to our customer (up to the amount of any cap provided for in our agreement with that customer) and our insurance protection may not be sufficient to cover the difference. We are also exposed to the risk that subcontractors have inadequate insurance cover.

In addition, our operations are reliant on the ability of these subcontractors to deliver quality and timely service that is in line with our service standards. There can be no assurance that our subcontractors will be able to meet our future requirements for services in a timely fashion. In addition, the availability of many of these services to us is dependent in part on our ability to provide our subcontractors with accurate forecasts of our future requirements. If we experience any constraint in their ability to provide services it may adversely affect our customer relationships and our ability to perform under affected contracts until alternate sourcing can be developed. If we are required to identify alternative subcontractors for any of our required services, qualification and approval could be lengthy and may cause an increase in service costs and delays in providing services to customers. Any extended interruption in the supply of any of the key services could disrupt our operations and have a material adverse effect on our business, results of operations or financial condition.

Fluctuations in foreign currency exchange rates could have a material adverse effect on our business, results of operations or financial condition

For the year ended 31 December 2014, 19% of our consolidated operating profit was generated in currencies other than our reporting currency, the Swedish kronor. In addition to our reporting currency, we recognize net sales in Norwegian kronor, Danish kronor and euro. Our consolidated net sales are therefore affected by movements in the exchange rates of the currencies of the countries other than Sweden in which our subsidiaries operate. Our business is characterized by a relatively low level of transactional risk, since the services are procured and delivered in the same local currency with minimal exposure from imported components. From an accounting perspective, we are exposed to risks relating to translation into Swedish kronor of income statements and net assets of foreign subsidiaries.

We monitor and assess trends in foreign currency exchange rates on an ongoing basis and seek to mitigate our exposure to fluctuations in currency exchange rates by using currency swaps as part of our hedging strategy and in accordance with our existing policy on foreign currency exchange rate risk. However, there can be no assurances that our hedging strategy will adequately protect our results of operations from currency exchange rate fluctuations or that we will be able to adequately manage such risks in the future. Fluctuations in foreign currency exchange rates could therefore have a material adverse effect on our business, results of operations or financial condition.

The terms of our existing indebtedness and any inability to refinance such indebtedness as it comes due and payable may have an adverse effect on our business, results of operations or financial condition

We have substantial outstanding indebtedness and significant debt service requirements. Adverse economic conditions may, in the longer-term, impair our ability to service our payment obligations and/or comply with our debt covenants, which could also have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows. Additionally, uncertainty in the financial markets may also adversely affect our ability to access financing or to refinance existing debt.

Our debt levels, debt service obligations and compliance with related covenants, including under the new senior term and revolving facilities agreement relating to a senior term loan facility in the amount of SEK1,400.0 million and a SEK400.0 million revolving credit facility (the "**New Facilities Agreement**"), require us to service interest and make principal repayments. This could have important consequences for us, including the following:

- our financial and operational flexibility in planning for, or responding to, changes in our business and industry could be limited;
- our ability to fund internal growth through working capital and capital expenditure and for other general corporate purposes could be limited;
- our ability to obtain additional financing in the longer term, including our ability to refinance our bank borrowings on comparable terms, or at all, could be limited;
- our ability to exploit business opportunities or make acquisitions or investments could be restricted;
- in the event of a downturn in revenue, our leverage could have a disproportionately adverse effect on our profitability; and
- a proportion of our indebtedness bears interest at variable rates, and an increase in interest rates could therefore have an adverse effect on our profitability, if our interest rate hedging activities are not effective,

each of which, alone or in combination, could have a material adverse effect on our business, prospects, results of operations or financial condition.

Our operations are dependent on the proper functioning of information technology and communication systems

We rely on our operational processes and on information technology ("**IT**") systems to conduct our business, including carrying out and managing the workflow for our customers, measuring employee performance, sales forecasting, sales pipeline management, the pricing of our services, key account management for development of customers, customer complaints handling, producing financial and management reports on a timely basis and maintaining accurate records. Further, technology innovations are changing the business environment of FM and our ability to innovate and integrate these innovations into our business is a key factor for our future success. Among our key systems are IBM Maximo and Actio.

As part of our business strategy, an updated IT strategy was formulated and approved to provide necessary support in realizing the overall Group strategy and equip us with necessary IT services to accommodate future business requirements. To achieve a cost effective, dynamic and competitive IT environment, we are realigning our process to source IT services into a multi-sourcing model with the aim of reducing the number of vendors as well as managing cross-vendor integration in-house.

The implementation of our new IT policies, strategies and projects is complex, time consuming and subject to delays, and could fail to achieve the expected benefits. Some of our key systems, including IBM Maximo mobility solutions, were recently implemented.

Any delay in the roll-out of, failure in the realization of the anticipated benefits, these new policies, strategies or related systems and processes could result in increased costs and increase the risk of disruption or failures of our systems. Our processes and systems may not operate as expected, may not fulfill their intended purpose or may be damaged or interrupted by increases in usage, human error, unauthorized access, natural hazards or disasters or similarly disruptive events. Any failure of the IT and communications systems and/or third-party infrastructure on which we rely could lead to costs and disruptions for both us and our customers that could adversely affect our reputation, business, results of operations or financial condition.

Computer and data-processing systems are susceptible to malfunctions and interruptions (including those due to equipment damage, power outages, computer viruses and a range of other hardware, software and network problems). Although we have system back-up procedures in place, including restoration testing activities in each region and a critical issue management process to handle any outages, a significant or large-scale malfunction or interruption of one or more of our computer or data-processing systems could adversely affect our ability to keep our operations running efficiently and affect service availability, particularly in the country, region or functional area in which the malfunction occurs, and wider or sustained disruption to our business cannot be excluded. In addition, it is possible that a malfunction of our data system security measures could enable unauthorized persons to access sensitive business data, including information relating to our intellectual property or business strategy or those of its customers. Any such malfunction or disruptions could cause economic losses for which we could be held liable. A failure of our IT systems could also cause damage to our reputation which could harm our business. Any of these developments, alone or in combination, could have a material adverse effect on our business, results of operations or financial condition.

Deviations and changes in assumptions incorporated in impairment tests might impact value of intangible assets and equity as well as reported income

We have intangible assets with an indefinite useful life in the form of goodwill, customer contracts and trademarks on our balance sheet. The value is, in accordance with IFRS, impairment tested at least annually and any impairment losses are recognized in the income statement. When performing the impairment test we make an assessment of whether the cash-generating unit to which the intangible assets relate will be able to generate positive net cash flows sufficient to support the value of intangibles and other net assets of the entity. This assessment is based on estimates of expected future cash flows (value-in-use) made on the basis of financial budgets, estimates and forecasts for the following financial years or (for customer contracts) for the forecasted remaining duration of the contract relationship. Key assumptions used to estimate expected future cash flows are, for example, growth, operating margin, cash flows and discount rates. If our assumptions are for any reason not met or change, the value of intangible assets may deteriorate and even small deviations in, for example, interest rates may have substantial accounting impact. There can be no assurances that our current or future assumptions are correct and deteriorations in the value of intangible assets caused by, for example, adverse expectations in operational performance or external parameters such as changes in interest rates, may significantly reduce our equity and have a material adverse effect on our reported results of operations or financial condition.

We will incur new costs in our transition to a listed company and our management will be required to devote substantial time to new compliance matters

After our transition to a listed company, we will incur additional legal, accounting and other expenses, including the costs of recruiting and retaining non-executive directors, costs resulting from listed company reporting obligations and the rules and regulations regarding corporate governance practices, including the listing requirements of Nasdaq Stockholm. There can be no assurance that, under a changed Board structure and ownership, and in an environment where we are subject to greater scrutiny and disclosure requirements, we will be able to manage our operations in the same manner as we have done as a private business under private ownership. In particular, we will be subject to increased regulatory requirements as a result of being listed and management will need to devote a substantial amount of time to ensure that we comply with all of these requirements. In addition, the reporting requirements, rules and regulations will increase our legal and financial compliance costs and make some activities more time-consuming and costly.

We are subject to financial risks

Currency risk is the risk that changes in exchange rates will adversely affect our cash flow, income statement and balance sheet. We report in SEK but operate in Norway, Finland, Denmark, Belgium, Hungary, Poland and Estonia. We are thus exposed to five different currencies, in addition to our reporting currency, SEK. Our largest translation risk exposure is to our Norwegian operations. External loans in foreign currency totaled NOK 404 million and EUR 89 million at December 31, 2014. The translation difference in equity for the year was SEK6.9 million.

Interest rate risk is the risk that changes in market interest rates will have a negative impact on the net profit, cash flow or the fair values of financial assets and liabilities. Our interest rate risk arises primarily through long-term borrowing. As at December 31, 2014 we were exposed to interest rate risk through bank loans and overdraft facilities. Our relatively high level of debt creates an exposure to interest rate risk, as we borrow at variable rates. At December 31, 2014 our outstanding interest rates swaps had a nominal value of SEK1,895 million. The market value of the interest rate swaps was SEK(3.6) million.

Credit risk is the risk that a counterparty to a transaction will be unable to fulfill its contractual financial obligations, resulting in a loss for us. Our credit risk refers mainly to receivables from customers. While services are sold to a large number of customers, a small number of established customers account for a large portion of total sales. Our customers come from a wide range of industries, with IT, telecom and manufacturing accounting for the largest share of sales. As at December 31, 2014 the maximum credit exposure was SEK1,159.5 million. Provisions for doubtful receivables at December 31, 2014 were SEK4.3 million, accounting for 0.4% of total accounts receivable.

If we are not successful in managing these financial risks, this could have a negative impact on our results of operations and financial condition.

Risks Relating to the Offering and the Offer Shares

The market price of the shares may fluctuate and may decline below the Offer Price

Prior to the Offering, there has been no public market for the Shares. We can give no assurance that an active trading market for the Shares will develop or, if developed, will be sustained following the completion of the Offering. The Offer Price may not be indicative of the market price for the Shares following listing of the Shares on Nasdaq Stockholm. Furthermore, following the listing of the Shares, the liquidity and trading price of the Shares may be subject to wide fluctuations in response to many factors, including those referred to in this section, as well as to stock market fluctuations and general economic conditions that may adversely affect the liquidity and price of the Shares. These fluctuations may occur regardless of our actual performance or conditions in our key markets. The Offer Price, which may bear no relationship to the price at which the Shares will trade upon the completion of the Offering, will be agreed between the Principal Shareholder and the Company, based on close consultation with the Joint Global Coordinators.

Share prices of publicly traded companies can be highly volatile

The share prices of publicly traded companies can be highly volatile. The price at which the Shares will be quoted and the price that investors may realize for their Shares will be influenced by a large number of factors, some specific to us and our operations and some which may affect the facility management services industry as a whole, or listed companies generally. These factors could include our financial performance, large purchases or sales of Shares, legislative or regulatory changes, the overall economy and the financial markets generally. In addition, securities markets have experienced significant price and volume fluctuations in recent years, especially over the past two years. Such fluctuations in the future could adversely affect the market price of the Shares resulting in losses to shareholders, regardless of our results of operations or financial condition.

Substantial future sales of Shares could adversely affect the market price of the Shares

Upon completion of the Offering, the Principal Shareholder will hold approximately 47.1% of the Shares (or 28.1% if the size of the Offering is increased in full and the Over-Allotment Option is exercised in full), assuming the Offer Price corresponds to the midpoint of the Offer Price Range. We cannot predict what effect, if any, future sales of Shares, or the availability of Shares for future sale, will have on the market price of Shares. Sales of substantial amounts of Shares by the Principal Shareholder, or the perception or any announcement that such sales could occur, following the expiration of the applicable lock-up period could adversely affect the prevailing market price of the Shares.

During the periods immediately prior to and following the end of the periods of sales restriction provided for by these lock-up arrangements, the market price of the Shares may fall in anticipation of a sale of Shares. Following the expiry of these arrangements, there will be no contractual restriction on the sale of the Shares owned by the Shareholders who were previously subject to them. We cannot predict whether a substantial number of Shares in addition to those which will be available in the Offering will be sold in the open market following the expiry or waiver of these restrictions. In particular, there can be no assurance that after the restrictions expire, or prior to such time if any such restrictions are waived, such Shareholders will not reduce their holdings of ordinary shares.

The Principal Shareholder will be able to exercise significant influence on us, and the Principal Shareholder's interests may conflict with those of other shareholders

Upon the completion of the Offering, the Principal Shareholder will own approximately 47.1% of the Shares (28.1% if the size of the Offering is increased in full and the Over-Allotment Option is exercised in full), assuming the Offer Price corresponds to the midpoint of the Offer Price Range.

The Principal Shareholder will continue to retain a considerable proportion of the Shares and consequently a considerable interest in the Group. Thus, the Principal Shareholder will have a considerable influence on the outcome of most matters submitted to our shareholders for approval. Such matters include the election of the Board of Directors, the issuance of additional shares and other equity securities, which may dilute existing holders of the Shares, and the payment of any dividends. Thus, the Principal Shareholder will continue to have considerable influence over our management and affairs. Accordingly, this concentration of ownership could have a material adverse effect on the market price of the Shares by, among others: delaying, deferring or preventing a change in control; impeding a merger; or discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company.

The interests of the Principal Shareholder may differ from or compete with those of our other shareholders.

Our ability to declare a dividend in the future is subject to a variety of factors

The declaration and payment of future dividends will be determined by our shareholders. Our ability to pay dividends in the future depends on numerous factors including, but not limited to, our business, future profit, financial condition, results of operations, distributable reserves, cash flows, prospects, capital requirements, the ability of our subsidiaries to pay dividends to us, credit terms, general economic and statutory restrictions, and other factors that our directors deem significant from time to time. There can be no assurance that dividends will be payable or paid in the future.

Future offerings of debt or equity securities by us may adversely affect the market price of the Shares

In the future, we may attempt to increase our capital resources by offering Shares, series of preference shares and other share-related securities, debt securities, including commercial paper, medium-term notes, senior or subordinated notes. Upon liquidation, holders of any such preference shares and debt securities, and lenders with respect to other borrowings, would receive a distribution of its available assets prior to the holders of the Shares. Additional equity offerings may dilute the economic and voting rights of our existing shareholders, reduce the market price of the Shares or both. Preference shares, if issued, could have a preference with respect to dividend payments that could limit our ability to pay dividends to the holders of Shares. The holders of the Shares bear the risk of any future offerings reducing the market price of the Shares, limiting dividend payments in respect of the Shares by us, and diluting their shareholdings in us.

Preferential rights for U.S. and other non-Swedish holders of Shares may not be available

Should there be increases in our share capital, existing holders of Shares are generally entitled to preferential rights to subscribe for new shares, unless shareholders waive such rights by a resolution at a General Meeting of shareholders. U.S. holders of shares are customarily excluded from exercising any such preferential right they may have, unless the rights and Shares are registered under the U.S. Securities Act, or an exemption from the registration requirements thereunder is available. We are unlikely to file any such registration statement, and we cannot assure prospective investors that any exemption from the registration requirements would be available to enable U.S. or other overseas holders to exercise such preferential rights or, if available, that we would utilize any such exemption.

There is doubt as to the enforceability in Sweden of claims based on the federal securities laws of the United States

We are a public limited company incorporated under the laws of Sweden. The members of the Board of Directors, our Executive Management Team and the Principal Shareholder reside outside of the United States. In addition, a substantial proportion of our assets and the assets of our directors, our Executive Management Team and the Principal Shareholder are located outside the United States. It may not be possible, therefore, for investors to effect service of process within the United States upon the Company or its Board members, the Company's Executive Management Team or the Principal Shareholder, or to enforce in U.S. courts judgments against them obtained in those courts based upon the civil liability provisions of the federal securities laws of the United States. Furthermore, there is substantial doubt as to the enforceability in Sweden of claims based on the federal securities laws of the United States, whether by original actions or by seeking to enforce a judgment of a U.S. court.

The Offer Shares may be subject to withholding under FATCA.

The United States has enacted rules, commonly referred to as "**FATCA**", that generally impose a new reporting and withholding regime with respect to certain US source payments (including dividends and interest), gross proceeds from the disposition of property that can produce US source interest and dividends and certain payments made by entities that are classified as financial institutions under FATCA. The Company may be classified as a financial institution for purposes of FATCA. The governments of Sweden and the United States have entered into an agreement with respect to the implementation of FATCA (the "**IGA**"). Under the IGA, the Company does not expect to be subject to withholding under FATCA on any payments it receives. Similarly, the Company does not expect to withhold under FATCA on payments with respect to the Offer Shares. However, significant aspects of whether or how FATCA will apply to non-US issuers like the Company remain unclear and no assurance can be given that withholding under FATCA will not become relevant with respect to payments on the Offer Shares in the future. In addition, FATCA reporting and withholding may apply to Offer Shares held by intermediaries. Even if FATCA were to become relevant to payments on the Offer Shares, it would not be applicable earlier than January 1, 2017. Prospective investors should consult their own tax advisors regarding the potential impact of FATCA, including the IGA, to an investment in the Offer Shares.

Exchange rate fluctuations could have an adverse impact on the value of a non-Swedish holder's Shares and dividends

The Shares are, and any potential dividends would be, denominated in Swedish kronor. An investment in the Shares by an investor whose principal currency is not the Swedish kronor exposes the investor to foreign currency exchange rate risk. Any depreciation of the Swedish kronor in relation to such foreign currency will reduce the value of the investment in the Shares or any dividends in foreign currency terms.

BACKGROUND AND REASONS AND USE OF PROCEEDS

Background and reasons

We were established in 1998 and the first years were devoted to developing service management strategies and concepts. From 2000, when our first significant customers were secured, the customer base both in the private and public sector within the Swedish market has expanded, and we have also established ourselves in Norway, Denmark and Finland. In 2007, we were acquired by Cinven Funds which helped us grow, both organically and through acquisitions. We are a today leading provider of services both within Facility Management (FM) and Integrated Facility Management (IFM) with more than 6,500 employees and as part of our "Service with IQ" mission we offer all the services required for a company or public body to operate smoothly and efficiently.

Cinven's investment strategy is to acquire successful, high-quality European companies, thereafter assisting them to move to the next phase of their growth, using proven value creation strategies. The investment strategy also entails a subsequent divestment of every acquired company within a certain period.

The Board of Directors and executive management of Coor Service Management, together with Cinven, are of the opinion that the time is appropriate for a listing of Coor Service Management. Notwithstanding, Cinven will remain a large and committed shareholder and will be able to participate in the future development of Coor. Our general strategy is focused on delivering an innovative service offering—among other things through significant investments in technical innovations—with active engagement with the customer which will lead to long term mutually beneficial relationships and allow us to capture growth in an expanding market. In Coor's opinion, Coor is a sound company with growth potential and strong cash flow, which creates opportunities for a favorable return for shareholders.

The Offering and the listing will expand the shareholder base and enable us to access the Swedish and international capital markets, which is deemed to support our continued growth and development. Our Board of Directors and executive management, supported by Cinven, consider the Offering and listing of the shares to be a logical step for us. The listing is a quality mark and increases the awareness of Coor and its brand, which is expected to increase our ability to attract new customers as well as new personnel.

Use of proceeds

We expect to receive gross proceeds of approximately SEK1,675 million from the issue of the New Offer Shares in the Offering before estimated underwriting commissions, fees and expenses incurred in connection with the Offer of approximately SEK130 million. As a result, we expect to receive net proceeds of approximately SEK1,545 million from the Offering.

We intend to use the net proceeds from the issue of the New Offer Shares to, together with new financing, pay down all existing external bank debts. The purpose of the refinancing is, together with the new issue, to strengthen our capital structure.

Through the sale of Existing Offer Shares pursuant to the Offering, the Principal Shareholder expects to raise in aggregate approximately SEK116 million (SEK464 million if the Offering is fully increased and SEK784million if the Overallotment Option is also exercised in full) based on an Offer Price set at the midpoint of the Offer Price Range before taking into account expenses. On that basis, the aggregate underwriting commissions payable by the Principal Shareholder in connection with the Offering are estimated to be up to approximately SEK25 million.

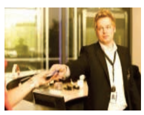
The Board of Directors is responsible for the content of this Offering Memorandum. The Board of Directors hereby declares that, having taken all reasonable care to ensure that such is the case, the information in this Offering Memorandum is, to the best of the Board of Directors' knowledge, in accordance with the facts and contains no omission likely to affect its import.

Stockholm June 2, 2015
Coor Service Management Holding AB (publ)
The Board of Directors

This Offering Memorandum contains statistics, data and other information relating to the FM Market and the industry in which we operate. Unless otherwise indicated, such information is based on a market study we commissioned from an international strategy consultancy firm. Where indicated, we have extracted or derived certain economic and industry data from other third party reports, market research, government reports and other publicly available information. Although the information has been accurately reproduced and although we believe the sources are reliable, none of the Company, the Managers or the Principal Shareholder has independently verified and cannot give any assurance with respect to the accuracy and completeness of such information. As far as we are aware and able to ascertain from other information published by such sources, no fact has been omitted which would render the reproduced information inaccurate or misleading.

The facilities management market

Facilities Management ("FM") encompasses a number of disciplines with the joint purpose of managing and maintaining customers' facilities in order to provide the customers or users a pleasant, safe working environment as well as to preserve the long-term value of the facilities in a cost-effective manner. FM services are typically divided into hard FM (also referred to as property-related services), and soft FM (also referred to as workplace-related services). Soft FM can be further divided into four main categories: cleaning, catering, security and other.

FM service categories			Examples of services
Hard FM	Property Services		• Maintenance, repair and operation of buildings • Energy optimisation and energy efficiency projects • Call-out service
Soft FM	Cleaning		• Traditional cleaning • Special purpose cleaning
	Catering		• Operation of canteens at sites • Coffee machines • Vending machines and fruit
	Security		• Manned guarding • Surveillance • Entry systems and burglar alarm systems
	Other		• Support services (e.g. reception, mail and freight services) • Health / safety, environment and FM-related IT • Internal services, (e.g. plants and meeting support) • Waste management • Planning / projects / consulting

Source: International strategy consultant.

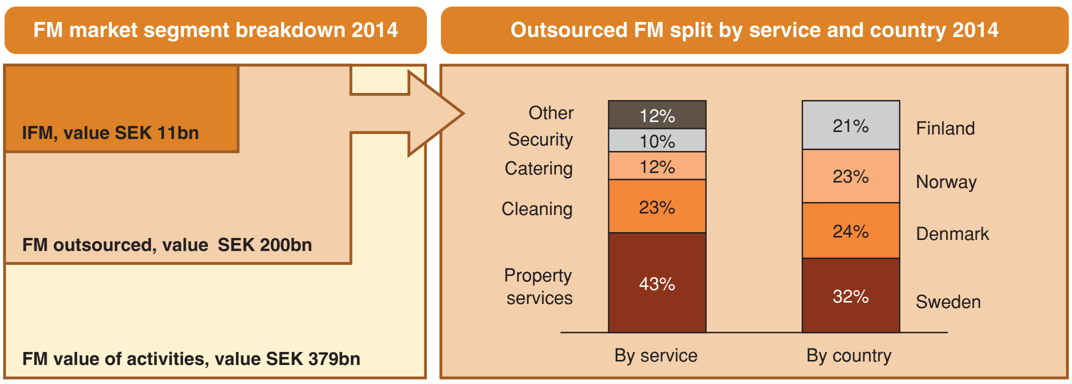
FM activities can either be handled in-house or outsourced to a third party. Reasons for outsourcing FM activities include, *inter alia*, focusing on core operations, improving service quality, reducing costs and minimizing risks. Innovations in how services are carried out to enable an improved customer value proposition are becoming increasingly important, driven by an increased focus on service quality as well as technology development.

The share of FM activities outsourced to a third party is generally higher in the private sector than in the public sector in the Nordic region. Private customers can be further divided into large corporations with net sales exceeding SEK1 billion and small and medium-sized enterprises ("**SMEs**") with net sales below SEK1 billion.

In the nascent stages of the market for outsourced FM, single services were generally outsourced one by one. As the market has matured, service providers have increasingly offered several bundled services in a combined offering. Bundling enables customers to reduce the number of service providers which may improve efficiency in both procurement and service delivery. Further development in bundling of service offerings has led to the introduction of a management layer between the customer and these service offerings, which created the Integrated Facilities Management ("**IFM**") segment of the FM market. IFM customers are offered two or more service types as an integrated package with a single point of contact. Services offered by an IFM service provider can either be carried out by different subcontractors or delivered directly by the IFM provider ("**self-delivery**"). Although still constituting a relatively small part of the FM market, the proportion of the market represented by IFM is gradually increasing. IFM growth is fuelled by the benefits of having a single service provider and one point of contact for all FM needs, including cost saving potential, reduced complexity as well as improvements in quality and consistency. Large customers in particular perceive strategic benefits in partnering with one service provider that oversees all FM activities across a particular region.

The Nordic FM market

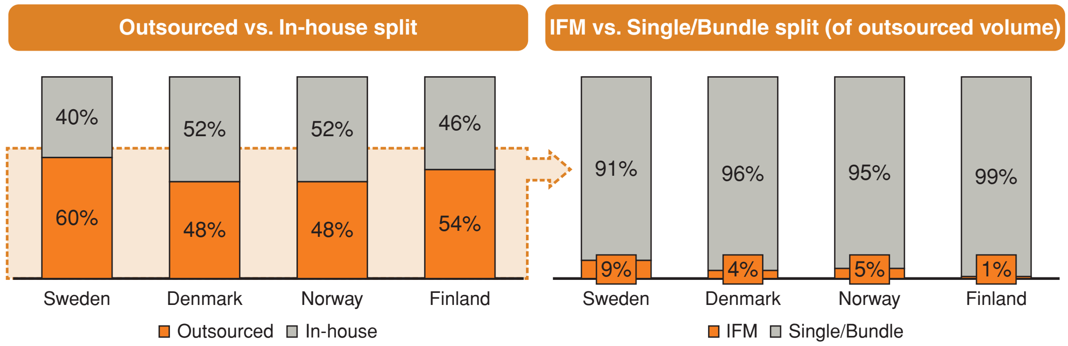
The total annual value of Nordic FM in 2014 activities is estimated to amount to approximately SEK380 billion, of which approximately SEK200 billion is estimated to be outsourced. Sweden is the largest outsourced FM market in the Nordics followed by Denmark, Norway and Finland. The IFM segment constitutes approximately SEK11 billion of the outsourced FM market in the Nordic region. The share of the outsourced FM market accounted for by outsourced IFM is the highest in Sweden amounting to approximately 9% of the total Swedish FM market. By contrast, the share of the outsourced FM market accounted for by IFM is the lowest in Finland where the corresponding figure is approximately 1%, due to a strong tradition of FM companies providing single services.



Source: International strategy consultant.

While the overall outsourcing penetration in the Nordic FM market is above 50%, there are significant differences among the different service types. For security, the outsourcing penetration is 90-100% due to the permits required to perform such services. Property services on the other hand account for the lowest outsourcing penetration in the Nordic markets, amounting to 40-50% in the entire region and as low as 35% in Norway. The low outsourcing penetration within property services is due in part to the fact that many property companies typically have in-house capabilities. Both cleaning and catering have outsourcing penetration of approximately 60%.

The Swedish market is the most mature in terms of overall FM outsourcing and IFM share. The FM outsourcing penetration is at approximately 60%, mainly driven by the propensity of private companies to focus on core activities. The IFM share of 9% is mainly driven by the relatively high number of large corporations in Sweden as compared to other Nordic countries. The lowest FM outsourcing penetration of the Nordic FM market is found in Denmark and Norway where approximately 48% of FM services are outsourced. Norway has lower and Denmark has significantly lower FM outsourcing penetration in the public sector compared to Sweden. Recent large IFM contract awards in Denmark and Norway have improved the IFM share of the Danish and Norwegian FM market. Finland has a high FM outsourcing penetration, but a low IFM share due to a traditional focus on single services.



Source: International strategy consultant.

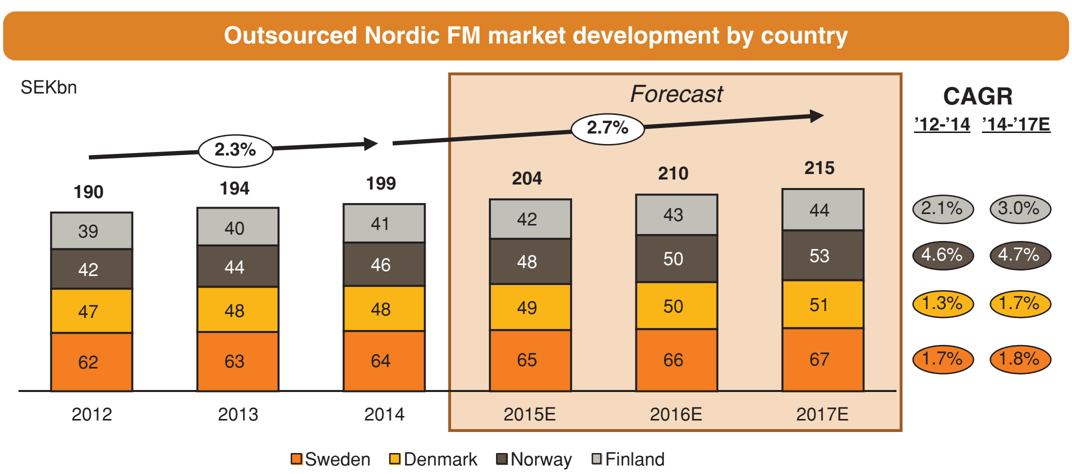
Historical development and future growth

The outsourced Nordic FM market is estimated to have grown at approximately 2.3% per annum between 2012 and 2014. For the period 2014 to 2017, the market is expected to grow with a CAGR of 2.7%. The main contributors to growth have historically been, and are expected to continue to be, growth in the total volume of commercial floor space across the Nordic region requiring (either in-house or outsourced) FM services, increasing outsourcing penetration, and the costs FM providers face for delivering their services which can be expressed as unit costs per square meter.

Development by geography

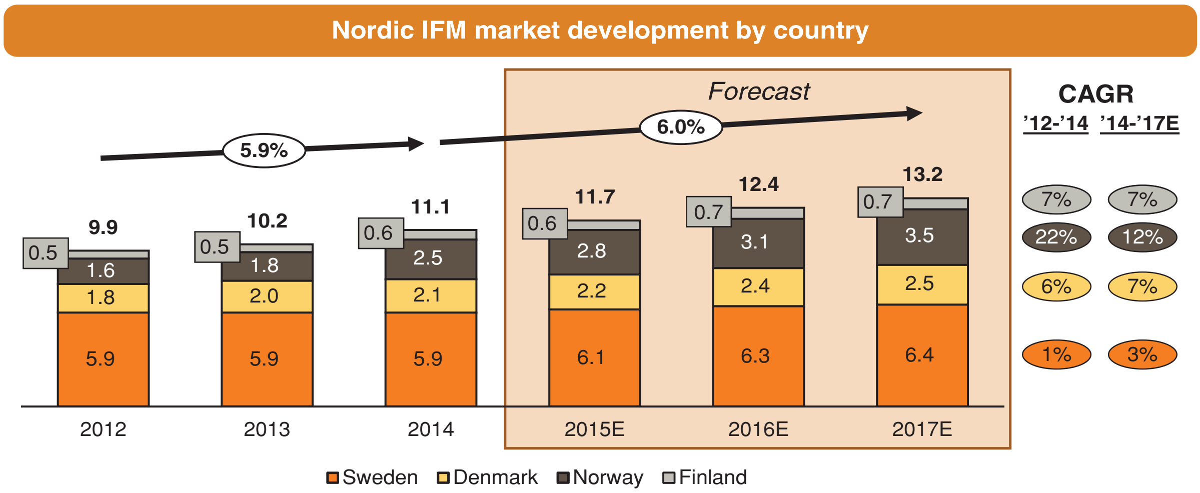
Norway has shown the highest growth in outsourced FM with a CAGR of approximately 4.6% between 2012 and 2014 while the largest market, Sweden, has grown at approximately 1.7% per annum. Growth in Finland and Denmark was approximately 2.1% and 1.3% respectively.

Norway is expected to continue to show the strongest growth in the near future and is estimated to grow at a CAGR of 4.7% between 2014 and 2017, driven by expected high growth in both floor space and cost per square meter. This can be compared to an expected CAGR of 1.8% in Sweden for the same period, with increases in expected FM related costs and in outsourcing penetration as the main contributors. Finland is expected to show strong growth with a CAGR of 3% from 2014 to 2017, mainly driven by increases in expected FM related costs. Denmark is expected to show the lowest growth with a CAGR of 1.7% from 2014 to 2017



Source: International strategy consultant.

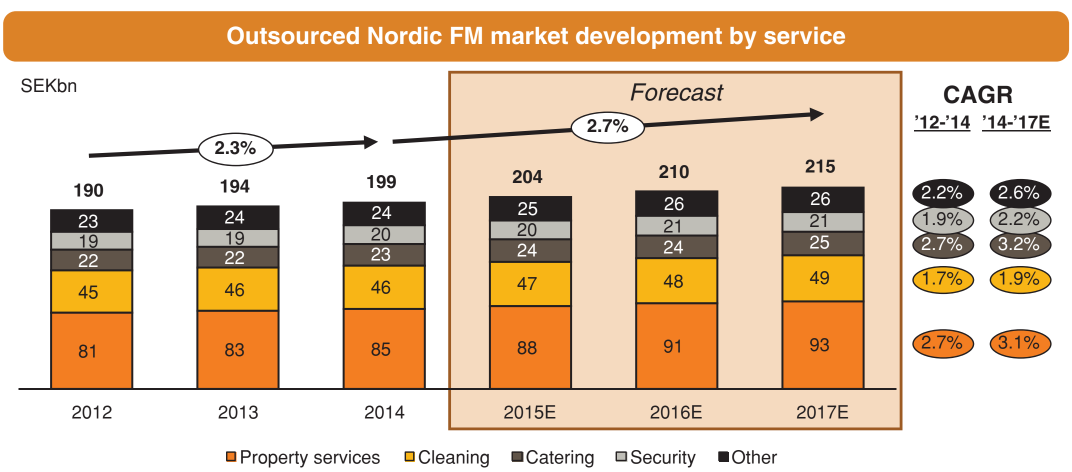
The IFM segment in the Nordic region is estimated to have grown at a CAGR of approximately 5.9% from 2012 to 2014, predominantly driven by major providers such as Coor and ISS A/S (ISS). Future Nordic IFM segment growth is expected to be approximately a CAGR of 6.0% from 2014 to 2017, mainly driven by large IFM contracts. Sweden is the largest and most mature market and is expected to show the lowest growth in the Nordic region, corresponding to 3% CAGR between 2014 and 2017. Norway experienced the strongest growth in the period 2012 to 2014 and hence surpassed Denmark as the second largest IFM segment. The strong growth in Norway was to a large extent driven by our IFM contract with Statoil ASA (Statoil). Going forward, the Norwegian IFM segment is expected to grow at a CAGR of 12% between 2014 and 2017 due in part to several larger high profile IFM contracts awarded recently as well as cost focus by large corporations and public tax changes which are expected to increase incentives for FM outsourcing in the public sector. Both Denmark and Finland are expected to show growth in line with historical growth rates.



Source: International strategy consultant.

Development by service type

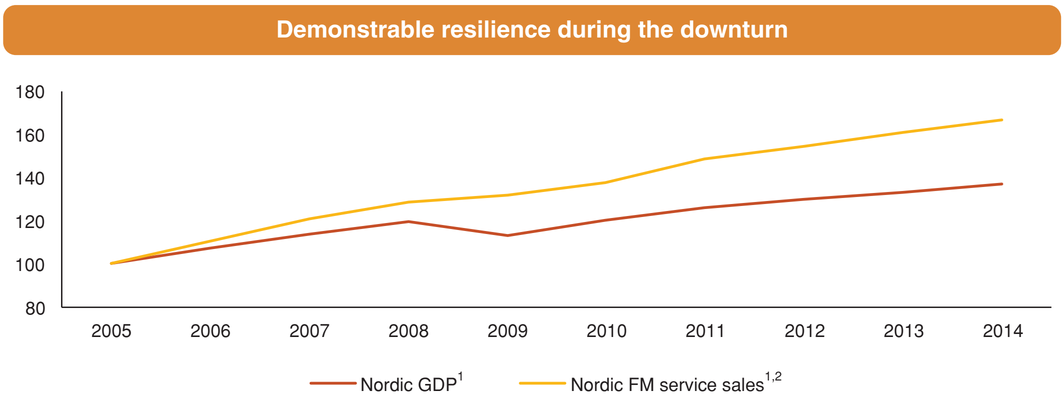
Towards 2017, growth rates for all service types are expected to increase slightly. Property services growth is expected to increase from a CAGR of 2.7% in the period from 2012 to 2014 to a CAGR of 3.1% in the period from 2014 to 2017 due to a higher level of outsourcing resulting from increased focus on core operations by property owners. Growth in cleaning is expected to be 1.9% per annum from 2014 to 2017 and below market average due to decrease in average service levels. The 2.7% CAGR from 2012 to 2014 in catering is expected to increase to 3.2% between 2014 and 2017 driven mainly by increasing growth in Denmark and Finland. Growth in security is expected to be 2.2% per annum from 2014 to 2017 which is below total expected market growth due to technology development (e.g. replacing guards with surveillance) and competition.



Source: International strategy consultant.

Market resilience

During the recent financial downturn, the FM market has been less affected than the overall economy. Modest or no decline in market value has been observed as service level reduction among existing customers is generally mitigated by an increasing outsourcing penetration. Service levels for non-critical services such as cleaning and catering are generally reduced during a downturn but return to historic levels post downturn to ensure facility attractiveness. Service levels for security and property services are more resilient due to the risk of monetary loss associated with reduced service levels. Outsourcing penetration may to some extent increase during a downturn as customers seek to reduce their headcount to achieve cost savings. Post downturn periods tend to see outsourcing penetration increasing in line with economic growth and service levels have in many cases returned to pre-downturn levels.



Note:

(1) Includes Sweden, Norway, Denmark and Finland.

(2) Nordic FM service sales: FM service sales calculated from country specific national statistics services turnover data for relevant categories of companies.

Increasing share of bundled services and IFM

Approximately 25% of the total increase of annual volume in 2014 in the outsourced FM market in the Nordics was estimated to represent IFM and 75% was estimated to represent single and bundled services. Growth in IFM is coming from both outsourced greenfield volume (volumes previously sourced in-house) and integration of existing single/bundled FM volume into IFM contracts.

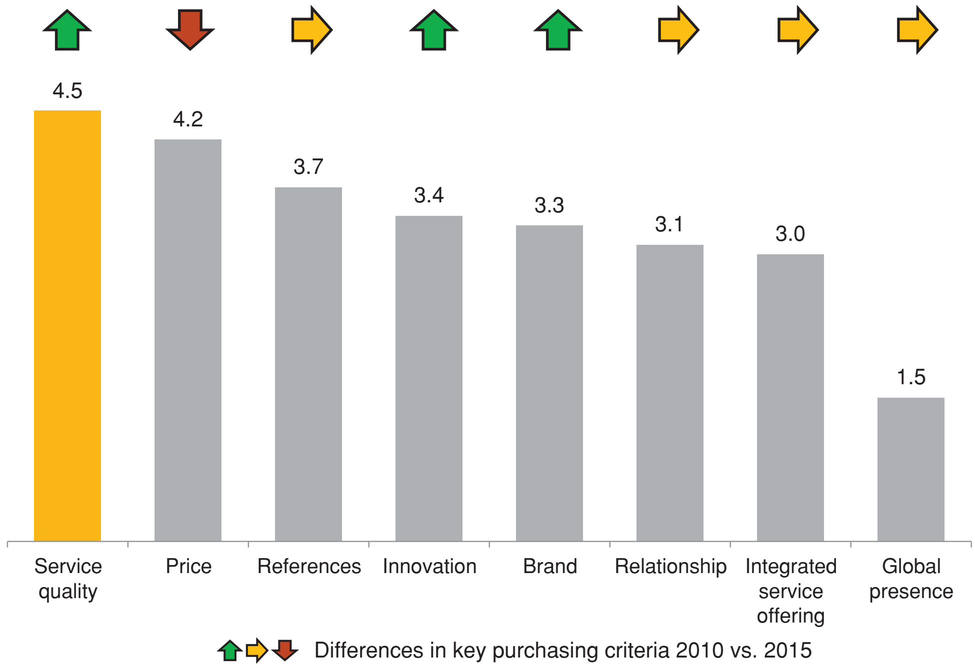
A larger share of large corporations use IFM services than SMEs and the public sector. In 2014, IFM was estimated to represent 75% of volume growth in outsourced FM activities among large corporations, compared to only 10% among SMEs and 5% in the public sector. Among SMEs, IFM penetration is mainly driven by companies with characteristics similar to large corporations, while smaller enterprises tend to use single services due to less complex service needs. The number of IFM contracts in the Nordic public sector remains limited to date, even though there have been increases in FM outsourcing in general and the average deal values have been comparable to contracts with large corporations. Highly regulated tendering processes have historically limited IFM penetration in the Nordic public sector.

The IFM segment is characterized by higher customer loyalty than is the case in the FM market overall. Unbundling of IFM contracts is rare and only a few cases have been observed during the last years. There are cost and efficiency barriers which impede both switching between different IFM providers as well as replacing IFM contracts with several bundled or single services providers, which include increasing delivery risk and increasing sourcing complexity. It is significantly easier to switch between different single and/or bundled services providers than between IFM providers.

Service quality surpassing price as most important purchasing criterion

Over the last five years, quality has surpassed price as the most important FM purchasing criterion in the Nordic region. Large corporations in particular focus on quality while the public sector puts a greater emphasis on price. In greenfield contracts, service quality is important, as well as minimizing integration risk and reducing costs. Competitive pricing continues to be an important driver for customers but as contracts mature, greater emphasis is put on service quality. The most mature contracts focus largely on measures to improve productivity and service quality.

Customer key purchasing criteria (1=not important, 5=very important)



Source: International strategy consultant.

Emphasis on innovation to improve productivity and reduce costs

Innovation is becoming increasingly important, not only as a differentiating factor during tendering processes but also during ongoing service delivery. Due to the desire for real time monitoring of contract performance, software tools are increasingly embedded within FM service propositions. Customers in the IFM segment are increasingly seeking innovative solutions with tangible benefits to increase productivity and reduce costs. The main areas of innovation include product improvement, improved sustainability and improvements that increase workplace wellbeing.

In relation to product improvement, customers value tangible benefits both from operational and technical innovations that result in cost savings without reducing service levels. Examples include the use of sensor technology to identify equipment failure or replacement needs, automated access systems to increase safety, connected offices in which physical objects are connected to the internet to enable access to facility data anywhere, use of large data to optimize entire buildings and automated devices to limit human errors and increase efficiency.

As environmental requirements have increased, sustainability has been one of the key drivers of innovation in the FM market. Sustainability innovation focuses on solving challenges such as energy usage, water and waste management, material usage and indoor ecology.

Workplace wellbeing innovation aims to increase productivity by creating a better working environment which attracts high quality talent, based on the premise that well developed and maintained workplace amenities such as lounges and fitness areas can have a direct impact on employee satisfaction, productivity, health and morale.

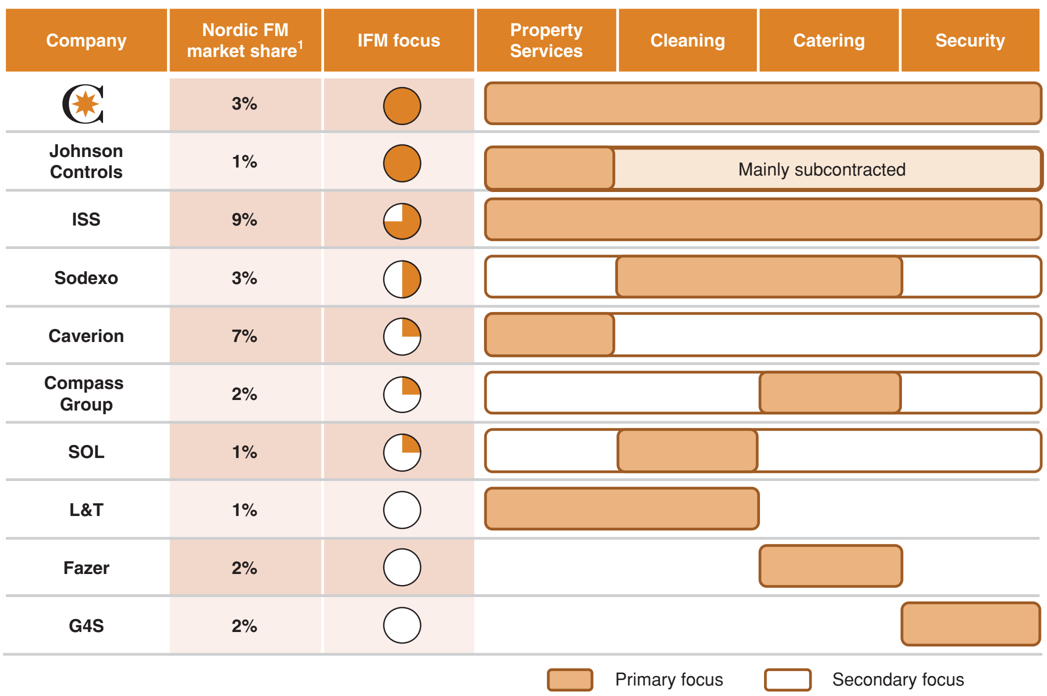
Increasing outsourcing penetration

The percentage of FM services outsourced in the Nordic region is at lower levels compared to other European markets such as the UK and the Netherlands. These countries have among the highest FM outsourcing penetration in Europe, and the public sector in particular is ahead of the Nordics in terms of both FM outsourcing penetration and IFM share. Estimated FM outsourcing penetration for the UK and the Netherlands are over 60%.

The FM outsourcing penetration in the public sector in 2014 was 35% in Sweden, which was the highest in the Nordic region. By contrast, approximately 56% of FM services within the UK public sector in 2014 were outsourced. There are certain barriers causing the lower level of outsourcing in the public sector in the Nordic region. These barriers include long and complex tendering processes, strong unions, election and budgeting cycles and risk aversion. Whilst some of these can be mitigated through allowing the FM provider to hire the existing in-house personnel as part of the outsourcing process (to minimize possible union-related or political problems), the timing of a potential increase in Nordic public sector outsourcing remains uncertain.

Competitive landscape

The Nordic FM market is fragmented with the top 10 FM providers constituting approximately 30% of the outsourced market in 2014. Coor had a market share of approximately 3% of the overall outsourced Nordic FM market and of approximately 36% of the Nordic IFM segment in 2014. We are the largest IFM player in the Nordic region, and together with ISS and Sodexo make up approximately 82% of the Nordic IFM segment of the FM market. The wider competitive landscape consists of both IFM focused players and companies focused on single/bundled services.

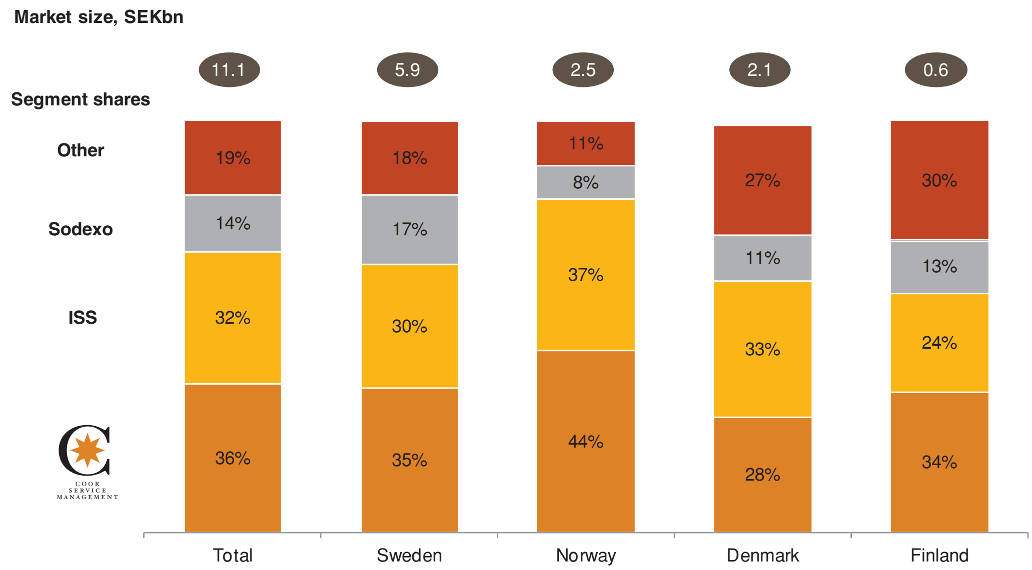


(1) FM market size and FM market shares represent estimated figures for 2014 based on company revenues

Source: International strategy consultant.

Certain FM providers with a history of offering a broad set of non-integrated services have recently expanded their focus to IFM. In addition, large international players provide IFM services largely delivered through subcontracts, but those players have a relatively small share of the Nordic IFM segment. Many competitors are particularly strong in one particular service area, with limited or no focus on other service types and/or IFM Segment. The table below sets out the Nordic IFM segment competitive share in 2014 according to an international strategy consultant.

IFM competitive landscape[1]



(1) IFM segment size and IFM segment shares represent estimated figures for 2014 based on company revenues.

Source: International strategy consultant.

BUSINESS OVERVIEW

Overview

We are a leading provider of IFM and FM services in the Nordic region. More specifically, we are the leading provider of IFM services across the Nordic region with a share of approximately 36% based on net sales in 2014 and with leading segment positions in IFM across Sweden, Norway, Denmark and Finland. Founded in 1998 as a pure-play IFM provider, we have been helping shape the IFM segment in the Nordic region through a number of significant outsourcing contracts, such as in 2000 when we won one of the largest IFM contract in Europe at that time with Ericsson. Since then we have continued to grow, partnering with customers such as Volvo Cars in 2003, Nya Karolinska Solna ("**NKS**") in 2010 and Danish Police in 2012. More recently in 2014 we won a landmark contract with Statoil—one of the largest ever IFM contract signed in the Nordic region. Although we remain primarily an IFM provider, we have strategically expanded into selected single and bundled FM services. We provide over 100 FM services including, cleaning, catering, property, reception, post and parcel, and conference and meeting room services delivered either in a package as an IFM contract or as single or bundled services.

Our vision is to be the leading supplier in facility management services in the Nordic region. We seek to be the customer's first choice of service supplier by continuously improving the quality of our service delivery. In recent years, we have put great effort into embedding technology into our services. Through collaboration with customers, business partners, employees and others, we identify, develop and launch new innovative solutions. Some of our most popular concepts are consolidated under the "Smart Solutions" umbrella and to date Smart Solution concepts have been used by over 70,000 customer employees. To continuously adapt and develop our service delivery through innovation is an important part of our "Service with IQ" mission to add tangible value to our customers and differentiate ourselves from our competitors.

We have a strong entrepreneurial corporate culture, which is embedded throughout the organization. Our employees are empowered to change and improve local service delivery, supported by an environment in which continuous improvement is encouraged and rigorous training programs are available for both managers (Coor Business School) and employees (Coor Service School).

We follow a delivery model that is based on the delivery of IFM services on-site at our customers' organizations with the support of innovative technology. We have the flexibility to offer services through both self-delivery (where our employees provide the services) and the use of subcontractors, while still providing customers with a single point of contact. Many of our employees are former employees of our customers or competitors who have joined us when we entered outsourcing agreements with those customers. We had a strong track record of integrating and retaining these "transferees" into the Coor environment through comprehensive training programs. As of December 31, 2014, we had over 6,500 employees.

For the year ended December 31, 2014 our net sales were SEK6,843.8 million and our Adjusted EBITA was SEK354 million, compared to SEK6,453.6 million and our SEK312 million for the year ended December 31, 2013, respectively. For the three months ended March 31, 2015 our net sales were SEK1,847.5 million and our Adjusted EBITA was SEK99.9 million, compared to SEK1,507.6 million and our SEK80.7 million for the three months ended March 31, 2014, respectively.

Strengths

We believe that our key competitive strengths are as follows:

Market leader across the Nordics

We are the leading provider of IFM services in the Nordic region with a segment share of approximately 36% of net sales in 2014 and we hold leading segment positions in IFM across Sweden, Norway, Denmark and Finland, where we have won many large and complex Nordic IFM contracts over the last five years, including NKS in 2010, the Danish Police in 2012 and Statoil in 2014. We offer one of the Nordic market's broadest services offerings with over 100 individual services across our three service segments—soft FM, hard FM and strategic advisory services.

We believe we have successfully differentiated ourselves from competitors by being principally associated with our customer-specific IFM proposition, which is able to develop and deliver integrated services customized to each customer's specific business challenges rather than provide standardized services. By combining services from all or parts of our three service segments, we deliver tailored, effective, flexible and value added services for our customers. The reputation and expertise we have gained in providing a range of services through our IFM business has positioned us well for further expansion into the bundled FM and single services market.

We believe that companies are increasingly focusing on their core business due to competition and cost reduction initiatives, which makes them more receptive to outsourcing their support activities. According to estimates by an international strategy consultant, the Nordic IFM segment is expected to grow at a rate of approximately 6.0% per annum until 2017. See "*Industry Overview*".

We are well positioned in the Nordic region with our established platform and reputation for service quality. As a result, we believe we are viewed as a trustworthy partner with sufficient scale to provide breadth, depth and continuity in service delivery. With our established IFM platform combined with a growing FM market in the Nordic region characterized by low outsourcing penetration, we believe we are well positioned to take advantage of growth opportunities in the Nordic FM market and IFM segment With our size and experience in IFM we believe we are perceived as a low risk alternative to potential customers in the market at the same time as we are able to offer cost-effective solutions, drawing on our size and geographical footprint in the Nordics.

At the forefront of innovation

As the IFM segment grows and matures, customers increasingly seek innovations with tangible benefits such as improved workforce productivity, sustainability and quality of worklife. An international strategy consultant's market report commissioned by us concluded that innovation is an increasingly important purchasing criterion and Coor is perceived as more innovative than its peers. In recent years, we have put great effort in understanding how technology can be embedded into our services. Through ongoing dialogue and feedback processes with customers, business partners (such as technology companies), employees and others, we identify, develop and launch new innovative solutions to address unfulfilled needs. For example, Coor SmartFlow allows users to redirect physical mail and gives alerts when mail has arrived, as opposed to a traditional mail delivery service.

To continuously adapt and develop our service delivery through innovation is an important part of our "Service with IQ" mission to add tangible value to our customers and differentiate ourselves from our competitors. We believe that our culture of innovation enhances operational efficiency and customer loyalty. Some of our most popular concepts are consolidated under the "Smart Solutions" umbrella and to date Smart Solution concepts have been used by over 70,000 customer employees.

The Coor headquarters serves as a demonstration center for customers to experience the various innovative solutions that we offer. We believe that our work in innovation strengthens our brand, increases our existing customers' satisfaction and improves our margins.

Long-term relationships with diverse portfolio of Nordic customers

We have developed and grown long-term relationships with a diverse portfolio of Nordic customers over the past 15 years, as evidenced by our strong track record of contract renewals. For example, even though our typical initial contract period is between three and five years, customers accounting for 77% of our net sales (based on contracts with more than SEK15 million in sales per annum)[1] for the year ended December 31, 2014 have been with us for six years or more, which helps show the regularity with which major customers have exercised their extension options or renewed their contracts with us. One of our largest customers, Ericsson, has been a customer since 2000. Our retention track record strengthens our brand and credibility, reduces start-up costs associated with large new contracts and helps provide an attractive platform to win new customers, such as Statoil and NKS in 2014 and 2010, respectively.

Additionally, our customers represent a diverse range of industries. For example, of net sales from customers in the year ended December 31, 2014, 22% were from the IT and telecommunications industry, 20% were in the public sector, 18% from manufacturing industries, 15% in oil and gas (based on the assumption that contracts with less than SEK15 million in yearly sales 2014 have the same industry distribution as contracts more than SEK15 million in yearly sales 2014), amongst others. We believe this diversity helps reduce our exposure to sector-specific volatility.

1 This reflects a pro forma adjustment as if the Statoil had been initiated on January 1, 2014.

The diverse and long-term portfolio of large IFM-customers act as reference base, which is valuable in winning new business. These customers also act as partners in the development of services and which helps us to continuously innovate and develop solutions that are leveraged with other customers and potential customers.

Contracted sales model with high visibility

We have a strong track record of winning some of the largest Nordic IFM contracts, including Statoil, Danish Police, NKS, Ericsson and SAS. As our contracts typically have a duration between three and five years, we have a high visibility of future net sales for a majority of our contracts in the near term. Further, our contract expirations are relatively balanced over time. For example, 13% of our net sales in 2014 relate to contracts expiring in 2015, with another 18% expiring in 2016 (based on customers with more than SEK5 million in sales per annum). Even though all of our contracts have some variable element, we consider a significant majority of our net sales to be recurring, through a combination of minimum contracted amounts or exclusivity on certain services. Additionally, some of our contracts are for longer contracted periods than five years, which, when coupled with high amount of recurring net sales, gives a strong contracted net sales of SEK37 billion as of December 31, 2014.[2]

High quality management team and strong corporate culture across the organization

We have a high quality management team that has significant experience in the FM industry, both at the Group level and in key operating businesses and divisions. Our management team was recently strengthened with the hire of our current chief executive officer Mikael Stöhr in 2013, and our other top eight senior managers all have been with us for over eight years on average. Further, the chief executive officers of both Addici and LujaPalvelut are now members of our executive management team.

Additionally, we have a strong divisional management team with clear accountability. Each layer of management from the chief executive officer to specific contract managers has a defined set of key performance indicators that are tied to profit and loss targets for its area of responsibility. In line with our entrepreneurial corporate culture, these managers are empowered to change and improve our service delivery at a local level.

Further, each geographic segment includes a business development team dedicated specifically to winning new contracts. Additionally, a business development team at Group level is directly responsible for new contract opportunities greater than SEK50 million per annum, whilst opportunities between SEK10 to 50 million per contract per annum are the direct responsibility of the country business development teams. A continuous dialogue is held between business development teams at Group level and country levels and business units on how to handle new sales cases and opportunities. Most of our business development managers at both the Group and the country segment level have management consultancy backgrounds.

All employees have the opportunity to change and improve local delivery of our services, with a widespread culture of continuous improvement and a rigorous training program for all managers (Coor Business School) and all employees (Coor Service School). This helps ensure that all employees are able to deliver consistent, high quality service which ultimately leads to customer retention.

Strategy

Our general strategy is focused on delivering an innovative service offering, with active engagement with the customer which will lead to long term mutually beneficial relationships and allow us to capture growth in an expanding market.

2 Defined as the product of run-rate of annual net sales of existing contracts and remaining contract tenure as at December 31, 2014. Small contract portfolios with annual sales below SEK15 million are assumed to have a three year tenure.

We intend to leverage our strong existing IFM platform to support and drive further growth in IFM

Our customer base consists of a mix of large blue chip customers, public sector customers and SMEs, of which 27 customers currently account for net sales greater than SEK50 million per annum each ("**large IFM customers**") in 2014. Large customers represent our core focus, and are typically characterized by a large contract size (approximately SEK180 million per annum on average for large IFM customers)[3] and complex service requirements. Supported by our strong IFM platform, we have also targeted underpenetrated market segments such as the public sector, small IFM and production sites. For example, we have had recent success in the public sector (e.g. NKS and Danish Police). Further, in 2015 we won the competitive re-tender of the Volvo Car Group contract and became the provider of FM services to all of its production plants in Sweden and Belgium. The strategy focuses on leveraging the existing platform to drive further growth in these underpenetrated segments.

We have a win rate of close to 40% on new sales in competitive tenders from 2010 to 2014, much driven by a well proven process and team set-up to manage the complex large IFM-cases as well as an extensive schedule to meet with potential customers. We have signed several new contracts already in 2015 which we estimate to account for SEK550 million in new net sales per 12 months for contracts once fully ramped-up. We aim to continue to build on this positive trend and high existing win rates going forward.

Since 2012, approximately 70-80% of our contracts that have been retained have been renegotiated on a non-competitive basis (i.e. customers have not asked alternative service providers to bid for the contract). Going forward by building closer relationships with our key customers through continuous contract reviews we aim to continue to renew an increasing proportion of contracts non-competitively, as such contracts generally contain more favorable terms than greenfield contracts or contracts taken over from competitors.

We are also looking to increase the emphasis on our add-on offering of additional services in our existing contract portfolio.

Drive growth in single and bundled FM

Although we remain primarily an IFM provider, since 2007, we have strategically sought to capture market share outside the IFM sector in selected single service segments (cleaning, catering and property services) which are highly fragmented. We have made several organizational changes to support the increased focus on bundled FM and single services. For example, we empowered our local business units with a standardized sales model to streamline the generation of bid materials in order to drive higher volumes of bids. Bundled FM and selected single services accounted for almost 40% of our 2014 net sales.

As a result of the broadened strategic focus we will continue to evaluate potential strategic acquisitions to include single service providers which would enhance our cleaning, catering or property service offering. Addici, which we acquired in 2012, added significant volumes and capabilities in our bundled FM offering. This provides us with a platform to leverage further growth in these service segments going forward.

We also have regional strategies in place based on our existing platform and local opportunities. For example, we believe there is opportunity for bundled FM growth by leveraging our large presence in Sweden and Denmark as well as untapped potential in Norway. We have a large, specialized bundled FM unit in Sweden with dedicated sales resources and a targeted, simplified bid approach. Additionally, Denmark has a relatively large base and a strong pipeline of opportunities based on geographical presence.

Further we expect opportunities in new single service business based on a large delivery base in IFM and dedicated single service delivery organizations. In Sweden, Norway and Denmark we are focusing on mid to large single service contracts in cleaning, catering and hard FM. In Finland we are refocusing on growth in existing single service property and cleaning units with improved operational efficiency and management.

[3] Calculated as run rate estimated by the Company for the 27 customers with sales greater than SEK50 million in 2014 divided by 27.

Continue to increase focus on self-delivery in cleaning, catering and property services

In recent years, we have been increasingly focused on the self-delivery of our cleaning, catering and hard FM services as opposed to subcontracting services. Our self-delivery capabilities have been developed organically and complemented by the acquisitions of Addici and LujaPalvelut, both of which were primarily focused on self-delivery of services. In 2007 only 28% of our net sales were derived from self-delivered services compared to 51% in 2014.[4] Going forward, we aim to continue to focus on developing our self-delivery capabilities for service lines which complement our strategic focus. Although we intend to increase the proportion of our services which are self-delivered, we do not expect to exclusively offer self-delivery services as we believe subcontracted services provide us with flexibility to provide our customers with a more integrated service offering for all of their needs.

We believe self-delivery of Coor services generally improves customer satisfaction and, in turn, overall retention rates and the volume of project-based work. Increased self-delivery also provides several benefits to our IFM model by building internal capabilities that can be leveraged in IFM contracts, improving the overall delivery quality and our control over the delivery process and enhancing margins as it avoids the cost to us of subcontractors earning their margins. Most new contracts that started in 2014 included self-delivery of cleaning, catering and property services.

Continued focus on operational efficiency and overhead costs to maintain and increase margins

Going forward we will continue to focus on improving our operational efficiency. We have a successful track record of increasing margins over the life of the contracts by continuously focusing on day-to-day operational efficiencies at the contract level. Day-to-day operational efficiencies are efficiency improvements made by individual contract and site managers at the local level. During the course of the normal running of the business, contract and site managers are responsible for maintaining an ongoing focus to support or improve margins on a contract, including by renegotiating supplier contracts, maximizing the chargeable time of the division's work force and increasing volume of services without increasing FTEs.

We are also targeting modest savings from further ongoing process streamlining and administrative effectiveness. Part of the drive for these structural changes is that as we require a flexible operating model and underlying IT systems to serve SMEs and expand further into single service deliveries in addition to IFM services. Further, we believe that continued margin improvement requires implementing common best practice processes across the Group to reduce the cost of support functions and increase group synergies.

Additionally, we introduced a strategic procurement function at the Group level in 2012 to centrally coordinate procurement and leverage our expertise at different levels and in different regions. Further, in 2014, we, with the assistance of an independent consultant, developed a detailed procurement spend analysis and a plan to facilitate procurement initiatives to achieve significant cost reductions. Traditionally, local procurement functions have been set up separately in each country. This has based on invoices received (VAT excluded) resulted in SEK3.5 billion spent on expenses from 9,100 different suppliers in 2014. We have recently established a new purchasing strategy defining a professional purchasing organization with a clear role of managing the supply of select categories of items. We expect to be able to drive supplier selection decisions, commit volumes to suppliers, drive standardization of purchased products and services to achieve cost savings.

We implemented a restructuring of our selling and administrative expenses from 2011 to 2013 in response to the change in the strategic mix of our services towards bundled FM and single services, as well as the acquisition and integration of Addici, which necessitated a new long-term view on required selling and administrative expense levels. This rebalancing included the consolidation of certain support functions and reducing the number of managers through widening the scope of responsibility of others.

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4 Calculated for each year as personnel cost divided by our combined cost for own personnel and sub-contractors in Sweden, Norway and Denmark.

Continue to follow key customers into Europe

Historically, we have selectively followed key customers into new European markets such as Belgium, Hungary, Poland and Estonia. While to date net sales from such countries has been minimal as a percentage of overall Group net sales, we believe that adding these operations have been important in helping to maintain ties with certain large customers and improves our competitive position when renegotiating new contracts with those customers. For example, in 2009, as a consequence of our providing services to Ericsson in Sweden, Denmark, Finland and Norway, which were well-received, we won a service contract for them in Hungary. This was followed in 2010 and 2011 by further adding contracts with Ericsson in Poland and Estonia, respectively. In evaluating whether to follow key customers into new markets, we focus on opportunities that help drive volume at a profitable margin. We plan to continue to selectively expand our operations in Europe by following certain key customers. We believe that by expanding into Europe we are able to increase our volumes while also strengthening our position when these contracts come up for retender.

Financial targets

Our Board of Directors has adopted the following financial targets. For a description of our dividend policy, see section "*Shares and Share Capital—Dividends and Dividend policy*".

Organic growth 4-5%

Our target is to achieve an annual organic growth in net sales in the range of 4-5% over a business cycle. We will seek to achieve this by growing in line with the Nordic FM market by defending our market shares in the Nordic IFM segment and taking market shares within single services and bundled FM services. Our actual growth rate may be impacted by winning or losing individual large contracts and can therefore vary between years. In addition to our organic growth, we will also seek growth through selective add-on acquisitions.

Adjusted EBITA margin~5.5%

Our medium-term target is to achieve an Adjusted EBITA margin around 5.5%. We will have a continuous focus on overall operational efficiency and cost savings. Furthermore, as individual large contracts mature, we believe we will be able to improve margins through continued efficiency improvements. Winning new individual large contracts may on the other hand temporarily lower the margin in any given year due to start-up costs.

Cash conversion >90%

Our medium-term target is to achieve an annual cash conversion above 90%. We define cash conversion as the ratio of operating cash flow (Adjusted EBITDA less investments and adjusting for changes in working capital) to Adjusted EBITDA. Historically, our investment level (excluding acquisitions) has corresponded to approximately 0.5% of net sales; a level which we believe can be maintained in the future. Furthermore, we expect to continue to be able to operate our business with a negative and decreasing working capital, although short term deviations may result in lower cash conversion during individual quarters.

Net debt/Adjusted EBITDA (last 12 months) <3.0x

Our medium-term target is to have a net debt in relation to Adjusted EBITDA (last 12 months) below a multiple of 3.0 times. Our target for net indebtedness is set in light of the fact that our business is relatively stable with low capital intensity in relation to the need for investments and working capital. We intend to maintain a capital structure that is flexible and allows us to capture strategic opportunities while maintaining a sound financial position even when market conditions are less favorable.

Our financial targets set forth above constitute forward-looking information that is subject to considerable uncertainty. The financial targets are based upon a number of assumptions relating to, among others, the development of our industry, business, results of operations and financial condition. Our business, results of operations and financial condition, and the development of the industry and the macro-economic environment in which we operate, may differ materially from, and be more negative than, those assumed by us when preparing the financial targets set out above. As a result, our ability to reach these financial targets is subject to uncertainties and contingencies, some of which are beyond our control, and no assurance can be given that we *will be able to reach these targets or that our financial condition or results of operations will not be materially different from these financial targets. See also "Forward-Looking Statements".*

History

We were established in 1998 as Skanska Services, a subsidiary of the construction company Skanska. Our first years were devoted to developing our service management strategies and concepts. We also recruited key management and employees and invested in our processes and systems. In 2000, we secured our first significant customer, Ericsson and then in that same year, Skanska. Over time, we grew our customer base both in the private and public sector within the Swedish market and we also established ourselves in Norway, Denmark and Finland by securing new customer contracts in those jurisdictions.

We launched our operations in Denmark and Finland in 2001 and 2002, respectively and completed our pan-Nordic footprint when we launched our Norwegian operations in 2004.

In 2003, we were awarded our first major assignment within the public sector (the development and supply of service functions to hospitals in the Swedish region of Östergötland, primarily in the cities of Norrköping and Linköping)

In 2004, we were acquired by 3i and in 2005 changed our name to Coor Service Management.

In 2007, we were acquired by Cinven Funds which helped us to complete a number of acquisitions over the following years, which included, amongst others, Vasakronan Service Partner (2009), LujaPalvelut (2011) and in 2012 we acquired Addici, which is one of the largest acquisitions in our history

In 2013 Mikael Stöhr was named our chief executive officer.

In 2014 we won a landmark contract with Statoil (on-shore), which was one of the largest ever IFM contract signed in the Nordic region at the time.

In 2015 we, won an additional contract with Statoil for offshore sites and also prolonged the IFM contract with Ericsson. In May 2015, we entered into a share purchase agreement relating to the sale of our Industrial Services business to the Principal Shareholder for a purchase price of SEK210 million. The transfer will be effective on the day prior to the first day of trading in the Shares on the Nasdaq Stockholm.

Our Business Model

We believe our success is supported by structured approach to the way we operate, which can be summarized in four steps:

- ***winning business***—offering a strong and differentiated selling proposition, with well-defined contracting principles complemented by our strong sales organization, involving both Group and country business development, as well as local business units, with clearly defined responsibilities and continuous collaboration in between business development teams and business units.
- ***integration and change management***—commencing integration immediately following the signing of a contract and when we take responsibility for FM operations, executing a structured, tried-and-tested takeover process which is led by our experienced project managers.
- ***service delivery***—delivering both self-delivered and subcontracted services generally on-site, with some bundled and single FM services delivered using a route-based model.
- ***performance management***—focusing on both internal and external performance management, such as tracking financial key performance indicators to help build bottom-up budgets and forecasts and holding frequent and regular customer meetings to ensure optimal delivery and customer satisfaction.

Delivery Model

We follow a delivery model that is principally based on the delivery of specific services on-site at our customers' organizations with the support of innovative technology. We do this through both self-delivery (where our employees provide the services) and the use of subcontractors. Many of our employees have joined through outsourcing arrangements from customers and competitors and we have a strong track record of integrating these "transferees" through comprehensive training programs. We deliver services to customers either as a single service offering, a multi-services (or bundled) offering or an IFM offering. We have traditionally been an IFM supplier, but since 2007, our strategy has been expanded to focus on targeted efforts in bundled FM and selected single service segments (cleaning, catering and property services) to drive growth outside the more mature IFM segment by capturing market shares in these highly fragmented segments. The relative share of our net sales originating from the delivery of IFM was 62% for the year ended December 31, 2014 and was 20% and 19% for single service and bundled services, respectively. Each of these service delivery models are described below.

Service packages

IFM

IFM refers to the provision of two or more facility management services under one contract with a single point of contact through a management layer which helps support the development of the service portfolio. Upon the commencement of an IFM contract, we generally take over all or most of the facility management services functions that are part of our service offering at the customer's premises. We believe that the penetration rate of IFM is relatively low and that the growth potential of this offering is higher than the overall market for certain single services (see "*Industry Overview*"). An increasing number of large companies are centralizing their service procurement function and property management to manage risk, create synergies, secure standardization and consistency in delivery and increase levels of documentation and reporting for the service delivery. We believe these benefits are driving an increased receptiveness to outsourced delivery of integrated facility management services rather than a traditional facility management model where services are delivered through a range of single service sub-suppliers.

Our focus on the Nordic markets has allowed us to leverage our expertise from existing IFM contracts across the Nordic segment. We believe that our IFM solutions allow us to generate synergies through onsite management of facility management services, and thereby provide our customers with a better facility management services solution which includes the effective transfer of operational risk, cost savings and increased usage transparency. With IFM, we are able to meet the growing demand for integrated, services and thereby develop a favorable value proposition and partnership with the customer.

Bundled services

With bundled services, we provide the customer with two or more facility management services that are delivered in a coordinated, but less-integrated manner. We believe that future growth may come from the ability to bundle services in order to create a simpler attractive customer offering based on a multiple service delivery model. Our bundled services draw on single service excellence but without adding management integration to the service delivery.

Single services

With single services, we provide the customer with one service solution, for instance cleaning services. In general, the value proposition for single service solutions is based on our service expertise and therefore we continue to pursue excellence in our service offerings. We focus on efficiently delivering services to our customers, which allows us to optimize our cost structure and maintain quality standards to ensure the consistency and quality of our work.

Delivery

We deliver our services in two formats: self-delivery and subcontracted services. In recent years, we have been increasingly focused on self-delivery in selected services, as opposed to subcontracting services. For example in the year ended 2007 only 28% of our services by net sales were delivered by self-delivery compared to 51% in the year ended December 31, 2014.[5] Although we intend to increase the proportion of our services which are self-delivered, we do not expect to exclusively offer self-delivery services as we believe subcontracted services provide us with flexibility to provide our customers with a more integrated service offering for all of their needs.

Self-delivery

Our cleaning and catering services are largely self-delivered already in Sweden, Norway and Denmark, while only cleaning is self-delivered in Finland, as currently no catering services are offered there. We also offer self-delivery reception, post and parcel, conference and meeting room services. Our self-delivery capabilities have been developed organically and complemented by the acquisitions of Addici, targeting

5 Calculated for each year as personnel cost divided by our combined cost for own personnel and sub-contractors in Sweden, Norway and Denmark.

increased level of service delivery, and LujaPalvelut, focused on self-delivery of services. We aim to continue expand our self-delivery of cleaning, catering and property service lines through organic growth and selective acquisitions of bundled FM and single service providers. We believe an increased self-delivery offering also provides several benefits to our IFM model, which include:

- Building internal capabilities that can be leveraged in IFM contracts;
- Self-delivery is generally seen as positive by the customer and therefore improves customer satisfaction and, in turn, overall retention rates and volume of project-based work;
- Improves overall delivery quality and our control over the delivery process; and
- Enhancing margins as it avoids subcontractors earning their margin.

Most of our new contracts that began in 2014 included self-delivery of cleaning, catering and property services. In the year ended 2007, 33% of our cleaning services, 62% of catering services and 20% of property services by net sales were delivered by self-delivery compared to 59%, 77% and 39% in the year ended December 31, 2014, respectively.[6]

Subcontracted

We use third parties to provide some services to our customers. In spite of our increasing focus on self-delivery, we regard the use of subcontractors as a key part of our operations which gives us greater flexibility in our business and which we believe gives us a key strategic advantage over many of our competitors who provide all their services using in-house resources. We believe subcontracted services provide us with flexibility to provide customers with a more integrated service offering for all their needs. We have a strategic procurement function at the Group level, which was introduced in 2012, to centrally coordinate procurement and leverage expertise. Out of this we have certain subcontractors who provide services for our Group in multiple cities and countries. Our local procurement functions are also set up in each country which are accountable for managing categories, tender national framework agreements and developing strategic supplier collaborations. We believe that if it became necessary we could replace any of our significant subcontractors without a material impact on our business. In 2014, we estimate that services sourced from subcontractors comprised approximately 49% of our net sales.[7]

Onsite versus route based

For most of our IFM contracts we have a dedicated team that provides onsite services for the customers. For single services and bundled services we typically provide these on a route based delivery model.

Service types

We view our various service offerings as belonging to one of three service segments: soft FM, hard FM and strategic advisory services. While our strategic advisory services are already factored into the overall pricing of our contracts they do not generate separate sales. As a result hard FM services were 36% and soft FM services were 64% of our net sales,[8] respectively and regardless whether delivered as single services or part of IFM-contracts, for the year ended December 31, 2014.

Soft FM

Our soft FM segment largely consists of workplace services, such as reception, guarding, mail and freight services; office machines, meetings and conferences; cleaning, waste management, restaurants or catering, beverage and vending machines; space optimization; interior fittings and relocation services. Cleaning and catering services are our two largest services in terms of net sales of our soft FM services. We provide both cleaning and catering services as a single service as well, as part of IFM contracts. However, for our IFM contracts our onsite managers and reception services represent the hub of our integrated delivery, communicating with the customer, service users and subcontractors, and collecting feedback.

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6 Calculated for each year and each service type as personnel cost divided by our combined cost for own personnel and sub-contractors in Sweden, Norway and Denmark.

7 For 2014, calculated as cost for subcontractors divided by our combined cost for own personnel and cost for sub-contractors in Sweden, Norway and Denmark.

8 The calculation is based on the share of costs for delivery of hard FM services and soft FM services, respectively.

Typically, we can draw significant synergies between the different soft FM services, utilizing multi-skilled staff (e.g. guards that tidy conference rooms while making their rounds etc.). However, catering/restaurant services have limited synergies with other soft FM services.

Cleaning services

Cleaning is typically our largest service in terms of net sales in an IFM contract. In addition to cleaning, cleaners also identify issues and improvements that can be handled by our janitors, receptionists or others in advance of service users reporting it. Cleaning services largely comprise daily office and facility cleaning for commercial customers. We also offer more specialized cleaning services for clean rooms, windows or floor treatments, amongst others. For our cleaning services we seek to implement a group wide set of Coor cleaning concepts, which reflect a consistent methodology for cleaning, standardized set of machines and consumables as well as regular follow-up with the customer as to their cleaning requirements. For cleaning services on a single service basis we seek to focus on customers with higher standard cleaning requirements rather than those who purely focus on price.

Catering services

Our catering services include the operation of in-house restaurants ranging from production floor canteens to executive dining rooms, food production for patients, corporate catering and conference facilities. Some of these services are private to the customer and their personnel and others are open to the public but focus on customer personnel. We follow a "FOOD by Coor" concept which focuses on the graphic profile of the catering space, the raw food used, environmental sensitivities and customer preferences. These provide guidance and tools to each restaurant manager, as they are given a mandate and are expected to adjust the food offering to the customer at hand.

Hard FM

Our hard FM segment largely consists of property services such as; supervision and care; corrective maintenance; planned maintenance; outdoor maintenance; energy optimization; energy efficiency projects; on call service; premises adaptation and installation projects; entry security systems and burglar alarm systems.

Most IFM contracts have hard FM as part of their scope. However, many of our IFM customers do not own the buildings they occupy and our hard FM services delivered to these customers are rather 'light', i.e. covering the inside of the building and not service of the technical systems (ventilation, heating, elevators etc.). We typically find that 'janitor-competence' in these contracts is able to provide a satisfactory level of service. Other IFM contracts require complex hard FM services, as is typically the case in single service hard FM-contracts. These deliveries typically include supervision, care and corrective maintenance of interior/exterior and technical systems as well as energy optimization.

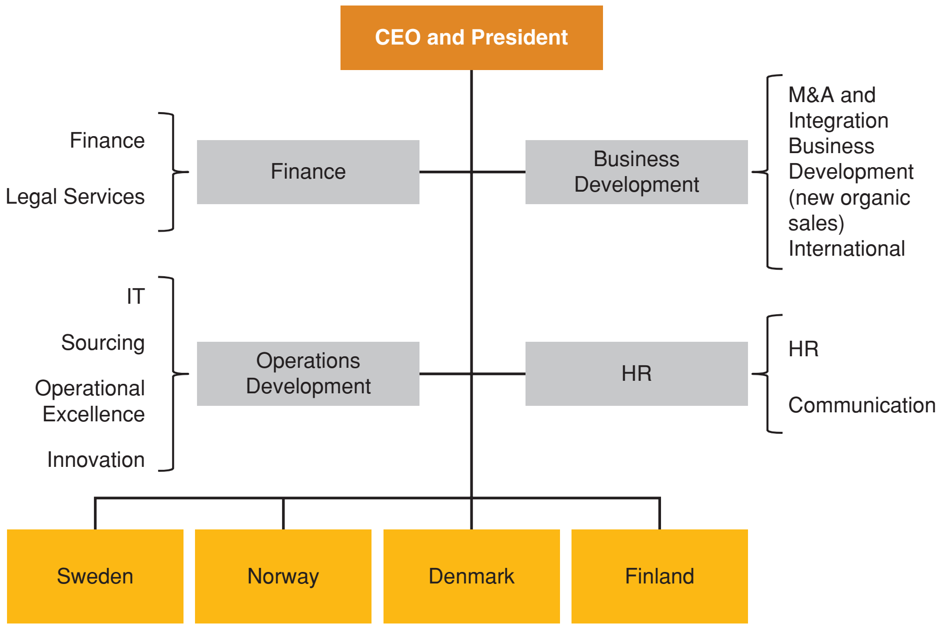
Over the last few years, we have increased our ability to self-deliver our hard FM services, as we have improved the capabilities of generalists from janitors to property technicians and have increased the number of specialized employees (e.g. cooling technicians, electricians, HVAC, carpenters etc.). In addition to increasing the number of people with specialist competence and increasing the capabilities of generalists, we also increased the number of project leaders to be able to take on more and larger projects.

Strategic Advisory Services

These services are offered as part of the overall delivery of IFM and bundled FM contracts. While they are already factored into the overall pricing of the contracts and do not generate separate sales, we believe they represent a key differentiator in why our customers choose us. These services are delivered either by dedicated change managers or by local contract and site management. Experienced change managers at Group and country levels are utilized for targeted efforts, such as analysis on a specific service offering, recommendation on changes and guidance in implementation of changes for that customer.

Local management, on the other hand, deliver these services on a recurring basis, often as a result of our recurring strategic meetings with customers in order to not only deliver agreed services, but also work with them on improving their services and business operations. Specific actions can include: decision-support data; business cases; key performance indicator analysis; action plans; project management and process/system design.

Organizational structure



At the Group level we are divided into 1) business development, 2) finance, 3) operations development and 4) human resources. Below the Group level our business is then divided up between the four geographic segments 1) Sweden, 2) Norway, 3) Denmark and 4) Finland. Each country has headquarters, business development and support function teams, as well as a series of service-delivery oriented business units, which include specific units covering each of IFM, bundled FM, and/or single services, depending on the types of business undertaken in a given country.

Group

At Group level we have a business development team, but we also have business development teams in each of Sweden, Norway, Denmark and Finland. The Group level business development team has have primary responsibility for new customers that are 1) pan-Nordic and international, 2) large IFM contracts (greater than SEK50 million per annum) and 3) smaller IFM contracts or customers with strategic importance. The country specific business development teams have primary responsibility for smaller new contracts or customers (SEK10-50 million per annum) while contracts smaller than that are the responsibility of the local business units. Notwithstanding the split in responsibilities, there is a continuous coordination in between the group level business development team, country level business development teams and business units to decide on who takes on each case, how they are staffed up and who is responsible for prospecting activities towards each potential customer.

As the requests for proposals for large IFM contracts can take significant time and resources to prepare we dedicate teams to run those processes. See "—*New Customer Contracts*". As a contract is won a business unit gets responsibility for the start up of delivery of the entire services and managing the integration of the full service offering. The business units are often supported by an experienced integration manager from Group level business development team. The business unit at hand will then appoint a contract manager, who is responsible for the full delivery, including the customer relationship and resources to provide the services.

Our operations development team consists of four departments: information technology, sourcing, operational excellence and innovation. The joint purpose of these departments is to facilitate and foster continuous development of our offering and ensure efficient deliveries. These teams are also largely mirrored at each of the country levels.

Geographic segments

We operate principally in Sweden, Norway, Denmark and Finland. The largest part of our business is carried out in Sweden and our Swedish operations accounted for 58% of our net sales in the year ended December 31, 2014. Our operations in Norway accounted for 23% of net sales in the year ended December 31, 2014 with Denmark and Finland representing 11% and 8% of net sales, respectively.

Sweden

We have operated in the Swedish market since we were established in 1998. The Swedish facility management market at that time was relatively undeveloped. Customers were not familiar with a more integrated service offering and generally did not have existing integrated service contracts in place. The market at that time was also characterized by approaches made by service providers directly to customers with offers of cost savings and other efficiencies. We believe that the Swedish facility management service market today is the most mature of the Nordic markets both in terms of the sophistication of the service offering and in terms of the customers' understanding of the benefits of the integrated model.

We are the largest IFM provider in Sweden by net sales in 2014 and according to estimates by an international strategy consultant we had a market share in 2014 of 35%. As at December 31, 2014, our Swedish business had net sales from external customers of SEK3,946.1 million in 2014 and of SEK988.4 million in the three months ended March 31, 2015. As at December 31, 2014, we had a total of 3,393 FTEs in Sweden. Our organizational structure in Sweden comprises of our local management, support services such as communication, HR, IT and finance, as well as business development. Further, we divide our customer contracts into business units of which two business units are in charge of IFM contracts, one business unit is in charge of bundled services, one in charge of single service soft FM and one in charge of single service hard FM. We have minor operations in Belgium, Hungary and Poland which are included in our Swedish business, which is the primary location of the customer relationship.

Norway

Our Norwegian business was established in 2004, when we also secured our first contract with Skanska. In the last few years our operations in Norway have had success in the oil and gas industry with contracts won with Statoil in 2014 for onshore sites and in 2015 for offshore sites, as well as a contract win from Aibel in 2014.

As at December 31, 2014, our Norwegian business had net sales from external customers of SEK1,602.6 million in 2014 and of SEK515.6 million in the three months ended March 31, 2015. As at December 31, 2014, we had a total of 1,090 FTEs in Norway. Our organizational structure in Norway comprises local management, central support services such as HR, communication, IT and finance as well as service development and business development. Further, we divide our Norwegian operations into business units of which one business unit in charge of Statoil, one business unit is in charge of other IFM contracts, one business unit is in charge of single service FM and one business unit is in charge of damage control.

Denmark

Our operations in the Danish market began in 2001. The early years were characterized by contracts with a number of smaller companies. However recently we have won several large public sector IFM contracts for both Danish Police and Danish Radio. Several support functions in the Danish organization were moved to the Swedish organization in 2014 to realize cost synergies and improve work efficiency, such as the purchasing function. Further, the chief financial officer for Denmark is the same as for Sweden, and as a result, the responsibility and execution of several basic finance tasks have been moved to the Swedish organization to gain scale efficiencies and quality improvements in the support function. We divide our Danish operations into one business unit in charge of IFM contracts and one business unit in charge of single service contracts.

As at December 31, 2014, our business in Denmark had net sales from external customers of SEK783.2 million in 2014 and of SEK212.9 million in the three months ended March 31, 2015. As at December 31, 2014, we had a total of 699 FTEs in Denmark.

Finland

Our operations in Finland began in 2002 when we entered into a joint venture with Skanska Finland where we held 70% and Skanska Finland held the remaining 30%. Our business in Finland was originally dominated by a number of small property service contracts. In December 2004, we acquired Skanska Finland's 30% holding in the joint venture and subsequently continued to grow our business in Finland. Our acquisition of the service company, LujaPalvelut, in 2011, was key for our Finnish business in building our geographic footprint and adding self-delivery capabilities. Recently, several key individuals were added to the organization in 2013 and 2014, a new chief financial officer and a new business development manager, respectively. As well as two new BU managers with extensive experiences in hard FM and soft FM in 2013 and 2014, respectively.

As at December 31, 2014, our business in Finland had net sales from external customers of SEK526.2 million in 2014 and of SEK134.0 million in the three months ended March 31, 2015. As at December 31, 2014, we had a total of 830 FTEs. Our organizational structure in Finland comprises local management, central support services such as HR, communication and finance as well as business development. Further, we divide our Finnish operations into business units of which one business unit in charge of IFM, one business unit is in charge of hard FM, one business unit is in charge of soft FM and one business unit is in charge of industry park. We have minor operations in Estonia which, for reporting purposes, are included in our Finnish business.

Control environment and risk management

Internal controls are essential to the management and control of our business. The Executive Management Team and our Board of Directors have the overall responsibility for our internal control and risk management systems. They are responsible for setting the business procedure and contract templates and policies to be used by our country specific and local business units. Any deviations from the policies or templates require approval from the relevant Group or country level personnel. As a service based provider that seeks to engage in a consistent dialogue with our customers we follow the progress of the quality of our service delivery and the satisfaction of the customer. For example, if a customer is not satisfied with the level of service such dissatisfaction is usually either captured immediately or in our scheduled reviews. This helps us ensure that each country and local business unit is providing the relevant Coor level of service to our customers.

We consider our internal control procedures to be an essential management tool. Accordingly, care is taken to ensure that a sound framework of controls is in place for safeguarding the business, our assets and the shareholders' investments as well as the financial reporting.

Acquisitions and divestments

We have an active acquisition track record, with three acquisitions in the FM segment since 2007. We have a track record of successful integration and we believe we have realized synergies from these acquisitions ahead of schedule. Further we have a dedicated central acquisitions department which has the resources in place to execute our acquisition roadmap. Traditionally, we focused our acquisition targets on independent IFM operators, but recently we have increased our target focus to include single services and self-delivery companies, which has broadened our universe of potential targets. In addition, selective acquisitions outside the Nordics could be considered.

The Acquisition of Addici

In 2012 we acquired Addici for a consideration of SEK335 million, which is one of the largest acquisitions in our history. Addici was a Nordic FM provider with over 1,300 employees with competencies in security, cleaning, telephony, documentation services, other soft FM as well as hard FM. As a result the acquisition of Addici added significant volumes and capabilities in our bundled FM offering. Addici had revenues of SEK964 million for the year ended December 31, 2012. As a result, the acquisition of Addici had a significant effect on our consolidated results when comparing 2012 to 2013, particularly in our Swedish segment.

The Divestment of the Industrial Services Business

In May 2015, we entered into a share purchase agreement relating to the sale of our Industrial Services business to the Principal Shareholder. The transfer will be effected on the day prior to the first day of trading in the Shares on Nasdaq Stockholm. The value of the Industrial Services business recorded in the report for the first quarter 2015 is SEK161 million. Prior to effecting the transfer, the Industrial Services business will receive an unconditional shareholder contribution from Coor in the amount of SEK150 million in order to settle the debt owed by the Industrial Service business to Coor under Coor's cash pool arrangement and to finance the operations of the Industrial Services business until stand-alone financing arrangements are implemented for the Industrial Services business. The purchase price for the Industrial Services business will amount to SEK210 million and be paid by way of the Principal Shareholder issuing a promissory note, which will be distributed to the Principal Shareholder by way of dividend the day prior to the first day of trading in the Shares on Nasdaq Stockholm. The result for Coor of the shareholder contribution, the sale of the Industrial Services business and the subsequent distribution of the promissory note is thus that Coor all in all will not receive any consideration for the Industrial Services business.

The intention of this divestment to the Principal Shareholder is to prepare for a sale of the Industrial Services business to a third party buyer. The Industrial Services business is, at large, independent from the other operations of us. However, certain entities within the Industrial Services business are supported by us through a number of intra-group services. We will, during a transitional period after the divestment of the Industrial Services business, continue to provide these services. These transitional services will be provided to the same extent as prior to the divestment, at a fair market price and for the majority of the services, during a period of up to 18 months. This arrangement is intended to give the entities within the Industrial Services division reasonable time to arrange for alternative providers of these services. The transitional services in question will for example include certain IT services, HR services and services relating to accounting, treasury and administration. We will also remain as guarantor in relation to certain customers to the Industrial Services business, and undertake to not carry out or be engaged in services conducted by the Industrial Services division, for a period of up to 36 months. Furthermore, in connection with the divestment, we have granted the Industrial Services entities a right to use the "Coor" trademark during a transitional period. The share purchase agreement for the sale of the Industrial Services business includes fundamental warranties and covenants and limited business warranties. Our maximum liability under the business warranties is capped at SEK 30 million.

Customers

Overview

We have grown and developed long-term relationships with a diverse portfolio of Nordic customers over the past 15 years. Our customer base consists of a mix of large blue chip customers, public sector customers and SMEs, of which 27 customers accounted for net sales greater than SEK50 million per annum each in 2014. Large customers represent our core focus, and are typically characterized by a large contract size (approximately SEK180 million per annum on average for large IFM customers) and complex service requirements. As a result, for the year ended December 31, 2014, 62% of our net sales were for IFM services and large IFM contracts represented 58% of our net sales in that year. Large IFM contracts represented 57% and 61% of our net sales for the years ended December 31, 2013 and 2012, respectively.

As a result of our focus on large customers, we have some customer concentration. For the year ended December 31, 2014, the top 25 customers represented 66% of our net sales (top five customers were 31.5% and our top ten customers were 44.8% of our net sales for the same period). The level of customer concentration is reducing as we increase the number of large IFM contracts. See "*Risk Factors—We could be adversely affected by our exposure to customer concentration risk*".

Further, recent years have seen the addition of an increased number of public sector customers (e.g. NKS, Danish Police and Danish Radio) and we expect an increasing number of public sector contract opportunities to come to market. Additionally, as part of our near-term strategic initiatives, we are expanding our contract pipeline to include bundled FM and single service contracts in light of our increased focus on self-delivery in cleaning, catering and hard FM. Over time, these new customers could be migrated from single to bundled to IFM.

Key customer relationships

Below is a summary of some of our key strategic customer relationships:

- ***Statoil***—Signed in 2014, this is one of the largest ever IFM contract signed in the Nordic region. The IFM contract comprises hard FM services, cleaning, catering/canteen, security, reception, conference and office services at 31 major onshore office and production sites nationwide in Norway. In March 2015, we won another contract with Statoil which covers services for some of their offshore platforms. Prior to winning the contract, we had been providing IFM services to Statoil's Harstad site under a pilot project that started in 2009.

- ***Nya Karolinska Solna ("NKS")***—Signed in 2010, this is a 30-year IFM contract for one of the largest public-private partnerships in the Nordics to date. We teamed up with Skanska and Innisfree to help with the design, operation and maintenance of Stockholm's new flagship university hospital, NKS. We specifically have responsibility for some of the design, coordination and delivery of a portfolio of soft

FM, hard FM and logistics services. While currently this contract is only at approximately a 10% run rate, management believes that the full run rate is expected to be reached in 2017.

- ***Politi ("Danish Police")***—Signed in 2012, this is one of the largest public sector IFM contract in Denmark. It is a first generation IFM contract for the Danish Police and comprises, amongst others, cleaning, restaurant operations, mail, servicing of 2,200 vehicles, lost property management, buildings and land maintenance at 250 sites on a nationwide basis.
- ***Ericsson***—Our first IFM contract with Ericsson in 2000 covered Sweden and included our insourcing approximately 700 Ericsson employees. Since then, we have been able to progressively expand our relationship with Ericsson into Norway, Denmark, Finland, Poland, Estonia and Hungary (services in Austria, Slovenia, Czech Republic and Slovakia are all managed from Poland).
- ***Volvo Car Corporation***—In 2003, we started providing industrial cleaning services to Volvo Cars' sites in Sweden and Belgium, following the acquisition of MIAB. In 2005, as a result of the acquisition of AB Volvo's service company Celero, we extended our scope to Volvo Cars to include soft and hard FM services. On several occasions the contract with Volvo Cars has been extended and upon a bigger tendering process in 2014/2015, we were able to expand our scope to include more services and locations.

Customer contracts

Our sales model is defined by the requirements of our customers. The sales streams vary by contract type (IFM compared to bundled FM or single services) and the services offered under the contract. Our sales streams can be broadly split into two categories: subscription sales and non-subscription sales, but often in IFM contracts we provide services on both a subscription and a non-subscription basis.

Subscription revenue

Our subscription revenue is contracted with a defined scope of services. Services include management, supervision and execution of property services, reception, security, mail handling and other daily services provided on a pre-agreed fixed price basis. Typically the contract has a fixed/minimum subscription sales amount or value, with the variable sales component depending on the volumes of services required (usually based on square meters or users served). These contracted subscription sales often have limited, volume-driven fluctuations between years. This is partly driven by the fact that customers are required to purchase full service need from us on an exclusive basis.

Non-subscription revenue

Our non-subscription revenue are generally divided into two sub-categories of contracted or projects.

Our non-subscription contracted sales are contracted in nature (e.g. agreed fixed price from start of the contract period, either per task or per hour) although volume and associated sales can vary. Further, there is no minimum/fixed subscription component. These are often used for services such as catering orders, workplace moves and window cleaning. In practice, we often have exclusivity on these services, although this is not included/specified in the contract, except for smaller assignments in some instances.

For our non-subscription project sales our revenues are tied to individual projects customers undertake which are not identifiable at contract signing, including services for exceptional needs (e.g. larger moving services, minor building and construction projects etc.). Pricing for these services is typically agreed on a case by case basis prior to actually performing the project/service, although some of these projects are of a recurring nature.

International Operations

We have selectively followed certain key customers into Europe, driven by the potential for sales at attractive margins and cementing customer relationships. Our non-Nordic businesses are organized under the relevant account teams within the Swedish business with the exception of Estonia, which is organized under Finland.

With the exception of Belgium, our non-Nordic operations began the contract integration process winning a specific contract and by then appointing a local contract manager and our own staff for key functions. As our operations are developed, we sometimes self-deliver additional parts of the services by expanding the organization locally (e.g. receptionists and janitors). Additionally, in Belgium and Hungary, we have won additional contracts from local customers in close proximity to our operations in those countries. Typically we cover the initial ramp-up costs, but historically we have achieved local profitability within six months.

As part of our strategy going forward, we expect to continue to selectively follow customers into Europe. However, our approach to expanding into Europe is typically a reactive approach whereby we respond to requests that cover interesting non-Nordic countries in combination with Nordic countries. We expect to continue to target non-Nordic countries where FM is still under development (e.g. Central and Eastern Europe), and which offer an opportunity for higher margin growth. Historically, we have had one to four opportunities every year where we have chosen to submit a bid.

We believe we are in a good position to capture outbound growth opportunities with existing customers as a positive relationship in their home market often encourages customers to believe in our abilities in non-Nordic markets. Additionally, for inbound cases, i.e. international companies seeking service providers in the Nordics, we are often a first choice as the only independent (Nordic-focused) IFM-player in the Nordics.

New Customer Contracts

Our sales and bid processes typically depend on the contract type and value size of the contract. Contracts categorized as large IFM (over SEK50 million in annual net sales per annum) are handled at the Group business development level, while contracts below this level are handled by country-specific business development teams or business units. However, there is a continuous coordination between the Group and country business development teams and BUs in order to ensure an efficient utilization of aggregated resources.

The three main sales and bid processes are explained below:

- **RFP process for large IFM contracts**—For these contracts we typically create a tailored, bottom up solution for the customer. The bid generation is led by a team from Group level business development and typically includes country level managers and members of the executive management team in a steering group. The time frame for securing these contracts tends to be longer than our other sales processes. Once we have received the request for proposal, the team, supported by service experts, starts developing a tailored service solution and a cost calculation related to that solution. In parallel, the sales pitch is developed through one or several workshops. Finally, the complete bid (including packaging and pricing) is signed off by the steering group before submission.
- **Bilateral discussions for small IFM and bundled contracts**—These processes are based on exclusive discussions with the customer (i.e. non-competitive). We offer a tailored solution after engaging in a series of workshops, site visits and interviews with the customer to understand the customer's needs and challenges. Once our proposal has been presented we enter into negotiations to finalize the proposal. These non-competitive processes are becoming less common and are typically for first-time outsourcing contracts in small IFM and bundled FM cases.
- **RFP process for bundled FM and single service contracts**—For these contracts, we rely on pricing calculation templates as the services to be provided are relatively standardized. Additionally, the bid preparation time is significantly shorter than for IFM contracts and the bid typically is prepared by local business units.

Human resources

Employees

As of December 31, 2014, we had 6,087 FTEs. In addition to full-time and part-time employees, we also make use of subcontractors and for the financial years ended December 31, 2014, 2013 and 2012, our subcontractor costs comprised 49%, 49% and 52%, respectively, of our combined cost for own personnel and sub-contractors. The following table shows information regarding our employees for the periods indicated.

	As of 31 December		
	2014	**2013**	**2012**
Total employees	6,604	5,850	6,246
FTEs(1)	6,087	5,156	5,667

(1) FTEs includes employees that are permanent employees (with monthly or hourly salary) and fixed term employees with a monthly salary.

The following table shows employees per region in 2012 to 2014.

	As of 31 December		
	2014	**2013**	**2012**
Group	75	67	91
Sweden(1)	3,598	3,552	3,796
Norway	1,173	631	644
Denmark	747	658	707
Finland(2)	1,011	942	1008
Total	**6,604**	**5,850**	**6,246**

(1) Includes Belgium, Hungary and Poland.

(2) Includes Estonia.

Employee turnover

The facility management services industry is characterized by relatively high levels of employee turnover and is associated with short-term or secondary employment. We pursue a number of strategies to reduce turnover among front-line employees, including arranging for more full-time and daytime work. We also seek to enhance employee engagement and to reduce turnover among front-line employees by providing multi-tasking jobs, encouraging career development opportunities and providing programs designed to promote teamwork and skills development.

The following table indicates our employee turnover for the years indicated (calculated as the number of people retiring and voluntary terminations as a percentage of an average of headcount at mid-year and the end of the year).

	Year ended 31 December		
	2014	**2013**	**2012**
Employee turnover	9.7%	10.8%	9.3%

Due to the relatively high employee turnover that is characteristic of the facility management services industry, we are able to reduce our staffing levels in response to fluctuations in market demand or other conditions by limiting our hiring of new employees and benefiting from natural attrition. Further, we often seek to ensure that any relevant employee contracts expire in line with the customer contracts to mitigate our costs in the event a customer does not re-engage us.

As a result of our local scale and operational density, we are able to shift employees among existing customer contracts and locations. Moreover, according to EU law, when facility service contracts are insourced or lost to a competitor, the former provider may under certain circumstances be able to transfer on-site staff to the new provider, an option which provides additional operational flexibility.

Our employees are generally members of trade unions and our relations with employees and trade unions are a high priority for us. We seek to engage with the trade and labor unions on a consistent basis, especially in relation to any collective bargaining negotiations. Currently, we work with approximately, 20 different unions across the Nordics. In the last five years, we have not experienced any material disruption to our business as a result of strikes, work stoppages or other labor disputes. See "*Risk Factors—Our operations may be subject to work stoppages or other labor disputes*".

Integration of transferees

We have established processes for the "insourcing" of employees as part of a facility management contract. We have hired over 5,000 employees as transferees from our customers and competitors. This experience enables us to acquire large teams of employees with a minimum of disruption and attrition. New employee transfers also attend a specialized training program. See "—*Introduction Training*".

Employee Development and Training

We believe training is an essential factor in ensuring successful service delivery and stakeholder satisfaction. We have developed a comprehensive employee training and development program to serve both employees being insourced through new IFM contracts as well as continuing development of current employees. The primary purpose of our training effort is to create a uniform level of quality in the service delivery across business functions and countries, and also to provide a platform for knowledge exchange and networking within the Group.

Our training efforts are divided into three distinct functions targeting different learning areas and levels of our organization.

Introduction Training

Our introduction training serves as an introduction for new employees (either direct hires or insourced personnel) to be integrated into the Coor culture and to ensure that services to customers are not adversely affected as we take over FM responsibility under a new contract. The training is conducted locally and is specific to each new contract. The training includes information meetings, introduction days and individual meetings. All employees receive the introduction training.

Coor Service School

The Coor Service School is a training program for all employees aimed to develop service skills. The program is developed to provide a basic training to ensure uniform service approach across our operations, contracts, regions and units. Since 2006, over 4,700 individuals have completed the Coor Service School's basic program.

Coor Business School and Coor Management Program

The Coor Business School provides customized management training for all managers and specialists in the Company. It provides more advanced courses than the Coor Service School. The 3-day business school course aims to create a uniform approach to service and way of working as well as clarifying what it means to be a manager at Coor. This helps enhance a consistent understanding of our business culture. Since initiation of the program in 2003, more than 1,000 managers and specialists have completed the course. For senior managers Coor has also developed Coor Management Program, a tailor-made program aiming at developing future top leaders within Coor.

Information Technology

In order to ensure an efficient and uniform delivery of service to our customers, we have focused on building out and enhancing both our customer-facing and internal systems and process.

A number of tools support our service delivery to customers, including the Coor One Solution platform, the Coor Performance Portal and Actio.

- *Coor One Solution*—Coor One Solution integrates a number of systems and functions including contract delivery operations, performance enhancement systems, our innovative products and tools and communication links. This helps enhance services and maximizes value for both us and our customers by assisting managers with recommended work procedures, methods to reduce costs, quality assurance, tracking of improvement initiatives and their results.
- *Coor Performance Portal*—Coor Performance Portal is our online portal which provides customers with full transparency and offers them full control over their services. It allows customers to track the progress of the service delivery and monitor performance. Customers can track up to 100 key performance indicators and can choose to receive updates on a daily, weekly or monthly basis. This helps assist in strategic planning and continuous development of service delivery.

- *Actio*—Actio is our Group-wide IT system used for handling changes in and improvements to the delivery of individual customer contracts. It facilitates generation, monitoring and follow-up on improvement ideas generated by our employees at all levels. For example, in 2014, Actio facilitated the implementation of 7,146 improvement ideas generated by Coor employees.

In addition to our customer facing IT systems and offerings, our IT system, IBM Maximo (part of the Coor One Solution) ("**Maximo**"), supports our service delivery process and is the backbone of our operations. It is a key system for the service delivery process that receives orders, redirects work tasks and generates a range of information including continuous customer feedback and invoicing. Maximo also collates the statistical data for our performance reviews with customers.

Our internal quality management system, Universum, contains key information and best practices for the principal services we offer. Universum is an important tool for constant development and streamlining of our services and includes standardized service descriptions with easy and flexible best practices for our employees to follow.

We have an IT strategy whose aim is to provide the necessary support in realizing the overall Group strategy, including the Group's financial performance goals and improvement in service quality and the overall offering to customers. We have an IT committee which is responsible for formulating and reviewing the Group's IT strategy and is accountable for its implementation.

To achieve a cost effective, dynamic and competitive IT environment, we are realigning our IT sourcing process with the aim of reducing the number of our strategic IT vendors. Our IT costs for the years ended December 31, 2014, 2013 and 2012 were SEK105.0 million, SEK107.7 million and SEK92.4 million, respectively.

Health, safety and environment

Since we established our Group Health, Safety and Environment ("**HSE**") function in 2011, we have sought to maintain a consistent approach to health, safety and environmental management across the Group. The Group HSE function maintains the Group's global certification according to IS0 9001:2008 and ISO 14001:2004.

Health and safety

We primarily operate in the Nordic countries where fundamental human rights and freedoms are protected through legislation. Beyond complying with such legislation, our objective is to create a safe, fair, non-discriminatory and stimulating working environment. We use several metrics to track occupational health and safety, including a well-established accident report system and employee satisfaction indices. For delivery services at certain customer sites depending on the nature of their business, customers require an even higher standard. Additionally, we seek to promote good health as well as diversity and equal opportunities for employees.

Environment

We actively work with a long-term mindset to create a more sustainable ecological environment. We seek to reduce our own environmental impact by maintaining practices in accordance with the international ISO 14001:2004 standard and through employee training and awareness programs.

We also serve as a 'green advisor', assisting customers in improving their environmental performance. In this context, we have developed the "Coor Green Services' proprietary environmental audit tool which comprises annual environmental impact analysis and advice relating to reducing customers' environmental footprint. In 2014, 136 customer sites were reviewed by us using Coor Green Services. Additionally in Sweden we award a customer with the Environmental Star of the Year award for exceptional performance relating to environmental issues.

Competition

The market for facility management services is very fragmented. Single services, for example general cleaning services, can be provided with very limited resources and as a result of these low barriers to entry, it is likely that the market for single services will continue to include a large number of smaller operators. However, within the Nordic market there are generally only a few providers that have sufficient resources to provide customers with a full range of facility management services and to service larger, multi-location customers of an IFM contract. In general, our main competitors are a mixture of national or regional IFM and/or FM service providers, as well as larger international IFM and/or FM services companies, including ISS, Johnson Controls, Compass, Sodexo, G4S and Caverion. However, these competitors differ depending on the particular service being provided and from location to location. We also face competition from in-house providers of facility services. See also "*Industry Overview*".

Real estate and leases

In addition to our head office, our facilities are comprised primarily of branch offices for our local operations. A vast majority of our branch offices are on client sites, thus with no risk if the contract expires. It is our policy to lease rather than own our offices, preferably on short-term leases. As of 31 December 2014, the value of land and buildings on our consolidated balance sheet was SEK2.8 million. We do not consider any real property, whether owned or leased, to be material to our operations. We believe that our properties are generally adequate for their present needs and believe that suitable additional or replacement space would be available to the extent required.

Regulation

The facility management services industry is generally not subject to special regulations, although certain of our services, such as catering services and security services, require a license or permit from local authorities. In all countries in which we operate, we are subject to a number of generally applicable regulatory requirements, including labor laws, health and safety requirements and environmental regulations. In addition, in countries where we have a leading market position, competition regulations may reduce our operational flexibility and limit our ability to make acquisitions.

We believe that we have obtained all permits and licenses necessary to operate our business and that we comply with all national and local laws and regulations applicable to our business. We have not been subject to any significant fines, penalties or other liabilities under such laws and regulations in the last five years. However, there can be no assurances that changes in such laws and regulations, or interpretations thereof, will not have a material adverse effect on our operations. See "*Risk Factors—We are subject to extensive laws and regulations across our business which may constrain our operations or subject us to non-compliance risk, and the cost of compliance may increase in the future*".

Insurance

Our group-wide insurance policies include insurance to cover risks associated with our business, including general liability, product liability, directors' and officers' liability, employment related liability and crime related losses. Our local operating subsidiaries maintain additional insurance, including automobile insurance policies. To ensure consistency, quality and coverage, we have appointed the international firm Willis as our insurance broker for all non-life insurance policies globally.

The potential liability we may have to our customers is generally governed by our contracts with them, and to some extent the subcontracts we enter into for services we do not provide ourselves. The terms of these contracts vary, but in general we do not accept unlimited liability or take responsibility for consequential, indirect or any other special damages. Nevertheless, no assurances can be given that we will not be responsible for damages such as these in some of the contracts that we have entered into, and will enter into in the future.

Management believes that our insurance coverage is consistent with industry standards. However, no assurances can be given that we will be able to maintain current levels of insurance cover in the future. A successful claim of a magnitude that is not covered, or only partially covered, by insurance could have a material adverse effect on us and our financial condition.

Intellectual Property

Our material intellectual property rights relate to licenses for various IT systems including Maximo, Contempus, Agresso and Pythagoras. The Company also has several trade mark registrations, including Coor, the Coor C-logo, Skadegruppen and a number of domain names.

Legal Proceedings

We conduct our business in several countries and are from time to time subject to disputes, claims and administrative proceedings arising in the ordinary course of our business. However, we are not, and have not been, involved in any legal or arbitration proceedings (including any such proceedings which are pending or threatened of which we are aware) during the past twelve months which may have, or have had, material effects on our financial position or profitability.

SELECTED CONSOLIDATED FINANCIAL, OPERATING AND OTHER DATA

The selected consolidated financial data of the Company: (i) as of and for the three months ended March 31, 2015 and 2014 have been derived from the 2015 Interim Financial Statements; and (ii) as of and for the years ended December 31, 2014, 2013 and 2012 have been derived from the Historical Financial Information in each case appearing elsewhere in this Offering Memorandum. See "*Presentation of Financial Information*" and the "*Historical Financial Information*".

The selected consolidated financial data set forth below should be read in conjunction with, and are qualified by reference to, "*Operating and Financial Review*" and "*Historical Financial Information*". The results of operations for any period are not necessarily indicative of the results to be expected for any future period.

Consolidated Income Statement

	For the three months ended March 31,		For the year ended December 31,		
	2015	2014	2014	2013	2012
	(SEK thousands)				
Net sales	1,847,524	1,507,589	6,843,791	6,453, 617	5,525,946
Cost of services sold	(1,669,975)	(1,377,636)	(6,450,658)	(6,051,022)	(5,050,810)
Gross profit	**177,550**	**129,953**	**393,133**	**402,595**	**475,136**
Selling expenses	(18,478)	(18,392)	(89,504)	(103,068)	(103,356)
Administrative expenses	(108,264)	(97,059)	(386,070)	(482,268)	(368,264)
Other operating expenses	—	—	—	(312)	(207)
Operating profit	**50,808**	**14,502**	**(82,442)**	**(182,741)**	**3,516**
Financial income	20,686	2,441	11,302	22,853	43,467
Financial costs	(54,534)	(57,596)	(283,340)	(751,510)	(714,265)
Finance costs—net	**(33,848)**	**(55,155)**	**(272,038)**	**(728,658)**	**(670,798)**
Profit before income tax	**16,960**	**(40,652)**	**(354,480)**	**(911,399)**	**(667,282)**
Income tax expense	(5,120)	2,123	43,633	333,963	105,016
Profit for the period from continuing operations	**11,839**	**(38,529)**	**(310,847)**	**(577,436)**	**(562,266)**
Discontinued operations					
Profit for the period from discontinued operations (attributable to equity holders of the company)	849	(1,634)	(147,002)	(2,186)	45,377
Profit for the period	**12,688**	**(40,163)**	**(457,850)**	**(579,622)**	**(516,889)**
Profit attributable to:					
Owners of the parent	12,688	(40,154)	(458,031)	(579,653)	(517,565)
Non-controlling interests	—	(9)	181	31	676
	12,688	**(40,163)**	**(457,850)**	**(579,622)**	**(516,889)**

Consolidated Balance Sheet

	As at March 31, 2015	As at December 31, 2014	2013	2012
		(SEK thousands)		
Assets				
Non-current assets				
Intangible assets				
Goodwill	2,778,645	2,778,315	2,875,641	2,917,152
Customer contracts	1,204,925	1,249,517	1,596,815	1,988,619
Trademarks	40,000	40,000	40,000	40,000
Other intangible assets	35,281	36,352	44,084	52,589
Tangible assets				
Land and buildings	2.676	2,789	2,802	2,876
Machinery and equipment	72,617	75,382	137,368	159,275
Financial assets				
Other long-term receivables	—	—	50	58
	10,658	12,883	21,871	29,213
Total non-current assets	**4,144,802**	**4,195 238**	**4,718 632**	**5,189 782**
Current assets				
Inventories	19,113	17,178	46,842	51,944
Receivables service in progress	—	16,531	56,456	69,552
Accounts receivables	1,036,526	1,155,179	1,215,213	1,368,027
Current tax receivables	114	120	109	8,727
Other receivables	20,841	20,523	39,558	37,887
Prepaid expenses and accrued income	448,735	409,919	370,475	365,531
Cash and cash equivalents	218,282	335,198	288,250	248,647
Total	**1,743,611**	**1,954,646**	**2,016,902**	**2,150,315**
Assets of disposal group classified as held for sale	451,011	411 595	—	—
Total current assets	**2,194,623**	**2,366,241**	**2,016,902**	**2,150,315**
TOTAL ASSETS	**6,339,424**	**6,561,479**	**6,735,534**	**7,340,097**
Equity and liabilities				
Equity				
Share capital	301,959	301,959	301,959	301,918
Other contributed capital	5,236,567	5,236 567	5,236,567	1,199,988
Other reserves	(20,123)	(17,824)	(25,631)	(5,487)
Retained earnings, including profit for the period	(4,330,383)	(4,343,072)	(3,885,041)	(3,305,388)
Total capital and reserves attributable to owners of the parent	1,188,020	1,177,631	1,627,854	(1,808,969)
Non-controlling interests	—	—	1,740	1,743
Total equity	**1,188,020**	**1,177,631**	**1,629,594**	**(1,807,226)**
LIABILITIES				
Non-current liabilities				
Borrowings	2,794,592	2,804,622	2,747,740	6,374,660
Derivatives	5,384	3,591	2,609	17,579
Deferred tax liabilities	40,428	43,251	97,567	452,331
Provisions for pensions and similar liabilities	11,028	9,688	12,494	18,808
Other long-term provisions	6,762	6,927	25,862	47,170
Total non-current liabilities	**2,858,193**	**2,868,078**	**2,886,271**	**6,910,548**

	As at March 31, 2015	As at December 31, 2014	2013	2012
		(SEK thousands)		
Current liabilities				
Accounts payable	713,543	893,162	903,135	829,646
Liabilities services in progress	—	46,320	26,153	18,912
Bank overdraft facilities	100,000	120,000		
Current tax liabilities	9,681	3,215	9,747	11,536
Other short-term liabilities	181,878	208,674	188,628	246,326
Accrued expenses and differed income	892,753	861,434	852,994	852,352
Borrowings	98,085	99,628	173,972	84,595
Provisions for pensions and similar liabilities	0	0	—	135,336
Other short term provisions	7,778	11,738	65,040	58,072
Total current liabilities	**2,003,718**	**2,244,171**	**2,219,669**	**2,236,775**
Liabilities of disposal group classified as held for sale	289,494	271,600	—	—
Total current liabilities	**2,293,211**	**2,515,770**	**2,219,669**	**2,236,775**
Total liabilities	**5,151,405**	**5,383,849**	**5,105,940**	**9,147,323**
Total equity and liabilities	**6,339,424**	**6,561,479**	**6,735,534**	**7,340,097**

Selected Consolidated Statement of Cash Flows

	For the three months ended March 31,		For the year ended December 31,		
	2015	2014	2014	2013	2012
	(SEK thousands)				
Cash flow from operating activities					
Operating profit	50,808	14,502	(82,442)	(182,741)	3,516
Operating profit from discontinued operations	2,940	(1,252)	(145,346)	(4,643)	53,833
Operating profit, total	**53,748**	**13,250**	**(227,788)**	**(187,384)**	**57,349**
Depreciation and amortization	61,409	69,152	511,888	451,365	298,797
Other items	(6,156)	(17,499)	(61,020)	(6,829)	(10,696)
Interest received	571	8,060	4,104	6,848	3,759
Interest paid	(36,319)	(39,098)	(166,061)	(178,417)	(205,908)
Other financial expenses paid	(12,773)	(618)	(18,972)	(6,755)	(18,178)
Income tax paid	(742)	(3,524)	(10,989)	(12,469)	(4,982)
Cash flow from operating activities before change in working capital	**59,738**	**29,724**	**31,163**	**66,359**	**120,141**
Increase/decrease inventories	(361)	(568)	324	4,895	(4,084)
Increase/decrease accounts receivables	117,036	104,108	(136,398)	142,919	16,080
Increase/decrease current receivables	(64,000)	(36,061)	(97,790)	(1,499)	42,550
Increase/decrease accounts payable	(221,637)	(107,745)	125,796	78,877	(104,285)
Increase/decrease other operating liabilities	19,632	(65,091)	151,758	40,373	(49,176)
Cash flow from operating activities	**(89,592)**	**(75,633)**	**74 852**	**251 179**	**21 226**
Cash flow from investing activities					
Purchases of intangible fixed assets	(3,258)	(2,071)	(7,920)	(6,982)	(6,947)
Purchases of tangible fixed assets	(7,612)	(3,489)	(35,021)	(38,034)	(30,100)
Proceeds from sale of tangible fixed assets	1,847	6,039	12,190	2,402	2,620
Acquisition of subsidiary, net of cash acquired	—	—	(23,389)	—	(169,042)
Proceeds from sale of subsidiaries	—	—	—	—	3,144
Proceeds from / repayment of other financial assets	—	—	—	—	1,150
Cash flow from investing activities	**(9,023)**	**479**	**(54,140)**	**(42,614)**	**(199,175)**
Cash flow from financing activities					
Proceeds from borrowings	—	—	3,600	48,034	400,000
Repayments of borrowings	—	—	(79,584)	(56,007)	(79,468)
Change in bank overdraft facilities	(20,000)	—	120 000	—	
Settlement of pension provision	—	—	—	(132,246)	—
Repayments of leasing liabilities	(5,218)	(6,245)	(23,701)	(27,410)	(46,545)
Repayments of leasing receivables	2,976	3,490	12,401	13,732	10,560
Cash flow from financing activities	**(22,242)**	**(2,755)**	**32,716**	**153,897**	**284,547**
Cash flow for the period	**(120,858)**	**(77,908)**	**53,428**	**54,667**	**106,598**
Cash and cash equivalents at the beginning of the period	335,198	288,254	288,250	248,647	139,358
Exchange gains on cash and cash equivalents	3,942	2,219	(6,480)	(15,064)	2,691
Cash and cash equivalents at end of the period	**218,282**	**212,564**	**335,198**	**288,250**	**248,647**

Certain Other Financial Data

	For the three months ended March 31,		For the year ended December 31,		
	2015	2014	2014	2013	2012
	(SEK thousands, except %)				
Net sales	1,847,524	1,507,589	6,843,791	6,453,617	5,525,946
Gross profit	177,550	129,953	393,133	402,595	475,136
Gross margin	9.6%	8.6%	5.7%	6.2%	8.6%
Amortization	(44,481)	(51,842)	(330,621)	(368,053)	(209,706)
IACs in Cost of services sold(1)	(3,307)	(13,311)	(85,563)	(46,781)	(83,659)
Adjusted gross margin(2)	12.2%	12.9%	11.8%	12.7%	13.9%
Selling expenses	(18,478)	(18,392)	(89,504)	(103,068)	(103,356)
Selling expenses as a percentage of net sales	1.0%	1.2%	1.3%	1.6%	1.9%
Administrative expenses	(108,264)	(97,059)	(386,070)	(482,268)	(368,264)
Administrative expenses as a percentage of net sales	5.9%	6.4%	5.6%	7.5%	6.7%
IACs in selling and administrative expenses(3)	(1,320)	(1,018)	(20,509)	(79,859)	(10,439)
IACs in selling and administrative expenses as a percentage of net sales	(0.1)%	(0.1)%	(0.3)%	(1.2)%	(0.2)%
Net Working Capital(4)	(267,112)	(249,416)	(396,736)	(326,945)	(226,159)
Capital Expenditure(5)	(7,499)	(4,078)	(32,253)	(38,675)	(24,588)
Operating Cashflow(6)	(24,064)	10,938	433,602	436,385	214,862
Cash Conversion(7)	−21%	12%	108%	118%	59%
Adjusted Net Income(8)	56,320	13,313	19,774	(209,382)	(352,558)
EBITDA(9)	107,410	78,161	296,906	244,100	271,486
EBITA(9)	95,289	66,344	248,178	185,313	213,223
Adjusted EBITDA(9)	112,037	92,490	402,977	370,742	365,584
Adjusted EBITA(9)	99,916	80,673	354,250	311,953	307,322
Adjusted EBITA margin(9)	5.4%	5.4%	5.2%	4.8%	5.6%

Notes

(1) IACs in cost of services sold consist of Statoil integration, other integration, parts of cost reduction programs and onerous rental agreement.

(2) Adjusted gross margin is calculated as gross profit as a percentage of net sales after adding back amortizations and IACs in cost of services sold.

(3) IACs in selling and administrative expenses consist of costs for Addici integration and Lujapalvelut integration, parts of cost reduction programs, CEO transition cost, costs for exit process and Cinven monitoring fees.

(4) Net Working Capital is accounts receivables plus inventories plus accrued revenue and prepaid expenses plus other receivables less accounts payable, accrued expenses and deferred income and other short-term liabilities.

(5) Capital Expenditure consists of purchase of tangible/intangible assets less proceeds from sale of tangible assets plus the net gain or loss on disposals.

(6) Operating Cashflow is Adjusted EBITDA plus the change in net working capital less capital expenditure.

(7) Cash Conversion is Operating Cash Flow divided by Adjusted EBITDA.

(8) Adjusted Net Income is profit from continuing operations excluding amortizations.

(9) Adjusted EBITDA and Adjusted EBITA represent EBITDA and EBITA respectively, as defined above, adjusted to exclude items that the Directors believe affect comparability ("IACs"). IACs mainly include costs in relation to M&A integration, integration of new contracts and restructuring. More specifically these include: integration costs for Addici, LujaPalvelut, Statoil, and general integration costs; restructuring costs incurred in relation to our cost reduction programs in 2012 and 2013; and onerous rental agreement costs, chief executive officer transition costs, Cinven fees and other. The Directors use EBITDA, EBITA, Adjusted EBITDA, and Adjusted EBITA as key performance indicators of our business. See "*Presentation of Financial Information*".

The following table sets forth a reconciliation of EBITDA, EBITA, Adjusted EBITDA and Adjusted EBITA to operating profit for the periods indicated.

	As at or for the three months ended March 31,		As at or for the year ended December 31,		
	2015	2014	2014	2013	2012
	(SEK thousands)				
Operating Profit	50,808	14,502	(82,442)	(182,741)	3,516
Amortization	(44,481)	(51,842)	(330,621)	(368,053)	(209,706)
EBITA	95,289	66,344	248,178	185,313	213 223
Integration					
Addici—M&A[(1)]	(324)	(5,877)	(6,020)	(54,802)	(1,205)
LujaPalvelut M&A[(2)]	—	—	—	—	(3,355)
Statoil[(3)]	(1,418)	(969)	(53,620)	—	—
Other[(4)]	(1,516)	(3,190)	(16,504)	(7,644)	(13,930)
Total integration	**(3,258)**	**(10,036)**	**(76,145)**	**(62,447)**	**(18,490)**
Restructuring					
Cost reduction program 2013[(5)]	—	(3,243)	(11,139)	(45,606)	—
Cost reduction program 2012[(6)]	—	—	—	—	(26,691)
Total restructuring	—	**(3,243)**	**(11,139)**	**(45,606)**	**(26,691)**
Other					
Onerous rental agreements[(7)]	—	—	(459)	(2,848)	(48,365)
CEO transition cost[(8)]	—	—	—	(11,952)	—
Cost for exit process[(9)]	—	—	(12,145)	—	—
Cinven monitoring fees[(10)]	(1,082)	(1,018)	(3,910)	(3,737)	(3,755)
Other[(11)]	(288)	(32)	(2,274)	(51)	3,203
Total other	**(1,369)**	**(1,050)**	**(18,788)**	**(18,588)**	**(48,917)**
Total IACs	**(4,627)**	**(14,329)**	**(106,072)**	**(126,640)**	**(94,098)**
Adjusted EBITA	**99,916**	**80,673**	**354,250**	**311,953**	**307,322**
Depreciation	(12,121)	(11,817)	(48,727)	(58,788)	(58,263)
Adjusted EBITDA	**112,037**	**92,490**	402,977	370,742	365,584

Notes

(1) Addici—M&A consists of costs related to headcount reduction (reserves for lay-off costs), termination of office leases and integration of IT systems in relation to the acquisition of Addici in December 2012.

(2) LujaPalvelut M&A consists of costs related to headcount reduction (reserves for lay-off costs) in relation to the acquisition of LujaPalvelut in 2011.

(3) Statoil consists of the start-up costs in relation to the Statoil contract won in 2014, which includes start-up costs for recruiting, consultants, IT, temporary specialists and managers from other countries replaced by consultants in their home countries.

(4) Other consists of integration/start-up cost for other contracts.

(5) Cost reduction program 2013 consists of the costs related to the headcount reduction in Group Staff, Finland, Denmark and Norway (primarily reserves for lay-off costs) in 2013.

(6) Cost reduction program 2012 consists of the costs related to the headcount reduction in Sweden (primarily reserves for lay-off costs) in 2012.

(7) Onerous rental agreements is primarily related to a service provided in a large customer contract, where Coor administered all property leases for the customer. One property lease that should have been terminated as part of this service, was automatically prolonged and in a settlement with the customer, Coor agreed to retain administrative responsibility for the lease. The cost in 2012 is a reserve for the lease cost for the remainder of the lease term, less income from sub-leases. The lease contract ended in August 2014 and this administrative service has been discontinued by us and no similar agreements to provide administrative services exist in our other contracts.

(8) CEO transition cost consists of costs for our previous CEO, mainly personnel costs and other direct costs in transition period and severance payment.

(9) Cost for exit process consists of advisory fees related to Cinven's exit process.

(10) Cinven monitoring fees consist of fees paid by the Company to Cinven for managing the company. These fees will not be charged once the Company has become public.

(11) Other consists of costs for legal advice in an ongoing environmental claim in Norway (2014), advisory fees related to current financing (2014) and actuarial pension adjustments (2012).

Income statement for the twelve months ended March 31, 2015

It is our opinion that the below supplementary financial information for the twelve months ended March 31, 2015 (the "**twelve months ended March 31, 2015**" or "**LTM**") is of significant value to investors as the information enables investors to see underlying trends. In the below financial information, our largest contract (Statoil) is reflected to a larger extent and thus, in our view, reflects a more representative picture of where the Company stands today. The unaudited consolidated financial information for the twelve months ended March 31, 2015 was calculated by adding the financial information for three months ended March 31, 2015 and the year ended December 31, 2014 and subtracting the unaudited interim consolidated financial statements for the three months ended March 31, 2014. This LTM data has been prepared solely for the purpose of this Offering Memorandum, has not been prepared in the ordinary course of our financial reporting and has not been audited or reviewed. The financial information for the three months and twelve months ended March 31, 2015 is not necessarily indicative of the results that may be expected for the year ended December 31, 2015, and should not be used as the basis for or prediction of an annualized calculation.

	For the twelve months ended March 31, 2015
Net sales	7,183,726
Cost of services sold	(6,742,997)
Gross profit	**440,729**
Selling expenses	(89,590)
Administrative expenses	(397,275)
Other operating expenses	—
Operating profit	**(46,136)**
Financial income	29,547
Financial costs	(280,278)
Finance costs—net	**(250,732)**
Profit before income tax	**(296,868)**
Income tax expense	36,389
Profit for the period from continuing operations	**(260,479)**
Discontinued operations	
Profit for the period from discontinued operations (attributable to equity holders of the company)	(144,520)
Profit for the period	**(404,999)**
Profit attributable to:	
Owners of the parent	(405,189)
Non-controlling interests	191
	(404,999)

Additional Financial Data

	As at or for the three months ended March 31,		Twelve months ended March 31,	As at or for the year ended December 31,		
	2015	2014	2015	2014	2013	2012
	(SEK thousands, except % and per share data)					
Net Debt	2,763,039	2,701,711	NA	2,673,382	2,610,532	6,321,988
Net Debt/Adjusted EBITDA	NA	NA	653.9%	663.4%	704.1%	1728.7%
Capital Expenditure	7,499	4,078	NA	32,253	38,675	24,588
Organic Growth	23%	(6)%	NA	6%	(1)%	NA
Earnings per share	(1.12)	(1.22)	NA	(5.95)	(6.66)	(6.02)
Equity per share	neg	neg	NA	neg	neg	neg

NA—not applicable.

OPERATING AND FINANCIAL REVIEW

Overview

We are a leading provider of IFM and FM services in the Nordic region. More specifically, we are the leading provider of IFM services across the Nordic region with a share of approximately 36% based on net sales in 2014. Founded in 1998 as a pure-play IFM provider, we have been helping shape the IFM segment in the Nordic region through a number of significant outsourcing contracts, such as in 2000 when we won one of the largest IFM contract in Europe at that time with Ericsson. Since then we have continued to grow, partnering with customers such as Volvo Car Corporation in 2003, Nya Karolinska Solna in 2010 and the Danish Police in 2012. More recently in 2014 we won a landmark contract with Statoil—one of the largest ever IFM contracts signed in the Nordic region. Although we remain primarily an IFM provider, we have strategically expanded into selected single and bundled FM services. We provide over 100 FM services including, cleaning, catering, property, reception, post and parcel, and conference and meeting room services delivered either in a package as an IFM contract or as single or bundled services.

Our vision is to be the leading supplier in facility management services in the Nordic region. We seek to be the customer's first choice of service supplier by continuously improving the quality of our service delivery. In recent years, we have put great effort into embedding technology into our services. Through collaboration with customers, business partners, employees and others, we identify, develop and launch new innovative solutions. Some of our most popular concepts are consolidated under the "Smart Solutions" umbrella and to date Smart Solution concepts have been used by over 70,000 customer employees. To continuously adapt and develop our service delivery through innovation is an important part of our "Service with IQ" mission to add tangible value to our customers and differentiate ourselves from our competitors.

We have a strong entrepreneurial corporate culture which is embedded throughout the organization. Our employees are empowered to change and improve local service delivery, supported by an environment in which continuous improvement is encouraged and rigorous training programs are available for both managers (Coor Business School) and employees (Coor Service School).

We follow a delivery model that is based on the delivery of IFM services on-site at our customers' organizations with the support of innovative technology. We have the flexibility to offer services through both self-delivery (where our employees provide the services) and the use of subcontractors, while still providing customers with a single point of contact. Many of our employees are former employees of our customers or competitors who have joined us when we entered outsourcing agreements with those customers. We have a strong track record of integrating and retaining these "transferees" into the Coor environment through comprehensive training programs. As of December 31, 2014, we had over 6,500 employees.

For the year ended December 31, 2014 our net sales were SEK6,843.8 million and our Adjusted EBITA was SEK354 million, compared to SEK6,453.6 million and our SEK312 million for the year ended December 31, 2013, respectively. For the three months ended March 31, 2015 our net sales were SEK1,847.5 million and our Adjusted EBITA was SEK99.9 million, compared to SEK1,507.6 million and SEK80.7 million for the three months ended March 31, 2014, respectively.

Recent Development

We have had a strong start to 2015, and have signed several large new contracts as well as extending the scope of several existing contacts. With respect to the new contracts, which we estimate these will account for SEK550 million in new net sales per 12 months and extended an additional SEK 300 million of current net sales per 12 months, in each case once our operations pursuant to these contracts are fully underway. The new IFM contracts include new contracts with extended volume with Volvo Car Corporation and Volvo Trucks, respectively, in January 2015, and a new contract with Statoil in March 2015 covering five offshore oil platforms in the Norwegian North Sea. On June 1, an agreement was signed with Frontica Business Solutions in Norway. The agreement comprises among other things property services, cleaning and reception, to Aker Solutions, which operates within the oil and gas industry. We aim to continue to build on this positive trend and the high rates of successful bids (compared to total bids submitted) that we have achieved in recent years.

Significant Factors Affecting Our Results of Operations

Our results of operations have been, and will continue to be, affected by many factors, some of which are beyond our control. This section sets out factors that the Directors believe have significantly affected our results of operations and/or financial condition in the period under review and/or could have a significant effect on our results of operations and/or financial condition in the future.

Large contracts won or lost

Contract wins or losses, particularly large contracts, have a significant impact on our results of operations. A large portion of our sales is derived from a limited number of customers. Our customer base includes a mix of large blue chip customers, public sector customers and SMEs, of which 27 customers accounted for net sales greater than SEK50 million per annum during 2014. Large customers represent our core focus, and are typically characterized by a large contract size (approximately SEK180 million per annum on average for large IFM customers) and complex service requirements. Our largest customer accounted for approximately 10% of our net sales in 2014 and, in 2015, we expect that Statoil will become our largest customer and that it will account for 10 to 15% of our net sales in 2015. Our top five customers accounted for 31.5% of our net sales in the year ended December 31, 2014 and our top ten customers accounted for 44.8% of our net sales in the same period.

Large contract wins often have an immediate positive impact on our net sales once service delivery begins, but there are often a disproportionate amount of costs in the first year related to start-up compared to a contract's costs in subsequent years. In 2012 we signed one of the largest public sector IFM contracts in Denmark. In 2014 we won a landmark contract with Statoil, which was one of the largest ever IFM contracts signed in the Nordic region at the time. While the contract with Statoil was signed in early 2014, we did not begin providing services until April 2014 and our service delivery was not fully ramped up until September 2014, so our net sales from this contract were not as high in 2014 as we expect them to be in 2015. Our contract with Statoil was further supplemented in 2015 when we won the contract to provide IFM services to several of their offshore platforms.

As our contracts are typically three and five years, a sizeable portion of net sales each year relates to contracts that expire. For example, 13% of our net sales in 2014 relate to contracts expiring in 2015 and 18% relate to contracts expiring in 2016 (based on contracts with sales greater than SEK15 million per annum). During a period of significant and unexpected competitive pricing conditions (particularly by one competitor) in the year ended December 31, 2013, we lost four large mature IFM contracts which had accounted for approximately SEK550 million in aggregate net sales in 2012. However, from 2008 to 2014 we have an average retention rate of 85% for contracts with annual sales over SEK15 million. Management believes that our retention rates for 2015 will be in line with historical levels. Further, since 2012, approximately 70-80% of our contracts that have been extended have been renegotiated non-competitively (i.e. where customers have not asked alternative service providers to bid for the contract). Going forward, we aim to continue to renegotiate a high proportion of contracts non-competitively as such contacts generally provide better profitability than greenfield contracts or contracts taken over from competitors.

Impact of IFM and FM mix and patterns of contractual costs on our margins as well as level of self-delivery

Despite some fluctuations over time, the gross margin of the two largest contract types, namely large IFM and smaller IFM/bundled FM, have been relatively stable historically. However, we experience fluctuations in IFM gross margin year to year as a result of large, individual contract wins (or losses), and related ramp-up phases (which involves lower but rising net sales, as well as certain amounts of start-up costs). During the last three years we have experienced some gross margin decline. This has largely been driven by our strategic shift towards increasing our share of the lower margin bundled FM and single service market, the loss of a few large mature contracts and the ramp up costs of new large IFM contracts. These have been partially offset by some of our cost restructurings. See "—*Cost Restructuring*".

Margin compressions have largely been driven by a shift in our contract mix between high margin IFM contracts and bundled FM and single service contracts which typically have lower margins than large IFM contracts. Part of our strategy for the Addici acquisition was to grow into fragmented bundled FM markets leveraging our strong IFM platform, as Addici had significant volumes and capabilities in this area. However, going forward we expect to maintain the current contract mix we have now achieved, such that we do not expect any future changes to our margins to be driven by our contract mix.

As contracts mature, we have a track record of delivering increasing operational efficiencies which improve the margins on those contracts. New large greenfield IFM contracts typically require significant upfront integration costs which often depress margins in the first year or two of the contract. However, for almost all of our IFM contracts we are able to improve these margins over the remaining term of the contract as the start-up costs are phased out and our contract managers continue to target operational efficiency savings as part of the day-to-day service delivery. We have been able to maintain broadly stable margins on contract renewals. As a result, the loss of four large mature IFM contracts in 2013, coupled with the significant start-up costs of the new Statoil contract in 2014 have reduced our margins somewhat in 2013 and 2014. However, as the Statoil contract matures we expect our margins from this contract to improve.

Further, as we increase the amount of services we self-deliver we anticipate a positive benefit to our margins going forward. In recent years, we have been increasingly focused on the self-delivery of our cleaning, catering and hard FM services as opposed to subcontracting services. In the year ended 2007 approximately only 28% of our services by net sales were delivered by self-delivery compared to approximately 51% in the year ended December 31, 2014. Increased self-delivery provides several benefits to our IFM model by building internal capabilities that can be leveraged in IFM contracts, improving the overall delivery quality and our control over the delivery process and enhancing margins as it avoids the cost to us of subcontractors earning their margins. Although we intend to continue increasing the proportion of our services which are self-delivered, we do not expect to exclusively offer self-delivery services as we believe subcontracted services provide us with flexibility to provide our customers with a more integrated service offering for their needs.

Outsourcing trends

We are dependent on the continued growth in the demand for outsourcing of facility management services, whether as a single services, bundled FM services or IFM. Outsourcing trends may be influenced by a number of factors, including public opinion, economic constraints in times of economic downturns and adverse tax regulations.

The total annual value of Nordic FM in 2014 activities is estimated to amount to approximately SEK380 billion, of which approximately SEK200 billion is estimated to be outsourced. The outsourced Nordic FM market is estimated to have grown at approximately 2.3% per annum between 2012 and 2014. For the period 2014 to 2017, the market is expected to grow with a CAGR of 2.7% according to an international strategy consultant. The IMF segment in the Nordic region is estimated to have grown at a CAGR of approximately 5.9% from 2012 to 2014. Future Nordic IFM segment growth is expected to be approximately a CAGR of 6.0% from 2014 to 2017, mainly driven by large IFM contracts. Sweden is the largest outsourced FM market in the Nordics followed by Denmark, Norway and Finland.

We are dependent on the continuous growth in demand for IFM in the Nordics, which depends upon customers continuing to realize the operational and commercial benefits of migrating from single services and multi-services towards IFM. The IFM segment constitutes approximately SEK11 billion of the outsourced FM market in the Nordic region. The share of the outsourced FM market accounted for by outsourced IFM is the highest in Sweden amounting to approximately 9% of the total Swedish FM market. See "*Industry Overview*" for a more detailed discussion.

Impact of capital structure and Admission

As described in note 40 of the Historical Financial Information, in December 2007 our operating group was acquired by Cinven Funds through the Principal Shareholder. Based on the number of outstanding shares as at March 31, 2015, the Company was 57% owned by the Principal Shareholder[9] and the remaining shares are spread across a number of senior executives, a smaller number of other employees, and Board Directors. In common with most private equity sponsored acquisitions, the structure of the acquisition and the subsequent investments in us had a material effect on the reported financial position and our results of operations included in the "*Historical Financial Information*".

In the year ended December 31, 2014, we received invoices from Cinven, relating to fees for management of our company of SEK3.9 million and for 2013 and 2012 they were SEK3.7 million and SEK3.7 million, respectively. Such fees will not be paid after completion of the Offering.

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9 As the Principal Shareholder at the date of this Prospectus holds preference shares, the Principal Shareholder's economic rights in the Company amounts to approximately 95%.

In the years ended December 31, 2014, 2013 and 2012, we had finance costs of SEK283.3 million, SEK 751.5 million and SEK714.3 million, respectively. The significant decrease in finance costs between 2013 and 2014 relates largely to debt-for-equity swap of the SEK4,036.6 million loan from Cinven to us in December 2013. As a result our long term borrowings decreased from SEK6,374.7 million as at December 31, 2012 to SEK2,747.8 million as at December 31, 2013. Further, our finance costs decreased in a similar proportion as we no longer had interest expense on the non-current liabilities from shareholder. However as the loan was not converted until December 2013, we still paid most of the interest expense accumulated for 2013, whereas in 2014 we had the full year effect of the reduction in interest expense from capitalization of the shareholder loan.

See note 40 of the Historical Financial Information for more information on the shareholder loan.

Acquisition of Addici

In December 2012, we acquired Addici, which operates primarily in Sweden, for a consideration of SEK185 million—our largest acquisition to date. Addici had revenues of SEK964 million for the year ended December 31, 2012. Addici's results of operations were consolidated into our results as of 1 January 2013. As a result, the acquisition of Addici had a significant effect on our consolidated results when comparing 2012 to 2013, particularly in our Swedish segment. In 2013, as part of our cost restructuring we began the process of integrating Addici within our business through reducing personnel and overhead costs. These measures have had a positive effect and enabled us to reduce administrative expenses in the years ended December 31, 2013 and 2014. We believe we have realized a number of synergies from the Addici acquisition, including headcount reduction, primarily in administration and management, closure of Addici office locations and IT system integration.

Cost savings resulting from cost reduction programs in 2012 and 2013

We have implemented several structural reforms to the organization of our business through the consolidation of certain support functions and reducing the number of managers through widening the scope of responsibility between 2012 and 2014. These cost saving programs were part of a Group-wide initiative to focus on operational efficiencies and to adjust the cost base to our current business requirements. These cost savings initiatives were initially rolled out in Sweden in 2012 and then at the Group level and in Denmark, Norway and Finland in 2013.

Our administrative expenses were SEK368.1 million, SEK482.3 million and SEK386.3 million in the years ended December 31, 2014, 2013 and 2012, respectively. Costs increased in 2013 due to the acquisition of Addici. Following a structural cost saving initiative in 2013 across all divisions, we were able to reduce our administrative costs in 2014 and at the same time integrate several new contracts.

Further cost efficiencies were driven by a reduction in our costs for premises and external services in 2014 as a result of lower costs within center functions. These were primarily due to the re-location to the new more efficient headquarters. As a percentage of revenue our administrative expenses have declined from 6.7% in 2012 to 7.5% in 2013 to 5.6% in 2014 as a result of cost savings initiatives.

Taxation

In 2014, 2013 and 2012 we had an income tax credit of SEK43.6 million, SEK334.0 million and SEK105.0 million, respectively. We have been loss-making on a consolidated basis during the period under review the majority of which is due to interest payable on the shareholder loan from Cinoor S.a.r.l, which was converted to equity through a set-off issue in December 2013.

Deferred tax assets and tax liabilities have been offset within the same tax jurisdiction. We have a net deferred tax liability in each tax jurisdiction.

As of December 31, 2014, the tax value of losses are SEK462 million, of which SEK205 million were recognized in the balance sheet. Of the total value of our tax losses, SEK420 million is in Sweden, SEK38 million in Finland, SEK2 million in Norway and SEK2 million in Denmark. In Sweden, Norway and Denmark there are no time limitations on the use of the tax losses. In Finland tax losses must be used within a ten-year period from when they arise and have only been recognized to the extent that they are offset by a deferred tax liability. It is estimated that it will be possible to use the existing tax losses in Norway and Denmark in coming years and these have therefore been fully capitalized. In Sweden a deferred tax asset attributable to tax losses has been recognized only to the extent that there exists a deferred tax liability.

Due to our internal restructuring, it will not be possible to use parts of the tax losses in Sweden for Group contributions between certain companies for a number of years.

In 2010 the Swedish Tax Agency initiated a tax audit of the Company in which the Tax Agency primarily examined interest expenses for the shareholder loan received from Cinoor S.a.r.l. The tax audit, which referred to the income years 2007 to 2010, was concluded in 2014. In a ruling the Administrative Court set aside the Tax Agency's reassessment decision, and we were allowed to deduct our interest expenses.

Seasonality

Our business is subject to seasonal variations. The third quarter normally shows lower net sales and lower Adjusted EBITA Margin, as an effect of lower customer activity in the summer holiday period. This seasonal effect is especially pronounced in our catering business, which has very low net sales in July and August, and has fixed costs for personnel and premises.

This underlying seasonal pattern for our business could however be off-set by net sales and Adjusted EBITA impact of large new contracts.

In addition, the changes in Net Working Capital are subject to seasonal variation, with the first and third quarter normally showing a less positive or negative impact on operating cash flow, than the second and fourth quarter. In the first quarter, this seasonal effect is related to a reduction in Accounts Payable after year-end and calendar effects on customer payments due to February having only 28 days (and some customer payments thereby falling due on or after quarter end). In the third quarter, there normally is some build up in Accrued Revenue and Accounts Receivable as an effect of the holiday period.

This underlying seasonal pattern could however be off-set by calendar effects, such as a quarter ending in a weekend, or impact from operational changes in existing or addition of new large contracts.

Non-IFRS financial data

The following table sets out certain key non-IFRS financial data. The Directors believe that the following non-IFRS financial data provide useful supplemental information to understand and analyze our underlying results.

Certain Other Financial Data

	For the three months ended March 31,		For the year ended December 31,		
	2015	2014	2014	2013	2012
	(SEK thousands, except %)				
Net sales	1,847,524	1,507,589	6,843,791	6,453,617	5,525,946
Gross profit	177,550	129,953	393,133	402,595	475,136
Gross margin	9.6%	8.6%	5.7%	6.2%	8.6%
Amortization	(44,481)	(51,842)	(330,621)	(368,053)	(209.706)
IACs in Cost of services sold(1)	(3,307)	(13,311)	(85,563)	(46,781)	(83,659)
Adjusted gross margin(2)	12.2%	12.9%	11.8%	12.7%	13.9%
Selling expenses	(18,478)	(18,392)	(89,504)	(103,068)	(103,356)
Selling expenses as a percentage of net sales	1.0%	1.2%	1.3%	1.6%	1.9%
Administrative expenses	(108,264)	(97,059)	(386,070)	(482,268)	(368,264)
Administrative expenses as a percentage of net sales	5.9%	6.4%	5.6%	7.5%	6.7%
IACs in selling and administrative expenses(3)	(1,320)	(1,018)	(20,509)	(79,859)	(10,439)
IACs in selling and administrative expenses as a percentage of net sales	(0.1)%	(0.1)%	(0.3)%	(1.2)%	(0.2)%
Net Working Capital(4)	(267,112)	(249,416)	(396,736)	(326,945)	(226,159)
Capital Expenditure(5)	(7,499)	(4,078)	(32,253)	(38,765)	(24,588)
Operating Cashflow(6)	(24,064)	10,938	433,602	436,385	214,862
Cash Conversion(7)	−21%	12%	108%	118%	59%
Adjusted Net Income(8)	56,320	13,313	19,774	(209,382)	(352,558)
EBITDA(9)	107,410	78,161	296,906	244,100	271,486
EBITA(9)	95,289	66,344	248,178	185,313	213,223
Adjusted EBITDA(9)	112,037	92,490	402,977	370,742	365,584
Adjusted EBITA(9)	99,916	80,673	354,250	311,953	307,322
Adjusted EBITA margin(9)	5.4%	5.4%	5.2%	4.8%	5.6%

Notes

(1) IACs in cost of services sold consist of Statoil integration, other integration, parts of cost reduction programs and onerous rental agreement.

(2) Adjusted gross margin is calculated as gross profit as a percentage of net sales after adding back amortizations and IACs in cost of services sold.

(3) IACs in selling and administrative expenses consist of costs for Addici integration and Lujapalvelut integration, parts of cost reduction programs, CEO transition cost, costs for exit process and Cinven monitoring fees.

(4) Net Working Capital is accounts receivables plus inventories plus accrued revenue and prepaid expenses plus other receivables less accounts payable, accrued expenses and deferred income and other short-term liabilities.

(5) Capital Expenditure consists of purchase of tangible/intangible assets less proceeds from sale of tangible assets plus the net gain or loss on disposals.

(6) Operating Cashflow is Adjusted EBITDA plus the change in net working capital less capital expenditure.

(7) Cash Conversion is Operating Cash Flow divided by Adjusted EBITDA.

(8) Adjusted Net Income is profit from continuing operations excluding amortizations.

(9) Adjusted EBITDA and Adjusted EBITA represent EBITDA and EBITA respectively, as defined above, adjusted to exclude items that the Directors believe affect comparability ("IACs"). IACs mainly include costs in relation to M&A integration, integration of new contracts and restructuring. More specifically these include: integration costs for Addici, LujaPalvelut, Statoil, and general integration costs; restructuring costs incurred in relation to our cost reduction programs in 2012 and 2013; and onerous rental agreement costs, chief executive officer transition costs, Cinven fees and other. The Directors use EBITDA, EBITA, Adjusted EBITDA, and Adjusted EBITA as key performance indicators of our business. See "*Presentation of Financial Information*".

EBITDA, EBITA, Adjusted EBITDA and Adjusted EBITA

Adjusted EBITDA and Adjusted EBITA represent EBITDA and EBITA, respectively, as defined above, adjusted to exclude items that the Directors believe affect comparability ("**IACs**"). IACs mainly include costs in relation to M&A integration, integration of new contracts and restructuring. More specifically these include: integration costs for Addici, LujaPalvelut, Statoil, and general integration costs; restructuring costs incurred in relation to our cost reduction programs in 2012 and 2013, selling and administrative expenses related to damages services and losses of contracts due to terminated rental agreements, chief executive officer transition costs, Cinven monitoring fees and other. The Directors use EBITDA, EBITA, Adjusted EBITDA and Adjusted EBITA as key performance indicators of our business. See "*Presentation of Financial Information*".

The following table sets forth a reconciliation of EBITA, Adjusted EBITA and Adjusted EBITDA to operating profit for the periods indicated.

	As at or for the three months ended March 31,		As at or for the year ended December 31,		
	2015	**2014**	**2014**	**2013**	**2012**
	(SEK thousands)				
Operating Profit	50,808	14,502	(82,442)	(182,741)	3,516
Amortization	(44,481)	(51,842)	(330,621)	(368,053)	(209,706)
EBITA	95,289	66,344	248,178	185,313	213,223
Integration					
Addici—M&A(1)	(324)	(5,877)	(6,020)	(54,802)	(1,205)
LujaPalvelut M&A(2)	—	—	—	—	(3,355)
Statoil(3)	(1,418)	(969)	(53,620)	—	—
Other(4)	(1,516)	(3,190)	(16,504)	(7,644)	(13,930)
Total integration	**(3,258)**	**(10,036)**	**(76,145)**	**(62,447)**	**(18,490)**
Restructuring					
Cost reduction program 2013(5)	—	(3,243)	(11,139)	(45,606)	—
Cost reduction program 2012(6)	—	—	—	—	(26,691)
Total restructuring	**—**	**(3,243)**	**(11,139)**	**(45,606)**	**(26,691)**
Other					
Onerous rental agreements(7)	—	—	(459)	(2,848)	(48,365)
CEO transition cost(8)	—	—	—	(11,952)	—
Cost for exit process(9)	—	—	(12,145)	—	—
Cinven monitoring fees(10)	(1,082)	(1,018)	(3,910)	(3,737)	(3,755)
Other(11)	(288)	(32)	(2,274)	(51)	3,203
Total other	**(1,369)**	**(1,050)**	**(18,788)**	**(18,588)**	**(48,917)**
Total IACs	**(4,627)**	**(14,329)**	**(106,072)**	**(126,640)**	**(94,098)**
Adjusted EBITA	**99,916**	**80,673**	**354,250**	**311,953**	**307,322**
Depreciation	(12,121)	(11,817)	(48,727)	(58,788)	(58,263)
Adjusted EBITDA	**112,037**	**92,490**	**402,977**	**370,742**	**365,584**

Notes

(1) Addici—M&A consists of costs related to headcount reduction (reserves for lay-off costs), termination of office leases and integration of IT systems in relation to the acquisition of Addici in December 2012.

(2) LujaPalvelut M&A consists of costs related to headcount reduction (reserves for lay-off costs) in relation to the acquisition of LujaPalvelut in 2011.

(3) Statoil consists of the start-up costs in relation to the Statoil contract won in 2014, which includes start-up costs for recruiting, consultants, IT, temporary specialists and managers from other countries replaced by consultants in their home countries.

(4) Other consists of integration/start-up cost for other contracts.

(5) Cost reduction program 2013 consists of the costs related to the headcount reduction in Group Staff, Finland, Denmark and Norway (primarily reserves for lay-off costs) in 2013.

(6) Cost reduction program 2012 consists of the costs related to the headcount reduction in Sweden (primarily reserves for lay-off costs) in 2012.

(7) Onerous rental agreements is primarily related to a service provided in a large customer contract, where Coor administered all property leases for the customer. One property lease that should have been terminated as part of this service, was automatically prolonged and in a settlement with the customer, Coor agreed to retain administrative responsibility for the lease. The cost in 2012 is a reserve for the lease cost for the remainder of the lease term, less income from sub-leases. The lease contract ended in August 2014 and this administrative service has been discontinued by us and no similar agreements to provide administrative services exist in our other contracts.

(8) CEO transition cost consists of costs for our previous CEO, mainly personnel costs and other direct costs in a transition period and severance payment.

(9) Cost for exit process consists of advisory fees related to Cinven's exit process.

(10) Cinven monitoring fees consist of fees paid by the Company to Cinven for managing the company. These fees will not be charged once the Company has become public.

(11) Other consists of costs for legal advice in an ongoing environmental claim in Norway (2014), advisory fees related to current financing (2014) and actuarial pension adjustments (2012).

Explanation of Key Line Items in the Consolidated Income Statement

Net sales

Our revenue mainly consists of sales of services. Revenue comprises the fair value of sold goods and services excluding value-added tax and discounts and after elimination of intercompany sales.

We recognize revenue when the amount can be reliably measured, it is probable that future economic benefits will accrue to us and specific criteria have been met for each of our businesses, as described in the following. The amount is not deemed to be reliably measurable until all obligations relating to the sale have been fulfilled or expired. We base our judgments on historical outcomes, taking account of the type of customer, type of transaction and any special circumstances applying in each case.

Revenue from delivered services is billed in accordance with the terms of subscription contracts or on a fixed-price or time and materials basis. Subscription contract refers to a contract concluded by us for the provision of services over a longer period of time. The subscription contracts refer to undertakings which are performed regularly and on an ongoing basis, and for which payment is made on a monthly or quarterly basis.

Cost of services sold

Costs which are directly related to the performance of the invoiced services, depreciation of machinery and equipment and amortization and impairment of customer contracts, goodwill and other intangible assets.

Selling expenses

Selling expenses are costs which are directly related to business development and operations development where our business development and operations departments participate in the sales process and costs related to other marketing activities.

Administrative expenses

Administrative expenses are costs which are directly related to management (contract managers, business unit presidents, country presidents and CEO) and specialist functions (Operations Development, IT, HR, Legal, Sourcing and Finance).

Financial income

Financial income consists of interest income, interest income from leases, capital gains on the sale of subsidiaries, currency translation differences, and other financial income.

Financial costs

Financial costs consist of interest expense, interest expense from leases, currency translation differences and other financial costs.

Income tax expense

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

Reported income taxes include tax which is payable or due in respect of the current year, adjustments relating to current tax for previous years and changes in deferred tax.

Deferred tax is accounted for, by applying the balance sheet liability method, for all temporary differences between the carrying amounts and tax bases of assets and liabilities in the consolidated financial statements.

Deferred tax is not recognized if it is incurred as a result of a transaction that constitutes the initial recognition of an asset or liability which is not a business combination and which at the time of the transaction affects neither the accounting profit nor the tax profit. Deferred tax is calculated by applying tax rates (and laws) which have been adopted or announced at the balance sheet date and are expected to apply when the deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets and liabilities are offset when there is a legal right of set-off for the tax assets and liabilities concerned, and when the deferred tax assets and liabilities pertain to taxes levied by the same tax authority and refer to either the same taxable entity or different taxable entities, where there is an intention to settle the balances through a net payment.

Results of Operations

The following table summarizes our results of operations for the three months ended March 31, 2015 and March 31, 2014 and for years ended December 31, 2014, December 31, 2013 and December 31, 2012.

	For the three months ended March 31,		For the year ended December 31,		
	2015	2014	2014	2013	2012
	(SEK thousands)				
Net sales	1,847,524	1,507,589	6,843,791	6,453,617	5,525,946
Cost of services sold	(1,669,975)	(1,377,636)	(6,450,658)	(6,051,022)	(5,050,810)
Gross profit	**177,550**	**129,953**	**393,133**	**402,595**	**475,136**
Selling expenses	(18,478)	(18,392)	(89,504)	(103,068)	(103,356)
Administrative expenses	(108,264)	(97,059)	(386,070)	(482,268)	(368,264)
Operating profit	**50,808**	**14,502**	**(82,442)**	**(182,741)**	**3,516**
Financial income	20,686	2,441	11,302	22,853	43,467
Financial costs	(54,534)	(57,596)	(283,340)	(751,510)	(714,265)
Net finance costs	**(33,848)**	**(55,155)**	**(272,038)**	**(728,658)**	**(670,798)**
Profit before income tax	**16,960**	**(40,652)**	**(354,480)**	**(911,399)**	**(667,282)**
Income tax expense	(5,120)	2,123	43,633	333,963	105,016
Profit for the period from continuing operations	**11,839**	**(38,529)**	**(310,847)**	**(577,436)**	**(562,266)**
Profit for the period from discontinued operations	**849**	**(1,634)**	**(147,002)**	**(2,186)**	**45,377**
Profit for the period	**12,688**	**(40,163)**	**(457,850)**	**(579,622)**	**(516,889)**

Results of operations for three months ended March 31, 2015 and March 31, 2014

The following table sets forth consolidated income statement for the three months ended March 31, 2015 and March 31, 2014 derived from our combined financial information set out in the "*Historical Financial Information*", and shows the amount of the change and the percentage change in each of the components of our consolidated income statement between these two periods.

	For the three months ended March 31,		Change	
	2015	2014	(amount)	(%)
	(SEK thousands)			
Net sales	1,847,524	1,507,589	339,935	23
Cost of services sold	(1,669,975)	(1,377,636)	(292,339)	(21)
Gross profit	**177,550**	**129,953**	**47,597**	**37**
Selling expenses	(18,478)	(18,392)	(86)	0
Administrative expenses	(108,264)	(97,059)	(11,205)	(12)
Operating profit	**50,808**	**14,502**	**36,306**	**250**
Financial income	20,686	2,441	18,245	747
Financial costs	(54,534)	(57,596)	3,062	5
Net finance costs	(33,848)	(55,155)	21,307	39
Profit before income tax	16,960	(40,652)	57,612	142
Income tax expense	(5,120)	2,123	(7,243)	(341)
Profit for the period from continuing operations	**11,839**	**(38,529)**	**50,368**	**131**
Profit for the period from discontinued operations	**849**	**(1,634)**	**2,483**	**152**
Profit for the period	**12,688**	**(40,163)**	**52,851**	**132**

Net sales

Our net sales for the three months ended March 31, 2015 were SEK1,847.5 million, an increase of SEK340 million, or 23%, compared to SEK1,507.6 million in the three months ended March 31, 2014. This was principally as a result of the ramp-up of the Statoil contract and the Aibel contract in Norway which were won in 2014, as well as growth in Denmark from the Velux contract and a number of smaller contracts.

Cost of services sold

Our cost of services sold for the three months ended March 31, 2015 were SEK1,670.0 million, an increase of SEK292 million, or 21%, compared to SEK1,377.6 million in the three months ended March 31, 2014. This was principally an increase in line with net sales.

Gross profit

Our gross profit for the three months ended March 31, 2015 were SEK177.5 million, an increase of SEK48 million, or 37%, compared to SEK130.0 million in the three months ended March 31, 2014. This was principally as a result of the above reasons and a reduction in IACs in 2015 as compared to 2014 which primarily consisted of limited M&A integration costs in 2015 which were recognized in the first quarter of 2015.

Our gross margin was 9.6% for the three months ended March 31, 2015 compared to 8.6% for the three months ended March 31, 2014.

Selling expenses

Our selling expenses for the three months ended March 31, 2015 were SEK18.5 million, an increase of SEK0.1 million, or 0.5%, compared to SEK18.4 million in the three months ended March 31, 2014.

Selling expenses as a percentage of net sales were 1.0% for the three months ended March 31, 2015 compared to 1.2% for the three months ended March 31, 2014.

Administrative expenses

Our administrative expenses for the three months ended March 31, 2015 were SEK108.3 million, an increase of SEK11.2 million, or 11.5%, compared to SEK97.1 million in the three months ended March 31, 2014. This was principally as a result of administrative resources added in Norway, primarily driven by the addition of the Statoil contract.

Administrative expenses as a percentage of net sales were 5.9% for the three months ended March 31, 2015 compared to 6.4% for the three months ended March 31, 2014.

Operating profit

Our operating profit for the three months ended March 31, 2015 were SEK50.8 million, an increase of SEK36 million, or 250%, compared to SEK14.5 million in the three months ended March 31, 2014. This was principally as a result of the reasons set out above.

Net finance costs

	For the three months ended March 31		Change	
	2015	2014	(amount)	(%)
	(SEK thousands)			
Interest income	253	563	(310)	(55)
Interest income, leases	426	619	(193)	(31)
Currency translation differences	20,007	1,236	18,771	1,525
Other financial income	—	23	(23)	(100)
Total interest income	20,686	2,441	18,245	747
Interest expense	(43,596)	(47,633)	4,037	8
Interest expenses, leases	(603)	(807)	204	25
Currency translation differences	(1,672)	(2,966)	1,294	44
Other financial costs	(8,663)	(6,190)	(2,473)	(40)
Total interest expense	(54,534)	(57,596)	3,062	5
Net finance cost	(33,848)	(55,155)	21,307	39

Our net finance costs for the three months ended March 31, 2015 were SEK 33.8 million, a decrease of SEK21 million, or 39%, compared to SEK55.2 million in the three months ended March 31, 2014. This was principally as a result of positive foreign exchange effects and lower interest rates.

Profit before income tax

Our profit before income tax for the three months ended March 31, 2015 were SEK17 million, an increase of SEK58 million, or 142%, compared to the loss of SEK41 million in the three months ended March 31, 2014. This was principally as a result of the above.

Income tax expense

Our income tax expense for the three months ended March 31, 2015 was SEK5.1 million compared to a tax credit of SEK2.1 million in the three months ended March 31, 2014. This was principally as a result of a positive profit before tax.

Profit from continuing operations

Our profit from continuing operations for the three months ended March 31, 2015 were SEK 11.8 million compared to the loss of SEK38.5 million in the three months ended March 31, 2014. This was principally as a result of the above and a minor improvement in discontinued operations.

Results of operations for years ended December 31, 2014 and December 31, 2013

The following table sets forth consolidated income statement for the years ended December 31, 2014 and December 31, 2013 derived from our combined financial information set out in the "*Historical Financial*

Information", and shows the amount of the change and the percentage change in each of the components of our consolidated income statement between these two periods.

	For the year ended December 31,		Change	
	2014	2013	(amount)	(%)
	(SEK thousands)			
Net sales	6,843,791	6,453,617	390,174	6.0
Cost of services sold	(6,450,658)	(6,051,022)	(399,636)	(6.6)
Gross profit	393,133	402,595	(9,462)	(2.4)
Selling expenses	(89,504)	(103,068)	13,564	13.2
Administrative expenses	(386,070)	(482,268)	96,198	19.9
Operating profit	(82,442)	(182,741)	100,299	54.9
Financial income	11,302	22,853	(11,551)	(50.5)
Financial costs	(283,340)	(751,510)	468,170	62.3
Net finance costs	(272,038)	(728,658)	456,620	62.7
Profit before income tax	(354,480)	(911,399)	556,919	61.1
Income tax expense	43,633	333,963	(290,330)	(86.9)
Profit for the year from continuing operations	(310,847)	(577,436)	266,589	46.2
Profit for the year from discontinued operations	(147,002)	(2,186)	(144,816)	(6,624.7)
Profit for the year	**(457,850)**	**(579,622)**	**121,772**	**21.0**

Net sales

Our net sales for the year ended December 31, 2014 were SEK6,843.8 million, an increase of SEK390.2 million, or 6.0%, compared to SEK6,453.6 million in the year ended December 31, 2013. This was principally as a result of the Statoil contract we won in 2014 as well as the full year effect of some smaller contract wins from 2013 as well as 2014, which were partially offset by the full year effect of some large contract losses in 2013 and some smaller in 2014. The Norwegian and Danish businesses grew significantly as a result of the new contracts with Statoil and Velux (a new IFM contract in Denmark), respectively, whereas the Finnish business grew at a more modest rate. The Swedish business declined, as a result of the large contract losses, which primarily affected Sweden.

Cost of services sold

Our cost of services sold for the year ended December 31, 2014 were SEK6,450.7 million, an increase of SEK399.6 million, or 6.6%, as compared to SEK6,051.0 million in the year ended December 31, 2013. The increase was primarily due to costs associated with the Statoil contract in 2014, including startup and integration cost. Otherwise, cost of services sold in the different countries generally grew in line with net sales.

Gross profit

Our gross profit for the year ended December 31, 2014 was SEK393.1 million, a decrease of SEK9.5 million, or 2.4%, compared to SEK402.6 million in the year ended December 31, 2013. Our gross margin was 5.7% for the year ended December 31, 2014 compared to 6.2% for the year ended December 31, 2013. This decline in gross profit and gross margin was principally as a result of a combination of our strategic shift towards more bundled FM and single services which historically have lower margins than IFM contracts and the startup integration costs associated with the Statoil contract in 2014.

Selling expenses

Our selling expenses for the year ended December 31, 2014 were SEK89.5 million, a decrease of SEK13.6 million, or 13.2%, compared to SEK103.1 million in the year ended December 31, 2013. The decrease was primarily due to reduced overhead costs as part of our cost saving.

Selling expenses as a percentage of net sales were 1.3% for the year ended December 31, 2014 compared to 1.6% for the year ended December 31, 2013.

Administrative expenses

Our administrative expenses for the year ended December 31, 2014 were SEK386.1 million, a decrease of SEK96.2 million, or 19.9%, compared to SEK482.3 million in the year ended December 31, 2013. The decrease was primarily due to the reduction in Group and country level overhead as part of our structural cost saving.

Administrative expenses as a percentage of net sales were 5.6% for the year ended December 31, 2014 compare to 7.5% for the year ended December 31, 2013.

Operating profit/(loss)

We recorded SEK82.4 million in operating loss for the year ended December 31, 2014, an improvement of SEK100.3 million, or 54.9%, as compared to a loss of SEK182.8 million in the year ended December 31, 2013. The improvement was primarily due to the reasons set out above.

Net finance costs

	For the year ended December 31		Change	
	2014	2013	(amount)	(%)
	(SEK thousands)			
Interest income	5,314	4,945	369	7.5
Interest income, leases	1,943	2,859	(916)	(32)
Capital gains on sale of subsidiaries	—	—	—	—
Currency translation differences	3,870	14,649	(10,779)	(73.6)
Other financial income	175	400	(225)	(56.3)
Total interest income	**11,302**	**22,853**	**(11,551)**	**(50.6)**
Interest expense	(194,723)	(680,670)	485,947	71.4
Interest expenses, leases	(3,061)	(3,754)	693	18.5
Currency translation differences	(49,859)	(35,569)	(14,290)	(40.2)
Other financial costs	(35,696)	(31,516)	(4,180)	(13.3)
Total interest expense	**(283,340)**	**(751,510)**	**468,170**	**62.3**
Net finance costs	**(272,038)**	**(728,658)**	**456,620**	**62.7**

We recorded a SEK272.0 million loss in net finance costs for the year ended December 31, 2014, a decrease of SEK456.6 million, or 62.7%, as compared to a negative net interest income of SEK728.7 million in the year ended December 31, 2013. The decrease was primarily due to the conversion of the shareholder loan from the Principal Shareholder in December 2013, and the effect of this in form of reduced interest expenses in 2014.

Profit/(loss) before income tax

We recorded a SEK354.5 million loss in profit before income tax for the year ended December 31, 2014, a decrease of SEK556.9 million, or 61.1%, as compared to a loss of SEK911.4 million in the year ended December 31, 2013. The decrease was primarily due to the reasons set out above.

Income tax expense

Our income tax expense for the year ended December 31, 2014 was a credit of SEK43.6 million, a decrease of SEK290.3 million, or 86.9%, compared to a credit of SEK334.0 million in the year ended December 31, 2013. This was principally as a result of tax losses in 2013 which have been reserved as a future tax credit.

Loss for the year from continuing operations

Our loss for the year from continuing operations for the year ended December 31, 2014 was SEK310.8 million, a decrease of SEK266.6 million, or 46.2%, as compared to a loss of SEK577.4 million in the year ended December 31, 2013. The decrease was primarily due to the reasons set out above.

Results of operations for years ended December 31, 2013 and December 31, 2012

The following table sets forth consolidated income statement for the years ended December 31, 2013 and December 31, 2012 derived from our combined financial information set out in the "*Historical Financial Information*", and shows the amount of the change and the percentage change in each of the components of our consolidated income statement between these two periods.

	For the year ended December 31,		Change	
	2013	**2012**	**(amount)**	**(%)**
	(SEK thousands)			
Net sales	6,453,617	5,525,946	927,671	16.8
Cost of services sold	(6,051,022)	(5,050,810)	(1,000,212)	(19.8)
Gross profit	402,595	475,136	(72,541)	(15.3)
Selling expenses	(103,068)	(103,356)	288	0.3
Administrative expenses	(482,268)	(368,264)	(114,004)	(31.0)
Operating profit	(182,741)	3,516	(186,257)	(5,297.4)
Financial income	22,853	43,467	(20,614)	(47.4)
Financial costs	(751,510)	(714,265)	(37,245)	(5.2)
Net finance costs	(728,658)	(670,798)	(57,860)	(8.6)
Profit before income tax	(911,399)	(667,282)	(244,117)	(36.6)
Income tax expense	333,963	105,016	228,947	218.0
Profit for the year from continuing operations	(577,436)	(562,266)	(15,170)	(2.7)
Profit for the year from discontinued operations	(2,186)	45,377	(47,563)	(104.8)
Profit for the year	**(579,622)**	**(516,889)**	**(62,733)**	**(12.1)**

Net sales

Our net sales for the year ended December 31, 2013 were SEK6,453.6 million, an increase of SEK927.7 million, or 16.8%, compared to SEK5,525.9 million in the year ended December 31, 2012. This was principally as a result of the acquisition of Addici at the end of 2012 and the full year effect of the large Danish Police contract, which started in September 2012 with a limited service scope and was ramped up to full service scope by January 2013. These net sales increases were partially offset by several large IFM contract losses in 2013. Sweden, which took on most of the Addici net sales, and Denmark showed significant net sales growth in the year, whereas net sales growth in Norway and Finland was more modest.

Cost of services sold

Our cost of services sold for the year ended December 31, 2013 were SEK6,051.0 million, an increase of SEK1,000.2 million, or 19.8%, as compared to SEK5,050.8 million in the year ended December 31, 2012. The increase was primarily due to the acquisition and subsequent integration of Addici at the end of 2012 and an increase in amortizations related to write-offs on contract values for some of the lost contracts apart from the effects of the Addici acquisition and the increased amortization, cost of services sold generally grew in line with net sales.

Gross profit

Our gross profit for the year ended December 31, 2013 was SEK402.6 million, a decrease of SEK72.5 million, or 15.3%, compared to SEK475.1 million in the year ended December 31, 2012. Our gross margin was 6.2% for the year ended December 31, 2013 compared to 8.6% for the year ended December 31, 2012. This decrease in gross profit and gross margin was principally a result of our strategic shift towards more bundled FM and single services which historically have lower margins than IFM contracts, as well as the integration costs of Addici in 2013 and the increase in amortization.

Selling expenses

Our selling expenses for the year ended December 31, 2013 were SEK103.1 million, an increase of SEK0.3 million, or 0.3%, as compared to SEK103.4 million in the year ended December 31, 2012.

Selling expenses as a percentage of net sales were 1.6% for the year ended December 31, 2013 compared to 1.9% for the year ended December 31, 2012.

Administrative expenses

Our administrative expenses for the year ended December 31, 2013 were SEK428.3 million, a SEK114.0 million, or 31.0% increase, as compared to SEK368.3 million in the year ended December 31, 2012. The increase was primarily due to the acquisition of Addici at the end of 2012.

Administrative expenses as a percentage of net sales were 7.5% for the year ended December 31, 2013 compare to 6.7% for the year ended December 31, 2012.

Operating profit/(loss)

We recorded an operating loss for the year ended December 31, 2013 of SEK182.7 million, as compared to an operating profit of SEK3.5 million in the year ended December 31, 2012. The change was primarily due to the reasons set out above.

Net finance costs

	For the year ended December 31		Change	
	2013	**2012**	**amount**	**(%)**
		(SEK thousands)		
Interest income	4,945	10,263	(5,318)	(51.8)
Interest income, leases	2,859	2,353	506	21.5
Capital gains on sale of subsidiaries	—	3,141	(3,141)	—
Currency translation differences	14,649	26,960	(12,311)	(45.7)
Other financial income	400	751	(351)	(46.7)
Total interest income	**22,853**	**43,467**	(20,615)	(47.4)
Interest expense	(680,670)	(663,816)	(16,854)	(2.5)
Interest expenses, leases	(3,754)	(4,055)	301	7.4
Currency translation differences	(35,569)	(6,510)	(29,059)	(446.4)
Other financial costs	(31,516)	(39,884)	8,368	21
Total interest expense	**(751,510)**	**(714,265)**	(37,245)	(5.2)
Net finance costs	**(728,658)**	**(670,798)**	**(57,860)**	**(8.6)**

We recorded a SEK728.7 million loss in net finance costs for the year ended December 31, 2013, a SEK57.9 million, or 8.6% increase, as compared to a loss of SEK670.8 million in the year ended December 31, 2012. The decrease was primarily due to the increase in interest expense from our higher borrowings in 2013 as a result of the SEK400.0 million of new loans, financing the acquisition and integration of Addici at the end of 2012.

Profit/(loss) before income tax

Our loss before income tax for the year ended December 31, 2013 was SEK911.4 million, an increase of SEK244.1 million, or 36.6%, as compared to a loss of SEK667.3 million in the year ended December 31, 2012. The increase was primarily due to the reasons set out above.

Income tax expense

Our income tax expense for the year ended December 31, 2013 was SEK334.0 million, an increase of SEK228.9 million, or 218.0%, compared to SEK105.0 million in the year ended December 31, 2012. This was principally as a result of tax losses which have been reserved as a future tax credit.

Loss for the year from continuing operations

Our loss for the year from continuing operations for the year ended December 31, 2013 was SEK577.4 million, an increase of SEK15.2 million, or 2.7%, as compared to a loss of SEK562.3 million in the year ended December 31, 2012. The increase was primarily due to the reasons set out above.

Discontinued Operations

Assets and liabilities attributable to our previous Industrial Service operating segment have been accounted for as held for sale following approval from the senior management team and the Board of Directors' project committee in September 2014. The transaction will be completed the day before the first day of trading of the shares on Nasdaq Stockholm.

In accordance with IFRS 5, assets and liabilities held for sale have been written down to fair value less selling expenses. This is a nonrecurring fair value measurement that has been calculated using a benchmark analysis of market multiples for similar operations. As at December 31, 2014 our assets held for sale were SEK411.6 million.

Additionally, our previous Industrial Service operating segment has impacted our consolidated income statement as a profit/(loss) from discontinued operations. Our loss for the year from discontinued operations for the year ended December 31, 2014 was SEK147.0 million, a increase of SEK144.8 million as compared to a loss of SEK2.2 million in the year ended December 31, 2013. The decrease was primarily due to large loss-making or low-margin customer projects and a write-down of goodwill in 2014.

Our loss for the year from discontinued operations for the year ended December 31, 2013 was SEK2.2 million, as compared to a profit for the year from discontinued operations of SEK45.4 million in the year ended December 31, 2012. This was primarily due to significant contribution from large and relatively profitable customer projects in 2012, which projects either ended or did not provide as large a contribution in 2013.

Operating Segments

We have reporting segments based on geography.

The operating segments of the Company have been defined by the EMT.

We operate in Sweden, Norway, Finland and Denmark (and have smaller operations in Belgium, Hungary, Poland and Estonia). The management team monitors the operations on a country by country basis.

Our EMT assesses the operating segments' results based on Adjusted EBITA (as defined above). Interest income and interest expenses are not allocated to the segments, as these are affected by actions taken by the central Group finance function, which manages our financing and liquidity.

Costs for Group support functions, such as operational development, business development, financial reporting and legal advice, are accounted for in Group functions below. Adjustments made to adapt local financial reporting rules to IFRS are accounted for below.

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

The following table summarizes our revenue from external customers by segment for the periods indicated.

	For the year ended December 31,		
	2014	2013	2012
	(SEK thousands)		
Sweden	3,946,086	4,241,414	3,556,934
Norway	1,602,648	1,029,180	950,698
Finland	526,214	505,473	472,390
Denmark	783,173	689,952	559,137
Group functions	12	4,190	(299)
Other	(14,343)	(16,592)	(12,914)
Total	**6,843,791**	**6,453,617**	**5,525,946**

The following table summarizes our Adjusted EBITA from external customers by segment for the periods indicated.

	For the year ended December 31,		
	2014	2013	2012
	(SEK thousands)		
Sweden	364,455	428,981	400,369
Norway	95,757	68,737	65,786
Finland	12,390	(8,638)	(7,108)
Denmark	11,681	3,624	6,118
Group functions	(122,753)	(164,282)	(145,730)
Other	(7,280)	(16,469)	(12,113)
Total	**354,250**	**311,953**	**307,322**

For more information on our operating segments see note 4 to the "*Historical Financial Information*".

Goodwill

We have intangible assets with an indefinite useful life in the form of goodwill, customer contracts and trademarks on our balance sheet. The value is, in accordance with IFRS, impairment tested at least annually and any impairment losses are recognized in the income statement. When performing the impairment test we make an assessment of whether the cash-generating unit to which the intangible assets relate will be able to generate positive net cash flows sufficient to support the value of intangibles and other net assets of the entity. This assessment is based on estimates of expected future cash flows (value-in-use) made on the basis of financial budgets, estimates and forecasts for the following financial years or (for customer contracts) for the forecasted remaining duration of the contract relationship. Key assumptions used to estimate expected future cash flows are, for example, growth, operating margin, cash flows and discount rates.

Sales growth

The calculations are based on growth in our multi-year business plans. Growth is achieved partly through add-on sales to existing customers, partly through sales to new customers. Assumptions on new sales are based on the Company's historical experience and on ongoing and coming procurements.

EBITDA margin

The most significant cost components in our operations comprise remuneration of employees and the cost of engaging subcontractors. Estimates for these cost components therefore have a material impact on our margin. To achieve and maintain a satisfactory EBITDA margin, we are dependent on being able to implement continuous operational efficiencies with the aim of offsetting increases in cost. Estimates of future margins are based on historical experiences of ongoing operational efficiencies.

Discount rate

The discount factor, based on general market conditions coupled with the specific circumstances of each unit, is 8.6% (8.8% and 8.8%, respectively) after tax in all units. We have not deemed that the risks differ materially among the various Nordic countries and has therefore applied the same WACC in calculating value in use.

Material assumptions used when preparing the impairment test of goodwill

Material assumptions used in calculations of value in use during the budget period (period of 3 years) and the two subsequent years:

	Sales growth	EBITDA margin	Discount rate
Group 2014			
Sweden	11.1%	8.4%	8.6%
Finland	11.0%	5.0%	8.6%
Denmark	6.3%	2.3%	8.6%
Norway	8.0%	6.4%	8.6%
Group 2013			
Sweden	5.1%	9.2%	8.8%
Finland	8.8%	5.7%	8.8%
Denmark	16.0%	2.4%	8.8%
Norway	11.2%	7.2%	8.8%

The cash flow beyond the budget period and the two subsequent years has been extrapolated assuming a perpetual growth of two (2) per cent.

Sensitivity analysis

The sensitivity analysis performed did not show any indications of impairment in any of the segments.

In the table below the percentage change of the value in use is specified when:

- the perpetual growth is down by 1%, i.e assumption of perpetual growth is 1% instead of 2%;
- the perpetual EBITDA margin for each segment is down by 1%; and
- the discount rate used is increased by 1%, i.e discount rate used is 9.6% instead of 8.6%.

	Perpetual growth down by 1%	Perpetual EBITDA margin down by 1%	Discount rate increased by 1%
Group 2014			
Sweden	(10)%	(10)%	(13)%
Finland	(11)%	(18)%	(14)%
Denmark	(11)%	(30)%	(14)%
Norway	(10)%	(12)%	(13)%

Liquidity and Capital Resources

During the period under review, we have been cash flow generative with the principal source of our liquidity coming from our operating activities and our existing finance facilities. Our liquidity requirements arise primarily from the need to fund our working capital requirements and capital expenditure, as well as to make interest and principal payments on our indebtedness.

Our ability to generate cash flow from operations will depend on our future operating performance, which in turn is dependent on various factors, including but not limited to those described under "—*Significant Factors Affecting Our Results of Operations*", many of which are beyond our control. The Directors believe that our operating cash flows and borrowing capacity will be sufficient to meet our requirements and commitments for the foreseeable future. Our actual financing requirements will depend on numerous factors, including general economic conditions, the availability of financing from banks, other financial institutions and capital markets, restrictions in our loan agreement and our financial performance.

Cash Flows

The following table summarizes our cashflow for the three months ended March 31, 2015 and 2014 and the years ended December 31, 2014, 2013 and 2012.

	For the three months ended March 31,		For the year ended December 31,		
	2015	2014	2014	2013	2012
	(SEK thousands)				
Cash flow from operating activities	(89,592)	(75,633)	74,852	251,179	21,226
Cash flow from investing activities	(9,023)	479	(54,140)	(42,614)	(199,175)
Cash flow from financing activities	(22,242)	(2,755)	32,716	(153,897)	284,547
Cash flow for the period	(120,858)	(77,908)	53,428	54,667	106,598
Cash and cash equivalents at the beginning of the period	335,198	288,254	288,250	248,647	139,358
Exchange gains on cash and cash equivalents	3,942	2,219	(6,480)	(15,064)	2,691
Cash and cash equivalents at end of the period	**218,282**	**212,564**	**335,198**	**288,250**	**248,647**

Cash flow for December 31, 2014, 2013 and 2012

Cash flow from operating activities

Our cash flow from operating activities for the year ended December 31, 2014 were SEK74.9 million, a decrease of SEK176.3 million, or 70.2%, compared to SEK251.2 million in the year ended December 31, 2013. This was principally as a result of a large Net Working Capital reduction in 2013 as a result of reducing working capital initiatives in 2013 and therefore low ingoing Net Working Capital balance in 2014. The Net Working Capital was also reduced in 2014.

Our cash flow from operating activities for the year ended December 31, 2013 were SEK251.2 million, an increase of SEK230.0 million, or 1,083.4%, compared to SEK21.2 million in the year ended December 31, 2012. This was principally as a result of a large Net Working Capital reduction in 2013.

Cash flow used in investing activities

Our cash flow for investing activities for the year ended December 31, 2014 was SEK −54.1 million, primarily due to capital expenditures and the buyout of the remaining 20% stake of a subsidiary.

Our cash flow for investing activities for the year ended December 31, 2013 was SEK −42.6 million, primarily due to capital expenditures.

Our cash flow for investing activities for the year ended December 31, 2012 was SEK −199.2 million in, primarily due to the acquisition of Addici.

Cash flow from/(used in) financing activities

Our cash flow from financing activities for the year ended December 31, 2014 was SEK32.7 million, primarily due to drawdown on our revolving credit facility of SEK120.0 million.

Our cash flow used in financing activities for the year ended December 31, 2013 was SEK −153.9 million, primarily due to a SEK132.2 million redemption of a pension settlement as part of the acquisition of Addici.

Our cash flow from financing activities for the year ended December 31, 2013 was SEK284.5 million, primarily due to the SEK400.0 million of new loans to finance the acquisition and integration of Addici at the end of 2012.

Working Capital Statement

It is our assessment that the working capital is adequate to the current needs for the next twelve-month period.

Capital Expenditures

Historically, we have had limited capital expenditure requirements. Our capital expenditures, net of disposals, were SEK32.2 million, SEK38.8 million and SEK24.6 million in the years ended December 31, 2014, 2013 and 2012, respectively. Our capital expenditures are roughly split 60/40 between country level capital expenditures, which consist primarily of tangible assets such as machinery and equipment, and Group level capital expenditures, which consist primarily of IT costs relating to central Group functions and overall IT infrastructure. Our capital expenditures were in 2013 primarily in relation to our new headquarters in Sweden. Going forward we expect that our capital expenditures as a percentage of net sales will be broadly in line with historical capital expenditures and is intended to be financed with our own resources.

Indebtedness

The table below sets out our borrowings for the periods indicated.

	As at March 31, 2015	As at December 31, 2014	2013	2012
	(SEK thousands)			
Non-current				
Finance lease liabilities	19,039	21,774	32,281	49,039
Liabilities to credit institutions	2,813,893	2,827,336	2,758,094	2,850,151
Capitalized borrowing costs	(46,541)	(52,689)	(47,235)	(69,340)
Non-current liabilities, shareholder	—	—	—	3,543,798
Other non-current liabilities	8,201	8,201	4,601	1,012
Total	**2,794,592**	**2,804,622**	**2,747,740**	**6,374,660**
Current				
Finance lease liabilities	18,085	19,629	24,304	28,758
Liabilities to credit institutions	80,000	80,000	149,668	55,837
Total	98,085	99,629	173,972	84,595
Overdraft facility	100,000	120,000	—	—
Total	**2,992,676**	**3,024,251**	**2,921,712**	**6,459,255**

For more information on the new credit facility to become effective in connection with the Offering, see "*Capitalization and Indebtedness—Capital Structure in Connection with the Offering—New Credit Facility*".

Contractual Obligations

We have various contractual obligations and commercial commitments, which are items for which we are contractually obliged or committed to pay a specified amount at a specific point in time. The table below presents a summary of our contractual obligations by maturity as at December 31, 2014.

	As at December, 31 2014			
	Within 1 year	Between 1 - 2 years	Between 3 - 5 years	More than 5 years
	(SEK thousands)			
Accounts payable	893,162	—	—	—
Finance lease liabilities	20,193	14,114	9,976	610
Borrowing	80,000	1,474,296	1,353,040	—
Bank overdraft facility	120,000	—	—	—
Interest, derivatives	2,314	—	—	—
Interest, borrowing	134,080	99,284	141,124	—
Total	**1,249,749**	**1,587,694**	**1,504,140**	**610**

Off Balance Sheet Arrangements

As at March 31, 2015, we did not have any off balance sheet arrangements.

Quantitative and Qualitative Disclosures about Market Exposure

Currency exposure

Currency risk is the risk that changes in exchange rates will adversely affect our cash flow, income statement and balance sheet. Currency risk arises through future business transactions, recognized assets and liabilities, and net investments in foreign operations.

We report in SEK but operate in Norway, Finland, Denmark, Belgium, Hungary, Poland and Estonia. We are thus exposed to five different currencies, in addition to our reporting currency, SEK. Currency risk can be divided into two risks: transaction risk and translation risk.

Transaction risk refers to a negative impact on net profit and cash flows due to changes in the value of operating flows in foreign currency caused by fluctuations in exchange rates. As our subsidiaries operate almost exclusively in local currency, the transaction risk in the commercial flow is low. For currency exposures in accounts receivable at December 31, 2014, see note 25 of the "*Historical Financial Information*".

In 2014, operations with a functional currency other than the SEK accounted for 19% of the operating profit (NOK 9%, EUR 6%, DKK 3%, HUF 0% and PLN 1%) and 13% of the operating profit in 2013 (NOK 26%, EUR (5)%, DKK(8)%, HUF 0% and PLN 0%).

Translation risk refers to the risk that the value of SEK relating to net investments in foreign currencies will fluctuate due to changes in exchange rates.

Our largest translation exposure is to our Norwegian operations. To offset the translation effect upon consolidation of the Norwegian operation, we have raised loans in NOK. These loans are accounted for as currency hedge of net investments in foreign subsidiaries, which means that the translation effect from these loans is recognized in other comprehensive income to the extent that it is offset by the translation difference attributable to the Norwegian operation.

In accordance with our accounting manual, the need for currency hedges of net assets of operations outside Sweden is reviewed on an ongoing basis.

External loans in foreign currency totaled NOK404 million and EUR 89 million at December 31, 2014.

The translation difference in equity for the year (excluding hedges of net investments in foreign subsidiaries) was SEK6.9 (−53.8) million. Translation differences in the income statement refer to the operations while translation differences in equity refer to the translation of the net investment in the foreign subsidiaries.

Interest rate exposure

Interest rate risk is the risk that changes in market interest rates will have a negative impact on the net profit, cash flow or the fair values of financial assets and liabilities. For variable-rate assets and liabilities a change in market interest rates would have a direct impact on the net profit and cash flow. For fixed-rate assets and liabilities the impact is on fair value.

Our interest rate risk arises primarily through long-term borrowing. As at December 31, 2014 we were exposed to interest rate risk through bank loans and overdraft facilities.

Our relatively high level of debt creates an exposure to interest rate risk, as we borrow at variable rates. The interest rate risk is reduced by the fact that the majority of our future interest payments are hedged through interest rate swaps under which variable-rate flows are swapped for fixed-rate flows.

At December 31, 2014 our outstanding interest rates swaps had a nominal value of SEK1,895 million. The market value of the interest rate swaps was SEK(3.6) million.

We analyze our exposure to interest rate risk by simulating the impact on earnings and cash flow from a specified change in interest rates. Based on the loan liabilities and fixed-rate terms applying at year-end 2014, a change of 1 percentage point in the market interest rate would have had an impact of SEK +/−18 million on our interest expense.

Credit exposure

Credit risk is the risk that a counterparty to a transaction will be unable to fulfill its contractual financial obligations, resulting in a loss for us.

Our credit risk refers mainly to receivables from customers. Credit risk is managed through an active credit assessment of each customer's creditworthiness in connection with the conclusion of new customer contracts and through careful monitoring of overdue accounts receivable. While services are sold to a large number of customers, a small number of established customers account for a large portion of total sales. The credit risk in leases is deemed to be limited, as our lease customers consist of large, established companies. Our customers come from a wide range of industries, with IT, telecom and manufacturing accounting for the largest share of sales. Historically, we have had a low level of bad debts relative to sales. As at December 31, 2014 the maximum credit exposure was SEK1,159.5 million.

Provisions for doubtful receivables at December 31, 2014 were SEK4.3 million, accounting for 0.4% of total accounts receivable. For further information on provisions for doubtful receivables, see note 25 to the "*Historical Financial Information*".

Liquidity exposure

Liquidity risk refers to the risk that we will find it difficult to meet its financial obligations because liquid assets are not available.

To ensure adequate short-term liquidity, management analyses our liquidity requirements by continuously monitoring the liquidity reserve (undrawn bank overdraft facilities, and cash and bank deposits). Liquidity forecasts are drawn up on an ongoing basis to ensure that we have sufficient cash assets to meet our operational requirements.

Under our financial policy, cash and cash equivalents of SEK100 million must at any time be available within one business day. Longer-term, we ensure that adequate liquidity is maintained by forecasting future cash flows and following up these forecasts on an ongoing basis. The liquidity requirement is met through borrowing and existing credit facilities.

Critical Accounting Policies and Estimates

Our critical accounting policies are set out in note 1 in the Historical Financial Information.

Material changes since March 31, 2015

Since March 31, 2015, we have prolonged the IFM contract with Ericsson. In May 2015, we entered into a share purchase agreement relating to the sale of our Industrial Services business to the Principal Shareholder for a purchase price of SEK210 million. On June 1, an agreement was signed with Frontica Business Solutions in Norway. The agreement comprises among other things property services, cleaning and reception, to Aker Solutions, which operates within the oil and gas industry. See "*Business Overview—Acquisitions and Divestments—The Divestment of the Industrial Services Business*".

CAPITALIZATION AND INDEBTEDNESS

Capitalization

The table below sets out the Company's capitalization as at March 31, 2015. The information has been extracted from our financial information included elsewhere in this Offering Memorandum. See "*Historical Financial Information*".

	As at 31 March 2015
	(SEK thousands)
Total current debt	**2,003,718**
Guaranteed	
Secured(1)	189,983
Unguaranteed/Unsecured	1,813,735
Total non-current debt (excl. current portion of long-term debt)	**2,858,193**
Guaranteed	
Secured(1)	2,813,893
Unguaranteed/Unsecured	44,300
Shareholder's equity:	
(a) Share capital	301,959
(b) Legal reserve	—
(c) Other reserves	886,061
Total	**1,188,020**

(1) Security in forms of floating charges in several Group companies and shares in several subsidiaries.

	As at 31 March 2015
	(SEK thousands)
(A) Cash	218,282
(B) Cash equivavlents	
(C) Trading securities	
(D) Liquidity (A)+(B)+(C)	**218,282**
(E) Current financial receivable	**11,753**
(F) Current bank debt	100,000
(G) Current portion of non-current debt	80,000
(H) Other current financial debt	18,085
(I) Current financial debt (F)+(G)+(H)	**198,085**
(J) Net current financial indebtedness (I) − (E) − (D)	**−31,950**
(K) Non-current bank loans	2,813,893
(L) Bonds issued	
(M) Other non-current loans	−18,904
(N) Non-current financial indebtedness (K)+L)+(M)	**2,794,989**
(O) Net financial indebtedness (J)+(N)	**2,763,039**

The shareholders' contribution of SEK150 million paid to the Group's Industrial Services business as a preparation for the divestment includes a payment of approximately SEK50 million in cash to fund the divested part's working capital needs. These SEK50 million will thereby increase the Group's net debt. Since the Group's Industrial Services business will be divested, the balance sheet items "Assets of disposal group classified as held for sale" and "Liabilities of disposal group classified as held for sale" will be excluded from the balance sheet when the divestment is made with an adverse net effect on the Group's equity. If the divestment would have been made as per March 31, 2015, the adverse effect on the Group's equity would have amounted to SEK −210 million and the effect on the financial net debt would have amounted to SEK60 million.

Capital Structure in Connection with the Offering

New Credit Facility

In connection with the Offering, we will refinance the main part of our existing indebtedness using (i) a SEK1,400 million multicurrency term loan facility with a final maturity date falling after five years from the first utilization of the facility (ii) a SEK400 million multicurrency revolving credit facility with the same final maturity date as the term loan facility (the "**Credit Facilities**"), and (iii) proceeds from the New Issue. Our main loan financing will consist of the Credit Facilities. The Credit Facilities will be provided by DNB Bank ASA, Filial Sverige, Nordea Bank AB (publ) and Skandinaviska Enskilda Banken AB (publ) and will be subject to closing of the Offering and other customary condition precedents.

The New Facilities Agreement contains customary representations and warranties made as of the signing date and as of certain subsequent dates. In addition, the New Facilities Agreement contains customary undertakings, subject to certain agreed exemptions, including with respect to maintaining authorizations, complying with laws (including environmental laws, anti-corruption laws and sanctions), restrictions on mergers, restrictions on disposals, negative pledge, restrictions for subsidiaries incurring financial indebtedness, restrictions on loans and guarantees, not changing the general nature of the business and maintaining appropriate insurance cover. The New Facilities Agreement also includes financial covenants relating to the net debt to Adjusted EBITDA and the interest cover ratio that shall be calculated every quarter as of the day for the first loan disbursement. The net debt to Adjusted EBITDA ratio may not exceed 4.00 during the period as of the day of the first loan disbursement until the third quarter thereafter. The ratio may not exceed 3.75 in the following calculations. The interest cover ratio shall be equal to or greater than 3.00. The Credit Facilities do not contain restrictions on dividend payments and are unsecured.

The Credit Facilities may, at the lenders' request, be cancelled and prepaid in full or in part if certain events occur, including but not limited to, in connection with (i) a delisting of the Company from Nasdaq Stockholm, (ii) if any person or group of persons (with the exception of Cinven) acting in concert gains control of the Company; or (iii) if all or substantially all of the business in the Group are sold.

The Credit Facilities may, at the lenders' request, be terminated if certain events occur, including, but not limited to, non-payment by any obligor, insolvency of certain members of the Group or if the Group as a whole ceases to carry on its business.

The Credit Facilities will bear interest at a rate per annum equal to the relevant IBOR plus a variable margin, which will be based on the ratio of net debt to Adjusted EBITDA.

Share Capital Structure Amendments in Connection with the Offering

See "*Shares and Share Capital—New Issue of Shares in Connection with the Offering*" and "*Shares and Share Capital—Share Capital Structure Amendments in Connection with the Offering, etc.*" for information regarding share capital structure amendments in connection with the Offering.

In connection with the Offering, our interest-bearing net debt will be reduced following the receipt of proceeds from the New Issue. Provided that the proceeds from the New Issue had been received as per March 31, 2015, the net debt of the Company would have decreased from SEK2,763 million to SEK 1,268 million and the Company's interest-bearing net debt to Adjusted EBITDA (for the last twelve months) would have decreased from 6.5 to 3.0.

Besides what has been stated above, the Company has no reason to believe that there has been any material change in the actual capitalization since March 31, 2015, others than those due to operating activities.

Following the Offering, the annual interest rate of the Credit Facilities, which equals the relevant IBORs plus an adjustable margin based on the ratio of net debt to Adjusted EBITDA, will from the outset amount to approximately 1.65% based on current relevant IBOR levels.

BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT TEAM AND AUDITOR

Board of Directors

According to Coor's Articles of Association, the Board of Directors must consist of three to ten members elected by the shareholders at a General Meeting. In addition, Swedish law entitles employee organizations to appoint up to three ordinary members and an equivalent number of deputy members. The Board of Directors currently consists of six members elected by the Annual General Meeting held on April 28, 2015 for a term of office extending until the close of the 2016 Annual General Meeting as well as three ordinary members and three deputy board members appointed by employee organizations. Further, Monica Lindstedt was, conditioned upon the completion of the Offering, elected as board member at the Extraordinary General Meeting held on June 2, 2015.

Pursuant to requirements of the Swedish Code of Corporate Governance (the "**Code**") more than half of the members of the Board of Directors elected by the General Meeting must be independent of the Company and the Executive Management Team. This requirement does not apply to employee representatives. There is no defined standard as to what is meant by "independent", but the independence of a member of the Board of Directors may be questioned, for example, in cases where the member of the Board of Directors, directly or indirectly, has extensive business contacts or other extensive financial dealings with the Company. An overall assessment of a Board member's relationship to the Company must be made in each individual case. As regards the composition of Coor's Board of Directors, one member of the Board of Directors is employed by Coor. All members of the Board of Directors are considered independent of the Company and Executive Management Team, save for Mikael Stöhr, who is President and CEO of the Group and Mats Jönsson, who was President and CEO of the Group until 2013.

With respect to the independence of the Board of Directors, the Code further requires that at least two of the Board members elected by the General Meeting must be independent of the Company's principal shareholders. Principal shareholders, as defined in the Code, are shareholders who directly or indirectly control 10% or more of the shares or votes in the Company. See "*Selling Shareholders*". Those Board members must also be independent of the Company and the Executive Management Team based on the individual assessment described above. A Board member is not deemed independent of principal shareholders if he or she is employed by or serves as a Board member of a company that is a principal shareholder. When determining whether a Board member is independent of a principal shareholder or not, the extent of the Board member's direct and indirect relations with the principal shareholder must be taken into consideration. Four[10] members of the Board of Directors elected by the General Meeting who are independent of the Company and the Executive Management Team are also independent of the Company's principal shareholders. Thus, Coor meets the requirements of the Code regarding the independence of the Board of Directors in relation to the Company, the Executive Management Team and the Company's principal shareholders.

The members of the Board of Directors, their year of birth, the year of their initial election, their position, whether or not they are considered to be independent as defined in the Code in relation to the Company

[10] Including Monica Lindstedt.

and the Executive Management Team as well as in relation to principal shareholders and their shareholdings in the Company following the Offering, are set forth in the table below.

Name	Year of birth	Member of the Board of Directors since	Position	Independent of the Company and the Executive Management Team	Independent of principal shareholders	Shareholding after the Offering[1]
Anders Narvinger	1948	2008	Chairman of the Board	Yes	Yes	52,030
Mikael Stöhr	1970	2013	Board member	No	Yes	84,507[2]
Søren Christensen	1971	2011	Board member	Yes	No	—
Mats Jönsson	1957	2000	Board member	No	Yes	463,457
Monica Lindstedt[3]	1953	2015	Board member	Yes	Yes	10,000[4]
Bernt Magnusson	1941	2005	Board member	Yes	Yes	60,757
Kristina Schauman	1965	2015	Board Member	Yes	Yes	10,000[5]
Glenn Evans	1959	2013	Board member, employee representative	—	—	—
Anders Svensson	1964	2012	Board member employee representative	—	—	—
Per Granström	1964	2012	Board member, employee representative	—	—	—
Hans Berg	1961	2015	Deputy board member, employee representative	—	—	—
Rolf Hammarstedt	1956	2008	Deputy board member, employee representative	—	—	—
Pier Karlevall	1954	2012	Deputy board member, employee representative	—	—	—

(1) Based on an Offer Price set at the midpoint of the Offer Price Range and assuming that the Share Conversion, the Share Consolidation, the Bonus Issue and the Reallocation of Shares have been effected (see "*Shares and Share Capital—Share Capital Structure Amendments in Connection with the Offering, etc.*").

(2) Mikael Stöhr has agreed with the Principal Shareholder that he shall acquire shares in the Company from the Principal Shareholder at the Offer Price for a total amount of SEK3 million, corresponding to approximately 84,507 shares based on an Offer Price set at the midpoint of the Offer Price Range.

(3) Monica Lindstedt was, conditioned upon the completion of the Offering, elected as board member on the Extraordinary General Meeting held on June 2, 2015.

(4) Monica Lindstedt has agreed with the Principal Shareholder she should acquire 10,000 Shares from the Principal Shareholder at the Offer Price.

(5) Kristina Schauman has agreed with the Principal Shareholder she should acquire 10,000 Shares from the Principal Shareholder at the Offer Price.

Members of the Board of Directors

Anders Narvinger
Chairman of the Board of Directors since 2008. Chairman of the Board's Project Committee and Remuneration Committee.
Born: 1948
Education: M. Sc. in Electrical Engineering, Institute of Technology, Lund. B. Sc. in Economics, Uppsala University.
Professional experience: Positions at ABB, including President and CEO of ABB Sweden and CEO of Teknikföretagen.
Other current appointments: Chairman of the Board of Alfa Laval AB, ÅF AB and Capio Holding AB. Member of the Board of JM AB and Pernod Ricard S.A.
Previous appointments (past five years): Chairman of the Board of TeliaSonera AB and Trelleborg AB. Chairman of Föreningen för god sed på värdepappersmarknaden. Member of the Board of Volvo Personvagnar AB and Svenska ICC Service AB. CEO of Ideella föreningen Teknikarbetsgivarna i Sverige and Ideella föreningen Teknikföretagen i Sverige.
Holding: 52,030 shares.[11]

Mikael Stöhr
Member of the Board of Directors, President and CEO of the Group since 2013.
Born: 1970
Education: L.L.M, Major in Business Law, Lund University.
Professional experience: President and CEO, Green Cargo AB and Axindustries AB. Vice President, Axel Johnson International AB. Trade Commissioner to Russia, Swedish Trade Council in Russia. Junior Engagement Manager, McKinsey & Company, Associate, Mannheimer Swartling Advokatbyrå.
Other current appointments: Member of the Board of SJ AB and Chairman of the Board of Coor Industrial Services Group AB.
Previous appointments (past five years): Member of the Board of Russian Real Estate Investment Company AB and Sveriges Tågoperatörer Service AB.
Holding: 84,507 shares.[12]

Søren Christensen
Member of the Board of Directors since 2011. Member of the Board's Remuneration Committee, Audit Committee and Project Committee.
Born: 1971
Education: B. Sc. in Economics & Mathematics and M. Sc. in Finance and Accounting, Copenhagen Business School.
Professional experience: Partner at Cinven. Previously worked within the Leveraged Acquisition Finance Group at Citigroup.
Other current appointments: -
Previous appointments (past five years): -
Holding: -

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11 Based on an Offer Price set at the midpoint of the Offer Price Range and assuming that the Share Conversion, the Share Consolidation, the Bonus Issue and the Reallocation of Shares have been effected (see "*Shares and Share Capital—Share Capital Structure Amendments in Connection with the Offering, etc*.").

12 Mikael Stöhr has agreed with the Principal Shareholder that he shall acquire shares in the Company from the Principal Shareholder at the Offer Price for a total amount of SEK3 million, corresponding to 84,507 shares based on an Offer Price set at the midpoint of the Offer Price Range.

Mats Jönsson
Member of the Board of Directors since 2000. Member of the Board's Project Committee.
Born: 1957
Education: M.Sc. in Engineering, Royal Institute of Technology (KTH), Stockholm.
Professional experience: President and CEO Coor Service Management, positions at Skanska including President and CEO Skanska Services. President of Monberg & Thorsen A/S.
Other current appointments: Chairman of the Board of Logent Holding AB. Member of the Board of Infratek AS and MT Højgaard A/S.
Previous appointments (past five years): Member of the Board of IN3PRENÖR AB and Scandinavian Air Ambulance Holding AB.
Holding: 463,457 shares.[13]

Monica Lindstedt[14]
Member of the Board of Directors since 2015.
Born: 1953
Education: Master and PhD studies in Business and Administration, Stockholm School of Economics.
Professional experience: CEO and founder of Hemfrid i Sverige AB and co-founder of Tidnings AB Metro. CEO Tidningen Folket Eskilstuna, Bonniers Fackpressförlag, Eductus AB and Previa AB.
Other current appointments: Chairman of the Board of Directors of Företagarna and Hemfrid i Sverige AB. Member of the Board of Svenska Hus AB, Sveriges Television AB, Uniflex AB and UNICEF Sverige.
Previous appointments (past five years): Member of the Board of Livförsäkringsbolaget Skandia (publ) and Telge Energi AB.
Holding: 10,000[15]

Bernt Magnusson
Member of the Board of Directors since 2005. Member of the Board's Audit Committee.
Born: 1941
Education: M.Sc. (Political Science), Uppsala University.
Professional experience: President and CEO, Nordstjernan AB. President, NCC AB. Chairman of Nobel Industrier, Assi Domän, Skandia and Swedish Match.
Other current appointments: Chairman of the Board of Bernt Magnusson Invest AB and Sumala AB. Member of the Board of Kancera AB, STC Interfinans AB and Scandinavian Touch AB.
Previous appointments (past five years): Chairman of the Board of Kruptusnai AB, Kwintet AB and Fareoffice Car Rental Solutions AB. Member of the Board of Pricer AB, Nordia Innovation AB, Volvo Personvagnar AB, Net Insight AB and Höganäs AB.
Holding: 60,757 shares.[16]

Kristina Schauman
Member of the Board of Directors since 2015. Chairman of the Board's Audit Committee.
Born: 1965
Education: Master in Business and Administration, Stockholm School of Economics.
Professional experience: Partner and Co-owner, consulting firm Calea AB. CFO Apoteket AB and Carnegie Group. CFO and Group Treasurer, OMX. Vice President Corporate Finance and Head of Treasury, Investor. Financial Consultant & Project Manager and ABB Financial Consulting, ABB ASEA Brown Boveri. Manager Corporate Finance, Stora Enso.
Other current appointments: CEO and member of the Board of Calea AB. Member of the Board of Billerud Korsnäs AB (publ), ÅF AB, Apoteket AB, Orexo AB and Livförsäkringsbolaget Skandia ömsesidigt.

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13 Based on an Offer Price set at the midpoint of the Offer Price Range and assuming that the Share Conversion, the Share Consolidation, the Bonus Issue and the Reallocation of Shares have been effected (see "*Shares and Share Capital Share Capital Structure Amendments in Connection with the Offering, etc.*").

14 Monica Lindstedt was, conditioned upon the completion of the Offering, elected as board member at the Extraordinary General Meeting held on June 2, 2015.

15 Monica Lindstedt has agreed with the Principal Shareholder she should acquire 10,000 Shares from the Principal Shareholder at the Offer Price.

16 Based on an Offer Price set at the midpoint of the Offer Price Range and assuming that the Share Conversion, the Share Consolidation, the Bonus Issue and the Reallocation of Shares have been effected (see "*Shares and Share Capital Share Capital Structure Amendments in Connection with the Offering, etc.")*

Previous appointments (past five years): Chairman of the Board of Barony AB.
Holding: 10,000[17]

Glenn Evans
Member of the Board of Directors since 2013. Employee representative.
Born: 1959
Other current appointments: Sole proprietor (Sw. enskild näringsidkare), Evans of Sweden.
Previous appointments (past five years): Sole proprietor (Sw. enskild näringsidkare), Glenns Grill.
Holding: -

Anders Svensson
Member of the Board of Directors since 2012. Employee representative.
Born: 1964
Other current appointments: -
Previous appointments (past five years): Deputy member of the Board of Coor Service Management Holding AB (employee representative).
Holding: -

Per Granström
Member of the Board of Directors since 2012. Employee representative.
Born: 1964
Other current appointments: -
Previous appointments (past five years): Member of the Board of Coor Management EM AB (employee representative) and EuroMaint Gruppen AB (employee representative).
Holding: -

Hans Berg
Deputy member of the Board of Directors since 2015. Employee representative.
Born: 1961
Other current appointments: -
Previous appointments (past five years): Member of the Board of Coor Service Management HBG AB (employee representative).
Holding: -

Rolf Hammarstedt
Deputy member of the Board of Directors since 2008. Employee representative.
Born: 1956
Other current appointments: -
Previous appointments (past five years): -
Holding: -

Pier Karlevall
Deputy member of the Board of Directors since 2012. Employee representative.
Born: 1954
Other current appointments: -
Previous appointments (past five years): Member of the Board of Coor Service Management Holding AB (employee representative).
Holding: -

17 Kristina Schauman has agreed with the Principal Shareholder she should acquire 10,000 Shares from the Principal Shareholder at the Offer Price.

Executive Management Team

Coor's Executive Management Team consists of central group functions (Chief Executive Officer, Senior Vice President Operations Development, Senior Vice President Business Development, Chief Financial Officer, Human Resources and Country Presidents for Sweden, Finland, Denmark and Norway).

The table below sets forth the name, year of birth, current position, and their shareholdings in Coor following the Offering.

Name	Year of birth	Position	Shareholding in the Company[(1)]
Mikael Stöhr	1970	President & CEO	84,507[(2)]
Rikard Wannerholt	1962	Senior Vice President, Operations Development	17,571
Jens Ebbe Rasmussen	1968	Senior Vice President, Business Development	69,643
Olof Stålnacke	1965	Group CFO	75,355
Thomas Backteman[(3)]	1965	IR Manager	—
Anders Asplund	1955	Human Resources	36,427
Ulf Wretskog	1967	President, Sweden	—
Johan Mild	1974	President, Finland	14,759
Jørgen Utzon	1961	President, Denmark	66,273
Klas Elmberg	1974	President, Norway	18,227

(1) Based on an Offer Price set at the midpoint of the Offer Price Range and assuming that the Share Conversion, the Share Consolidation, the Bonus Issue and the Reallocation of Shares have been effected (see "*Shares and Share Capital—Share Capital Structure Amendments in Connection with the Offering, etc.*").

(2) Mikael Stöhr has agreed with the Principal Shareholder that he shall acquire shares in the Company from the Principal Shareholder at the Offer Price for a total amount of SEK3 million, corresponding to 84,507 shares based on an Offer Price set at the midpoint of the Offer Price Range.

(3) Co-opted to the Executive Management Team.

Members of the Executive Management Team

Mikael Stöhr
President and CEO of the Group since 2013.
Please see "*Board of Directors—Members of the Board of Directors"* above for information about Mikael Stöhr.

Rikard Wannerholt
Senior Vice President, Operations Development since 2013.
Born: 1962
Education: B. Sc. in Business Administration, Lund University. Advanced Management Program, Stockholm School of Economics. International Executive Program, IESE Business School, University of Navarra, Barcelona.
Professional experience: CEO, Sun Microsystems Sweden, President and CEO, Addici. Executive Vice President, EDB Business Partner.
Other current appointments:
Previous appointments (past five years):
Holding: 17,571 shares.[18]

Jens Ebbe Rasmussen
Senior Vice President, Business Development since 2009
Born: 1968
Education: M. Sc. in Business Administration and Economics, Lund University. Finance, École supérieure de commerce de Paris. Sub-lieutenant, Land Warfare Center, Skövde.
Professional experience: Management Consultant, McKinsey & Company. Fixed Income Department, Unibank Markets (Nordea). Consultant/External Advisor, Fruktbudet.
Other current appointments: -
Previous appointments (past five years): -
Holding: 69,643 shares.[19]

Olof Stålnacke
CFO of the Group since 2009.
Born: 1965
Education: M. Sc. in Financial Economics and International Business, Stockholm School of Economics.
Professional experience: CFO, The Absolut Company, V&S Group. Various CFO positions and Management Consultant, McKinsey & Company.
Other current appointments: -
Previous appointments (past five years): -
Holding: 75,355 shares.[20]

[18] Based on an Offer Price set at the midpoint of the Offer Price Range and assuming that the Share Conversion, the Share Consolidation, the Bonus Issue and the Reallocation of Shares have been effected (see "*Shares and Share Capital—Share Capital Structure Amendments in Connection with the Offering, etc.*").

[19] Based on an Offer Price set at the midpoint of the Offer Price Range and assuming that the Share Conversion, the Share Consolidation, the Bonus Issue and the Reallocation of Shares have been effected (see "*Shares and Share Capital—Share Capital Structure Amendments in Connection with the Offering, etc.*").

[20] Based on an Offer Price set at the midpoint of the Offer Price Range and assuming that the Share Conversion, the Share Consolidation, the Bonus Issue and the Reallocation of Shares have been effected (see "*Shares and Share Capital—Share Capital Structure Amendments in Connection with the Offering, etc.*").

Anders Asplund
Human resources since 2000.
Born: 1955
Education: B. Sc. in Sociology, Stockholm University.
Professional experience: Head of HR, ASG and Ohlsson&Skarne AB. Head of Management Planning Development, Skanska AB.
Other current appointments: -
Previous appointments (past five years): -
Holding: 36,427 shares.[21]

Thomas Backteman[22]
IR Manager since 2015.
Born: 1965
Education: B. Sc. In Business Administration with a major in Economics and Statistics, Stockholm University.
Professional experience: Executive Vice President Corporate Affairs, Swedbank AB.
Other current appointments: Member of the Board of Scalatore AB. Partner, Hallvarsson & Halvarsson.
Previous appointments (past five years): Chairman and Deputy Board Member of The Swedish Mountain Company AB and Member of the Board of FR&R Invest AB.
Holding: -

Ulf Wretskog
President, Sweden since 2013.
Born: 1967
Education: M. Sc. in Civil Engineering, Lund University.
Professional experience: Several positions within Coor, prior to that District Manager and Project Manager at Skanska
Other current appointments: Chairman of the Board of Almega FM-företagen. Member of the Board of Almega Tjänsteförbunden and Almega Serviceentreprenörerna.
Previous appointments (past five years): Member of the Board of AFF.
Holding: 80,487 shares.[23]

[21] Based on an Offer Price set at the midpoint of the Offer Price Range and assuming that the Share Conversion, the Share Consolidation, the Bonus Issue and the Reallocation of Shares have been effected (see "*Shares and Share Capital—Share Capital Structure Amendments in Connection with the Offering, etc.*").

[22] Co-opted to the Executive Management Team.

[23] Based on an Offer Price set at the midpoint of the Offer Price Range and assuming that the Share Conversion, the Share Consolidation, the Bonus Issue and the Reallocation of Shares have been effected (see "*Shares and Share Capital—Share Capital Structure Amendments in Connection with the Offering, etc.*").

Johan Mild
President, Finland since 2011.
Born: 1974
Education: M. Sc. in Economics, Hanken School of Economics.
Professional experience: CEO, LujaPalvelut Oy. Director, ISS Palvelut Oy.
Other current appointments: Member of the Board of Länsi-Uudenmaan säästöpankki and Kiinteistötyönantajat ry.
Previous appointments (past five years): -
Holding: 14,759 shares.[24]

Jørgen Utzon
President, Denmark since 2001.
Born: 1961
Education: M. Sc. in Accounting, Copenhagen Business School. Executive Program, International Institute for Management Development, Lausanne.
Professional experience: CEO, Strax Nordic. Logistics Manager and Service Director, Xerox Denmark. Various management positions, Rockwool.
Other current appointments: Chairman of the Board of Dansih Standard DS/S 392 Facilities Management Committee. Member of the Board of Servicebranchens Arbejdsgiverforening (SBA) and DI Service. Member of the Advisory Board of B. Sc. program, Copenhagen Business School.
Previous appointments (past five years): -
Holding: 66,273 shares.[25]

Klas Elmberg
President, Norway since 2014.
Born: 1974
Education: M. Sc. in International Business, Gothenburg University.
Professional experience: Management Consultant, Accenture. Controller, Saab Automobile.
Other current appointments: -
Previous appointments (past five years): -
Holding: 18,227 shares.[26]

Other Information on the Board of Directors and the Executive Management Team

All members of the Board of Directors and the Executive Management Team may be contacted at the Company's address Knarrarnäsgatan 7, SE-164 99 Kista, or by telephone +46 (0)10-559 50 00.

There are no family ties between members of the Board of Directors or the Executive Management Team.

No member of the Board of Directors or the Executive Management Team has been involved in bankruptcy, mandatory liquidation or bankruptcy administration in the past five years in their respective capacity as Board member or senior managers, save for Bernt Magnusson who was chairman of the board of Pharmadule AB, which is subject to bankruptcy proceedings since February 2011 and board member of Pharmadule Emtunga AB, which is subject to bankruptcy proceedings since June 2009. No member of the Board of Directors or the Executive Management Team has been convicted in any case relating to fraud in the past five years. No member of the Board of Directors or the Executive Management Team has in the past five years been banned by any court from membership of a company's administrative, management or control bodies, or from holding management or general positions within a company. No member of the Board of Directors or the Executive Management Team has any private interest that might conflict with Coor's interests (but several of the members of the Board of Directors and Executive Management Team have financial interests in the Company due to their shareholding in the Company). Shareholding members of the Board of Directors and certain shareholding employees within Coor, including members of

24 Based on an Offer Price set at the midpoint of the Offer Price Range and assuming that the Share Conversion, the Share Consolidation, the Bonus Issue and the Reallocation of Shares have been effected (see "*Shares and Share Capital—Share Capital Structure Amendments in Connection with the Offering, etc*.").

25 Based on an Offer Price set at the midpoint of the Offer Price Range and assuming that the Share Conversion, the Share Consolidation, the Bonus Issue and the Reallocation of Shares have been effected (see "*Shares and Share Capital—Share Capital Structure Amendments in Connection with the Offering, etc*.").

26 Based on an Offer Price set at the midpoint of the Offer Price Range and assuming that the Share Conversion, the Share Consolidation, the Bonus Issue and the Reallocation of Shares have been effected (see "*Shares and Share Capital—Share Capital Structure Amendments in Connection with the Offering, etc*.").

the Executive Management Team, will undertake, with certain exceptions, not to sell their respective holdings for a certain period after trading on Nasdaq Stockholm has commenced, see "*Selling Shareholders—Lock-up*" and "*Plan of Distribution*".

External Auditor

The Company's most recent auditor election was at the 2015 Annual General Meeting, when Öhrlings PricewaterhouseCoopers AB (Torsgatan 21, SE-113 97 Stockholm, Sweden), in its capacity as registered audit firm, with Magnus Brändström (authorized public accountant and member of FAR, the Swedish Institute for Authorized and Approved Public Accountants) as auditor-in-charge, was re-elected for the period until the end of the 2016 Annual General Meeting. Öhrlings PricewaterhouseCoopers AB has been Coor's auditor since 2004 and Magnus Brändström has been auditor-in-charge since 2015.

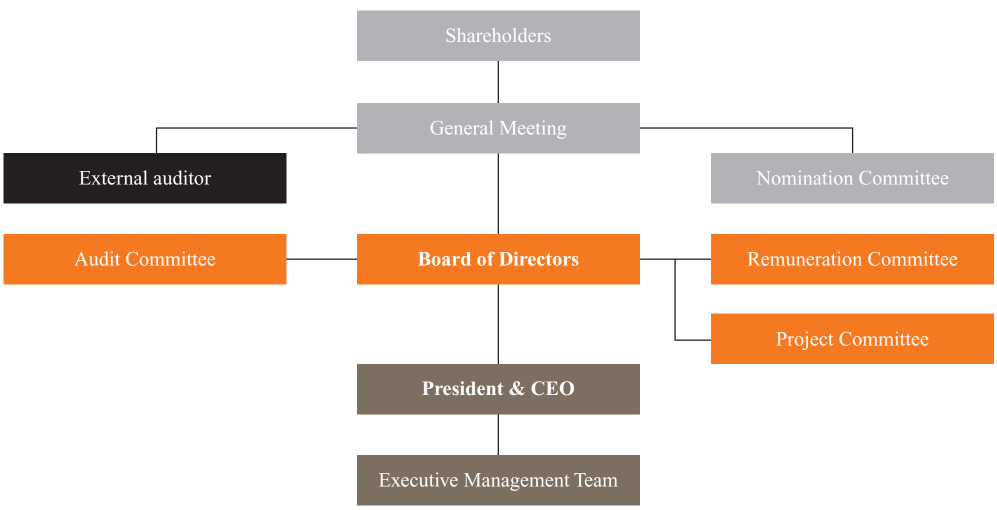
The external audit of the accounts of Coor and a majority of its subsidiaries as well as the management by the Board of Directors and the Executive Management Team is conducted in accordance with International Standards on Auditing and in accordance with Swedish GAAP. The external auditor attends at least one board meeting per year at which the auditor reviews the audit for the year and discusses the audit with the members of the Board of Directors, without the CEO or any member of the Executive Management Team being present. The auditor receives compensation for its work in accordance with a resolution by the Annual General Meeting. For additional information, see note 10 to Coor's audited financial statements for the financial year 2014 included in this Offering Memorandum.

Corporate Governance

Prior to the listing of the Shares on Nasdaq Stockholm, the corporate governance of Coor has been based upon Swedish law and internal rules and guidelines. Once the Shares are listed on Nasdaq Stockholm, Coor will also comply with Nasdaq Stockholm's Rule Book for Issuers and the Code. The Code applies to all Swedish companies whose shares are listed on a regulated market in Sweden and is to be fully applied from the date of the first Annual General Meeting held the year after listing. Companies are not obliged to apply every rule in the Code, but are allowed the freedom to choose alternative solutions that they feel are better in their particular circumstances, provided they report every deviation, describe the alternative solution and explain the reasons for the deviation in its annual corporate governance report (the so-called "comply or explain" principle).

Coor intends to apply the Code from the time of the listing of the Company's shares on Nasdaq Stockholm without deviation.

Coor's corporate governance structure



General Meetings

Pursuant to the Swedish Companies Act, (Sw. *aktiebolagslagen* (2005:551)) (the "**Swedish Companies Act**"), the General Meeting is the Company's supreme decision-making body and shareholders exercise their voting rights at such meetings. In addition to the Annual General Meeting, Extraordinary General Meetings can be convened. Coor's Annual General Meetings are held in Stockholm, Sweden, every calendar year before the end of June. Extraordinary General Meetings are held as required.

Pursuant to the Articles of Association, notices convening General Meetings must be issued through announcement in the Swedish National Gazette (Sw. *Post- och Inrikes Tidningar*) as well as on Coor's website. Announcement to the effect that a notice convening a General Meeting has been issued must be made in Svenska Dagbladet. Once the Shares are listed, a press release in Swedish and English with the notice in its entirety will be issued ahead of each General Meeting.

Right to Attend General Meetings

All shareholders who are directly registered in the share register maintained by Euroclear Sweden five weekdays (Saturdays included) prior to the General Meeting and who have notified Coor of their intention to participate in the General Meeting not later than the date indicated in the notice of the General Meeting, are entitled to attend the General Meeting and vote for the number of Shares they hold.

In addition to notifying Coor, shareholders whose Shares are nominee registered through a bank or other nominee must request that their Shares are temporarily registered in their own names in the register of shareholders maintained by Euroclear Sweden, in order to be entitled to participate in the General Meeting. Shareholders should inform their nominees well in advance of the record date.

Shareholders may attend General Meetings in person or by proxy and may be accompanied by a maximum of two assistants. It will normally be possible for shareholders to notify Coor of their attendance at the General Meeting in several different ways, as indicated in the notice of the meeting.

Shareholder Initiatives

Shareholders who wish to have an issue brought before the General Meeting must submit a request in writing to the Board of Directors. The request must normally be received by the Board of Directors not later than seven weeks prior to the General Meeting.

Nomination Committee

Under the Code, the Company shall have a Nomination Committee, the purpose of which is to make proposals to the Annual General Meeting in respect of the Chairman at General Meetings, Board of Directors, Chairman of the Board of Directors, auditor, remuneration to the Board of Directors divided between the Chairman and the other Directors as well as remuneration for committee work, remuneration to the Company's auditor, and to the extent deemed necessary, proposal for amendments to the Instruction for the Nomination Committee.

At the Annual General Meeting held on April 28, 2015 it was resolved that the Nomination Committee, ahead of the 2016 Annual General Meeting, shall be composed of representatives of the four largest shareholders in terms of voting rights listed in the shareholders' register maintained by Euroclear Sweden as of August 31 of each year together with the Chairman of the Board, who will also convene the first meeting of the Nomination Committee. The member representing the largest shareholder in terms of voting rights shall be appointed Chairman of the Nomination Committee. If earlier than two months prior to the Annual General Meeting in 2016, one or more of the shareholders having appointed representatives to the Nomination Committee no longer are among the four largest shareholders in terms of voting rights, representatives appointed by these shareholders shall resign and the shareholder or shareholders who then are among the four largest shareholders in terms of voting rights, may appoint their representatives. Should a member resign from the Nomination Committee before its work is completed and the Nomination Committee considers it necessary to replace him or her, such substitute member is to represent the same shareholder or, if the shareholder is no longer one of the largest shareholders in terms of voting rights, the largest shareholder in turn. Changes to the composition of the Nomination Committee shall be made public immediately.

The composition of the Nomination Committee is to be announced no later than six months before each Annual General Meeting. Remuneration shall not to be paid to the members of the Nomination Committee. The Company is to pay any necessary expenses that the Nomination Committee may incur in its work. The term of office for the Nomination Committee ends when the composition of the following Nomination Committee has been announced. This instruction shall apply until further notice.

The Board of Directors' Responsibilities and Work

The duties of the Board of Directors are set forth in the Swedish Companies Act, Coor's Articles of Association and the Code, the latter of which will be applicable to Coor after the listing of the Shares on

Nasdaq Stockholm. In addition to this, the work of the Board of Directors is guided by the Rules of Procedure for the Board of Directors, which the Board of Directors adopts every year. The Rules of Procedure for the Board of Directors govern the division of work and responsibility among the Board of Directors, its Chairman, the Project Committee, and the CEO and specifies financial reporting procedures for the CEO. The Board of Directors also adopts instructions for the Board's committees.

The Board of Directors' tasks include adopting strategies, business plans and budgets, interim report, year-end financial statements and setting policies and guidelines. The Board of Directors is also required to follow economic developments and ensure the quality of financial reporting and internal controls and evaluate operations on the basis of the objectives and guidelines set by the Board of Directors. Finally, the Board of Directors decides on major investments and changes in the organization and activities of Coor. The Chairman of the Board of Directors shall, in close collaboration with the CEO, monitor Coor's performance and prepare and chair Board meetings. The Chairman is also responsible for ensuring that the Board of Directors evaluates its work each year and always receives the information necessary to perform its work effectively.

Internal Control

The Board of Directors' responsibility for the internal control is governed by the Swedish Companies Act, the Swedish Annual Reports Act (1995:1554), and the Code. Information regarding the most important aspects of the Company's system for internal control and risk management in connection with financial reporting must each year be included in the Company's corporate governance report.

The procedures for internal control, risk assessment, control activities, and monitoring with respect to the financial reporting have been designed to ensure reliable overall financial reporting and external financial reporting in accordance with IFRS, applicable laws and regulations as well as other requirements, which may apply to companies listed on Nasdaq Stockholm. This work involves the Board of Directors, the Executive Management Team and other personnel.

Control environment

The Executive Management Team, which is appointed by the CEO, holds the overall responsibility for the operation of Coor in line with the strategy and long term objectives adopted by the Board of Directors. The Board of Directors has adopted instructions and governance documents aimed at regulating the roles and allocation of responsibility between the CEO, the Board of Directors and the committees. The way in which the Board of Directors monitors and ensures quality in the internal control is documented in the Board of Directors' rules of procedure and the Group's finance policy. The Board of Directors has also adopted a number of fundamental guidelines of importance for the internal control work. These include control and monitoring of results compared with expectations in previous years as well as supervision of, among other things, the accounting principles applied by the Group. The Group CFO's responsibilities include the Group's financial reporting, business management, auditing and internal control, and support in connection with mergers, acquisitions and potential divestments. The finance function also plays an important governance role, with the ambition of mirroring, supporting and managing Coor on the basis of clear reporting.

Risk assessment and control activities

The Company conducts continuous risk assessment to identify risks within all areas. These risks, which include the risk of both loss of assets as well as irregularities and fraud, are assessed regularly by the Board of Directors. The structure of control activities is of particular importance in the Company's work of preventing and discovering deficiencies. The assessment and control of risks also cover the CEO, CFO as well as the Business Area and Country Presidents.

Information and communication

Guidelines and manuals of importance for the financial reporting are communicated to relevant employees. There are both formal as well as informal information channels to the Executive Management Team and the Board of Directors as regards information from employees, which is considered to be important. Guidelines are in place with respect to external disclosure of information. These have been drafted with the aim of ensuring that the Company complies with the requirements to disseminate correct information to the market.

Monitoring, assessment and reporting

The Board of Directors regularly assesses the information provided by the Executive Management Team. Between Board meetings, the Board of Directors regularly receives updated information regarding the Group's performance. The Group's financial position, strategies and capital expenditures are discussed at each board meeting. The Board of Directors is also responsible for monitoring the internal control. This work includes, among other things, ensuring that measures are taken to address any deficiencies, as well as follow-up of proposals for measures to which attention has been drawn in connection with the external audit.

The external auditor reports regularly to the Board of Directors. In addition, the Company has initiated a process to implement routines for self-assessment of the risk management and internal control. The routines include, that the Company each year will carry out a self-assessment of the risk management and internal control work, which also include a review of the way in which established routines and guidelines are applied. The Board of Directors will also receive information regarding important conclusions drawn from this annual assessment process, as well as regarding any measures relating to the Company's internal control environment.

Board Committees and Committee Work

The Board of Directors has three committees: the Audit Committee, the Remuneration Committee and the Project Committee.

Remuneration Committee

The Remuneration Committee shall assist the Board by preparing proposals on remuneration and monitor and evaluate on a regular basis the structures and levels of remuneration for the CEO and other members of the Group's Executive Management Team. The Remuneration Committee's main tasks are to prepare the Board's decisions on issues concerning principles for remuneration, remunerations and other terms of employment for the senior executives, monitor and evaluate programs for variable remuneration, both ongoing and those that have ended during the year, for the senior executives, and monitor and evaluate the application of the guidelines for remuneration that the Annual General Meeting is legally obliged to adopt, as well as the current remuneration structures and levels in the Company. The members of the Remuneration Committee shall be appointed by the Company's Board and consist of at least two (2) Directors. As at the date of this Offering Memorandum, the Remuneration Committee consists of Anders Narvinger (chairman) and Søren Christensen.

Audit Committee

The Audit Committee shall ensure the Board of Directors' supervisory responsibility to internal control, audit, internal audit, risk management, accounting and financial reporting and also prepare certain accounting and auditing matters to be handled by the Board. The Audit Committee shall supervise the Company's financial reporting, supervise the efficiency of the Company's internal control, internal audit and risk management with respect to the financial reporting, keep itself informed of the audit of the annual accounts and the group accounts, review and supervise the auditor's impartiality and independency and, in relation thereto, particularly call attention to if the auditor provides other services than auditing to the Company, assist in preparing proposal for the shareholders' meeting's resolution on election of auditors, and ensure that the Group's interim report for the third quarter is reviewed by the Group's auditor. The Audit Committee shall be appointed by the Company's Board and consist of at least three (3) Directors. As at the date of this Offering Memorandum the Audit Committee consists of Kristina Schauman (chairman), Bernt Magnusson and Søren Christensen.

Project Committee

The Project Committee shall assist the Board by preparing proposals and certain decisions in relation to new acquisitions, investments and service agreements, etc. The Project Committee shall be appointed by the Company's Board and consist of at least two (2) members. As at the date of this Offering Memorandum the Project Committee consists of Anders Narvinger (chairman), Søren Christensen and Mats Jönsson.

Compensation of the Members of the Board of Directors and Board Committees

Following a proposal from the Nomination Committee, fees to Directors elected by the General Meeting are decided upon by the Annual General Meeting.

The table below shows the fees paid by Coor in 2014 to members of the Board of Directors elected by the shareholders at the General Meeting.

Board member	Function	Board fees	Compensation for committee work
Anders Narvinger	Chairman	SEK 800,000	—
Bernt Magnusson,	Director	SEK 250,000	—
Brian Linden[1]	Director	—	—
Søren Christensen	Director	—	—
Mats Jönsson	Director	SEK 500,000	—
Mikael Stöhr	Director	—	—
Total		**SEK 1,550,000**	

(1) Brian Linden resigned from the Board of Directors on June 2, 2015.

At the Annual General Meeting held on April 28, 2015, it was resolved that a fee of SEK 700,000 would be paid to the Chairman of the Board of Directors and a fee of SEK 250,000 to each other director elected by the General Meeting not employed by Coor. It was further resolved that fees for work in the Audit Committee shall be SEK 150,000 to the Chairman and SEK 100,000 to each other member of such committee, that fees for work in the Remuneration Committee shall be SEK 50,000 to the Chairman and SEK 50,000 to each other member of such committee and that fees for work in the Project Committee shall be SEK 50,000 to the Chairman and SEK 50,000 to each other member of such committee.

Executive Management Team

The CEO is subordinated to the Board of Directors and is responsible for the everyday management and operations of the Company. The division of work between the Board of Directors and the CEO is set out in the rules of procedure for the Board of Directors and instructions for the CEO. The CEO is also responsible for the preparation of reports and compiling information to the Board meetings and for presenting such material at the Board meetings.

According to the instructions for financial reporting, the CEO is responsible for the financial reporting in the Group and consequently must ensure that the Board of Directors receives adequate information for the Board of Directors to be able to evaluate the Company's and the group's financial condition.

The CEO regularly keeps the Board of Directors informed of developments in the Group's operations, the development of sales, the Group's results and financial condition, liquidity and credit status, important business events and all other events, circumstances or conditions which can be assumed to be of significance to the Company's shareholders.

The CEO and other members of Management are presented in "*Board of Directors, Executive Management Team and Auditor—Executive Management Team*".

Guidelines for Remuneration of the Executive Management Team

Pursuant to the Swedish Companies Act, the Board of Directors is required to propose to the Annual General Meeting guidelines for remuneration of the senior executives. Such guidelines adopted by the Annual General Meeting are only applicable to new employment agreements entered into between Coor and the respective senior executives, and therefore employment agreements may exist that do not fully conform with the guidelines currently in force. Pursuant to the resolution by the Annual General Meeting held on April 28, 2015, the following guidelines apply for remuneration of the Executive Management Team.

The remuneration of Executive Management Team is to comprise fixed salary, any variable salary, pension and other benefits. The total remuneration package should be based on market terms, be competitive and reflect the individual's performance and responsibilities, and as regards any long-term variable remuneration, the value growth of the Coor share benefitting the shareholders.

The variable salary may comprise yearly incentives in cash and long-term incentives in cash, shares and/or share-based instruments in Coor. Variable salary in cash is conditional upon the fulfillment of defined and measurable goals and should be maximized to 50% of the annual fixed salary. Terms and conditions for variable salary should be designed so that the Board of Directors, if exceptional economic circumstances prevail, has the option of limiting or refraining from payment of variable salary if such a measure is considered reasonable.

In specific cases, agreements may be reached regarding one-off remuneration amounts provided that such remuneration does not exceed an amount corresponding to the individual's annual fixed salary and maximum variable salary in cash, and is not paid more than once per year and individual.

Pension benefits should be defined contribution.

The Board of Directors is to have the right to depart from the guidelines resolved on by the General Meeting if, in an individual case, there are special reasons for this.

The group of senior executives comprises the CEO and other members of Executive Management Team.

Current Terms of Employment for the CEO and Executive Management Team

Remuneration

The Board of Directors decides on remuneration policies for the Group's senior executives. Such remuneration policies are in accordance with the Guidelines for Remuneration of the Executive Management Team, as adopted by the Annual General Meeting held on April 28, 2015. Matters of remuneration for the CEO and other members of the Executive Management Team who report directly to the CEO must be prepared by the Remuneration Committee and be resolved by the Board of Directors.

The following table sets out the remuneration and benefits paid to the CEO as well as the other members of the Executive Management Team in 2014.

Name	Fixed salary SEK	Variable salary SEK	Other benefits(1) SEK	Pensions(2) SEK	Other remuneration SEK	Total SEK
Mikael Stöhr	5,417,000	1,042,000	88,000	1,540,522	406,000	8,943,522
Other members of the Executive Management Team(3)	18,283,000	2,728,000	524,000	3,659,000	984,000	26,178,000

(1) Relates mainly to car benefit.

(2) All pension commitments to the Executive Management Team, including the CEO, are insured through monthly premium payments. Consequently, there are no amounts set aside or accrued in Coor to provide pensions or similar benefits to current Executive Management Team.

(3) Relates to nine full-year employments during 2014.

Remuneration paid to the CEO consists of fixed salary, variable salary, other benefits, pensions, and other remuneration. Remuneration paid to other members of the Executive Management Team consists of fixed salary, variable salary, other benefits, pensions, and other remuneration. The amount of any variable salary for the CEO, may amount to maximum 50% of fixed annual salary. The amount of any variable salary for other members of the Executive Management Team, varies between a maximum of 4 to 6 monthly fixed salaries.

The Company's CEO Mikael Stöhr has granted a participating loan to the Company in the amount of SEK two million. The participating loan will be repaid by the Company in connection with the listing of the Company on Nasdaq Stockholm. The amount of the repayment is dependent on the Offer Price. Mikael Stöhr has agreed with the Principal Shareholder that he shall receive a cash bonus from the Principal Shareholder in such amount that he, together with the repayment of the participating loan, receives in total SEK eight million after tax. Mikael Stöhr has further agreed with the Principal Shareholder that he shall acquire shares in the Company at the Offer Price from the Principal Shareholder for an amount of SEK three million, which corresponds to 84,507 shares based on an Offer Price in the midpoint of the Offer Price Range.

Severance pay

For the CEO, a mutual notice period of 6 months applies if the agreement is terminated by either Coor or the CEO. The same apply to six other members of the Executive Management Team. Among the remaining members of the Executive Management Team two members have a notice period of 12 months, if terminated by Coor and 6 months if terminated by the employee and one member has a notice period of 6 months, if terminated by Coor and 2 months if terminated by the employee.

6 members of the Executive Management Team are entitled to severance pay if terminated by Coor. The CEO has a right to 18 months' severance, two members 12 months' severance and the remaining three members six months' severance. Coor has a right to deduction for any other income received by four of the members employed in Sweden, including the CEO, during the severance period.

SELLING SHAREHOLDERS

Shareholders

Prior to the Offering, Cinoor S.à.r.l. is Coor's largest shareholder. Cinoor S.à.r.l. is controlled by Cinven Funds. Certain Board members, senior executives, other employees and former employees of Coor (the "**Other Shareholders**") hold, prior to the Offering, the remaining Shares.

The Principal Shareholder offers between 11,039,035 and 14,712,492 existing shares in the Offering. This number of shares also includes a sale by other existing shareholders and Convertible holders, see "*Shares and Share Capital—Transfers and reallocation of shares amongst existing shareholders etc.*". The Principal Shareholder has reserved the right to increase the Offering with not more than 10,303,605 additional Shares.

The following table sets forth certain information regarding the ownership of Shares immediately prior to the Offering and immediately after the Offering based on an Offer Price set at the midpoint of the Offer Price Range and assuming that the Share Conversion, the Share Consolidation, the Bonus Issue and the Reallocation of Shares have been effected (see "*Shares and Share Capital—Share Capital Structure Amendments in Connection with the Offering, etc*").

	Shares held prior to the Offering(1)		Shares held after the Offering if the Offering is not increased and the Over-Allotment Option is not exercised		Shares held after the Offering if the Offering is fully increased and the Over-Allotment Option is not exercised		Shares held after the Offering if the Offering is fully increased and the Over-Allotment Option is exercised in full	
Shareholder	**Number**	**%**	**Number**	**%**	**Number**	**%**	**Number**	**%**
Shareholders with holdings exceeding 5% of the Shares								
The Principal Shareholder(1)(2)	49,070,079	94.9	46,583,622	47.1	36,790,921	37.2	27,754,929	28.1
Shareholding members of the Board of Directors, the Executive Management Team and other shareholders								
Shareholding members of the Board of Directors and the Executive Management Team	1,279,999	2.5	954,986	1.6	954,986	1.0	954,986	1.0
Other shareholders	1,382,116	2.7	930,317	0.9	930,317	0.9	930,317	0.9
Total	51,733,074	100.00	48,468,925	49.0	38,676,224	39.1	29,640,232	30.0
New shareholders	—	—	50,447,248	51.0	60,239,949	60.9	69,275,941	70.0
Total	51,733,074	100.00	98,916,173	100.00	98,916,173	100.00	98,916,173	100.00

(1) The business address of the Principal Shareholder is Cinoor S.à.r.l., 4 Rue Albert, Borschette, Luxembourg.

(2) The Principal Shareholder is controlled by Cinven Funds. Please also refer to "*Lock-up*".

To enable delivery of Shares included in the Offering prior to the registration of the New Offer Shares with the Swedish Companies Registration Office and with Euroclear Sweden, the Principal Shareholder has agreed with the Managers to lend Shares to the Managers. The Principal Shareholder has also granted an option to the Managers, exercisable, in whole or in part, for 30 days following the first day of trading of the Shares on Nasdaq Stockholm, to purchase up to 9,507,417 Over-Allotment Shares from the Principal Shareholder, equal to 15% of the maximum number of Shares sold in the Offering, to cover any potential over-allotment, if any, in connection with the Offering. As a result of Shares being lent to the Managers and/or if over-allotment occurs, the Principal Shareholder's holding in Coor may fall below 30% of the total number of voting rights of the Company. Upon the Managers returning borrowed Shares to the Principal Shareholder, the holding of the Principal Shareholder may increase to 30% or more of the total voting rights of Coor, hence triggering a mandatory bid requirement, see "*Swedish Securities Market—Mandatory Bids and Squeeze-out Proceedings*". The Principal Shareholder has obtained dispensation from such mandatory bid from the Swedish Securities Council pursuant to statements AMN 2015: 12. For further information on the Over-allotment Option and Stabilization, see "*Plan of Distribution—Overview*".

Lock-up

After completion of the Offering, the Principal Shareholder will continue to hold, in the aggregate, approximately 28% of Shares and votes in the Company (assuming that the corporate actions described in "*Shares and Share Capital—Share Capital Structure Amendments in Connection with the Offering, etc*" have been carried out in accordance with what is described therein, that the Offering is fully increased and that the Over-Allotment Option is exercised in full). The Principal Shareholder will agree with the Managers not to divest its remaining Shares for a period of 180 days after the first day of trading, subject to certain exceptions. Furthermore, the members of Coor's Board of Directors and Executive Management Team will agree with the Managers not to divest Shares for a period of 360 days after the first day of trading, subject to certain exceptions. Please see "*Plan of Distribution*".

Shareholder Agreements

In connection with the listing of the Company's shares on Nasdaq Stockholm, an existing shareholders' agreement entered into between the Principal Shareholder and other shareholders in the Company will be terminated.

As far as the Board of Directors is aware, no other shareholders' agreements or any other agreements between the shareholders of the Company are in place which aim to exercise joint influence over the Company. Nor is the Board of Directors aware of any agreements or equivalent which may result in any change of control over the Company.

SHARES AND SHARE CAPITAL

Share Information

As at December 31, 2014, the Company's registered share capital was SEK301,958,610 represented by 301,958,610 shares (200,000,000 common shares and 101,958,610 preference shares of several classes).[27] All common and preference shares have been fully paid. Each common and preference share has a quota value of SEK1.

After certain share capital structure amendments in connection with the Offering and following the completion of the Offering, and the new issue of Shares intended to be carried out in connection therewith (see "*New issue of Shares in Connection with the Offering*"), the Company's registered share capital will amount to SEK395,664,692, divided into 98,916,173 Shares with a quota value of SEK4[28]. The new issue is intended to be registered with the Swedish Companies Registration Office on or about June 18, 2015. The Company will only have one class of common shares outstanding following the Offering, as described below.

Under the Articles of Association adopted at the Extraordinary General Meeting held on May 25, 2015, the Company's share capital must not be less than SEK200,000,000 and not more than SEK800,000,000 divided into not fewer than 50,000,000 shares and not more than 200,000,000 shares.

The Shares have been issued in accordance with Swedish law, have been fully paid and are denominated in SEK. The rights associated with the Shares, including those set out in the Articles of Association, can only be changed in accordance with the procedures set forth in the Swedish Companies Act.

New Issue of Shares in Connection with the Offering

At an Extraordinary General Meeting held on June 2, 2015 it was resolved to increase the share capital by a new issue of shares in order to carry out the Offering, (the "**New Issue**"), with authorization for the Board of Directors of Coor to decide the amount that the Company's share capital shall be increased with, the number of shares to be issued and the subscription price. The subscription price shall correspond to the Offer Price. The right to subscribe for New Offer Shares will, with deviation from shareholders' preferential rights, be given to the general public in Sweden and institutional investors in Sweden and abroad. The Board of Directors is expected to establish the final terms and conditions of the New Issue around June 15, 2015, and the number of New Offer Shares issued will depend on the Offer Price. Assuming that the Offer Price will correspond to the price in the midpoint of the Offer Price Range, the New Issue will, if fully subscribed, lead to the number of Shares increasing from 51,733,074 to 98,916,173, which corresponds to an increase of 91%. For current shareholders, this will lead to a dilution of shares totaling 47,183,099 new shares, corresponding to 48% of the total number of Shares after the completion of the New Issue. The New Issue is expected to be registered with the Swedish Companies Registrations Office on June 18, 2015.

Share Capital Structure Amendments in Connection with the Offering, etc.

Share Conversion, Share Consolidation and Directed Bonus Issue

In connection with the listing of the Shares on Nasdaq Stockholm all preference shares and common shares in the Company will be converted into one class of common shares such that Coor will only have one class of common shares outstanding following the Offering (the "**Share Conversion**"). Prior to this, a share consolidation will be made in order to create an appropriate number of Shares in the Company after the listing on Nasdaq Stockholm together with the shares to be issued in the New Issue, (the "**Share Consolidation**"). Furthermore, a directed bonus issue of new ordinary shares will be made in order to compensate holders of outstanding convertibles (Convertibles series 2012:1, Convertibles series 2012:2 and Convertibles series 2014:1) (the "**Convertible holders**") for any loss of value due to their non-exercise of the conversion rights (the "**Directed Bonus Issue**").[29]

27 The share capital was SEK301,918,246 represented by 301,918,246 shares (200,000,000 common shares of two classes and 101,918,246 preference shares of two classes) as at January 1, 2014.

28 Assuming that the Offer Price will correspond to the price in the midpoint of the Offer Price Range, 94,681,792 shares if the Offer Price corresponds to the highest price of the Offer Price Range and 104,076,824 if the Offer Price corresponds to the lowest price of the Offer Price Range.

29 The nominal amount of the convertibles will be repaid to the Convertible holders. The Convertible holders have undertaken to not use the convertibles for conversion. Any loss of value related to the conversion right not being used will be compensated through the Directed Bonus Issue.

An Extraordinary General Meeting has on May 25, 2015 resolved on Share Consolidation (reversed split) of outstanding shares (6:1).

An Extraordinary General Meeting has on June 2, 2015 approved the following corporate actions to effect the Share Conversion and the Directed Bonus Issue:

1. A conversion of each outstanding preference share (Preference C shares, Preference E shares, Preference F1 shares, Preference F2 shares, Preference F3 shares and Preference F4 shares) and each common share (Common A shares and Common B shares) into one common share; and
2. A directed bonus issue of new common shares. The right to subscribe for the new common shares is, with deviation from shareholders' preferential rights, given to the Convertible holders. The basis for the calculation of the number of new common shares to be issued being the lowest price in the Offer Price Range. The Directed Bonus Issue comprises an issuance of 1,406,641 shares and will result in a share capital increase of SEK8,439,846.

Additionally, the Extraordinary General Meeting on June 2, 2015 resolved on a reduction of the share capital in order to create an appropriate size of the share capital, together with the increase as a result of the New Issue, following settlement in the Offering.

The resolutions to effect the Share Consolidation is expected to be registered with the Swedish Companies Registration Office on June 5, 2015. The Share Conversion and the Directed Bonus Issue set out above are expected to be registered with the Swedish Companies Registration Office on June 16, 2015. The reduction of share capital is expected to be registered with the Swedish Companies Registration Office on June 18, 2015.

Transfers and reallocation of shares amongst existing shareholders etc.

Prior to the first day of trading in the Shares on Nasdaq Stockholm, all then outstanding shares will be transferred from the Other Shareholders to the Principal Shareholder so that the Principal Shareholder temporarily becomes the owner of all then outstanding shares in the Company. The Principal Shareholder offers between 11,039,035 and 14,712,492 existing shares in the Offering. This number of shares also includes a sale by other existing shareholders and Convertible holders. Shareholding members of the Board of Directors, the CEO and the CFO may only sell Shares in the Offering in order to cover tax payable as a result of the Offering. Other members of the Executive Management Team may also sell Shares to cover such tax, and may not sell more than the share equivalent to the amount of shares sold by the Principal Shareholder in the Offering (save for the Over-Allotment option), with certain limitations. Other existing shareholders may sell without limitations.

Following settlement in the Offering, the Principal Shareholder will pay the Other Shareholders and Convertible holders in cash based on the sale in the Offering. Following settlement in the Offering, the Principal Shareholder will also transfer shares to the Other Shareholders and the Convertible holders to ensure that the ownership of the existing shareholders and Convertible holders reflects the market capitalization of Coor on the basis of the Offer Price (the "**Reallocation of Shares**"). The Reallocation of Shares will also take into account that the Directed Bonus Issue has been resolved on the basis of an assumed value—being the lowest price within the Offer Price Range—which means that if the Offer Price exceeds this assumed value, this will result in a Reallocation of Shares from the Principal Shareholder to the Convertible holders. The assumed value has solely been determined for practical purposes in order to facilitate the Reallocation of Shares. The Reallocation of Shares will also take into account transaction costs and the sale of the Industrial Service business to the Principal Shareholder, see "*Business Overview—Acquisitions and divestments—The Divestment of the Industrial Services Business*". The Reallocation of Shares does not involve any share capital increase or share capital reduction or any other corporate action and will not affect the allotment of shares in the Offering.

Certain Rights Attached to the Shares

General Meetings and Voting Rights

Notice convening a General Meeting must be given through an announcement in the Swedish Official Gazette (Sw. *Post- och Inrikes Tidningar*) and on Coor's website. Announcement to the effect that notice convening a General Meeting has been issued shall be made in Svenska Dagbladet. Shareholders who are entered in Coor's share register five weekdays prior to the meeting and have notified Coor of their participation no later than the date stated in the notice of the meeting shall be entitled to participate at the General Meeting.

At General Meetings, each Share carries one vote. Each shareholder is entitled to vote for the full number of shares such shareholder holds in Coor, without limitation on voting rights.

Preferential Rights to New Shares, etc.

If Coor issues new shares, warrants or convertibles in a cash issue or a set-off issue (Sw. *kvittningsemission*), the holders of Shares have preferential rights to subscribe for such securities in proportion to the number of Shares held prior to the issue. Nothing in Coor's Articles of Association restricts Coor's ability to issue new shares, warrants or convertibles with deviation from the shareholders' preferential rights as provided for in the Swedish Companies Act.

Rights to Dividend and Liquidation Proceeds

The Shares carry equal rights to dividends. Please see "*Dividends and Dividend Policy*". All shares in Coor carry equal rights to Coor's assets and potential surplus in the event of liquidation.

Share Capital Development

The table below summarizes the historic developments in Coor's share capital and the changes in the number of shares and the share capital which will be made in connection with the listing of the Shares on Nasdaq Stockholm.

Year	Event	Change in number of shares									Total number of shares									Change in capital, SEK	Share Capital, SEK	Quota value, SEK
		Common	CA	CB	PC	PE	PF1	PF2	PF3	PF4	Common	CA	CB	PC	PE	PF1	PF2	PF3	PF4			
2007	Incorporation		100,000									100,000								100,000	100,000	1
2008	New issue		162,677,387									162,777,387								162,677,387	162,777,387	1
2008	New issue(1)		26,054,622	11,167,991	101,906,246							188,832,009	11,167,991	101,906,246						139,128,859	301,906,246	1
2011	New issue(2)					12,000						188,832,009	11,167,991	101,906,246	12,000					12,000	301,918,246	1
2014	New issue(3)						1,098					188,832,009	11,167,991	101,906,246	12,000	1,098				1,098	301,919,344	1
2014	New issue(4)							1,400				188,832,009	11,167,991	101,906,246	12,000	1,098	1,400			1,400	301,920,744	1
2014	New issue(5)								8,268			188,832,009	11,167,991	101,906,246	12,000	1,098	1,400	8,268		8,268	301,929,012	1
2014	New issue(6)									29,598		188,832,009	11,167,991	101,906,246	12,000	1,098	1,400	8,268	29,598	29,598	301,958,610	1
2015	Consolidation		−157,360,008	−9,306,660	−84,921,872	−10,000	−915	−1,167	−6,890	−24,665		31,472,001	1,861,331	16,984,374	2,000	183	233	1,378	4,933	—	301,958,610	6
2015	Conversion	50,326,433	−31,472,001	−1,861,331	−16,984,374	−2,000	−183	−233	−1,378	−4,933	50,326,433	0	0	0	0	0	0	0	0	—	301,958,610	6
2015	Bonus Issue	1,406,641									51,733,074		0	0	0	0	0	0	0	8,439,846	310,398,456	6
2015	Reduction of share capital(7)	0									51,733,074	0	0	0	0	0	0	0	0	−103,466,160	206,932,296(8)	4
2015	New Issue	47,183,099(9)									98,916,173	0	0	0	0	0	0	0	0	188,732,396	395,669,692	4

(1) The new shares were subscribed for by employees against payment in kind, represented by shares in another group company.

(2) The payment for the new shares was made through set off of claims derived from shareholder loans entered into between Coor and Cinoor S.à.r.l

(3) The payment for the new shares was made through set off of claims derived from shareholder loans entered into between Coor and Cinoor S.à.r.l.

(4) The payment for the new shares was made through set off of claims derived from shareholder loans entered into between Coor and Cinoor S.à.r.l.

(5) The payment for the new shares was made through set off of claims derived from shareholder loans entered into between Coor and Cinoor S.à.r.l.

(6) The payment for the new shares was made through set off of claims derived from shareholder loans entered into between Coor and Cinoor S.à.r.l.

(7) Reduction of the share capital for allocation to unrestricted funds (unrestricted shareholder's equity) in order to create an appropriate size of the share capital, together with the increase as a result of the New Issue, following settlement in the Offering.

(8) The share capital may be larger if parts of the New Issue are registered prior to the reduction of the share capital.

(9) Based on an Offer Price set at the midpoint of the Offer Price Range.

Central Securities Depositary Affiliation

Coor's Articles of Association contain a central securities depository clause and the Shares are cleared through the electronic securities system operated by Euroclear Sweden, the Swedish central securities depository (Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden). The Shares are registered against the names of holders. No share certificates are issued with respect to the Shares. The ISIN code for the Shares is SE0007158829.

Dividends and Dividend Policy

Dividend Policy

The Board of Directors has adopted a dividend policy whereby, over a business cycle, around 50% of our Adjusted net profit for the period (before amortization and impairment of intangible assets) shall be paid in dividends over time, taking into account the targeted capital structure defined as net debt in relation to last twelve months EBITDA of not more than 3.0x. Furthermore, the Board of Directors shall take into account a number of additional factors, including our expected future profits, investment needs, liquidity and development opportunities as well as general economic and business conditions, when proposing a dividend.

Legal and regulatory requirements

The declaration of dividends or other capital contributions by Swedish companies is decided upon by the General Meeting of shareholders. The amount available for distribution to the shareholders is determined based on the Company's last adopted balance sheet on an unconsolidated basis. Dividends or other capital contributions may only be declared to the extent that there is unrestricted equity (Sw. *fritt eget kapital*) available, meaning that there must be full coverage for the Company's restricted equity (Sw. *bundet eget kapital*) after the distribution (i.e., the book value of the Company's assets must amount to at least the restricted equity together with any provisions and liabilities following the distribution). Restricted equity includes, inter alia, the Company's share capital and its statutory reserve.

Furthermore, dividends or other capital distributions may only be declared to the extent that such declaration is prudent, taking into consideration:

- the demands with respect to the size of the equity which are imposed by the nature, scope and risks associated with the operations, and
- the need to strengthen the balance sheet, liquidity and financial position of the Company and, if applicable, the Group.

The shareholders may, as a general rule, not declare dividends in an amount higher than the Board of Directors proposed or approved.

Under the Swedish Companies Act, minority shareholders that together represent at least 10% of all outstanding shares of the Company have the right to request a payment of dividend (to all shareholders) from the Company's profits. Following such a request, the Annual General Meeting is required to resolve to distribute 50% of the remaining profit for the relevant year as reported on the balance sheet adopted at the Annual General Meeting, after deductions made for: (i) losses carried forward that exceed unrestricted reserves (Sw. *fria fonder*); (ii) amounts which, by law or the Articles of Association, must be transferred to restricted equity; and (iii) amounts which, pursuant to the Articles of Association, are to be used for any purpose other than distribution to the shareholders. However, the General Meeting is not obliged to declare dividends in excess of 5% of the Company's shareholders' equity. Moreover, the General Meeting may not declare dividends to the extent that there will not be full coverage of the Company's restricted equity or in violation of the prudence rule described above.

Dividends will normally be paid to shareholders in cash on a per share basis through Euroclear Sweden, but may also be paid in kind. On the record date established by the General Meeting, holders recorded as owners of shares in the register of shareholders maintained by Euroclear Sweden will be entitled to receive dividends.

If a shareholder cannot be paid through Euroclear Sweden, such shareholder still retains its claim to the dividend amount, and the claim remains against the Company subject to a statutory limitation of 10 years. Should the claim become barred by the statute of limitations, the dividend amount is forfeited to the Company. Neither the Swedish Companies Act nor the Company's Articles of Association contain any restrictions regarding dividend rights of shareholders outside Sweden. Subject to any restrictions imposed by banks or clearing systems in the relevant jurisdiction, payments to such shareholders are made in the same manner as for shareholders resident in Sweden. However, shareholders not tax resident in Sweden are normally subject to Swedish withholding tax. For a discussion of withholding taxes on the payment of dividends, see "*Taxation*".

ARTICLES OF ASSOCIATION

Adopted at an extraordinary general meeting on June 2, 2015.[30]

§1. *Company name*

The company's name is Coor Service Management Holding AB. The company is a public company (publ).

§2. *Registered office*

The registered head office of the company is in the municipality of Stockholm, Stockholm county.

§3. *Objects of the company*

The company shall directly or through wholly or partly owned entities, carry out operations relating to real property and facility management services (administrative and technical), and, within the scope of such operations, acquire, own, manage and sell shares, ownership interests, securities, security related instruments, enterprises, or parts thereof, and on its own behalf manage and sell real properties, and conduct other business activities related thereto.

§4. *Share capital*

The share capital shall be no less than SEK 200,000,000 and no more than SEK 800,000,000.

§5. *Shares*

The number of shares shall be no less than 50,000,000 and no more than 200,000,000 shares.

§6. *Board of directors and auditors*

The Board of Directors shall consist of no less than three (3) and not more than ten (10) Directors.

The company shall have one (1) or two (2) auditors with not more than two (2) deputy auditors. An authorized public accountant or a registered auditing company shall be elected as auditor.

§7. *Convening of shareholders' meeting*

Notice convening general meetings shall be issued through announcement in the Swedish Official Gazette (Sw. Post- och Inrikes Tidningar) as well as on the company's website. Announcement to the effect that a notice convening a general meeting has been issued shall be made in Svenska Dagbladet.

§8. *Pre-notification*

Shareholders wishing to participate at a general meeting shall be registered in the transcript or other form of display of the complete share register with reference to the status five weekdays before the meeting. Shareholders must also notify the company no later than the day stated in the notice for the meeting. This day may not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and may not be a day falling earlier than the fifth weekday, before the day of the shareholders' meeting.

A shareholder may be accompanied by one or two assistants at the general meeting, but only if the shareholder has notified the company on the number of assistants in the manner prescribed in the paragraph above.

§9. *Annual general meeting*

The annual general meeting shall be held annually within six months after the end of the financial year.

The following matters shall be addressed at annual general meetings:

1. Election of a chairman of the meeting,
2. Drawing up and approval of the voting list,

[30] The general meeting's resolution to adopt these Articles of Association is conditional upon completion of the Offering. The Articles of Association will be registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) in connection with the listing of Coor's shares on Nasdaq Stockholm.

3. Approval of the agenda,
4. Election of one or two persons who shall approve the minutes,
5. Determination of whether the meeting was duly convened,
6. Submission of the annual report and the auditors' report and the consolidated financial statements and the auditors' report for the group,
7. Resolutions regarding:
    a. the adoption of the income statement and the balance sheet and, when applicable, the consolidated income statement and the consolidated balance sheet,
    b. allocation of the company's profits or losses in accordance with the adopted balance sheet,
    c. discharge from liability for the members of the Board of Directors and the CEO,
8. Determination of fees for members of the Board of Directors and auditors,
9. Determination of the number of members of the Board of Directors and the number of auditors and deputy auditors,
10. Election of the members of the Board of Directors and auditors and deputy auditors,
11. Other matters which are set out in the Swedish Companies Act or the company's articles of association.

§10. ***Financial year***

The company's financial year shall be the calendar year.

§11. ***CSD clause***

The company's shares shall be registered in a central securities depository register pursuant to the Swedish Financial Instruments Accounts Act (1998:1479).

LEGAL CONSIDERATIONS AND SUPPLEMENTARY INFORMATION

General Corporate Information

The Company is a Swedish public limited liability company (Sw. *publikt aktiebolag*) incorporated on July 23, 2007 and registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on November 6, 2007. The Company's current name (and trading name), Coor Service Management Holding AB, was registered on May 8, 2015. The registered office is situated in the municipality of Stockholm and the Company's corporate identity number is 556742-0806. The business is conducted in accordance with the Swedish Companies Act.

Significant Subsidiaries

Coor is the parent company of the Group, which consists of 29 entities with operations in eight countries. The following table sets forth details of Coor's principal subsidiaries. Coor's holdings in affiliates are not of material importance to Coor's financial positions or earnings.

Subsidiary	Country of Incorporation	Percentage of shares and votes
Coor Service Management Group AB	Sweden	100
Coor Service Management AB	Sweden	100
Addici Security AB	Sweden	100
Coor Service Management A/S	Denmark	100
Coor Service Management AS	Norway	100
Coor Service Management OY	Finland	100
Coor Service Management NV	Belgium	100
Coor Service Management sp. z.o.o	Poland	100
Coor Service Management OU	Estonia	100
Coor Service Management Kft	Hungary	100

Material Contracts

Presented below are material contracts (other than contracts entered into in the ordinary course of business) into which either Coor or its subsidiaries has entered within the two years immediately preceding the date of this Offering Memorandum, as well as any other contract (that is not a contract entered into in the ordinary course of business) that either Coor or its subsidiaries has entered into that contains obligations or entitlements that are material to the Group as of the date of this Offering Memorandum.

Acquisitions and disposals

For a description of the acquisition of Addici Holding AB, see "*Business Overview—Acquisitions and divestments—The Acquisition of Addici*".

For a description of the divestment of the Group's Industrial Services business, see "*Business Overview—Acquisitions and divestments—The Divestment of the Industrial Services Business*".

Financing Arrangements

Credit Facility

For a description of the Group's material financing agreements, see "*Operating and Financial Review—Liquidity and Capital Resources*".

Placing Agreement

For a description of the placing agreement that the Company, the Principal Shareholder and the Managers intend to enter into in relation to the Offering, see "*Plan of Distribution and Transfer Restrictions—Plan of Distribution*".

Legal Proceedings

For a description of the Company's legal proceedings, see "*Business Overview—Legal Proceedings*".

Related Party Transactions

The Company applies IAS 24 Related Party Disclosures. Transactions between Group companies and business areas are based on market terms. All intra-Group transactions, balance sheet items, revenues and expenses are eliminated in the consolidated accounts. Deliveries of products and services between Group companies take place on commercial terms at market prices.

In May 2015, Coor entered into a share purchase agreement relating to the sale of the Group's Industrial Services business to the Principal Shareholder. See "*Business Overview—Acquisitions and divestments—The Divestment of the Industrial Services Business*".

During 2014 the following transactions with related parties took place:

- The Company received invoices regarding monitoring fees from Cinven that amounted to SEK3,910,000.
- The Company re-invoiced services to Group companies of SEK4,429,000 and had intra-Group interest incomes of SEK94,000.
- On December 31, 2014, total receivables on Group companies were SEK0 and liabilities to Group companies amounted to SEK817,000.

During 2013 the following transactions with related parties took place:

- The Company received invoices regarding monitoring fees from Cinven that amounted to SEK3,737,000.
- The Company had interest costs relating to a shareholders' loan to the Principal Shareholder that amounted to SEK492,822,000. The total outstanding debt to the owner was SEK0 as at 31 December, 2013. The loan from the Principal Shareholder was converted to shareholders' equity through a set-off issue in December 2013. At the time of conversion, the loan totaled SEK4,036,620,000.
- The Company re-invoiced services to Group companies of SEK3,777,000 and had intra-Group interest incomes of SEK492,822,000.
- On December 31, 2013, total receivables on Group companies were SEK0 and liabilities to Group companies amounted to SEK534,335,000. The claim on the subsidiary Venoor Invco 2 AB was converted to shareholders' equity through a set-off issue in December 2013. At the time of conversion, the loan totaled SEK4,036,620,000.
- Group contributions amounting to SEK485,000,000 were paid to the subsidiary Venoor Invco 2 AB.
- The CEO of the Group granted an equity participating loan of SEK2,000,000 to the parent company Coor Service Management Holding AB. See note 40 in "*Historical Financial Information*".

During 2012 the following transactions with related parties took place:

- The Company received invoices regarding monitoring fees from Cinven that amounted to SEK3,755,000.
- Rental costs relating to a property owned by a company controlled by a CEO in one of the Group's subsidiaries were charged to the Group in accordance with commercial terms.
- The parent company had interest costs relating to a shareholders' loan to the Principal Shareholder that amounted to SEK450,594,000. The total outstanding debt to the owner was SEK3,543,798,000 as at 31 December 2012.
- The Company re-invoiced services to Group companies of SEK3,656,000 and had intra-Group interest incomes of SEK450,594,000.
- On December 31, 2012, total receivables on Group companies were SEK3,544,360,000, and liabilities to Group companies amounted to SEK45,365,000.

For information regarding remuneration to the Directors and Executive Management Team, see "*Board of Directors, Executive Management Team and Auditor—Compensation of the Members of the Board of Directors and Board Committees*" and "*—Current Terms of Employment for the CEO and Executive Management Team*".

Advisors

Coor's financial advisors in connection with the Offering and the listing on Nasdaq Stockholm are Nordea and UBS, who are acting as Joint Global Coordinators and Joint Bookrunners for the Offering. DNB and SEB are acting as Joint Bookrunners for the Offering. See "*Plan of Distribution and Transfer Restrictions—Plan of Distribution*" for certain services the Managers have provided and in the future may provide, among others, the Company and the Principal Shareholder.

Clifford Chance LLP and Mannheimer Swartling Advokatbyrå are Coor's legal advisors in connection with the Offering and the listing of the Shares on Nasdaq Stockholm. White & Case Advokat AB and White & Case LLP are the Managers' legal advisor in connection with the Offering and the listing of the Shares on Nasdaq Stockholm.

Costs Related to the Offering

Coor's costs associated with the listing on Nasdaq Stockholm and the Offering are expected to amount to approximately SEK130 million. Such costs primarily relate to costs for auditors, attorneys, printing of the prospectus, costs related to investor presentations and similar items.

Documents on Display

Copies of the following documents will be on display during the offer period during ordinary office hours on weekdays at Coor's offices at Knarrarnäsgatan 7, Kista, Sweden or by telephone +46 (0)10-559 50 00.

- Coor's Articles of Association; and
- Coor's Annual Reports for the financial years 2014, 2013 and 2012.

SWEDISH SECURITIES MARKET

The following is a description of the Swedish securities markets, including a brief summary of certain provisions of the laws and securities market regulations in Sweden in effect on the date of this Offering Memorandum. The summary is not intended to provide a comprehensive description of all such regulatory matters and should not be considered exhaustive. Moreover, the laws, rules, regulations and procedures summarized below may be amended or reinterpreted.

Nasdaq Stockholm

Nasdaq Stockholm is a regulated market in Sweden, operated by NASDAQ OMX Stockholm AB, and is the principal Swedish market on which shares, bonds, derivatives and other securities are traded. One list, the Nordic List, is used for trading shares on Nasdaq Stockholm and all transactions, except for interest-bearing financial instruments, are executed through INET. Companies on the Nordic List are divided into three segments: Large Cap, Mid Cap and Small Cap. Companies with a market capitalization in excess of EUR 1 billion are included in the Large Cap segment. Companies with a market capitalization between EUR 150 million and EUR 1 billion—such as Coor—are included in the Mid Cap segment, while companies with a market capitalization below EUR 150 million are included in the Small Cap segment. The segments are normally revised at year-end and the segments are reset, effective on the first trading day in January, based on average market capitalization in November the year before. Companies with a market capitalization of more than 50% of the minimum or maximum threshold of a segment will be transferred into a new segment with immediate effect. Companies with a market capitalization of less than 50% of the minimum or maximum segment threshold will have a transitional period until the next forthcoming review (or at least 12 months), and thus will be subject to one more review before transferring into a new segment. Furthermore, listed companies are divided into industry sectors in accordance with the global standard ICB (Industry Classification Benchmark). This classification is based on a company's main operations, i.e., the business area that generates the most revenue for the company.

Trading in Securities on Nasdaq Stockholm

Trading on Nasdaq Stockholm is conducted on behalf of customers by duly authorized Swedish and foreign banks and other securities brokers, as well as the Swedish Central Bank. While banks and brokers are permitted to act as principals in trading both on and off Nasdaq Stockholm, they generally engage in transactions as agents. Clearing and settlement of trades take place through an electronic account-based security system administered by Euroclear Sweden. See "*Securities Registration*" below.

Trading through INET comprises all securities listed on Nasdaq Stockholm, except for interest-bearing financial instruments, such as bonds. Member firms of Nasdaq Stockholm are able to operate from remote locations via computer access. The brokers' representatives are able to trade shares via workstations that have been developed by Nasdaq Stockholm or via their own electronic data processing systems that are linked to INET. The round lot for all shares traded on Nasdaq Stockholm is one share. In INET, bids and offers are entered in the relevant order book and automatically matched to trades when price, volume and other order conditions are met. INET continuously broadcasts all trading information. The information is displayed in real time in the form of order books, market summaries, concluded trades, index information and different kinds of reports. A two-day settlement schedule (T+2) applies to share trading.

Nasdaq Stockholm's trading hours in respect of equities are 09:00 to 17:25 CET on business days. Before the trading hours, there is a pre-open session (8:00 a.m. to 09:00 a.m. CET) during which orders can be placed, but where no automatic order matching occurs. The trading hours start with a so-called opening call uncross where each share is assigned its opening price and then becomes subject to continuous trading. At 5:25 p.m. CET, continuous trading is halted followed by a pre-close session (5:25 p.m. to approximately 5:30 p.m. CET). During the pre-close session, orders can still be placed but no automatic order matching occurs. The pre-close session ends with a so-called closing call uncross, which is carried out in respect of each separate share in the same order as the opening call uncross. The price generated at the closing call uncross (or, in absence thereof, the last trading price) is the official closing price. The trading hours are followed by a post-trading session (5:30 to 6:00 p.m. CET) in which changes to, and cancellations of, orders, as well as off hours transactions, are permitted.

In addition to official trading on Nasdaq Stockholm through automatic order matching in INET, shares may also be traded off Nasdaq Stockholm, (i.e., outside INET), during, as well as after, the official trading hours (through "manual trading"). Manual trades during trading hours must normally be entered into at a price within the volume weighted average spread reported in INET at the time of the trade or, as regards manual trades during the closing call, at the time prior to the closing call auction. Outside the trading hours, manual trades must normally be effected at a price within the volume weighted average spread reported in INET at the close of trading hours. However, in the absence of a spread and in situations where there is a change in the market conditions during the closing call or after the close of trading hours, as the case may be, manual trades must take place at a price that takes into account the market situation at the time of the trade. Manual trades that qualify as large scale (EUR 50,000 to EUR 500,000, depending on the average daily turnover in the relevant share) may be effected without regard to any spread. Trading on Nasdaq Stockholm tends to involve a higher percentage of retail clients while trading off Nasdaq Stockholm, whether directly or through intermediaries, often involves larger Swedish institutions, banks arbitraging between the Swedish market and foreign markets, and foreign buyers and sellers purchasing shares from, or selling shares to, Swedish institutions.

All manual trades must normally be reported in INET within three minutes from the time of the trade, although trades outside the official trading hours must be reported during the pre-trading session on the following exchange day and not later than 15 minutes prior to the opening of the trading hours.

Securities Market Regulations

The Nordic List is regulated under EU directives, primarily Directive 2004/39/EC on Markets in Financial Instruments ("**MiFID**"), which has been implemented through the Swedish Securities Market Act of 2007 (Sw. *lagen (2007:528) om värdepappersmarknaden*) (the "**Securities Market Act**"). NASDAQ OMX Stockholm AB is authorized pursuant to the Securities Market Act to operate a regulated market under the supervision of the SFSA. The SFSA is a governmental agency responsible for, among other things, supervising and monitoring the Swedish securities market and market participants. The SFSA also issues regulations that supplement Swedish securities market laws. Furthermore, pursuant to the Swedish Securities Market Act, NASDAQ OMX Stockholm AB is required to have rules of its own, governing the trading on Nasdaq Stockholm. The Rule Book for Issuers of Nasdaq Stockholm, based on European standards and EU directives such as MiFID and Directive 2004/109/EC (the "**Transparency Directive**"), sets forth listing requirements and disclosure rules for companies listed on Nasdaq Stockholm. The objective of the regulatory system governing trading on and off Nasdaq Stockholm is to achieve transparency and equality of treatment among market participants. Nasdaq Stockholm records information as to the banks and brokers involved, the issuer, the number of shares, the price and the time of each transaction. Each bank or broker is required to maintain records indicating trades carried out as agent or as principal. All trading information reported in INET is publicly available. Nasdaq Stockholm also maintains a market supervision unit (the "**Trading Surveillance**") that monitors trading on a "real time" basis, as described below.

The Swedish Market Abuse Penal Act of 2005 (Sw. *lagen (2005:377) om straff för marknadsmissbruk vid handel med finansiella instrument*) (the "**Market Abuse Act**"), implementing in part Directive (2003/6/EC) (the "**Market Abuse Directive**"), provides sanctions for insider trading and unlawful disclosure of insider information. The Market Abuse Act also contains provisions prohibiting market manipulation, making illegal any actions (in connection with trading on the securities market or otherwise) intended to unduly affect the market price or other conditions of trade in financial instruments, or otherwise mislead buyers or sellers of such instruments (such as through spreading false or misleading information). Market manipulation may also constitute fraud under Swedish law. The SFSA and the Trading Surveillance enforce compliance with the Market Abuse Act and other insider trading rules. Criminal offenses are enforced in court by the Swedish National Economic Crimes Bureau (Sw. *Ekobrottsmyndigheten*). Moreover, the SFSA may cause the operating license of a bank or broker to be revoked if the bank or broker has engaged in improper conduct, including market manipulation. The Trading Surveillance monitors trading data for indications of unusual market activity and trading behavior, and continuously examines information disseminated by listed companies, such as earnings reports, acquisition and other investment plans and changes in ownership structure on a daily basis. When the Trading Surveillance becomes aware of non-public price sensitive information, it monitors trading in the shares concerned to ensure that if unusual trading activity develops indicating that persons may be trading on that information, the information is made public as soon as possible.

Securities Registration

The Shares are registered in the account-based electronic securities system operated by Euroclear Sweden, a central securities depository and clearing organization authorized under the Swedish Financial Instruments Accounts Act (Sw. *lagen (1998:1479) om kontoföring av finansiella instrument*) and the Swedish

Securities Markets Act. Among other things, Euroclear Sweden maintains the register of shareholders in Swedish companies listed on Nasdaq Stockholm. Shares administered by Euroclear Sweden are registered in book-entry form on securities accounts (VP accounts) and no share certificates are issued. Title to shares is ensured exclusively through registration with Euroclear Sweden. All transactions and other changes to accounts are entered in the system of Euroclear Sweden through banks or other securities institutions that have been approved as account operators by Euroclear Sweden.

Shares may be registered on VP accounts, and consequently entered in the register of shareholders, either in the name of the beneficial owner (owner registered shares) or in the name of a nominee authorized by Euroclear Sweden (nominee registered shares), in which case a note thereof is made in the securities system. The relationship between the nominee and the beneficial owner is governed by agreement. In order to exercise certain rights, such as participation at a General Meeting, shareholders whose shares are registered in the name of a nominee must temporarily re-register the shares in their own names. Nominees are also required to report the holdings of underlying beneficial owners to Euroclear Sweden on a regular basis. A public register of shareholders and a nominee list, both containing information on holders of more than 500 shares in the relevant company (or such lower number of shares that constitute all shares in the relevant company), is produced at the beginning of each quarter of the year and is available to the general public at both Euroclear Sweden and the issuer's registered office. There is also a separate register maintained by Euroclear Sweden for the recording of persons who have other interests in respect of shares, such as those of a pledgee.

The rights attaching to shares that are eligible for dividends, rights issues or bonus issues accrue to those holders whose names are recorded in the register of shareholders as of a particular record date, and the dividends are normally distributed to bank accounts as specified by the holders registered with Euroclear Sweden. The relevant record date must be specified in the resolution declaring a dividend or capital increase, or any similar matter in which shareholders have preferential rights. Where the registered holder is a nominee, the nominee receives, for the account of the beneficial owner, dividends and other financial rights attaching to the shares, such as subscription rights in conjunction with rights offerings, as well as new shares subscribed through the exercise of subscription rights. Dividends are remitted in a single payment to the nominee who is responsible for the distribution of such dividends to the beneficial owner. A similar procedure is applied for subscription rights and newly issued shares.

Compensation Scheme for Investors

Investor compensation covers financial instruments such as shares, bonds and various types of derivatives, for instance warrants and futures. Investor compensation is payable only if an institution is declared bankrupt and it is impossible for the investor to recover its securities or cash. The investor compensation does not cover financial loss due to changes in value of shares and other securities. Investor compensation covers securities handled by securities companies, securities brokers and some other institutions on behalf of customers in the course of providing investment services (such as the purchase, sale and deposition of financial instruments). For the purposes of the scheme, securities means shares, bonds and various types of derivatives. The scheme also covers funds that an institution receives in conjunction with providing an investment service for which it is accountable. Investors may be compensated for lost assets up to a value of SEK250,000 per institution.

Transactions and Ownership Disclosure Requirements

Under the Trading Act, which implements the Transparency Directive in part, a shareholder is required to notify both the company in which it holds shares and the SFSA, when its holding (including options for shares) reaches, exceeds or falls below 5, 10, 15, 20, 25, 30, 50, 66⅔ or 90% of the total number of votes and/or shares in a company. The notice is to be made in writing or electronically on the SFSA's website on the trading day immediately following the day of the applicable transaction. The SFSA will announce the contents of the notification no later than 12:00 CET on the trading day following receipt of the notification. When calculating a shareholder's percentage of ownership, a company's treasury shares are to be included in the denominator, while warrants and convertibles are to be excluded. For the purposes of calculating a person's or entity's shareholding, not only the shares and financial instruments directly held by the shareholder are included, but also those held by related parties. The Trading Act contains a list of related parties whose shareholding must be aggregated for the purposes of the disclosure requirements. Related parties include, but are not limited to, subsidiaries, proxies, parties to shareholders' agreements and spouses/co-habitants.

Under the Regulation (EU) 236/2012 on short selling and certain aspects of credit default swaps, a person who has a net short position in a share is required to notify the SFSA when the position either reaches or falls below the following thresholds: 0.2% of the issued share capital of the company concerned and each 0.1% above that. There is also a requirement of public disclosure when the position reaches or falls below the following thresholds: 0.5% of the issued share capital of the company concerned and each 0.1% above that. The public disclosure is made by the SFSA via announcement on its website. Further, an investor who wishes to take an uncovered, or "naked," short position in a particular share will be required either: (a) to have borrowed sufficient shares to settle the short trade; (b) to have entered into a binding agreement to borrow the shares; or (c) to have an arrangement with a third party under which that third party has confirmed that the shares have been located and has taken measures vis-à-vis third parties necessary to have a reasonable expectation that settlement can be effected when it is due.

In addition, pursuant to the Swedish Act on Reporting Obligations for Certain Holdings of Financial Instruments (Sw. *lagen (2000:1087) om anmälningsskyldighet för vissa innehav av finansiella instrument*), among others, directors and certain officers of the issuer as well as individuals who own, directly or indirectly, shares representing 10% or more of the share capital or the voting rights in a publicly traded company must report, in writing or electronically, such ownership and any changes therein to the SFSA, which keeps a public register based on the information contained in such reports.

Mandatory Bids and Squeeze-out Proceedings

Pursuant to the Swedish Act on Public Takeovers on the Securities Market (Sw. *lagen (2006:451) om offentliga uppköpserbjudanden på aktiemarknaden*) (the "**Takeover Act**"), any Swedish or foreign legal entity or natural person who holds less than 30% of the total voting rights in a company listed on a regulated market in Sweden, must make a public offer for the acquisition of all the remaining shares issued by the target company (a mandatory bid) should such legal entity or natural person alone, or together with a related party, obtain 30% or more of the total voting rights in the company. This applies where the increased holding is the result of a purchase, subscription, conversion, or any other form of acquisition of shares in the target company (other than a public offer) or the result of the establishment of a certain close relationship. In this context, a related party can be an entity within the same corporate group as the buyer, a spouse, co-habitant or minor child, as well as any person or entity that cooperates with the buyer to obtain control over the company or with whom an agreement has been reached regarding the coordinated exercise of voting rights with the object of achieving a long-term controlling influence on the company's management.

The public offer must be made within four weeks after the acquisition that triggered the mandatory bid requirement unless the acquirer (or the related party) reduces its level of voting share ownership within such time to below 30%. The offer is normally also made to holders of other securities issued by the target company, if the price of such securities could be substantially affected as a result of a de-listing of the target company's shares, such as, for example, warrants and convertibles. Under the Takeover Act, offerors have a duty to undertake to comply with the takeover rules adopted by Nasdaq Stockholm (the "**Takeover Rules**"). By making this undertaking, the offeror agrees to comply not only with the Takeover Rules, but also to comply with statements and rulings by the Swedish Securities Council (Sw. *Aktiemarknadsnämnden*) on points of interpretation of the Takeover Act as well as to be subject to any sanctions that may be imposed by Nasdaq Stockholm. Exemptions from the mandatory bid requirement may under certain circumstances, for example in conjunction with rights offerings and underwriting guarantees, be granted by the Swedish Securities Council. The Swedish Securities Council may also grant exemptions from the provisions of the Takeover Rules.

Under the Swedish Companies Act, a shareholder with shares representing more than 90% of all shares in a company has the right to redeem remaining shares in such company. In respect of companies with shares traded on a regulated market, such as Nasdaq Stockholm, the redemption value must correspond to the market value, unless special reasons (such as following a takeover bid) require otherwise. In addition, any minority shareholder that possesses shares that may, pursuant to the Swedish Companies Act, be redeemed by a majority shareholder is entitled to require such majority shareholder to redeem its shares.

TAXATION

*The following is a summary of certain tax consequences that may arise from the Offering and is intended as general information only. The statements concerning Swedish tax laws and U.S. federal income tax laws set forth below, including concerning the Convention Between the Government of Sweden and the Government of the United States for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (the "**Treaty**"), are based on the laws and regulations as at the date of this Offering Memorandum and are subject to any changes in Swedish or U.S. law, or in the Treaty, occurring after that date, which changes may have retroactive effect.*

Certain Tax Considerations in Sweden

Unless otherwise stated, the following is a summary of certain tax consequences that may arise from the Offering for individuals or limited liability companies tax resident in Sweden. This description does not deal comprehensively with all tax consequences that may occur in this context. For instance, the summary does not address securities held by partnerships or securities held as current assets in business operations. Moreover, the summary does not address the specific rules on tax-exempt capital gains and dividends (including non-deductibility for capital losses) in the corporate sector that may be applicable when shares are considered to be held for business purposes (Sw. *näringsbetingade andelar*). Neither are the specific rules covered that could be applicable to holdings in companies that are, or have previously been, closely-held companies or shares acquired on the basis of so-called qualified shares in such companies. Moreover, the summary does not address Shares or other equity-related securities that are held in a so-called investment savings account that are subject to special rules on and are taxed on a national basis. Special tax rules apply to certain categories of taxpayers, for example, investment companies and insurance companies. The tax treatment of each individual shareholder depends on such investor's particular circumstances. Each holder of Shares should therefore consult a tax advisor for information on the specific implications that may arise in their individual case, including the applicability and effect of foreign rules and tax treaties.

Shareholders Who Are Tax Resident in Sweden

Individuals' Dividend Taxation

For individuals, dividends on listed shares, which the Shares are intended to be once admitted to trading on Nasdaq Stockholm, are taxed as income from capital at a rate of 30%. A preliminary tax of 30% is generally withheld on dividends paid to individuals resident in Sweden. The preliminary tax is withheld by Euroclear Sweden or, in the case of nominee-registered shares, by the Swedish nominee.

Capital Gains Taxation

Upon the sale or other disposal of listed shares, which the Shares are intended to be once admitted to trading on Nasdaq Stockholm, a taxable capital gain or deductible capital loss may arise. Capital gains are taxed as income from capital at a tax rate of 30%. The capital gain or loss is calculated as the difference between the sales proceeds, after deducting sales costs, and the tax basis. The tax basis for all shares of the same class and type is calculated together in accordance with the average cost method. The tax basis for listed shares may alternatively be determined as 20% of the sales proceeds after deducting sales costs under the "notional rule".

Capital losses on listed shares are fully deductible against taxable capital gains on shares and on other listed equity-related securities realized during the same year, with the exception of units in securities funds or special funds that consist solely of Swedish receivables ("interest funds"). Up to 70% of capital losses on shares that cannot be offset in this way are deductible against other capital income. If there is a net loss in the capital income category, a tax reduction is allowed against municipal and national income tax, as well as against real estate tax and municipal real estate charges. A tax reduction of 30% is allowed on the portion of such net loss that does not exceed SEK100,000 and of 21% on any remaining loss. Such net loss cannot be carried forward to future fiscal years.

Limited Liability Companies Dividend and Capital Gains Taxation

For a limited liability company, all income, including taxable capital gains and dividends, is taxed as business income at a tax rate of 22%. Capital gains and capital losses are calculated in the same manner as set forth above with respect to individuals. Deductible capital losses on shares may only be deducted against taxable capital gains on other securities that are taxed in the same manner as shares. Under certain circumstances such capital losses may also be deducted against capital gains in another company in the same group, provided that the requirements for exchanging group contributions (Sw. *koncernbidragsrätt*) between the companies are met. A capital loss that cannot be utilized during a given year may be carried forward and be set-off against taxable capital gains on shares and other equity-related securities during subsequent fiscal years without any limitation in time.

Shareholders Who Are Not Tax Resident in Sweden

Dividend Taxation

Dividends paid on Shares to shareholders not tax resident in Sweden are generally subject to 30% withholding tax. However, the tax rate is generally reduced for shareholders resident in jurisdictions with which Sweden has entered a tax treaty. The majority of Sweden's tax treaties enable an at-source reduction of the Swedish withholding tax to the tax rate stipulated in the treaty provided that necessary information is made available to Euroclear Sweden or the nominee in relation to the person entitled to such dividends. Under the Treaty the tax rate is reduced to 5% for U.S. resident companies owning shares representing at least 10% of the total voting rights of the Company, and to 15% in other cases. The tax rate for U.S. resident companies and pension funds may be further reduced to 0% if certain requirements set out in the Treaty are fulfilled. In Sweden, Euroclear Sweden, or, in the case of nominee-registered shares, the nominee, generally carries out the deduction of withholding tax.

If a 30% withholding tax is deducted from a payment to a shareholder entitled to be taxed at a lower rate, or if too much withholding tax has otherwise been withheld, a refund can be claimed from the Swedish Tax Agency prior to the expiry of the fifth calendar year following the dividend distribution.

Capital Gains Taxation

Shareholders not tax resident in Sweden and who are not operating a business from a permanent establishment in Sweden are generally not liable for Swedish capital gains taxation on the disposal of Shares. The shareholders may, however, be subject to taxation in their country of residence. Under a specific tax rule, individual shareholders that are not tax resident in Sweden may, however, be subject to tax in Sweden on the sale of Shares if they have been resident or stayed permanently in Sweden at any time during the calendar year of such disposal or during any of the previous ten calendar years. The applicability of this rule may, however, be limited by tax treaties between Sweden and other countries. However, the period is not reduced under the Treaty.

Certain U.S. Federal Income Tax Considerations

The following summary is a description of certain U.S. federal income tax considerations relevant to a U.S. Holder (as defined below) acquiring, holding and disposing of Offer Shares purchased in the Offering. This summary is based upon existing U.S. federal income tax law, which is subject to change, possibly with retroactive effect. This summary does not discuss all aspects of U.S. federal income taxation which may be relevant to particular investors in light of their individual investment circumstance, including investors subject to special tax rules including financial institutions, insurance companies, broker-dealers, traders in securities who mark their positions to market, tax-exempt organisations, partnerships or other pass-through entities, holders who are not U.S. Holders, holders who own (directly, indirectly or constructively) 10 per cent. or more of the Company's voting stock, investors that will hold the Offer Shares as part of a straddle, hedge, conversion, constructive sale, or other integrated transaction for U.S. federal income tax purposes, or investors that have a functional currency other than the U.S. dollar. In addition, this summary does not discuss any other U.S. federal tax issues, such as the Medicare tax on net investment income or alternative minimum tax considerations, or state, local or non-U.S. tax considerations. This summary assumes that investors will hold their Offer Shares as "capital assets" (generally, property held for investment) for U.S. federal income tax purposes. You are urged to consult your tax advisor regarding the U.S. federal, state, local and non-U.S. income and other tax considerations relevant to an investment in the Offer Shares.

For purposes of this summary, a U.S. Holder is a beneficial owner of the Offer Shares that is for U.S. federal income tax purposes (i) an individual who is a citizen or resident of the United States, (ii) a corporation created in, or organized under the law of, the United States, any state thereof or the District of Columbia, (iii) an estate the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source, or (iv) a trust the administration of which is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust.

If an entity classified as a partnership for U.S. federal income tax purposes holds the Offer Shares, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding the Offer Shares, you should consult your tax advisors.

The Issuer expects, and this discussion assumes, that it will not be a passive foreign investment company (a "**PFIC**"). See below under "*—Passive Foreign Investment Company Rules.*"

Dividends

The U.S. dollar value of distributions paid by the Company (including the amount of any taxes withheld) out of its earnings and profits, as determined under U.S. federal income tax principles, will be subject to tax as foreign source ordinary dividend income and will be includible in your gross income upon receipt. The Company does not maintain calculations of its earnings and profits in accordance with U.S. federal income tax accounting principles, so you should therefore assume that any distribution by the Company with respect to Offer Shares will constitute ordinary dividend income. Dividends paid by the Company generally will be taxable to non-corporate U.S. Holders at the reduced rates normally applicable to long-term capital gains, provided the Company qualifies for the benefits of the Treaty and certain other requirements are met. The Company expects to qualify for the benefits of the Treaty so long as the Offer Shares are listed on the Nasdaq Stockholm and provided that the Shares are regularly traded for purposes of the Treaty. No assurance can be provided that the Offer Shares will be regularly traded for this purpose. Dividends received on the Offer Shares will not be eligible for the dividends received deduction allowed to corporate shareholders in certain circumstances. U.S. Holders should consult their own tax advisors about how to account for payments that are not made in U.S. dollars.

Subject to applicable limitations, Swedish income taxes withheld from dividends on Offer Shares at a rate not exceeding any applicable Treaty rate will be creditable against the U.S. Holder's U.S. federal income tax liability. Swedish taxes withheld in excess of the rate applicable under the Treaty will not be eligible for credit against a U.S. Holder's federal income tax liability. The rules governing foreign tax credits are complex, and U.S. Holders should consult their tax advisers regarding the creditability of foreign taxes in their particular circumstances.

Sale or Other Taxable Disposition of Offer Shares

You will recognize U.S. source capital gain or loss upon the sale or other taxable disposition of Offer Shares in an amount equal to the difference between the U.S. dollar value of the amount realized upon the disposition and your adjusted tax basis in such Offer Shares (generally their cost in U.S. dollars). Any capital gain or loss will be long-term if the Offer Shares have been held for more than one year. Certain non-corporate U.S. Holders, including individuals, are eligible for reduced rates of tax on long term capital gains. The deductibility of capital losses may be subject to limitations. You should consult your own advisor about how to account for purchase price of Offer Shares or sale or other disposition proceeds that are not paid in U.S. dollars. Any gain or loss will generally be U.S. source.

Passive Foreign Investment Company Rules

The Company does not believe it was a PFIC for U.S. federal income tax purposes for its most recent taxable year and does not expect to be a PFIC for the current taxable year or in the foreseeable future. In general, a non-U.S. corporation will be classified as a PFIC for any taxable year if at least (i) 75 per cent. of its gross income is classified as "passive income" or (ii) 50 per cent. of the average quarterly value of its assets produce or are held for the production of passive income. For this purpose, passive income generally includes, among other items, dividends, interest, gains from certain commodities transactions, certain rents, royalties and gains from the disposition of passive assets.

If the Company is classified as a PFIC at any time that a U.S. Holder holds its Offer Shares, such holder may be subject to materially adverse U.S. federal income tax consequences compared to an investment in a company that is not considered a PFIC, including being subject to greater amounts of U.S. tax and being subject to additional U.S. tax form filing requirements. If the Company is a PFIC in the taxable year a dividend is paid or the prior taxable year, such dividend will not be eligible for the reduced rates of taxation. You should consult your own tax advisor about the application of the PFIC rules to you.

Information Reporting and Backup Withholding

You may be subject to information reporting on amounts received by you from a distribution on, or disposition of, Offer Shares, unless you establish that you are exempt from these rules. If you do not establish that you are exempt from these rules, you may be subject to backup withholding on the amounts received unless you provide your taxpayer identification number and otherwise comply with the requirements of the backup withholding rules. The amount of any backup withholding from a payment that you receive will be allowed as a credit against your U.S. federal income tax liability and may entitle you to a refund, provided that the required information is timely furnished to the Internal Revenue Service.

In addition, you should consult your tax advisors about any reporting obligations that may apply as a result of the acquisition, holding or disposition of the Offer Shares. Failure to comply with applicable reporting obligations could result in the imposition of substantial penalties.

PLAN OF DISTRIBUTION AND TRANSFER RESTRICTIONS

Plan of Distribution

Overview

The Company, the Principal Shareholder and the Managers expect to enter into a placing agreement (the "**Placing Agreement**") on or about June 15, 2015 with respect to the Offer Shares to be offered and sold by the Company and the Principal Shareholder in the Offering. Subject to certain conditions set forth in the Placing Agreement, the Company and the Principal Shareholder, severally, will agree to sell to the purchasers procured by the Managers or, failing which, to the Managers themselves, and each of the Managers, severally, will agree to procure purchasers for, or failing such procurement, to purchase from the Company or the Principal Shareholder, as the case may be, the number of Offer Shares listed opposite such Manager's name below.

Managers	Percentage Offered in the Offering
Nordea	37%
UBS	37%
DNB	7.5%
SEB	18.5%
Total	100%

The Placing Agreement will provide that the obligations of the Managers to procure purchasers for, or failing which, to purchase themselves, the Offer Shares are subject to certain conditions and may be subject to termination by the Managers under certain customary circumstances pursuant to the Placing Agreement. If the Managers elect to terminate their several commitments, the Offering may be cancelled and, if cancelled, no Offer Shares will be delivered.

The Placing Agreement provides that the Company will indemnify the Managers against certain liabilities and related costs or will contribute to payments that the Managers may be required to make because of any such liabilities. The Placing Agreement entitles the Principal Shareholder to increase the Offering with not more than 10,303,605 additional Shares. Pursuant to the Placing Agreement, the Principal Shareholder will grant to the Managers an Over-Allotment Option, which is exercisable by the Managers on one or more occasions in whole or in part for a period of 30 days following the first day of trading in the Shares on Nasdaq Stockholm, to procure purchasers for, or failing which, to purchase up to 9,507,417 additional Shares (equal to 15% of the total number of Offer Shares (the "**Option Shares**")) at the Offer Price on the option closing date (less agreed commissions). If the Over-Allotment Option is exercised, each Manager will be obligated, subject to certain conditions contained in the Placing Agreement, to procure purchasers for, or failing which, to purchase a number of Option Shares proportionate to that Manager's initial percentage of Offer Shares reflected in the table above, and the Principal Shareholder will be obligated to sell the Option Shares.

The Managers will receive a commission of up to 3.25% of the gross proceeds from the Offering, including the sale of any Option Shares. The Company estimates that the total fees and expenses of the Offering payable by it to be up to approximately SEK130 million.

Application has been made to admit the Shares for trading on Nasdaq Stockholm and trading in the Shares is expected to commence on or about June 16, 2015, provided that the announcement of the Offer Price and allocation has been published through Nasdaq Stockholm no later than 9:00 a.m. (CET) on June 16, 2015.

The admission to listing and trading of the Shares on Nasdaq Stockholm is subject to, among other things, Nasdaq Stockholm's approval of the distribution of the Offer Shares. The Offer Shares are expected to be delivered to investors' accounts on or about June 18, 2015. The Offer Shares will be accepted for delivery to investors' securities accounts with Euroclear Sweden against payment in immediately available funds. All dealing in the Offer Shares prior to settlement will be for the account and at the sole risk of the parties involved.

The Offer Price is expected to be announced no later than June 16, 2015. The indicative price range set forth on the cover page of this Offering Memorandum is subject to change as a result of market conditions and other factors. Prior to the Offering, there has been no public market for the Shares. There can be no assurance that an active trading market will develop for the Shares or that the Shares will trade in the public market after the Offering at or above the Offer Price. See "*Risk Factors—Risks Relating to the Offering and the Offer Shares—The market price of the shares may fluctuate and may decline below the Offer Price*".

In connection with the Offering, the Managers and any affiliates acting as investors for their own account may take up Offer Shares and in that capacity may retain, purchase or sell Offer Shares for their own account and may offer or sell Shares otherwise than in connection with the Offering, in each case in accordance with applicable law. The Managers do not intend to disclose the extent of any such investment or transaction otherwise than in accordance with any legal or regulatory obligation to do so.

The offering and sale of the Offer Shares (a) inside the U.S. will be made solely to QIBs in reliance on Rule 144A or pursuant to another available exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act, (b) outside the U.S. will be made in offshore transactions in compliance with Regulation S. Any offer or sale of Offer Shares in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act will be made by broker-dealers registered as such under the U.S. Exchange Act. The Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the U.S. except in certain transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S and Rules 144A under the U.S. Securities Act.

No action has been or will be taken in any jurisdiction other than Sweden that would permit a public offering of the Shares, or the possession, circulation or distribution of this Offering Memorandum or any other material relating to the Company or the Offer Shares in any jurisdiction where action for that purpose is required. Accordingly, the Offer Shares may not be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any other offering material or advertisement in connection with the Offer Shares may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of such country or jurisdiction.

The public offering in Sweden will be made pursuant to a separate Swedish language prospectus. The offer period for the public offering in Sweden will commence on June 4, 2015 and is expected to end at 5:00 p.m. (CET) on June 12, 2015. The offer period for the institutional offering will commence on June 4, 2015 and will close no later than June 15, 2015. The Swedish language prospectus sets forth the maximum offering price per Offer Share in the public offering of SEK39. Pursuant to Swedish regulations, the offering price to retail investors in Sweden is not permitted to exceed the maximum offering price. If the Placing Agreement is terminated, any monies received in respect of the public offering in Sweden will be returned to applicants without interest. The Swedish language prospectus contains more details on the terms and conditions for the public offering in Sweden.

The distribution of this Offering Memorandum or any offering material and the offer, sale or delivery of the Shares is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Offering Memorandum or any offering material are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Offering Memorandum may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorized. See "*Selling and Transfer Restrictions*" below.

The Company will agree that it will not, without the prior written consent of the Managers, during the period ending 180 days after the first official day of trading of the Shares on Nasdaq Stockholm, (i) offer, pledge, allot, issue, sell, contract to sell, sell any option or contract to purchase, purchase any option to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any Shares or any convertible into or exercisable or exchangeable for Shares or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, the economic risk of ownership of Shares, whether any such transaction described above is to be settled by delivery of Shares or other securities, in cash or otherwise, or (iii) publicly announce such an intention to effect any such transaction.

The Principal Shareholder will agree that it will not, without the prior written consent of the Managers, such consent not to be unreasonably withheld or delayed taking into account the purpose of the lock-up arrangement, during the period ending 180 days after the first official day of trading of the Shares on Nasdaq Stockholm, (i) offer, pledge, allot, issue, sell, contract to sell, sell any option or contract to purchase, purchase any option to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any Shares or any securities convertible into or exercisable or exchangeable for Shares or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, the economic risk of ownership of Shares, or try to take any such measures, whether any such transaction described above is to be settled by delivery of Shares or other securities, in cash or otherwise, or (iii) publicly announce such an intention to effect any such transaction.

Furthermore, the Principal Shareholder will agree that it will not, without the prior written consent of the Managers, such consent not to be unreasonably withheld or delayed taking into account the purpose of the lock-up arrangement, during the period ending 180 days after the first official day of trading of the Shares on Nasdaq Stockholm, propose at any general meeting of the Company, or convene or take any action to convene any general meeting for the purposes of proposing, any resolution of the Company authorizing any of the actions or matters referred to in the paragraph above or vote for any such resolution.

Prior to the Offering, there has been no public market for the Shares. The Offer Price will be determined by the Company and the Principal Shareholder, following consultation with the Managers, on the basis of a number of factors, including the following:

- the orders, in terms of price and quantity, received from potential institutional and retail investors;
- the prevailing market conditions;
- the Company's historical, operational and financial performance;
- estimates of the Company's business potential and earning prospects; and
- the market valuation of publicly traded common stock of comparable companies.

The Managers and their affiliates have engaged in transactions with and performed various investment banking, commercial banking and other services for the Company, the Principal Shareholder and their respective subsidiaries and affiliates in the past and may do so from time to time in the future and may be paid fees in connection with such services from time to time. However, all services provided by the Managers, including in connection with the Offering, have been provided as an independent contractor and not as a fiduciary to the Company or the Principal Shareholder. See "*Important Information—Potential Conflict of Interest*."

In connection with the Offering, Nordea and/or UBS, as stabilizing managers (the "**Stabilizing Managers**"), or any of their agents, may (but will be under no obligation to), to the extent permitted by applicable law, over-allot Shares or effect other transactions with a view to supporting the market price of the Shares at a higher level than that which might otherwise prevail in the open market. The Stabilizing Managers are not required to enter into such transactions and such transactions may be effected on any securities market, over-the-counter market, stock exchange or otherwise and may be undertaken at any time during the period commencing on the first day of trading in the Shares on Nasdaq Stockholm and ending no later than 30 calendar days thereafter. However, there will be no obligation on the Stabilizing Managers or any of their agents to effect stabilizing transactions and there is no assurance that stabilizing transactions will be undertaken. Such stabilization, if commenced, may be discontinued at any time without prior notice. In no event will measures be taken to stabilize the market price of the Shares above the Offer Price. Except as required by law or regulation, neither the Stabilizing Managers nor any of their agents intends to disclose the extent of any over-allotments made and/or stabilization transactions conducted in relation to the Offering.

Selling and Transfer Restrictions

No action has been or will be taken in any jurisdiction other than Sweden that would permit a public offering of the Shares, or the possession, circulation or distribution of this Offering Memorandum or any other material relating to the Company or the Offer Shares in any jurisdiction where action for that purpose is required. The distribution of this Offering Memorandum and the offer of the Offer Shares in certain jurisdictions may be restricted by law.

Persons into whose possession this Offering Memorandum comes should inform themselves about and observe any such restrictions, including those in the paragraphs that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions.

United States

The Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the U.S. for offer or sale as part of their distribution and may not be offered or sold within the U.S. unless the Shares are registered under the U.S. Securities Act or an exemption from the registration requirements of the U.S. Securities Act is available. In the U.S. the Offer Shares will be sold only to persons reasonably believed to be QIBs as defined in, and in reliance on, Rule 144A under the U.S. Securities Act or pursuant to another exemption from, or in a transaction not subject to, the registration requirement under the U.S. Securities Act and applicable state securities laws. All offers and sales of the Offer Shares outside the U.S. will be made in compliance with Regulation S under the U.S. Securities Act and in accordance with applicable law.

In addition, until the end of the 40th calendar day after commencement of the Offering, an offer or sale of Shares within the U.S. by a dealer that is not participating in the Offering may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the U.S. Securities Act.

The offering of the Offer Shares is being made in the United States through U.S. broker-dealer affiliates of the Managers.

Notice to U.S. investors

Each purchaser of the Shares within the U.S. will be deemed to have represented and agreed as follows:

A. The purchaser is authorized to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations;

B. The purchaser (i) is, and the time of its purchase of any Offer Shares will be, a QIB or a broker-dealer acting for the account of a QIB, and (ii) is acquiring the Offer Shares for its own account or for the accounts of one or more QIBs for which it is acting as duly authorized fiduciary or agent with sole investment discretion with respect to each such account and with full authority to make the acknowledgments, representations and agreements herein with respect to each such account (in which case it hereby makes such acknowledgements, representations and agreements on behalf of such QIBs as well), in each case for investment and not with a view to any resale or distribution (within the meaning of the U.S. securities laws) of any such Offer Shares;

C. The purchaser understands and acknowledges that the Offer Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and are being offered in the United States only in transactions not involving any public offering in the United States within the meaning of the U.S. Securities Act or which are exempt from the registration requirements of the U.S. Securities Act;.

D. The purchaser acknowledges that sellers of the Offer Shares may be relying on the exemption from the registration requirements of Section 5 of the U.S. Securities Act provided by Rule 144A thereunder and that the Offer Shares may not be offered, sold, pledged or otherwise transferred, directly or indirectly, other than in accordance with paragraph (F) below;

E. The purchaser and each other QIB, if any, for whose account it is acquiring Offer Shares, in the normal course of business, invests in or purchases securities similar to the securities offered hereby, has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of purchasing any of the Offer Shares for an indefinite period of time and is able to bear such risk for an indefinite period. The purchaser has (i) conducted its own investigation with respect to the Company and the Offer Shares; (ii) received all information that it believes is necessary or appropriate in connection with an investment in the Offer Shares; and (iii) made its own assessment and has satisfied itself concerning the relevant tax, legal and other economic considerations relevant to an investment in the Offer Shares;;

F. The purchaser understands and agrees that the Offer Shares may be offered, sold, delivered, hypothecated, pledged or otherwise transferred only (i) pursuant to an effective registration statement under the U.S. Securities Act, (ii) to a person whom the seller and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (iii) outside the United States in an "offshore transaction" complying with Regulation S (and not in a pre-arranged transaction resulting in the resale of such Shares into the United States), or (iv) in accordance with Rule 144 under the U.S. Securities Act, and, in each case, in accordance with all applicable securities laws of the United States, any state or territory thereof and any other relevant jurisdiction. The purchasers is aware that the Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) and that no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Shares;

G. The purchaser understands that for so long as the Offer Shares are "restricted securities" within the meaning of the U.S. federal securities laws, no such Offer Shares may be deposited into any American depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, and that such Offer Shares will not settle or trade through the facilities of the Depositary Trust Company or any other U.S. clearing system;

H. (the purchaser has received a copy of this Offering Memorandum and has had access to such financial and other information concerning the Company as it deems necessary in connection with making its own investment decision to purchase shares. The purchaser acknowledges that none of the Company, the Managers or any of their respective representatives has made any representation to it with respect to the Company or the allocation, offering or sale of any Shares other than as set forth in this Offering Memorandum, which has been delivered to it and upon which it is solely relying in making its investment decision with respect to the Offer Shares. The purchaser also acknowledges that it has made its own assessment regarding the U.S. federal tax consequences of an investment in the Offer Shares. The purchaser has held and will hold any offering materials, including this Offering Memorandum, it receives directly or indirectly from the Company in confidence, and it understands that any such information received by it is solely for it and not to be redistributed or duplicated by it.

I. The Company will not recognize any offer, sale, pledge, delivery, hypothecation or other transfer of the Shares made other than in compliance with the above-stated restrictions;

J. The purchaser understands that these representations and undertakings are required in connection with the securities laws of the United States and acknowledges that the Company, the Managers and their respective affiliates will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements. The purchaser undertakes promptly to notify the Company and the Managers if, at any time prior to the purchase of the Offer Shares, any of the foregoing ceases to be true.

Notice to investors outside the United States

Each purchaser of the Offer Shares outside of the United States will be deemed to have represented and agreed that it has received a copy of the Offering Memorandum and such other information as it deems necessary to make an informed investment decision and as follows:

A. The purchaser is authorized to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations;

B. The purchaser acknowledges that he Offer Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States, and subject to certain exceptions, may not be offered or sold within the United States;

C. The purchaser (and the person, if any, for whose account or benefit the purchaser is acquiring the Offer Shares) was located outside the United States at the time the buy order for the Offer Shares was originated and continues to be located outside the United States and has not purchased the Offer Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Offer Shares or any economic interest therein to any person in the United States;

D. The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate;

E. The Offer Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S;

F. The purchaser is aware of the restrictions on the offer and sale of the Offer Shares pursuant to Regulation S described in this Offering Memorandum;

G. The purchaser is aware that the Offer Shares are "restricted securities" within the meaning of the Securities Act and may not be deposited into any unrestricted depositary facility, unless at the time of such deposit such Offer Shares are no longer restricted securities under the Securities Act.

H. The Company shall not recognize any offer, sale, pledge, delivery, hypothecation or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions;

I. If it is acquiring any of the Offer Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of such account; and

J. The purchaser acknowledges that the Company, the Managers and their respective affiliates will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

European Economic Area

In relation to each member state of the European Economic Area other than Sweden and the United Kingdom that has implemented the Prospectus Directive (each a "**Relevant Member State**"), no Offer Shares have been offered or will be offered pursuant to the offer to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Offer Shares that has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State, all in accordance with the Prospectus Directive, except that offers of Offer Shares may be public in that Relevant Member State, all in accordance with the Prospectus Directive, except that offers of Offer Shares may be made to the public in that Relevant Member State at any time under the following exemptions under the Prospectus Directive, if they are implemented in that Relevant Member State:

a) to any legal entity which is a "**qualified investor**" as defined under the Prospectus Directive;

b) to fewer than 150 natural or legal persons in a Relevant Member State (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Joint Global Coordinators; or

c) in any other circumstances that do not require the publication by the Company of a prospectus pursuant to Article 3(2) of the Prospectus Directive,

provided that no such offer of Offer Shares will result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive or of a supplement to a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer to the public**" in relation to any Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Offer Shares to be offered so as to enable an investor to decide to purchase any Offer Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State. The expression "**Prospectus Directive**" means Directive 2003/71/EC (with amendments thereto, including the 2010 PD Amending Directive) and includes any relevant implementing measure in each Relevant Member State. The expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

United Kingdom

In the United Kingdom, this Offering Memorandum is being distributed only to, and is directed only at, qualified investors (as defined above) (a) who have professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), or (b) who are high net worth entities as described in Article 49(2)(a) to (d) of the Order; or (c) other persons to whom it may lawfully be communicated (all such persons being referred to in (a), (b) and (c) are defined as "**Relevant Persons**"). In the United Kingdom, any investment or investment activity to which this Offering Memorandum relates is only available to and will only be engaged in with Relevant Persons. Any other persons who receive this Offering Memorandum should not rely on or act upon it.

If any Offer Shares are offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will be deemed to have represented, acknowledged and agreed that the Offer Shares acquired by it in the Offering have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Offer Shares to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of the Joint Global Coordinators has been obtained to each such proposed offer or resale. The Company, the Principal Shareholder, the Managers and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

GLOSSARY

Bundled services	Two or more service types delivered to the same customer.
CAGR	Compound annual growth rate.
FM and FM market	Facilities management, which includes property services, cleaning, catering, security and other facility related services delivered as a single service, bundled service or IFM.
FTEs	Full time equivalent employees.
Hard FM	Property services, both indoor as well as outdoor. Examples of services include maintenance, repair and operation of buildings.
IFM	Integrated facilities management, also called TFM (total facility management) and IFS (integrated facility services). IFM refers to the provision of two or more facility management services under one contract with a single point of contact through a management layer which helps support the development of the service portfolio.
Nordics	Denmark, Finland, Norway and Sweden (excludes Iceland).
Self-delivery	IFM service providers delivering the service themselves rather than through subcontractors.
Single services	One specific service type delivered to a customer.
Soft FM	Workplace services. Soft FM can be further divided into cleaning, catering, security and other Soft FM services. Examples of services are operation of canteens at sites, manned guarding and support service (e.g. plants and meeting support).

HISTORICAL FINANCIAL INFORMATION

Report of Review of Interim Financial Information prepared in accordance with IAS 34 and chapter 9 of the Annual Accounts Act

(Translation of the Swedish original)

Introduction

We have reviewed the interim report of Coor Service Management Holding AB as for the period January 1, 2015 to March 31, 2015. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, April 29 2015

Öhrlings PricewaterhouseCoopers

Magnus Brändström
Authorized Public Accountant

GROUP INCOME STATEMENT

(SEK 000)

	Jan - March			Rolling	Full year
	2015	2014	Chg, %	12 mth.	2014
Continuing operations					
Net sales	1,847,524	1,507,589	23	7,183,726	6,843,791
Cost of services sold	−1,669,975	−1,377,636	21	−6,742,997	−6,450,658
Gross income	**177,550**	**129,953**	**37**	**440,729**	**393,133**
Selling and administrative expenses	−126,742	−115,451	10	−486,866	−475,575
Operating profit	**50,808**	**14,502**	**250**	**−46,136**	**−82,442**
Financial net	−33,848	−55,155	−39	−250,732	−272,038
Financial costs—net	**−33,848**	**−55,155**	**−39**	**−250,732**	**−272,038**
Profit before income tax	**16,960**	**−40,652**	**142**	**−296,868**	**−354,480**
Income tax expense	−5,120	2,123	−341	36,389	43,633
Profit from continuing operations	**11,839**	**−38,529**	**131**	**−260,479**	**−310,847**
Discontinued operations					
Profit for the period *(note 3)*	849	−1,634	152	−144,520	−147,002
Profit for the period, total	**12,688**	**−40,163**	**132**	**−404,999**	**−457,850**
Profit attributable to:					
Owners of the parent	12,688	−40,154	132	−405,189	−458,031
Non-controlling interests	—	−9	—	191	181
	12,688	**−40,163**	**132**	**−404,999**	**−457,850**
Depreciation, amortization and impairment Continuing operations					
Tangible fixed assets	7,862	8,404	−6	34,056	34,598
Other intangible assets	4,259	3,413	25	14,974	14,129
Goodwill and customer contracts	44,481	51,842	−14	323,260	330,621
EBITDA, continuing operations	**107,410**	**78,161**	**37**	**326,155**	**296,906**
No. Of shares					
No. Of shares (weighted average)	301,958,610	301,958,610			301,958,610
whereof no. of ordinary shares	200,000,000	200,000,000			200,000,000
Earnings per share					
Continuing operations	−1.12	−1.22			−5.95
Discontinued operations	0.00	−0.01			−0.74
Total	−1.12	−1.23			−6.69

There was no dilutive effect in the periods.

CONSOLIDATED TOTAL COMPREHENSIVE INCOME—GROUP

(SEK 000)	Jan - March 2015	Jan - March 2014	Full year 2014
Profit for the year	12,688	−40,163	−457,850
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of provision for pensions	—	—	−56
Total	**—**	**—**	**−56**
Items that may be subsequently reclassified to profit or loss			
Net investment hedge	−4,879	−7,318	1,830
Cash flow hedges	−1,404	−105	−767
Currency translation differences	3,984	12,904	6,927
Total	**−2,299**	**5,481**	**7,990**
Other comprehensive income for the period, net of tax	**−2,299**	**5,481**	**7,934**
Total comprehensive income for the period	**10,389**	**−34,682**	**−449,916**
Total comprehensive income attributable to:			
Owners of the parent	10,389	−34,735	−450,224
Non-controlling interests	—	53	308

GROUP BALANCE SHEET (SEK 000)

	31 March 2015	31 March 2014	31-dec 2014
Assets			
Non-current assets			
Intangible assets			
Goodwill	2,778,645	2,886,020	2,778,315
Customer contracts	1,204,925	1,545,597	1,249,517
Other intangible assets	75,281	82,590	76,352
Tangible assets	75,293	127,424	78,171
Financial assets	10,658	19,331	12,883
Total non-current assets	**4,144,802**	**4,660,962**	**4,195,238**
Current assets			
Accounts receivables	1,036,526	1,113,450	1,155,179
Current tax receivables	114	166	120
Other current assets, interest bearing	11,753	13,175	14,810
Other current assets, non-interest-bearing	476,936	553,065	449,339
Cash and cash equivalents	218,282	212,564	335,198
Total	**1,743,611**	**1,892,420**	**1,954,646**
Assets of disposal group classified as held for sale *(note 3)*	451,011	—	411,595
Total current assets	**2,194,623**	**1,892,420**	**2,366,241**
Total assets	**6,339,424**	**6,553,382**	**6,561,479**
Equity and liabilities			
Equity			
Total capital and reserves attributable to owners of the parent	1,188,020	1,593,119	1,177,631
Non-controlling interests	—	1,793	—
Total equity	**1,188,020**	**1,594,912**	**1,177,631**
Liabilities			
Non-current liabilities			
Borrowings	2,794,592	2,760,203	2,804,622
Derivatives	5,384	2,769	3,591
Provisions for pensions	11,028	14,539	9,688
Other non-interest bearing liabilities	47,190	114,257	50,177
Total non-current liabilities	**2,858,193**	**2,891,768**	**2,868,078**
Current liabilities			
Interest bearing liabilities	198,085	171,905	219,628
Current tax liabilities	9,681	7,939	3,215
Accounts payable	713,543	797,096	893,162
Other non-current liabilities	1,074,631	1,037,507	1,116,428
Short term provisions	7,778	52,256	11,738
Total	**2,003,718**	**2,066,702**	**2,244,171**
Liabilities of disposal group classified as held for sale *(note 3)*	289,494	—	271,600
Total non-current liabilities	**2,293,211**	**2,066,702**	**2,515,769**
Total liabilities	**5,151,405**	**4,958,470**	**5,383,849**
Total equity and liabilities	**6,339,424**	**6,553,382**	**6,561,479**
Pledged assets	1,273,762	1,469,569	1,262,779
Contingent liabilities	264,815	259,997	264,542

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SEK 000)

	Total equity attributable to owners of the parent	Non-controlling interest	TOTAL EQUITY
Opening balance as of January 1 2014	**1,627,854**	**1,740**	**1,629,594**
Profit for the period	−40,154	−9	−40,163
Total other comprehensive income for the period	5,419	62	5,481
Closing balance as of March 31 2014	**1,593,119**	**1,793**	**1,594,912**
Opening balance as of January 1 2015	**1,177,631**	**—**	**1,177,631**
Profit for the period	12,688	—	12,688
Total other comprehensive income for the period	−2,299	—	−2,299
Closing balance as of March 31 2015	**1,188,020**	**—**	**1,188,020**

GROUP CASH FLOW STATEMENT (SEK 000)
(Indirect method)

	Jan - March			Full year
	2015	2014	Chg., %	2014
Cash flow from operating activities				
Operating profit from continuing operations	50,808	14,502	250	−82,442
Operating profit from discontinued operations	2,940	−1,252	−335	−145,346
Operating profit, total	**53,748**	**13,250**	**306**	**−227,788**
Adjustment for items not affecting cash flow	55,253	51,654	7	450,868
Interest received	571	8,060	−93	4,104
Interest and other financial expenses paid	−49,092	−39,716	24	−185,033
Income tax paid	−742	−3,524	−79	−10,989
Cash flow from operating activities before changes in working capital	**59,738**	**29,724**	**101**	**31,162**
Changes in working capital	−149,330	−105,357	42	43,690
Cash flow from operating activities *(note 3)*	**−89,592**	**−75,633**	**18**	**74,852**
Cash flow from investing activities				
Net investments	−9,023	479	−1983	−30,751
Acquisition of subsidiaries	—	—	—	−23,389
Cash flow from investing activities *(note 3)*	**−9,023**	**479**	**−1983**	**−54,140**
Cash flow from financing activities				
Change in borrowings	−20,000	—	—	44,016
Net lease commitments	−2,243	−2,755	−19	−11,300
Cash flow from financing activities *(note 3)*	**−22,242**	**−2,755**	**707**	**32,716**
Cash flow for the period	**−120,858**	**−77,908**	**55**	**53,428**
Cash and cash equivalents at the beginning of the year	335,198	288,254	16	288,250
Exchange gains on cash and cash equivalents	3,942	2,219	78	−6,480
Cash and cash equivalents at end of period	**218,282**	**212,564**	**3**	**335,198**

OPERATING CASH FLOW GROUP (SEK 000)
(Continuing operations)

	Jan - March			Full year
	2015	2014	Chg., %	2014
EBIT	50,808	14,502	250	−82,442
Depreciation and amortization	56,602	63,659	−11	379,348
Net investments tangible fixed assets	−7,318	−3,943	86	−26,939
Change in working capital	−128,600	−77,470	66	62,881
Adjustment for items not affecting cash flow	−2,862	−13,968	−80	−58,391
Operating cash flow	**−31,371**	**−17,219**	**82**	**274,457**

GEOGRAPHICAL SEGMENTS (SEK 000)

	Jan - March			Rolling	Full year
	2015	2014	Chg, %	12 mth.	2014
Net sales					
Sweden	**988 376**	**966 525**	**2**	**3 967 937**	**3 946 086**
Total sales	*1 008 438*	*982 049*	*3*	*4 053 533*	*4 027 144*
Internal sales	*−20 062*	*−15 524*	*29*	*−85 596*	*−81 058*
Norway	**515 641**	**244 727**	**111**	**1 873 562**	**1 602 648**
Total sales	*519 669*	*250 043*	*108*	*1 893 063*	*1 623 437*
Internal sales	*−4 028*	*−5 316*	*−24*	*−19 501*	*−20 789*
Finland	**133 992**	**128 321**	**4**	**531 885**	**526 214**
Total sales	*133 992*	*128 321*	*4*	*531 885*	*526 214*
Internal sales	—	—	—	—	—
Denmark	**212 916**	**172 192**	**24**	**823 898**	**783 173**
Total sales	*212 977*	*172 389*	*24*	*824 809*	*784 220*
Internal sales	*−61*	*−197*	*−69*	*−911*	*−1 047*
Group functions/other	**−3 402**	−4 177	**−19**	−13 556	−14 331
Total	**1 847 524**	**1 507 589**	**23**	**7 183 725**	**6 843 791**
Adjusted EBITA					
Sweden	102 539	92 501	11	374 493	364 455
Norway	28 251	15 796	79	108 212	95 757
Finland	−1 143	1 357	−184	9 890	12 390
Denmark	4 600	−240	−2014	16 522	11 681
Group functions/other	−34 332	−28 742	19	−135 623	−130 033
Total	**99 916**	**80 673**	**24**	**373 493**	**354 250**
Adjusted EBITA is reconciled to profit before tax as follows:					
Amortisation and impairment of goodwill and customer contracts	−44 481	−51 842	−14	−323 260	−330 621
Non-recurring items	−4 627	−14 328	−68	−96 370	−106 071
Finance costs—net	−33 848	−55 155	−39	−250 731	−272 038
Profit before tax	**16 960**	**−40 652**	**−142**	**−296 868**	**−354 480**

	Jan - March		Rolling	Full year
Adjusted EBITA margin	2015	2014	12 mth.	2014
Sweden	10.4%	9.6%	9.4%	9.2%
Norway	5.5%	6.5%	5.8%	6.0%
Finland	−0.9%	1.1%	1.9%	2.4%
Denmark	2.2%	−0.1%	2.0%	1.5%
Group functions/other	—	—	—	—
Total	**5.4%**	**5.4%**	**5.2%**	**5.2%**

NET SALES BY TYPE OF CONTRACT (SEK 000)

	Jan - March			Rolling	Full year
	2015	2014	Chg., %	12 mth.	2014
Net sales					
IFM	1,192,779	868,977	37	4,579,051	4,255,249
Bundled FM	338,654	317,250	7	1,329,670	1,308,266
Single service	321,115	340,617	−6	1,320,333	1,339,835
Other	−5,025	−19,255	−74	−45,328	−59,559
Total	**1,847,524**	**1,507,589**	**23**	**7,183,726**	**6,843,791**

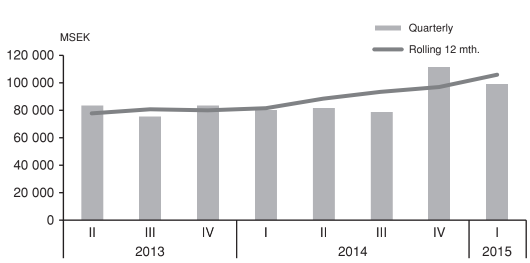
GEOGRAPHICAL SEGMENTS (SEK 000)

	2015	2014				2013		
	I	IV	III	II	I	IV	III	II
Net sales, external								
Sweden	988,376	1,054,013	942,829	982,719	966,525	1,122,750	1,003,812	1,060,498
Norway	515,641	559,029	460,798	338,094	244,727	266,568	247,029	262,416
Finland	133,992	139,036	128,846	130,010	128,321	133,629	122,998	125,186
Denmark	212,916	217,442	198,957	194,582	172,192	185,230	162,678	170,330
Group functions/ other	−3,402	−2,708	−3,743	−3,703	−4,177	−3,857	−1	−4,791
Total	**1,847,524**	**1,966,813**	**1,727,687**	**1,641,703**	**1,507,589**	**1,704,320**	**1,536,516**	**1,613,639**
Adjusted EBITA								
Sweden	102,539	103,360	73,049	95,545	92,501	117,002	96,751	114,120
Norway	28,251	40,681	22,447	16,833	15,796	24,484	11,963	15,315
Finland	−1,143	−644	7,300	4,377	1,357	−6,647	2,279	−2,504
Denmark	4,600	2,049	6,597	3,275	−240	3,525	4,347	154
Group functions/ other	−34,332	−33,069	−30,281	−37,942	−28,742	−54,272	−39,400	−43,541
Total	**99,916**	**112,377**	**79,113**	**82,088**	**80,673**	**84,093**	**75,940**	**83,545**
Adjusted EBITA-margin								
Sweden	10.4%	9.8%	7.7%	9.7%	9.6%	10.4%	9.6%	10.8%
Norway	5.5%	7.3%	4.9%	5.0%	6.5%	9.2%	4.8%	5.8%
Finland	−0.9%	−0.5%	5.7%	3.4%	1.1%	−5.0%	1.9%	−2.0%
Denmark	2.2%	0.9%	3.3%	1.7%	−0.1%	1.9%	2.7%	0.1%
Group functions/ other								
Total	**5.4%**	**5.7%**	**4.6%**	**5.0%**	**5.4%**	**4.9%**	**4.9%**	**5.2%**

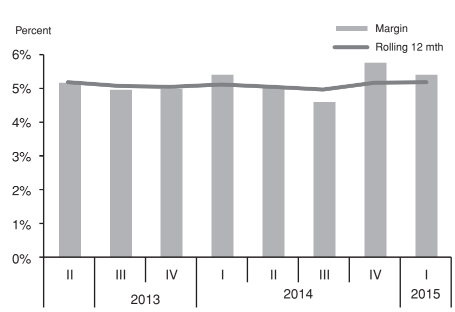
NET SALES BY TYPE OF CONTRACT (SEK 000)

	2015	2014				2013		
	I	IV	III	II	I	IV	III	II
Net sales								
IFM	1,192,779	1,275,217	1,102,039	1,009,016	868,977	1,016,650	922,385	951,238
Bundled FM	338,654	361,381	306,707	322,927	317,250	335,866	292,183	337,395
Single service	321,115	349,192	328,018	322,008	340,617	359,218	329,042	337,268
Other	−5,025	−18,977	−9,077	−12,249	−19,255	−7,414	−7,094	−12,262
Total	**1,847,524**	**1,966,813**	**1,727,687**	**1,641,702**	**1,507,589**	**1,704,320**	**1,536,516**	**1,613,639**

Quarterly adjusted EBITA



Quarterly adjusted EBITA margins



INCOME STATEMENT, PARENT COMPANY (SEK 000)

	Jan - March			Rolling	Full year
	2015	2014	Chg., %	12 mth.	2014
Net sales	1,127	1,190	−5.3	4,366	4,429
Net sales	**1,127**	**1,190**	**−5.3**	**4,366**	**4,429**
Selling and administrative expenses	−3,708	−4,185	−11.4	−10,499	−10,977
Other income/expenses	−150	49	−406.8	−141	58
Operating profit	**−2,731**	**−2,946**	**−7.3**	**−6,275**	**−6,490**
Finance costs—net	0	9	−98.6	545,101	545,109
Finance costs—net	**0**	**9**	**−98.6**	**545,101**	**545,109**
Profit before income tax	**−2,731**	**−2,937**	**−7.0**	**538,825**	**538,619**
Income tax expense	—	—	—	—	—
Profit for the period	**−2,731**	**−2,937**	**−7.0**	**538,825**	**538,619**

PARENT COMPANY BALANCE SHEET
(SEK 000)

	31-mar 2015	31-mar 2014	31-dec 2014
Assets			
Financial fixed assets			
Shares in subsidiaries	4,838,527	4,838,527	4,838,527
Total fixed assets	**4,838,527**	**4,838,527**	**4,838,527**
Current assets			
Receivables from group companies	4,480	—	—
Other trading assets	1,248	274	1,545
Cash and cash equivalents	2,522	6,271	11,626
Total current assets	**8,249**	**6,545**	**13,171**
Total assets	**4,846,776**	**4,845,072**	**4,851,698**

	31-mar 2015	31-mar 2014	31-dec 2014
Equity and liabilities			
Shareholders' equity	**4,834,958**	**4,296,132**	**4,837,689**
Liabilities			
Non-current-liabilities			
Non-interest-bearing liabilities	6,430	2,830	6,430
Total non-current liabilities	**6,430**	**2,830**	**6,430**
Current liabilities			
Liabilities to group companies	—	543,295	817
Accounts payables	2,157	31	4,418
Other current liabilities	3,230	2,782	2,344
Total current liabilities	**5,388**	**546,109**	**7,579**
Total liabilities	**11,818**	**548,939**	**14,009**
Total equity and liabilities	**4,846,776**	**4,845,072**	**4,851,698**
Pledged assets	None	None	None
Contingent liabilities	None	None	None

KEY PERFORMANCE INDICATORS GROUP
(SEK m)

	Jan - March		Full year
	2015	2014	2014
Net sales	1,848	1,508	6,844
Net sales growth, %	23%	−6%	6%
whereof organic growth	23%	−6%	6%
EBIT, MSEK	50.8	14.5	−82.4
EBIT margin, %	2.8%	1.0%	−1.2%
EBITA	95.3	66.3	248.2
EBITA-margin %	5.2%	4.4%	3.6%
Adjusted EBITA, MSEK	99.9	80.7	354.3
Adjusted EBITA-margin %	5.4%	5.4%	5.2%
EBITDA	107.4	78.2	296.9
EBITDA-margin, %	5.8%	5.2%	4.3%
Adjusted EBITDA	112.0	92.5	403.0
Adjusted EBITDA-margin, %	6.1%	6.1%	5.9%
Adjusted net profit	56.3	13.3	19.8
Net working capital (continuing operations), MSEK	−262.3	−248.8	−391.5
Net working capital / Net sales, %	−3.7%	−3.9%	−5.7%
Operating cash flow	−31.4	−17.2	274.5
Net debt, MSEK	2,763	2,702	2,673
Equity/assets ratio, %	19%	24%	18%

DATA PER SHARE

	Jan - March		Full year
	2015	2014	2014
No. of shares at period end	301,958,610	301,958,610	301,958,610
No. of shares (weighted average)	301,958,610	301,958,610	301,958,610
whereof no. of ordinary shares	200,000,000	200,000,000	200,000,000
Earnings per share, SEK			
Continuing operations	−1.12	−1.22	−5.95
Discontinued operations	0.00	−0.01	−0.74
Total	−1.12	−1.23	−6.69
Shareholders' equity per share, SEK	neg.	neg.	neg.

There was no dilutive effect in the periods.

Note 1—Accounting policies

The Coor Service Management Holding AB group applies International Financial Reporting Standards (IFRS) as adopted by the EU. The accounting policies applied correspond to those described in Coor Service Management Holding AB's financial reports prepared in connection with the prospectus in 2014, and are available on the company's website. The standards and statements that have become effective as of 1 January 2015 have not had any impact on the group's financial reports. This Interim Report has been prepared in accordance with IAS 34 Interim Reporting and the Annual Accounts Act. The parent company complies with the Annual Accounts Act and RFR 2 Accounting for Legal Entities.

Note 2—Financial instruments

Reported amounts and fair value of borrowing, included in the category financial liabilities valued at amortized cost, are as follows:

	Carrying amount			Fair value		
	31-mar			31-mar		
(SEK '000)	2015	2014	31-dec 2014	2015	2014	31-dec 2014
Finance lease liabilities	37,124	51,262	41,403	37,124	51,262	41,403
Liabilities to credit institutions	2,847,352	2,876,245	2,854,647	2,847,352	2,876,245	2,854,647
Bank overdraft facilities	100,000	—	120,000	100,000	—	120,000
Other non-current liabilities	8,201	4,601	8,201	8,201	4,601	8,201
Total	**2,992,676**	**2,932,107**	**3,024,251**	**2,992,676**	**2,932,107**	**3,024,251**

At the end of 2014, the group re-negotiated the terms and interest of its syndicated borrowing. This means that current margins are on market terms. The group judges that borrowing should be classified as Level 2 in the fair value hierarchy, which means that it is based on observable market data.

The group holds derivative instruments valued at fair value and which are classified as Level 2 in the fair value hierarchy. As of 31 March 2015, fair value was SEK −5 (−3) m. Derivative instruments are included in the category derivative instruments used for hedging purposes.

Note 3—Operations held for sale

Assets and liabilities attributable to the group's former operating segment Industrial Service have been reported as held for sale in accordance with authorization by the Board of Directors' project committee in 2014. The sale is due to be completed in the first half of 2015. In accordance with IFRS 5, assets and liabilities held for sale have been recognized at fair value, where fair value has been measured using a

Note 3—Operations held for sale (Continued)

benchmark analysis of market multiples for similar operations. Accordingly, the valuation is classified as Level 2 in the fair value hierarchy.

Assets in operations held-for-sale (SEK 000)	31-mar 2015	31-mar 2014	31-dec 2014
Tangible assets	51,935	—	51,170
Intangible assets	9,305	—	12,194
Other non-current assets	7	—	7
Inventory	27,744	—	29,257
Other current assets	362,020	—	318,967
Total	**451,011**	**—**	**411,595**

Liabilities in operations held-for-sale (SEK 000)	31-mar 2015	31-mar 2014	31-dec 2014
Current liabilities	280,578	—	259,762
Deferred tax liability	1,926	—	2,531
Provisions	6,990	—	9,307
Total	**289,494**	**—**	**271,600**

Profit from operations held-for-sale (SEK 000)	Jan - March 2015	Jan - March 2014	Full year 2014
Revenue	296,836	272,879	1,187,178
Operating expenses	−293,896	−274,131	−1,222,309
Finance costs—net	−2,696	−831	−4,466
Income tax expense	605	449	2,810
Total	**849**	**−1,634**	**−36,787**
Profit on remeasurement of assets and liabilities in operations held-for-sale	—	—	−110,215
Profit from operations held-for-sale	**849**	**−1,634**	**−147,002**

Cash flow from operations held-for-sale (SEK 000)	Jan - March 2015	Jan - March 2014	Full year 2014
Cash flow from operating activities	−17,484	−28,002	−39,983
Cash flow from investing activities	−1,705	4,422	−3,812
Cash flow from financing activities	—	−289	−1,157
Cash flow from operations held-for-sale	**−19,189**	**−23,869**	**−44,952**

Note 3—Operations held for sale (Continued)

Definitions

Cost of services sold

Costs directly related to delivering invoiced services, depreciation on machinery and equipment and amortization of goodwill and customer contracts.

Non-recurring items

Non-recurring items are mainly costs relating to integration of contracts and acquisitions, as well as more extensive restructuring programs.

EBITA

Operating profit before amortization of goodwill and customer contracts

Adjusted EBITA

Operating profit before amortization of goodwill and customer contracts, excluding non-recurring items.

EBITDA

Operating profit before depreciation, amortization and impairment of all tangible and intangible assets

Adjusted EBITDA

Operating profit before depreciation, amortization and impairment of all tangible and intangible assets, excluding on-recurring items

Adjusted net profit/loss

Profit after tax excluding amortization of goodwill and customer contracts.

Operating cash flow

Cash flow from operating activities excluding interest paid/received and income tax paid, but including net investments in property, plant and equipment and intangible non-current assets.

Working capital

Non-interest bearing current assets less non-interest bearing current liabilities.

Calculation of key ratios

Net sales growth

Net sales for the period as a percentage of net sales for the corresponding period in the previous year.

Organic growth

Growth, excluding growth from acquisitions

EBITA margin

EBITA as a percentage of net sales.

Adjusted EBITA margin

Adjusted EBITA as a percentage of net sales.

Note 3—Operations held for sale (Continued)

EBITDA margin

EBITDA as a percentage of net sales.

Adjusted EBITDA margin

Adjusted EBITDA as a percentage of net sales.

Working capital/net sales

Working capital on the reporting date as a percentage of net sales (rolling 12 months).

Net debt

Interest-bearing property, plant and equipment and current assets less deductions for long and short-term interest bearing loan liabilities.

Earnings per share

Net profit attributable to parent company owners, adjusted for interest expenses linked to preference shares, in relation to the average number of shares.

Equity ratio

Group equity and reserves attributable to the parent company owners as a percentage of total assets.

To the Board of Directors of Coor Service Management Holding AB (publ), Corporate Id No 556742-0806

Independent Auditors' Report on Historical Financial Information

We have audited the financial statements for Coor Service Management Holding AB (publ) and its subsidiaries (the "Group") on pages F-19—F-76, which comprise the balance sheet as of December 31 2014, 2013 and 2012 and the income statement and total comprehensive income, cash flow statement and statement of changes in equity for the years then ended, and a summary of significant accounting policies and other explanatory notes.

The Board of Directors' and the Chief Executive Officer's responsibility for the financial statements

The Board of Directors and the Chief Executive Officer are responsible for the preparation and the fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU and the Annual Accounts Act and additional applicable framework. This responsibility includes designing, implementing and maintaining internal control relevant to preparing and appropriately presenting financial statements that are free from material misstatement, whether due to fraud or error. The Board is also responsible for the preparation and fair presentation in accordance with the requirements in the Commission Regulation (EC) No 809/2004.

The auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with FAR's Recommendation RevR 5 *Examination of Prospectuses*. This recommendation requires that we comply with ethical requirements and have planned and performed the audit to obtain reasonable assurance that the consolidated financial statements are free from material misstatements.

An audit in accordance with FAR's Recommendation RevR 5 *Examination of Prospectuses* involves performing procedures to obtain audit evidence corroborating the amounts and disclosures in the consolidated financial statements. The audit procedures selected depend on our assessment of the risks of material misstatements in the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the company's preparation and fair presentation of the financial statements as a basis for designing audit procedures that are applicable under those circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also involves evaluating the accounting policies applied and the reasonableness of the significant accounting estimates made by the Board of Directors and the Chief Executive Officer and evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of Coor Service Management Holding AB (publ) as of December 31 2014, 2013 and 2012 and its financial performance, statements of changes in equity and consolidated cash flows for these year, in accordance with International Financial Reporting Standards as adopted by the EU, and the Annual Accounts Act and additional applicable framework.

Stockholm 2 June 2015

Öhrlings Pricewaterhouse Coopers AB

Magnus Brändström
Authorized Public Accountant

Annual Report and Consolidated Financial Statements for the Financial Year 2014

Venoor Invco 1 AB

(corp. ID no. 556742-0806)

Consolidated income statement (kSEK)

	Note	2014-01-01 - 2014-12-31	2013-01-01 - 2013-12-31	2012-01-01 - 2012-12-31
Net sales	4, 9	6 843 791	6 453 617	5 525 946
Cost of services sold	6, 7, 8	−6 450 658	−6 051 022	−5 050 810
Gross profit		**393 133**	**402 595**	**475 136**
Selling expenses	6, 7	−89 504	−103 068	−103 356
Administrative expenses	6, 7, 8	−386 070	−482 268	−368 264
Operating profit	4, 11	**−82 442**	**−182 741**	**3 516**
Financial income	12	11 302	22 853	43 467
Financial costs	13	−283 340	−751 510	−714 265
Finance costs—net	11	**−272 038**	**−728 658**	**−670 798**
Profit before income tax		**−354 480**	**−911 399**	**−667 282**
Income tax expense	14	43 633	333 963	105 016
Profit for the year from continuing operations		**−310 847**	**−577 436**	**−562 266**
Discontinued operations				
Profit for the year from discontinued operations (attributable to equity holders of the company)	5	−147 002	−2 186	45 377
Profit for the year		**−457 850**	**−579 622**	**−516 889**
Profit attributable to:				
Owners of the parent		−458 031	−579 653	−517 565
Non-controlling interests		181	31	676
		−457 850	**−579 622**	**−516 889**

Consolidated total comprehensive income (kSEK)

	Note	2014-01-01 - 2014-12-31	2013-01-01 - 2013-12-31	2012-01-01 - 2012-12-31
Profit for the year		**−457 850**	**−579 622**	**−516 889**
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurements of provision for pensions	14, 33	−56	1 718	396
Total		−56	1 718	396
Items that may be subsequently reclassified to profit or loss				
Net investment hedge	14	1 830	33 238	−5 184
Cash flow hedges	14	−767	−1 296	22 246
Currency translation differences	14	6 927	−53 838	3 163
Total		7 990	−21 896	20 225
Other comprehensive income for the period, net of tax		**7 934**	**−20 178**	**20 621**
Total comprehensive income for the year		**−449 916**	**−599 800**	**−496 268**
Total comprehensive income attributable to:				
Owners of the parent		−450 224	−599 797	−496 975
Non-controlling interests		308	−3	707

Consolidated balance sheet (kSEK)

	Note	2014-12-31	2013-12-31	2012-12-31
Assets				
Non-current assets				
Intangible assets				
Goodwill	15	2 778 315	2 875 641	2 917 152
Customer contracts	16	1 249 517	1 596 815	1 988 619
Trademarks	17	40 000	40 000	40 000
Other intangible assets	18	36 352	44 084	52 589
Tangible assets				
Land and buildings	19	2 789	2 802	2 876
Machinery and equipment	20	75 382	137 368	159 275
Financial assets				
Other financial assets	22	—	50	58
Other long-term recievables	21, 22	12 883	21 871	29 213
Total non-current assets		**4 195 238**	**4 718 632**	**5 189 782**
Current assets				
Inventories	23	17 178	46 842	51 944
Receivables service in progress	24	16 531	56 456	69 552
Accounts recievables	22, 25	1 155 179	1 215 213	1 368 027
Current tax recievables		120	109	8 727
Other receivables	22, 26	20 523	39 558	37 887
Prepaid expenses and accrued income	27	409 919	370 475	365 531
Cash and cash equivalents	22, 29	335 198	288 250	248 647
Total		**1 954 646**	**2 016 902**	**2 150 315**
Assets of disposal group classified as held for sale	5	411 595	—	—
Total current assets		**2 366 241**	**2 016 902**	**2 150 315**
TOTAL ASSETS		**6 561 479**	**6 735 534**	**7 340 097**
Equity and liabilities				
Equity	30			
Share capital		301 959	301 959	301 918
Other contributed capital		5 236 567	5 236 567	1 199 988
Other reserves		− 17 824	− 25 631	− 5 487
Retained earnings, including profit for the period		− 4 343 072	− 3 885 041	− 3 305 388
Total capital and reserves attributable to owners of the parent		1 177 631	1 627 854	− 1 808 969
Non-controlling interests		—	1 740	1 743
Total equity		**1 177 631**	**1 629 594**	**− 1 807 226**
LIABILITIES				
Non-current liabilities				
Borrowings	22, 31	2 804 622	2 747 740	6 374 660
Derivatives	22, 28	3 591	2 609	17 579
Deferred tax liabilities	32	43 251	97 567	452 331
Provisions for pensions and similar liabilities	33	9 688	12 494	18 808
Other long-term provisions	34	6 927	25 862	47 170
Total non-current liabilities		**2 868 078**	**2 886 271**	**6 910 548**
Current liabilities				
Accounts payable	22	893 162	903 135	829 646
Liabilities services in progress	35	46 320	26 153	18 912
Bank overdraft facilties	22, 31	120 000	—	—
Current tax liabilities		3 215	9 747	11 536
Other short-term liabilities	36	208 674	188 628	246 326
Accrued expenses and deffered income	37	861 434	852 994	852 352
Borrowings	22, 31	99 628	173 972	84 595
Provisions for pensions and similar liabilities	33	—	—	135 336
Other short term provisions	34	11 738	65 040	58 072
Total current liabilities		**2 244 171**	**2 219 669**	**2 236 775**
Liabilities of disposal group classified as held for sale	5	271 600	—	—
Total current liabilities		**2 515 770**	**2 219 669**	**2 236 775**
Total liabilities		**5 383 849**	**5 105 940**	**9 147 323**
Total equity and liabilities		**6 561 479**	**6 735 534**	**7 340 097**

For information on pledged assets and contingent liabilities, see Notes 38 and 39.

The notes on pages 21 to 74 constitute an integral part of the consolidated financial statements.

Consolidated statement of changes in equity (kSEK)

	Share capital	Other paid in capital	Other reserves	Retained earnings including profit or loss	Total equity attributable to owners of the parent	Non-controlling interest	Total Equity
Opening balance as at January 1 2012	**301 918**	**1 199 988**	**−25 589**	**−2 787 823**	**−1 311 506**	**7 794**	**−1 303 712**
Effect of changes in accounting policies defined benefit plans	—	—	−489	—	−489	—	—
Restated balance as at January 1 2012	**301 918**	**1 199 988**	**−26 078**	**−2 787 823**	**−1 311 995**	**7 794**	**−1 304 201**
Comprehensive income							
Profit for the year	—	—	—	−517 565	**−517 565**	676	**−516 889**
Total other comprehensive income for the year	—	—	20 591	—	20 591	31	20 621
Total comprehensive income for the year	**—**		**20 591**	**−517 565**	**−496 974**	**707**	**−496 267**
Purchase of other non-controlling interest	—	—	—	—	—	−6 758	−6 758
Closing balance as at December 31 2012	**301 918**	**1 199 988**	**−5 487**	**−3 305 388**	**−1 808 969**	**1 743**	**−1 807 226**
Opening balance as at January 1 2013	**301 918**	**1 199 988**	**−5 487**	**−3 305 388**	**−1 808 969**	**1 743**	**−1 807 226**
Comprehensive income							
Profit for the year	—	—	—	−579 653	**−579 653**	31	**−579 622**
Total other comprehensive income for the year	—	—	−20 144	—	−20 144	−34	−20 178
Total comprehensive income for the year	**—**		**−20 144**	**−579 653**	**−599 797**	**−3**	**−599 800**
Issue of preference shares	41	4 036 579	—	—	4 036 620	—	4 036 620
Total contributions from owners	**41**	**4 036 579**	**0**	**0**	**4 036 620**	**0**	**4 036 620**
Closing balance as at December 31 2013	**301 959**	**5 236 567**	**−25 631**	**−3 885 041**	**1 627 854**	**1 740**	**1 629 594**
Opening balance as at January 1 2014	**301 959**	**5 236 567**	**−25 631**	**−3 885 041**	**1 627 854**	**1 740**	**1 629 594**
Comprehensive income							
Profit for the year	—	—	—	−458 031	**−458 031**	181	**−457 849**
Total other comprehensive income for the year	—	—	7 807	—	7 807	127	7 934
Total comprehensive income for the year	**—**	**—**	**7 807**	**−458 031**	−450 224	**308**	**−449 916**
Purchase of interest in non-controlling interest	—	—	—	—	0	−2 048	−2 048
Closing balance as at December 31 2014	**301 959**	**5 236 567**	**−17 824**	**−4 343 072**	**1 177 631**	**0**	**1 177 631**

The notes on pages 21 to 74 constitute an integral part of the consolidated financial statements.

Consolidated statement of cash flows (kSEK)
(Indirect method)

	Note	2014-01-01 - 2014-12-31	2013-01-01 - 2013-12-31	2012-01-01 - 2012-12-31
Cash flow from operating activities				
Operating profit		− 82 442	− 182 741	3 516
Operating profit from discontinued operations		− 145 346	− 4 643	53 833
Operating profit, total		− 227 788	− 187 384	57 349
Adjustment for items not affecting cash flow				
Depreciation and amortization		511 888	451 365	298 797
Other items	41	− 61 020	− 6 829	− 10 696
Interest recieved		4 104	6 848	3 759
Interest paid		− 166 061	− 178 417	− 205 908
Other financial expenses paid		− 18 972	− 6 755	− 18 178
Income tax paid		− 10 989	− 12 469	− 4 982
Cash flow from operating activities before change in working capital		**31 163**	**66 359**	**120 141**
Increase/decrease inventories		324	4 895	− 4 084
Increase/decrease accounts receivables		− 136 398	142 919	16 080
Increase/decrease current recievables		− 97 790	− 1 499	42 550
Increase/decrease accounts payable		125 796	78 877	− 104 285
Increase/decrease other operating liabilities		151 758	− 40 373	− 49 176
Cash flow from operating activities	5	**74 852**	**251 179**	**21 226**
Cash flow from investing activities				
Purchases of intangible fixed assets	15, 16, 17, 18	− 7 920	− 6 982	− 6 947
Purchases of tangible fixed assets	19, 20	− 35 021	− 38 034	− 30 100
Proceeds from sale of tangible fixed assets	19, 20	12 190	2 402	2 620
Acquisition of subsidiary, net of cash acquired	42	− 23 389	—	− 169 042
Proceeds from sale of subsidiaries		—	—	3 144
Proceeds from / repayment of other financial assets		—	—	1 150
Cash flow from investing activities	5	**− 54 140**	**− 42 614**	**− 199 175**
Cash flow from financing activities				
Proceeds from borrowings		3 600	48 034	400 000
Repayments of borrowings		− 79 584	− 56 007	− 79 468
Change in bank overdraft facilities		120 000	—	
Settlement of pension provision		—	− 132 246	—
Repayments of leasing liabilities		− 23 701	− 27 410	− 46 545
Repayments of leasing recievables		12 401	13 732	10 560
Cash flow from financing activities	5	**32 716**	**− 153 897**	**284 547**
Cash flow for the year		**53 428**	**54 667**	**106 598**
Cash and cash equivalents at the beginning of the period		288,250	248 647	139 358
Exchange gains on cash and cash equivalents		− 6 480	− 15 064	2 691
Cash and cash equivalents at end of the period		**335 198**	**288 250**	**248 647**

**Operating cash flow Group—
continuing operations**

	2014-01-01 - 2014-12-31	2013-01-01 - 2013-12-31	2012-01-01 - 2012-12-31
EBIT	−82 442	−182 741	3 516
Depreciation, amortization and impairment	379 348	426 821	268 011
Net investments tangible ans intangible assets	−26 939	−38 122	−23 238
Change in net working capital	62 881	104 409	−126 348
Non cash items	−58 391	−15 589	−1 404
Total operating cash flow	**274 457**	**294 778**	**120 537**

Key performance indicators, GROUP
Continuing operations
(SEK million)

	2014	2013	2012
Net sales	6 844	6 454	5 526
Net sales, growth, %	*6,0%*	*16,8%*	—
wherof organic growth, %	*6,0%*	*−1,0%*	—
Gross profit	393,1	402,6	475,1
Gross profit margin, %	*5,7%*	*6,2%*	*8,6%*
Adjusted gross profit	809,3	817,4	768,5
Adjusted gross profit margin, %	*11,8%*	*12,7%*	*13,9%*
EBIT	−82,4	−182,7	3,5
EBIT margin, %	*−1,2%*	*−2,8%*	*0,1%*
EBITA	248,2	185,3	213,2
EBITA margin	*3,6%*	*2,9%*	*3,9%*
Adjusted EBITA	354,3	312,0	307,3
Adjusted EBITA-margin %	*5,2%*	*4,8%*	*5,6%*
EBITDA	296,9	244,1	271,5
EBITDA-margin, %	*4,3%*	*3,8%*	*4,9%*
Adjusted EBITDA	403,0	370,7	365,6
Adjusted EBITDA-margin, %	*5,9%*	*5,7%*	*6,6%*
Profit before income tax	−354,5	−911,4	−667,3
Profit for the year	−310,8	−577,4	−562,3
Adjusted net profit	19,8	−209,4	−352,6
Net working capital	−391,5	−322,3	−228,4
Net working capital / Net sales, %	*−5,7%*	*−5,0%*	*−4,1%*
Selling- and administrative expenses	−475,6	−585,3	−471,6
Selling- and administrative expenses/Net sales, %	*6,9%*	*9,1%*	*8,5%*
Adjusted selling- and administrative expenses	−455,1	−505,5	−461,2
Adjusted selling- and administrative expenses/Net sales, %	*6,6%*	*7,8%*	*8,3%*
Operating cash flow, continuing operations	274,5	294,8	120,5
Net debt	2 673	2 611	6 322
Equity/assets ratio, %	*17,9%*	*24,2%*	*−24,6%*

For definitions of key ratios, see note 1.25.

General information

Venoor Invco 1 AB (the Parent Company) and its subsidiaries (jointly, the Group) are the Nordic region's leading player in service management. The Group specialises in leading, developing and streamlining business-supporting service functions in offices, production plants, properties and public-sector organisations.

The Parent Company is a limited company with registered office in Sweden. The address to the head office is:

Venoor Invco 1 AB
SE-173 11 Stockholm.

These consolidated financial statements were approved for publication by the Board of Directors on 28 April 2015.

Unless otherwise indicated, amounts in the annual report refer to thousands of Swedish kronor, which is abbreviated "TSEK". Amounts in parentheses refer to the previous year.

1. Summary of significant accounting policies

Significant accounting policies applied in preparing these consolidated financial statements are described in the following. Unless otherwise stated, these policies have been applied consistently for all the years presented.

1.1. Basis of preparation of financial statements

The consolidated financial statements for the Venoor Invco 1 AB Group have been prepared in accordance with the Swedish Annual Accounts Act, Recommendation RFR 1 Supplementary Financial Reporting Rules for Corporate Groups of the Swedish Financial Reporting Board, the International Financial Reporting Standards (IFRS) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the EU. The consolidated annual accounts also contain supplementary disclosures in accordance with Recommendation RFR 2 Supplementary Financial Reporting Rules of the Swedish Financial Reporting Board and the Annual Accounts Act.

Preparing financial statements in compliance with IFRS requires the use of important accounting estimates. Management is also required to make certain judgements in applying the Group's accounting policies. Areas which involve a high degree of judgement, are complex or where assumptions and estimates have a material impact on the consolidated financial statements are described in Note 3.

Basis of preparation of the Parent Company and consolidated financial statements

Coor applies the cost method in measuring assets and liabilities, except for available-for-sale financial assets and financial assets and liabilities (including derivatives) at fair value through profit or loss.

The Parent Company's functional currency is Swedish kronor, which is also the reporting currency for the Parent Company and Group. Financial statements are thus presented in Swedish kronor. Unless otherwise indicated, all figures are rounded to the nearest thousand. Figures in parentheses refer to the previous year.

Changes to accounting policies and disclosures

a) New and amended standards applied by the Group

Those standards which the Group applies for the first time for financial years beginning on 1 January 2014 and which have an impact on the consolidated financial statements are indicated below:

- IFRS 10 Consolidated Financial Statements is based on (already) existing policies, as it identifies control as the decisive criterion for inclusion of an entity in the consolidated financial statements. The standard provides guidance to assist in determining whether control exists when this is hard to assess.
- IFRS 12 Disclosure of Interests in Other Entities covers disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities.

1. Summary of significant accounting policies (Continued)

Other standards, amendments and interpretations which become effective for financial years beginning on 1 January 2014 have no material impact on the consolidated financial statements.

(b) New standards and interpretations which have not yet been applied by the Group

A number of new standards and interpretations will become effective for financial years beginning after 1 January 2014 and have not been applied in preparing these financial statements. None of these are expected to have a material impact on the consolidated financial statements, with the following exceptions:

- IFRS 9 Financial Instruments deals with the classification, measurement and recognition of financial assets and liabilities. There will be three measurement categories for financial assets, amortised cost, fair value through other comprehensive income and fair value through profit and loss. IFRS 9 also introduces a new model for calculating the provision for credit losses based on expected credit losses. IFRS 9 reduces the requirements for the use of hedge accounting by replacing the 80/125 rule with a requirement that there exist an economic relationship between the hedging instrument and hedged item, and that the hedge ratio be the same as that used in the company's risk management. The standard must be applied for financial years beginning on 1 January 2018. The Group has not yet evaluated the effects of introducing the standard.
- IFRS 15 Revenue from Contracts with Customers regulates the accounting of revenue. The principles on which IFRS 15 is based are intended to give users of financial statements more valuable information about a company's revenue. Under the expanded disclosure requirements, information on the type of revenue, date of settlement, uncertainties associated with the recognition of revenue and cash flows attributable to the company's customer contracts must be disclosed. Under IFRS 15, revenue should be recognised when a customer receives control over the sold good or service and is able to use or obtains a benefit from the good or service. IFRS 15 becomes effective from 1 January 2017. The Group has not yet evaluated the effects of introducing the standard.

No other IFRS or IFRIC interpretations which have not yet entered into force are expected to have any material impact on the Group.

1.2 Consolidation

Subsidiaries

The consolidated financial statements comprise Venoor Invco 1 AB and all subsidiaries in Sweden and abroad.

All companies in which the Group has a controlling interest are classified as subsidiaries. The Group controls a company when it is exposed to or has the right to a variable return on its interest in the Company and is able to influence the return through its interest in the Company. Subsidiaries are included in the consolidated financial statements as of the date on which the controlling interest is transferred to the Group. They are excluded from the consolidated financial statements as of the date when the controlling interest ceases to exist.

The Group treats transactions with non-controlling interests as transactions with the Group's shareholders. In case of acquisitions from non-controlling interests the difference between the consideration paid and the acquired portion of the carrying amount of the subsidiary's net assets is recognised in equity. Gains and losses on sales to non-controlling interests are also recognised in equity.

The purchase method is applied in accounting for the Group's business combinations. The consideration paid for the acquisition of a subsidiary comprises the fair value of the transferred assets, liabilities and any shares issued by the Group. Any subsequent additional consideration is classified as a liability, which is then remeasured through the income statement. The consideration is also included the fair value of all assets or liabilities that are a consequence of a contingent consideration arrangement. Identifiable assets acquired and liabilities assumed in a business combination are initially measured at fair value at the acquisition date. For each acquisition, i.e. on an acquisition by acquisition basis, the Group determines whether to recognise a non-controlling interest in the acquired entity at fair value or at the interest's proportional share of the acquired entity's identifiable net assets.

1. Summary of significant accounting policies (Continued)

The amount by which the consideration, any non-controlling interest and the fair value of previous shareholdings at the acquisition date exceed the fair value of the Group's share of acquired identifiable net assets is recognised as goodwill. If the amount is less than the fair value of the acquired subsidiary's assets the difference is recognised directly in the income statement.

All acquisition-related costs are charged to expense as incurred. These costs are recognised in administrative expenses in the consolidated income statement.

If the business combination is achieved in stages the previously held equity interest in the acquired entity is remeasured at its fair value at the acquisition date. Any resulting gain or loss is recognised in profit or loss.

Intercompany transactions and balances and unrealised gains and losses on transactions between Group companies are eliminated. Where applicable, the accounting policies for subsidiaries have been amended to guarantee a consistent application of the Group's policies.

1.3 Translation of foreign currencies

Items included in the financial statements for the various units of the Group are valued in the currency used in the economic environment in which each company primarily operates (functional currency). In the consolidated financial statements Swedish kronor (SEK) are used, which is the functional and reporting currency of the Parent Company.

Transactions in foreign currency are translated to the functional currency at transaction date exchange rates. Currency translation gains and losses arising from such transactions and upon translation of monetary assets and liabilities in foreign currency at closing rates are recognised in the income statement. The exception is when the transactions constitute hedges and meet the criteria for hedge accounting of cash flows or net investments arising upon the acquisition of a foreign operation, in which case any gains and losses are recognised in other comprehensive income.

Assets and liabilities in Group companies with a different functional currency than the Parent Company are translated at the closing rate. Income and expenses in Group companies with a different functional currency than the Parent Company are translated at the average exchange rate.

All resulting currency translation differences are recognised as a separate part of comprehensive income for the year. When a foreign operation is divested such currency translation differences in the income statement are recognised as part of the capital gain or loss.

1.4 Segment reporting

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

1.5 Recognition of revenue

The Group's revenue mainly consists of sales of services.

Revenue comprises the fair value of sold goods and services excluding value-added tax and discounts and after elimination of intercompany sales.

The Group recognises revenue when the amount can be reliably measured, it is probable that future economic benefits will accrue to the Company and specific criteria have been met for each of the Group's businesses, as described in the following. The amount is not deemed to be reliably measurable until all obligations relating to the sale have been fulfilled or expired. The Group bases its judgements on historical outcomes, taking account of the type of customer, type of transaction and any special circumstances applying in each case.

Revenue from delivered services is billed in accordance with the terms of subscription contracts or on a fixed-price or time and materials basis. Subscription contract refers to a contract concluded by the Group for the provision of services over a longer period of time. The subscription contracts refer to undertakings

1. Summary of significant accounting policies (Continued)

which are performed regularly and on an ongoing basis, and for which payment is made on a monthly or quarterly basis.

Revenue is recognised as follows:

Revenue from subscription contracts

Revenue from subscription contracts (service contracts) is recognised as the service is provided. If the content or volumes of the subscription contracts change over time the recognition of revenue is affected accordingly.

Revenue from fixed-price projects

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

Revenue from time and materials contracts

Compensation relating to shorter-duration contracts is recognised as revenue upon delivery of the service in accordance with the contract, or on a monthly basis in accordance with what has been delivered.

Revenue from the sale of goods

Revenue from the sale of goods is recognised when a Group company sells a product to a customer. The sale of goods normally takes place in connection with the delivery of a service.

Interest income

Interest income is recognised over the term of the loan by applying the effective interest method. When the value of a receivable in the loans and receivables category has been impaired, the Group writes down the carrying amount to the recoverable amount, which is defined as the estimated future cash flow discounted by the original effective interest rate for the instrument, and continues to eliminate the effect of discounting as interest income. This item also includes interest income from finance leases.

Dividend income

Dividend income is recognised when the right to receive payment has been established.

1.6 Current and deferred income tax

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

The current tax expense is calculated based on tax rules which have been adopted at the balance sheet date or which have been announced and are highly likely to be confirmed in those countries where the Parent Company and its subsidiaries operate and generate taxable revenue. Management regularly evaluates claims made in tax returns which relate to situations where the applicable tax rules are subject to interpretation and, where this is deemed appropriate, makes provisions for amounts which will probably be payable to the tax authority.

Reported income taxes include tax which is payable or due in respect of the current year, adjustments relating to current tax for previous years and changes in deferred tax.

Deferred tax is accounted for, by applying the balance sheet liability method, for all temporary differences between the carrying amounts and tax bases of assets and liabilities in the consolidated financial statements. Deferred tax is not recognised if it is incurred as a result of a transaction that constitutes the initial recognition of an asset or liability which is not a business combination and which at the time of the transaction affects neither the accounting profit nor the tax profit. Deferred tax is calculated by applying tax rates (and laws) which have been adopted or announced at the balance sheet date and are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax receivables are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be wholly or partially offset.

Deferred tax is calculated for temporary differences on interests in subsidiaries, except when the time at which the temporary difference is reversed can be decided by the Group and it is probable that the temporary difference will not be reversed in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legal right of set-off for the tax assets and liabilities concerned, and when the deferred tax assets and liabilities pertain to taxes levied by the same tax authority and refer to either the same taxable entity or different taxable entities, where there is an intention to settle the balances through a net payment.

1.7 Intangible assets

Goodwill

Goodwill is the amount by which the cost exceeds the fair value of the Group's share of the identifiable net assets, including contingent liabilities, of the acquired entity at the time of acquisition and the fair value of any non-controlling interests. Goodwill from the acquisition of subsidiaries is recognised as an intangible asset.

Goodwill is not amortised but is tested annually for impairment and stated at cost less accumulated impairment losses. Impairment of goodwill is recognised as an expense in the income statement immediately and is not reversed. A gain or loss from the sale of a unit includes the remaining carrying amount of goodwill relating to the divested unit.

When testing for impairment, goodwill is allocated to cash-generating units defined in accordance with the Group's operating segments. These cash-generating units together constitute the Group's business units, where operations are conducted. Goodwill is thereby allocated to those cash-generating units or groups of cash-generating units which are expected to benefit from the acquisition giving rise to the goodwill item. This allocation constitutes the basis for the annual impairment test.

Any impairment loss on goodwill is recognised in the income statement in Cost of services sold.

Customer relations/customer contracts

Contractual customer relations/customer contracts which have been identified as intangible assets in connection with a business combination are recognised at fair value at the acquisition date by discounting the expected future after-tax cash flow. Subscription and additional sales are taken into account. In connection with a business combination management makes a judgement of the likely number of contract renewals, in addition to an estimate of future cash flows.

The customer contracts have a determinable useful life covering the remaining term of the contract and estimated contract renewal periods. The contracts are recognised at cost less accumulated amortisation and are amortised on a straight-line basis so that the cost for the contracts is distributed over their estimated useful lives.

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

Trademarks

Trademarks which have been identified as intangible assets in connection with a business combination are recognised at fair value at the acquisition date. Trademarks are deemed to have indefinite useful lives and are therefore not subject to scheduled amortisation. Trademarks are tested for impairment annually.

1. Summary of significant accounting policies (Continued)

Software and licenses

Development expenditure directly attributable to the development and testing of identifiable and unique software products which are controlled by the Group is accounted for as an intangible asset when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use
- It is the Company's intention to complete the software and use it
- There is reason to expect that the Company will be able to use the software
- It can be demonstrated that the software will generate probable future economic benefits
- Expenditure attributable to the development of the software can be reliably measured

Costs closely associated with the production of software include staff costs for the development of the software and a reasonable portion of attributable indirect costs.

Other development expenditure which does not meet the above criteria is expensed as incurred.

Development expenditure for software which is recognised as an asset is amortised over its estimated useful life, which does not exceed five years.

Acquired software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These capitalised costs are amortised over the estimated useful life, which ranges from three to five years.

1.8 Tangible assets

Tangible assets comprise buildings and machinery as well as technical plant and equipment. These assets are stated at cost less accumulated depreciation and any impairment. Cost does not include additional expenditure directly attributable to the acquisition of the asset.

Any additional expenditure is added to the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the asset will accrue to the Group and the cost can be reliably measured. The carrying amount of the replaced portion is removed from the balance sheet. All other forms of repairs and maintenance are recognised as expenses in the income statement in the periods in which they are incurred.

Tangible assets are depreciated systematically over the asset's estimated useful life, down to the estimated residual value. All types of tangible assets are depreciated on a straight-line basis. The Group applies component depreciation for trucks. The following depreciable lives are applied:

Buildings	25 - 50 years
Trucks	5 - 15 years
Machinery and other technical plant	3 - 10 years
Equipment, tools and installations	5 - 10 years
Computers	3 - 5 years

Residual values and useful lives of assets are tested at the end of each reporting period and adjusted where required.

An asset's carrying amount is written down to the recoverable amount immediately if the carrying amount exceeds the estimated recoverable amount (Note 1.9).

Gains and losses from the sale of assets are determined by comparing the sale proceeds and the carrying amount.

1.9 Impairment of non-financial assets

Assets with indefinite useful lives, such as goodwill, are not amortised but are tested annually for impairment. Assets which are amortised are tested for impairment when an event or change of circumstance indicates that the carrying amount may no longer be recoverable. The difference between the carrying amount and recoverable amount is recognised as an impairment loss. The recoverable amount is the higher of the fair value of the asset less costs to sell and value in use.

In testing for impairment, assets are grouped to the lowest levels at which there are separate identifiable cash flows (cash-generating units), defined in accordance with the Group's operating segments.

Recoverable amount

The recoverable amount is the higher of fair value less costs to sell and value in use.

Fair value refers to the most probable price in a sale in a normally functioning market, after deduction of costs to sell.

Value in use refers to the present value of the estimated future cash flows which are expected from use of the asset and the estimated residual value at the end of the useful life. In assessing value in use, the estimated future cash flows are discounted using a discount rate which reflects the risk-free rate and the risk associated with the asset. For an asset which does not generate cash flows that are essentially independent from other assets the recoverable amount is calculated for the cash-generating unit to which the asset belongs.

Reversal of impairment losses

A previous impairment loss is reversed if the recoverable amount is deemed to exceed the carrying amount. However, the new carrying amount resulting from the reversal may never exceed the carrying amount that would have resulted if no impairment loss had been recognised in previous years. Impairment losses on goodwill are not reversed.

1.10 Operations held for sale

Disposal groups which are held for sale are classified as assets and liabilities held for sale when the carrying amount will essentially be recovered through a sale transaction and a sale is deemed highly probable. They are stated at the lower of the carrying amount and fair value less costs to sell.

1.11 Leases

Leases in which a significant share of the risks and benefits of ownership are retained by the lessor are classified as operating leases. Payments made during the lease term are charged to the income statement on a straight-line basis over the term of the lease.

Leases in which the economic risks and benefits associated with ownership have essentially been transferred to the lessee are classified as finance leases. At the beginning of its term a finance lease is recognised in the balance sheet at the lower of the fair value of the leased asset and the present value of the minimum lease payments.

The Group has concluded both finance and operating leases in the capacity of lessor as well as lessee. For each contract a judgement is made of whether the contract should be classified as an operating or finance lease.

Lessee

Each payment under a finance lease is divided into repayment of the loan and financial cost so as to obtain a fixed rate of interest for the recognised liability. The corresponding liabilities, less financial cost, are included in Borrowing (short- or long-term). The interest portion of the financial cost is recognised in the income statement and distributed over the term of the lease so that an amount corresponding to a fixed interest rate for the liability recognised in each accounting period is charged to the income statement in each period.

Non-current assets held under finance leases are depreciated over their estimated useful lives.

In cases where a lease is deemed to constitute an operating lease the payments are charged to expense in the income statement on a straight-line basis over the term of the lease.

1. Summary of significant accounting policies (Continued)

Lessor

When assets are leased to another party under a finance lease the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned financial income.

Each payment from the customer under a finance lease is divided into repayment of the receivable and financial income so as to obtain a fixed rate of interest for the recognised receivable. The corresponding liabilities, less financial income, are included in Other non-current receivables and Other receivables (current portion), respectively. The interest portion of the financial income is recognised in the income statement and distributed over the term of the lease so that an amount corresponding to a fixed interest rate for the receivable recognised in each accounting period is charged to the income statement in each period.

Operating lease payments are distributed over the term of the lease on a straight-line basis.

1.12 Financial assets

The Group classifies its financial assets into the following categories: derivatives used for hedging purposes, available-for-sale financial assets, and loans and receivables. The classification depends on the purpose for which the instruments were acquired. Management decides on the classification upon initial recognition of the instruments and reviews its decision in connection with each subsequent financial report. Financial assets recognised in the balance sheet include cash and cash equivalents, financial receivables, derivatives and accounts receivable.

(a) Derivatives used for hedging purposes

Derivatives used for hedging purposes are financial assets or liabilities which have been identified as hedging instruments, see also Note 1.13.

(b) Loans and receivables

Loans and receivables are financial assets which are not derivatives, have fixed or determinable payments, and are not listed on an active market. They arise when the Group provides money, goods or services directly to a customer without an intention to trade the receivable arising therefrom. They are included in current assets, with the exception of items maturing later than 12 months from the balance sheet date, which are classified as non-current assets. The Group's loans and receivables comprise Accounts receivable and Other receivables as well as cash and cash equivalents in the balance sheet.

Loans and receivables are stated at amortised cost by applying the effective interest method. However, accounts receivable are in most cases measured at cost, as they fall due in the near future.

(d) Available-for-sale financial assets

Available-for-sale financial assets are assets which are not derivatives and which have either been attributed to this category or not classified in any of the other categories. They are included in non-current assets unless management intends to sell the asset within 12 months of the balance sheet date.

Impairment

At each balance sheet date the Group assesses whether there is objective evidence of impairment. To determine whether there is evidence of impairment, the Group analyses factors such as future cash flows for the customer, changes in unwillingness to pay and financial difficulties.

Recognition and measurement

Purchases and sales of financial instruments are recognised at the transaction date, which is the date when the Group undertakes to buy or sell the asset.

Financial instruments are initially recognised at cost, as defined by the fair value of the instrument including transaction costs (applies to all financial instruments which are not measured at fair value through profit or loss). Financial assets are removed from the balance sheet when the risk, and the right to receive cash flows from the instrument, have expired or when these have otherwise been transferred to another counterparty.

After acquisition available-for-sale financial assets and financial assets measured at fair value through profit or loss are stated at fair value. After the acquisition date loans and receivables are stated at amortised cost by applying the effective interest method.

1.13 Derivatives and hedging

Derivatives are recognised in the balance sheet at the contract date and measured at fair value, both initially and on subsequent remeasurement. The method of accounting for the gain or loss arising on remeasurement depends on whether the derivative has been identified as a hedging instrument and, if so, on the nature of the hedged item. The Group identifies its derivatives as either:

(a) a hedge of a specific risk linked to a recognised asset or liability or a highly probable forecast transaction (cash flow hedge), or

(b) a hedge of a net investment in a foreign operation (net investment hedge).

When the transaction is concluded the Group documents the relationship between the hedging instrument and hedged item, as well as the Group's risk management goal and risk management strategy for the hedge. The Group also documents its judgements, both when the hedge transaction is concluded and continuously, of whether the derivatives used in hedge transactions are effective in offsetting changes in fair value or cash flows attributable to the hedged items.

Information on the fair values of different derivatives used for hedging purposes are found in Note 28. Changes in the hedging reserve are shown in other comprehensive income and in equity. The full fair value of a derivative used as a hedging instrument is classified as a non-current asset or non-current liability if the remaining maturity of the hedged item exceeds 12 months, and as a current asset or a current liability if the remaining term of the hedged item is less than 12 months.

(a) Cash flow hedges

The effective portion of changes in the fair value of a derivative which has been identified as a cash flow hedge and which meets the criteria for hedge accounting is recognised in other comprehensive income. Gains or losses attributable to any ineffective portion are recognised immediately in Other gains/losses—net in the income statement.

Cumulative gains and losses in equity are reclassified to the income statement in those periods when the hedged item affects the result. The gain or loss attributable to the effective portion of an interest rate swap that is used to hedge variable-rate debt is recognised in Financial income/expense in the income statement. The gain or loss attributable to the ineffective portion is recognised in Other gains/losses—net in the income statement.

(b) Net investment hedges

Hedges of net investments in foreign operations are accounted for in a similar manner to cash flow hedges. The portion of the gain or loss on a hedging instrument that is deemed to constitute an effective hedge is recognised in other comprehensive income. Gains or losses attributable to any ineffective portion are recognised immediately in the income statement. Cumulative gains and losses in equity are recognised in the income statement when the foreign operation is wholly or partially divested.

1.14 Inventories

Inventories are stated at the lower of cost and net realisable value at the balance sheet date. Cost is calculated using the first in, first out method (FIFO). Net realisable value is the estimated selling price in the Company's operating activities less any applicable variable selling expenses. Inventories consist mainly of finished goods.

1. Summary of significant accounting policies (Continued)

1.15 Accounts receivable

Accounts receivable are amounts due from customers for goods sold or services provided in operating activities. If payment is expected within one year or earlier accounts receivable are classified as current assets. If not, they are recognised as non-current assets.

Accounts receivable are initially stated at cost and subsequently at amortised cost by applying the effective interest method, less any provisions for impairment. However, accounts receivable are in most cases measured at cost, as they fall due in the near future. A provision for impairment of accounts receivable is made when there is objective evidence that the Group will not be able to recover all overdue amounts in accordance with the original terms and conditions for the receivables. The size of the provision is the difference between the carrying amount of the asset and the present value of estimated future cash flows, discounted using the effective interest rate. The provision is recognised in the income statement.

1.16 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, and other short-term investments maturing within three months of the acquisition date.

1.17 Equity

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

1.18 Provisions

Provisions are recognised when the Group has a legal or constructive obligation arising from past events, it is more probable than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably measured. Provisions for restructuring are recognised when a detailed formal plan for the measure exists and a well-founded expectation among those affected has been created. No provisions are made for future operating losses.

If a number of similar obligations exist, the probability that an outflow of resources will be required is determined for the settlement of the group of obligations as a whole. A provision is recognised also when there is a low probability of an outflow of resources in respect of a particular item in this group of obligations.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks associated with the obligation. The increase in the provision due to passage of time is recognised as interest expense.

1.19 Borrowing

Loans are initially stated at fair value, net of transaction costs. Subsequently loans are stated at amortised cost and any difference between the amount received (net of transaction costs) and the amount repayable is recognised in the income statement over the term of the loan by applying the effective interest method.

Costs arising in connection with the raising of new loans are capitalised as borrowing costs and allocated over the term of the loan.

Loans are classified as current liabilities unless the Group has an unconditional right to defer payment of the liability for at least 12 months after the balance sheet date.

Bank overdraft facilities are recognised as borrowing in Current liabilities in the balance sheet.

The Group's loans are classified as financial liabilities measured at amortised cost.

1.20 Accounts payable

Accounts payable are obligations to pay for goods or services purchased from suppliers in operating activities. Accounts payable are classified as current liabilities if they fall due within one year. If not, they are accounted for as non-current liabilities.

1. **Summary of significant accounting policies (Continued)**

Accounts payable are initially stated at fair value and subsequently at amortised cost by applying the effective interest method.

1.21 Cash flow statement

The cash flow statement has been prepared using the indirect method. The recognised cash flow only comprises transactions resulting in incoming and outgoing payments.

Cash and cash equivalents include, in addition to cash and bank balances, short-term financial investments that are exposed to insignificant risk of fluctuations in value, are traded on an open market for known amounts and have a remaining maturity of less than three months from the acquisition date.

1.22 Employee benefits

Pension plans

The Group companies have different pension plans. The pension plans are funded through payments to insurance companies or managed funds. The payments are determined using periodic actuarial calculations. The Group has both defined benefit and defined contribution pension plans. Defined contribution pension plans are post-employment benefit plans under which the Group pays fixed contributions into a separate legal entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Defined benefit pension plans are post-employment benefit plans other than defined contribution plans. The defining characteristic of a defined benefit plan is that it specifies an amount for the post-employment benefit which an employee will receive upon retirement, normally based on one or several factors, such as age, length of service or salary.

Defined contribution plans

Liabilities relating to contributions to defined contribution plans are recognised as an expense in the income statement as they arise.

In a defined benefit pension plan the Group pays contributions to publicly or privately managed pension schemes on a mandatory, contractual or voluntary basis. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised directly in the income statement as staff costs when they fall due. Prepaid contributions are recognised as an asset to the extent that cash repayments or reductions of future payments may accrue to the benefit of the Group.

Defined benefit plans

The Group's net liability relating to defined benefit plans is calculated separately for each plan by estimating the future compensation earned by the employees through their employment during the current and previous periods.

The liability that is recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of the plan assets, adjusted for unrecognised past service costs. The defined benefit pension obligation is calculated annually by independent actuaries by applying the projected unit credit method. The present value of the defined benefit obligation is determined by discounting estimated future cash flows using the yield on high-quality corporate bonds issued in the same currency as that in which the payments will be made and with maturities comparable to that of the specified pension obligation.

Actuarial gains and losses arising from experience adjustments and changes to actuarial assumptions are recognised in other comprehensive income in the period in which they arise. Past service costs are recognised directly in the income statement.

The total cost for defined benefit plans is divided between staff costs and financial costs. The financial cost is calculated based on the net value of each plan at the beginning of the year and the discount factor determined for each country.

Special payroll tax (corresponding contributions) is calculated on the difference between the retirement benefit cost determined in accordance with IAS 19 and the retirement benefit cost determined in

1. Summary of significant accounting policies (Continued)

accordance with the rules applied in a legal entity. The payroll tax is recognised as an expense in the income statement.

Termination benefits

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

Bonus plans

The Group recognises a liability and a cost for bonuses to employees based on the applicable contracts.

Dividends

Dividend payments to the equity holders of the parent are recognised as a liability in the consolidated financial statements in the period in which the payment is approved by the equity holders of the parent.

1.23 Contingent liabilities

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

1.24 Parent Company accounting policies

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

The following accounting policies for the Parent Company have been applied consistently for all periods presented in the Parent Company's financial statements.

Revenue

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

Group contributions

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

Preference shares

Issued preference shares are classified as a part of equity.

Remuneration to employees

Expenditure for defined contribution pension plans is recognised as an expense in the period to which it refers.

1. Summary of significant accounting policies (Continued)

Related party disclosures

The Parent Company has related party relationships which include a controlling interest in its subsidiaries, see Note 40. Disclosures on normal transactions between the Parent Company and subsidiaries are not made in the annual report. All transactions with related parties have been made on market terms.

1.25 Definitions of key performance indicators

Definitions

Cost of services sold

Costs which are directly related to the performance of the invoiced services, amortisation and impairment of goodwill and customer contracts and depreciation of machinery and equipment and amortisation of other intangible assets related to the invoiced services.

Non-recurring items

Non-recurring items mainly include costs for integration of contracts and acquisitions as well as more extensive restructuring programmes. The non-recurring items are reported on line cost of services sold respectively selling and administrative expenses.

Adjusted Gross profit

Gross profit excluding amortisation and impairment of goodwill and customer contracts, excluding non-recurring items

EBITA

Operating profit before amortisation and impairment of goodwill and customer contracts

Adjusted EBITA

Operating profit before amortisation and impairment of goodwill and customer contracts, excluding non-recurring item

EBITDA

Operating profit before depreciation, amortisation and impairment of all tangible and intangible assets

Adjusted EBITDA

Operating profit before depreciation, amortisation and impairment of all tangible and intangible assets, excluding non-recurring items.

Adjusted net profit

Profit for the year excluding amortisation and impairment of goodwill and customer contracts

Adjusted selling and administrative expenses

Selling and administrative expenses, excluding non-recurring items

Operating cash flow

Cash flow from operating activities excluding interest income, interest expense and income tax paid, but including net investments in intangible assets and tangible assets.

Net working capital

Non-interest-bearing current assets minus non-interest-bearing current liabilities

1. Summary of significant accounting policies (Continued)

Net debt

Interest bearing current and non-current assets minus interest bearing current and non-current liabilities

Calculation of key performance indicators

Net sales growth

Net sales for the period as a percentage of net sales for the prior period.

Organic growth

Growth, excluding acquisitions

Gross profit margin

Gross profit as a percentage of net sales.

Adjusted gross profit margin

Adjusted gross profit as a percentage of net sales.

Operating margin (EBIT margin)

Operating profit as a percentage of net sales.

EBITA margin

EBITA as a percentage of net sales.

Adjusted EBITA margin

Adjusted EBITA as a percentage of net sales.

EBITDA margin

EBITDA as a percentage of net sales.

Adjusted EBITDA margin

Adjusted EBITDA as a percentage of net sales.

Net working capital/net sales

Net working capital at balance sheet date as percentage of net sales (last 12 months)

Equity/assets ratio

The Group's equity and reserves attributable to equity holders of the parent, as a percentage of total assets.

2. Risk management

2.1 Financial risk management

The Group's financial policy, which has been adopted by the Board of Directors, is the basis for the management of financial activities, the division of responsibilities and financial risks. The financial policy focuses on the unpredictability of financial markets and strives to minimise potential adverse effects on the Group's financial results.

The Group is exposed to a number of financial risks, mainly related to market risks (currency risk and interest rate risk), credit risk and liquidity risk. These risks are described in the following sections.

2. Risk management (Continued)

a) Market risk

Currency risk

Currency risk is the risk that changes in exchange rates will adversely affect the Group's cash flow, income statement and balance sheet. Currency risk arises through future business transactions, recognised assets and liabilities, and net investments in foreign operations.

The Group reports in SEK but operates in Norway, Finland, Denmark, Belgium, Hungary, Poland and Estonia. The Group is thus exposed to five different currencies, in addition to its reporting currency, SEK. Currency risk can be divided into two risks: transaction risk and translation risk.

Transaction risk refers to a negative impact on net profit and cash flows due to changes in the value of operating flows in foreign currency caused by fluctuations in exchange rates.

As the Group's subsidiaries operate almost exclusively in local currency, the transaction risk in the commercial flow is low. For currency exposures in accounts receivable at 31 December 2014, see Note 25.

In 2014 operations with a different function currency than Swedish kronor accounted for 19 (13; 22) per cent of the (total) operating profit (EBITA). NOK 9 (26; 27) per cent, EUR 6(−5; −4) per cent, DKK 3 (−8;−1) per cent and HUF and PLN 1 (0; 0) per cent.

Translation risk refers to the risk that the value of Swedish kronor relating to net investments in foreign currencies will fluctuate due to changes in exchange rates.

The largest translation exposure refers to the Group's Norwegian operation. To offset the translation effect upon consolidation of the Norwegian operation, the Group has raised loans in Norwegian kroner. These loans are accounted for as currency hedges of net investments in foreign subsidiaries, which means that the translation effect from these loans is recognised in other comprehensive income to the extent that it is offset by the translation difference attributable to the Norwegian operation.

In accordance with the Group's financial policy, the need for currency hedges of net assets of the Group outside Sweden is reviewed on an ongoing basis.

External loans in foreign currency totalled NOK 404 (404; 407) million and EUR 89 (85; 82) million at year-end 2014.

The translation difference in equity for the year (excluding hedges of net investments in foreign subsidiaries) was SEK 6.9 (−53.8; 3.2) million. Translation differences in the income statement refer to the operations while translation differences in equity refer to the translation of the net investment in the foreign subsidiaries.

In 2014 a weakening of the Swedish krona by 10 per cent against the currencies listed below would have had the following impact on consolidated profit after tax and equity:

Translation exposure	**Profit after tax, +/− 2014**	**Equity, +/− 2014**
DKK	296	10 016
EUR	689	−16 627
HUF	69	129
NOK	−1 302	40 774
PLN	85	127
Total	**−162**	**34 420**

Interest rate risk

Interest rate risk is the risk that changes in market interest rates will have a negative impact on the net profit, cash flow or the fair values of financial assets and liabilities. For variable-rate assets and liabilities a change in market interest rates would have a direct impact on the net profit and cash flow. For fixed-rate assets and liabilities the impact is on fair value.

The Group's interest rate risk arises primarily through long-term borrowing. At 31 December 2014 the Group is exposed to interest rate risk through bank loans in a total amount of SEK 2,907 (2,908; 2,906) million, drawn bank overdraft facilities of SEK 235 (25; 127) million, and finance lease liabilities of SEK 41 (57; 78) million. Bank loans and overdraft facilities are subject to variable interest rates. Bank overdraft facilities drawn at 31 December 2014 comprise cash and cash equivalents of SEK 120 million and primarily performance bonds of SEK 115 million.

The Group's relatively high level of debt creates an exposure to interest rate risk, as the Group borrows at variable rates. The interest rate risk is reduced by the fact that the majority of the Group's future interest payments are hedged through interest rate swaps under which variable-rate flows are swapped for fixed-rate flows. This is in accordance with the applicable funding agreement.

At 31 December 2014 the Group's outstanding interest rates swaps had a nominal value of SEK 1,895 (1,914; 1,319) million. The market value of the interest rate swaps was SEK −3.6 (−2.6; −17.6) million.

The Group analyses its exposure to interest rate risk by simulating the impact on earnings and cash flow from a specified change in interest rates. Based on the loan liabilities and fixed-rate terms applying at year-end, a change of 1 percentage point in the market interest rate would have an impact of SEK +/−18 million on the Group's interest expense.

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

(b) Credit risk

Credit risk is the risk that a counterparty to a transaction will be unable to fulfil its contractual financial obligations, resulting in a loss for the Company.

The Group's credit risk refers mainly to receivables from customers. Credit risk is managed through an active credit assessment of each customer's creditworthiness in connection with the conclusion of new customer contracts and through careful monitoring of overdue accounts receivable. While services are sold to a large number of customers, a small number of established customers account for a large portion of total sales. The credit risk in leases is deemed to be limited, as the Group's lease customers consist of large, established companies. Historically, the Group has had a low level of bad debts relative to sales. At 31 December 2014 the maximum credit exposure was SEK 1,159.5 (1,219.7; 1,373.5) million. The concentration of credit risk based on the situation at 31 December 2014 is shown below. The indicated figures are based on the size of the Group's exposure to each customer at the balance sheet date. In the following table accounts receivable of operations held for sale have been excluded.

Concentration of credit risk	**Share of total accounts receivable**	**Per cent of portfolio**
At 31 December 2014		
Exposure < SEK15m	644 078	56%
Exposure SEK 15 - 50m	140,220	12%
Exposure > SEK 50m	375 185	32%
Total	**1 159 483**	**100%**

Provisions for doubtful receivables at 31 December 2014 were SEK 4.3 (4.5; 5.5) million, accounting for 0.4 (0.4; 0.4) per cent of total accounts receivable. For further information on provisions for doubtful receivables, see Note 25.

c) Liquidity risk

Liquidity risk refers to the risk that the Group will find it difficult to meet its financial obligations because liquid assets are not available.

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

2. Risk management (Continued)

Under the Group's financial policy, cash and cash equivalents of SEK 100 million must at any time be available within one business day. It is deemed that the goal of ensuring that the Group has adequate liquidity was met during the year.

Longer-term, the Group ensures that adequate liquidity is maintained by forecasting future cash flows and following up these forecasts on an ongoing basis. The liquidity requirement is met through borrowing and existing credit facilities. The Group's total cash flow from operating activities in the financial year 2014 was SEK 75 (251; 21) million.

d) Financing and financing risk

Financing risk is the risk that external financing will not be available when required and that refinancing of maturing loans will prove difficult or costly.

In connection with the establishment of the Group in December 2007 a loan agreement was concluded with a consortium of banks with an initial credit line of SEK 2,910 million. The agreement replaced the Group's previous loan agreement and the aim was to replace the existing loans and fund the operations as well as future acquisitions. At the time of its conclusion the agreement had a term of seven to ten years. All loans under the current funding arrangement will fall due in 2015-2017. The contractual maturity dates for some of the loans were renegotiated in 2014 and refinancing will be carried out in 2015.

The loans have a margin over IBOR and interest rates are tiered based on the Company's debt level.

The majority of the Company's long-term loans are interest-only. The loan agreement also gives the Company the option of raising funding for future acquisitions through an acquisition credit facility (ACF).

The loan agreement contains normal provisions for this type of funding agreement and is subject to normal financial covenants, which are based on EBITDA, cash flows and net debt.

For the current financial year and the comparative years the Group has met all the requirements specified in the loan agreement.

In order to reduce its financing risk, the Group strives to establish business relationships with several different financial players with good creditworthiness.

Maturity analysis:

The table below shows a breakdown of the Group's financial liabilities by contractual maturity date. For 2012 the shareholder loan which existed at this time has been excluded. The amounts indicated below are the undiscounted cash flows. For liabilities maturing within 12 months the undiscounted cash flows are represented by the carrying amounts, as the effect of discounting is not material. Interest that will be capitalised on the mezzanine loan until the loan maturity date is included below in the interest row.

A refinancing will be carried out within the next year.

Group at 31 Dec 2014	**Within 1 year**	**Between 1 - 2 years**	**Between 2 - 5 years**	**More than 5 years**
Accounts payable	893 162	—	—	—
Finance lease liabilities	20 193	14 114	9 976	610
Borrowing	80 000	1 474 296	1 353 040	—
Bank overdraft facility	120 000	—	—	—
Interest, derivatives	2 314	—	—	—
Interest, borrowing	134 080	99 284	141 124	—
Summa	**1 249 749**	**1 587 694**	**1 504 140**	**610**

2. Risk management (Continued)

Group at 31 Dec 2013	Within 1 year	Between 1 - 2 years	Between 2 - 5 years	More than 5 years
Accounts payable	903 135	—	—	—
Finance lease liabilities	24 972	20 549	15 991	59
Borrowing	195 669	56 384	2 655 710	—
Interest, derivatives	3 266	—	—	—
Interest, borrowing	136 479	133 460	293 368	—
Summa	**1 263 521**	**210 393**	**2 965 070**	**59**

Group at 31 Dec 2012	Within 1 year	Between 1 - 2 years	Between 2 - 5 years	More than 5 years
Accounts payable	829 646	—	—	—
Finance lease liabilities	30 120	28 384	26 883	104
Borrowing	55 836	150 075	2 700 076	—
Interest, derivatives	15 781	− 774	—	—
Interest, borrowing	129 866	143 207	382 040	—
Summa	**1 061 249**	**320 892**	**3 108 999**	**104**

2.2 Capital risk management

The Group's objective for its capital structure is to ensure that it meets its covenant obligations with a safe margin in accordance with the applicable funding agreement.

The Group strives to maintain an efficient capital structure that facilitates long-term growth, enabling the Group to continue to generate returns for its shareholders and benefits for other stakeholders while ensuring a low cost of capital. The Group considers that performance in 2014 was satisfactory and that the capital structure has met the requirements for efficiency.

Capital structure

The table below show the Group's capitalisation and debt at 31 December 2014, 31 December 2013 and 31 December 2012:

	2014-12-31	2013-12-31	2012-12-31
Liabilities to credit institutions	2 974 647	2 860 527	2 836 648
Leasing, net	16 043	21 160	35 033
Pensions	9 688	12 494	154 144
Other liabilities	8 201	4 601	1 012
	3 008 579	*2 898 782*	*3 026 837*
Shareholder loans	—	—	3 543 798
	3 008 579	*2 898 782*	*6 570 635*
Cash	− 335 198	− 288 250	− 248 647
Net liability	**2 673 382**	**2 610 532**	**6 321 988**
Total equity	**1 177 631**	**1 629 594**	**− 1 807 226**

At the end of 2013 the Company's shareholder loan was converted to equity through a debt-for-equity swap.

Dividend policy

According to the dividend policy adopted by the Board of Directors, during a given economic cycle, approximately 50 per cent of the Group's net profit/loss for the period (before write-offs and write-down of goodwill and client contracts), be distributed. The distribution level is to consider the Company's goals for the Group's capital structure. Furthermore, the Board of Director's decision regarding the distribution level is take into consideration a number of factors, including the Group's expected future profits, its

2. Risk management (Continued)

investment requirement, liquidity, development possibilities, overall economic perspective and the forecast for the Group.

Financial goals

Organic sales growth 4-5%

Coors' goal is, during a given economic cycle, to achieve organic growth of 4-5 per cent. Coor intends to grow in line with the Nordic FM market through defending is market share within the IFM segment and, at the same time, improving its market share within single and combined FM services. The pace of growth can vary between individual years if the Company wins or loses individual, large contracts. In addition to organic growth, Coor intends to also grow through selected supplementary acquisitions.

Adjusted EBITA margin ~5.5%

Coors' goal is, in the medium to long term, achieve an adjusted EBITA margin of approximately 5.5 per cent. Coor will continue to focus on overall operational efficiency improvements and cost savings. Furthermore, the Company deems that, in pace with certain specific contracts maturing, margins can be further improved through continued efficiency improvements. The addition of new, larger contracts could, however, temporarily deteriorate margins during specific years due to start-up costs.

Cash generation>90%

Coors' goal is to, in the medium to long term, achieve an annual cash generation in excess of 90 per cent. The Company defines cash generation as the ratio of operational cash flow (adjusted EBITDA less investments and adjusted for changes in working capital) in relation to adjusted EBITDA. Historically, the Company's investment level (excluding acquisitions) has been approximately 0.5 per cent of net sales, a level Coor believes also reflects future requirements. Furthermore, Coor expects to be able to continue to undertake the operations with negative and decreased working capital. In the short term, deviations can, however, result in lower cash generation during certain quarters.

Risks in assumptions regarding financial goals

The Company's financial goals stated above comprise future-oriented information with an inherent large degree of uncertainty. The financial goals based on a number of assumptions regarding, amongst other things, the development of the Company's industry, operations, operational results and financial position. The outcome can differ significantly from these assumptions. The Company's capacity to achieve its financial goals involves, therefore, uncertainty and eventualities, certain of which are outside the Company's sphere of control.

2.3 Operational risk management

Contract risk

A large portion of the Group's sales derives from a limited number of customers. The Group's ability to repeatedly extend its contracts with these customers is therefore an important success factor.

The Group provides service management services to a large number of customers. Examples of services include property maintenance, security, cleaning and production maintenance. The provision of the services exposes the Group to damage that can be caused as a result of any negligence by the staff or by subcontractors. The majority of the Group's customer contracts contain limitations on the Group's liability. There are, however, some customer contracts which have no limitations of liability or where the limitation of liability is so high that the liability cannot be insured.

The Group engages subcontractors for the performance of certain services. In these cases the Group strives to pass on the Group's liability to its customers to the subcontractors. In the event that a subcontractor causes damage to a customer that exceeds the limitation of liability agreed between the Group and the subcontractor, the Group will be liable to the customer for the excess liability. As a rule, the excess liability is covered by insurance.

2. Risk management (Continued)

In fixed-price contracts the option of passing on cost increases to the customer is limited. Although Coor generally strives to index prices in customer contracts, certain cost increases can therefore have a negative impact on the Group.

Risks related to management and key individuals in the Company

The Group's competitiveness, future growth and success are in large degree dependent on managers and key individuals at different levels of the Company acting professionally in all situations and on the Group's ability to continue to attract, retain and motivate such employees.

To be able to achieve its planned growth targets, the Group needs to continuously improve and develop its management systems, operational resources and control systems, and to coordinate its employees in the Company's business units and central Group functions.

The Group invests considerable resources in training and developing its employees, which creates a risk that competitors could use the Group as a base for their recruitment.

3. Significant accounting estimates and assumptions

The preparation of financial statements and application of different accounting standards are often based on management's judgements or on assumptions and estimates which are deemed reasonable under the existing circumstances. Estimates and assumptions are reviewed continuously and are based on historical experiences and other factors, including expectations of future events that are deemed reasonable under the existing circumstances.

The Group makes forward-looking estimates and assumptions. Accounting estimates resulting from these will, by definition, rarely agree with actual outcomes. Estimates and assumptions which involve a significant risk of material adjustments to the carrying amounts of assets and liabilities in the coming financial year are described in the following.

Those assumptions and estimates which Coor deems to have the biggest impact on the Company's results and/or on assets and liabilities as at 31 December 2014 are described below.

3.1 Goodwill impairment tests

In accordance with what is prescribed in IAS 38, the Group performs annual impairment tests of goodwill, as the useful life of the asset is not predetermined. Consolidated goodwill is allocated to the cash-generating units, which comprise those countries in which Coor operates. Through annual impairment tests the carrying amount is compared with the estimated recoverable amount. The recoverable amount is defined as the higher of net realisable value and value in use. This means that the Group in practice uses value in use, as quoted prices for estimating the net realisable value are not normally available.

The calculation of value in use is based on the Group's existing business plan, which in itself includes assumptions and estimates. The most significant assumptions used as a basis for the calculation are the weighted average cost of capital (WACC) for those markets in which the Group operates as well as assumptions on sales growth and future operating margins.

WACC is calculated based on a debt structure comprising 20 per cent loans and 80 per cent equity. The impairment test for the year, including the completed sensitivity analysis, did not show indications of impairment in any part of the continuing operations.

At 31 December 2014 the Group had goodwill of SEK 2.8 (2.9; 2.9) billion. For further information on goodwill, including material assumptions, see Note 15.

3.2 Valuation of customer contracts

In connection with the acquisition of certain subsidiaries intangible assets relating to customer contracts have been identified in connection with preparing the purchase price allocation.

3. Significant accounting estimates and assumptions (Continued)

The measurement of identifiable assets and liabilities in connection with an acquisition requires a valuation at fair value of items in the target company's balance sheet as well as items which have not been accounted for in the target's balance sheet, such as customer contracts.

Normally, no quoted prices are available for the assets and liabilities to be measured, which requires the use of various measurement techniques based on multiple assumptions. The most significant assumptions used as a basis for the valuation of customer contracts are the current WACC, the expected number of contract renewals and expected future margins for the contract.

Customer contract values are amortised on a straight-line basis over the estimated useful life. Impairment tests are performed when there are indications of impairment. The impairment test for the year resulted in a total impairment charge of SEK 123 million allocated to three different customer contracts in the Sweden segment. For further information, see Note 16.

The carrying amount of the Group's customer contracts at 31 December 2014 was SEK 1.2 (1.6; 2.0) billion.

3.3 Taxes

The reporting of income tax, value-added tax and other taxes is based on the applicable rules, including practice, instructions and legislation, in those countries where the Group operates. Due to the overall complexity of these issues, the application, and thus also the financial reporting, is in some cases based on interpretations and estimates and judgements of possible outcomes. On complex issues the Group engages the assistance of external experts to assess possible outcomes based on current practice and interpretations of applicable regulations. At 31 December 2014 the Group's reported current tax expense was SEK 6 (10; 13) million and the reported current tax liability was SEK 3 (10; 3) million.

Deferred tax is calculated on estimated temporary differences between the carrying amounts and tax bases of assets and liabilities. If a deferred tax liability exists and there are unvalued tax losses, a deferred tax asset is recognised to the extent that it offsets the deferred tax liability. The Group has tax losses for which no deferred tax asset has been recognised. For more information on deferred tax, see Note 32.

3.4 Accounts receivable

Total accounts receivable at 31 December 2014 were SEK 1,155 (1,215; 1,368) million. Accounts receivable, as included in the balance sheet, have been stated at amortised cost, net of provisions for estimated and actual bad debts of SEK 4.3 million. The assessment of bad debts, in cases where these have not been confirmed, is a critical estimate. Further information on credit risk in accounts receivable is provided in Note 2.

3.5 Covenants

Through its current funding solution Coor has concluded agreements which are subject to certain covenants. If Coor were to breach any of these covenants this could entail increased costs as well as a risk that the current funding agreement would be terminated. At 31 December 2014 Coor was in compliance will all covenants.

3.6 Ongoing disputes and measurement of contingent liabilities

Companies in the Group are involved in a number of disputes or legal proceedings as well as tax cases that have arisen in the course of their operations. The accounting of these items is based on assumptions on final outcomes, which in turn are based on judgements, including judgements made with the help of external legal experts. For more information, see Note 39 Contingent liabilities.

4. Segment information

The senior management team has defined the Group's operating segments based on the information that is discussed in the executive management team (EMT) and that is used for making strategic decisions.

4. Segment information (Continued)

The Group operates in Sweden, Norway, Finland and Denmark (and has smaller operations in Belgium, Hungary, Poland and Estonia). The management team mainly monitors the operations on a country by country basis.

The Group's operations comprise a range of workplace and property services as well as related strategic advice. The services are provided under customer contracts of three main types: IFM (integrated facility management, i.e. contracts covering a broad range of services with a strong element of strategic advice), Bundled FM (customer contracts covering one or more services with a limited element of strategic advice) and Single Services (delivery of individual FM-services). The priority single service FM segments are cleaning, restaurant services and property services.

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

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

Costs for Group support functions, such as operational development, business development, Group finance and legal functions, are accounted for in *Group functions* below. The Other item consists mainly of adjustments made to adapt local financial reporting rules to IFRS.

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

The segment information, relating to segments for which disclosures are required, provided to the Group's executive management team in respect of operations in 2014 is the following:

	Sweden	Norway	Finland	Denmark	Group functions	Other	Total
Segments' revenue	4 027 144	1 623 438	526 214	784 220	85 880	− 14 343	7 032 554
Internal sales	− 81 058	− 20 789	0	− 1 047	− 85 868	—	− 188 763
Revenue from external customers	**3 946 086**	**1 602 648**	**526 214**	**783 173**	**12**	**− 14 343**	**6 843 791**
Adjusted EBITA	364 455	95 757	12 390	11 681	− 122 753	− 7 280	**354 250**
Adjusted EBITA margin	*9,2%*	*6,0%*	*2,4%*	*1,5%*	—	—	***5,2%***
Depreciation/amortisation in adjusted EBITA	− 12 183	− 11 122	− 7 232	− 636	− 3 141	− 14 413	**− 48 727**

Adjusted EBITA is reconciled to profit before tax as follows:

Adjusted EBITA for segments for which disclosures are required	**354 250**
Amortisation and impairment of goodwill and customer contracts	− 330 621
Non-recurring items	− 106 071
Finance costs—net	− 272 038
Profit before tax	**− 354 480**

Other information

	Sweden	Norway	Finland	Denmark	Group functions	Other	Total
Investments non-current assets	− 15 462	− 9 037	− 1 760	− 229	− 6 894	—	**− 33 383**
Non-current assets	3 174 940	608 123	184 678	174 710	15 207	24 697	**4 182 355**
Change in working capital	− 21 112	68 848	2 786	28 653	− 9 770	− 2 440	**66 964**

4. Segment information (Continued)

The segment information, relating to segments for which disclosures are required, provided to the Group's executive management team in respect of operations in 2013 is the following:

	Sweden	Norway	Finland	Denmark	Group functions	Other	Total
Segments' revenue	4 307 334	1 048 477	505 506	690 103	93 133	− 16 592	6 627 960
Internal sales	− 65 919	− 19 296	− 34	− 151	− 88 943	—	− 174 343
Revenue from external customers	**4 241 414**	**1 029 180**	**505 473**	**689 952**	**4 190**	**− 16 592**	**6 453 617**
Adjusted EBITA	**428 981**	**68 737**	**− 8 638**	**3 624**	**− 164 282**	**− 16 469**	**311 953**
Adjusted EBITA margin	*10,1%*	*6,7%*	*− 1,7%*	*0,5%*	—	—	***4,8%***
Depreciation/amortisation in adjusted EBITA	− 15 614	− 11 578	− 7 699	− 991	− 1 219	− 21 687	**− 58 788**

Adjusted EBITA is reconciled to profit before tax as follows:

Adjusted EBITA for segments for which disclosures are required	**311 953**
Amortisation and impairment of goodwill and customer contracts	− 368 053
Non-recurring items	− 126 642
Finance costs—net	− 728 658
Profit before tax	**− 911 399**

Other information

	Sweden	Norway	Finland	Denmark	Group functions	Other	Total
Investments non-current assets	− 24 777	− 6 914	− 3 510	—	− 5 323	—	**− 40 524**
Non-current assets	3 461 215	631 581	202 034	168 892	12 627	31 671	**4 508 019**
Change in working capital	47 825	13 323	− 9 404	33 621	17 129	1 751	**104 245**

The segment information, relating to segments for which disclosures are required, provided to the Group's executive management team in respect of operations in 2012 is the following:

	Sweden	Norway	Finland	Denmark	Group functions	Other	Total
Segments' revenue	3 586 895	968 334	475 654	559 141	84 931	− 12 914	5 662 041
Internal sales	− 29 962	− 17 635	− 3 264	− 4	− 85 230	—	− 136 096
Revenue from external customers	**3 556 934**	**950 698**	**472 390**	**559 137**	**− 299**	**− 12 914**	**5 525 946**
Adjusted EBITA	**400 369**	**65 786**	**− 7 108**	**6 118**	**− 145 730**	**− 12 113**	**307 322**
Adjusted EBITA margin	*11,3%*	*6,9%*	*− 1,5%*	*1,1%*	—	—	***5,6%***
Depreciation/amortisation in adjusted EBITA	− 15 574	− 11 226	− 7 214	− 1 485	− 783	− 21 981	**− 58 263**

Adjusted EBITA is reconciled to profit before tax as follows:

Adjusted EBITA for segments for which disclosures are required	**307 322**
Amortisation and impairment of goodwill and customer contracts	− 209 706
Non-recurring items	− 94 100
Finance costs—net	− 670 798
Profit before tax	**− 667 282**

4. Segment information (Continued)

Other information

	Sweden	Norway	Finland	Denmark	Group functions	Other	Total
Investments non-current assets	−8 699	−5 823	−2 121	−1 653	−6 411	—	**−24 707**
Non-current assets	3 779 847	721 300	221 060	167 683	10 491	53 030	**4 953 412**
Change in working capital	−81 460	−42 573	4 110	−20 695	10 837	−5 152	**−134 932**

Sales by type of contract

Net sales	2014-01-01 - 2014-12-31	2013-01-01 - 2013-12-31	2012-01-01 - 2012-12-31
IFM	4 255 249	3 801 775	3 514 357
Bundled FM	1 308 266	1 307 103	938 696
Single Service	1 339 835	1 378 844	1 091 078
Other*	−59 559	−34 105	−18 184
Total	**6 843 791**	**6 453 617**	**5 525 946**

* Other relates mainly to internal sales between the different segments.

The Group has one customer which accounts for more than 10 per cent of total sales in the Group's continuing operations. Sales to this customer in 2014 were SEK 689 (762; 748) million.

The Company has its registered office in Sweden. Revenues from external customers in Sweden and the breakdown for other countries are described in the segment information above.

5. Operations held for sale

Assets and liabilities attributable to the Group's previous Industrial Service operating segment have been accounted for as held for sale following approval the Board of Directors' project committee in 2014. The sale is due to be completed in the first half of 2015.

Assets in operations held-for-sale	2014-12-31	2013-12-31	2012-12-31
Tangible assets	51 170	—	—
Other intangible assets	12 194	—	—
Other non-current assets	7	—	—
Inventories	29 257	—	—
Other current assets	318 967	—	—
Total	**411 595**	—	—

Liabilities in operations held for sale	2014-12-31	2013-12-31	2012-12-31
Current liabilities	259 762	—	—
Deferred tax	2 531	—	—
Provisions	9 307	—	—
Total	**271 600**	—	—

In accordance with IFRS 5, assets and liabilities held for sale have been written down to fair value. This is a non-recurring fair value measurement that has been calculated using a benchmark analysis of market multiples for similar operations. The measurement there belongs to Level 2 of the fair value hierarchy.

5. Operations held for sale (Continued)

The analysis of results from operations held for sale and the accounting profit on remeasurement of assets and liabilities in operations held for sale are as follows:

	2014-01-01 - 2014-12-31	2013-01-01 - 2013-12-31	2012-01-01 - 2012-12-31
Revenue	1 187 178	1 243 835	1 518 950
Operating expenses	−1 222 309	−1 248 478	−1 465 117
Finance costs—net	−4 466	−4 585	−9 663
Income tax	2 810	7 042	1 207
Total	**−36 787**	**−2 186**	**45 377**
Profit on remeasurement of assets and liabilities in operations held for sale—before tax	−110 215	—	—
Income tax	—	—	—
Profit on remeasurement of assets and liabilities in operations held for sale—after tax	−110 215	—	—
Profit for the year from operations held for sale	**−147 002**	**−2 186**	**45 377**

Cash flow from operations held for sale

	2014-01-01 - 2014-12-31	2013-01-01 - 2013-12-31	2012-01-01 - 2012-12-31
Cash flow from operating activities	−39 983	104 479	92 403
Cash flow from investing activities	−3 812	−4 492	−11 189
Cash flow from financing activities	−1 157	−2 195	−2 679
Net cash flow from operations held for sale	**−44 952**	**97 792**	**78 535**

6. Costs by nature of expense

Group	2014-01-01 - 2014-12-31	2013-01-01 - 2013-12-31	2012-01-01 - 2012-12-31
External services	2 942 442	2 814 736	2 414 500
Payroll costs	2 989 496	2 879 569	2 256 901
Depreciation, amortisation and impairment	379 348	426 842	267 824
IT costs	105 016	107 652	92 437
Premises expenses	105 575	101 761	93 844
Other operating expenses	404 354	305 798	396 925
Total	**6 926 232**	**6 636 359**	**5 522 431**

7. Employees and staff costs

Staff costs

Group	2014-01-01 - 2014-12-31	2013-01-01 - 2013-12-31	2012-01-01 - 2012-12-31
Salaries including restructuring costs and other termination benefits*	2 519 553	2 422 997	2 031 780
Social-security contributions, excl. retirement benefit costs	695 199	663 213	553 824
Retirement benefit costs, defined contribution plans	207 401	200 612	175 102
Retirement benefit costs, defined benefit plans	399	−3 126	1 723
Total	**3 422 553**	**3 283 696**	**2 762 429**
Less costs for operaitons held for sale	−503 778	−533 699	−562 940
Total	**2 918 775**	**2 749 997**	**2 199 489**

(*) Salaries and termination benefits totalled 19,688 (57,407; 15,913). Of this amount, - (3,600; -) refers to severance pay to the CEO and other senior executives.

7. Employees and staff costs (Continued)

Salaries, other remuneration and social-security contributions by country

Group	2014-01-01 - 2014-12-31	2013-01-01 - 2013-12-31	2012-01-01 - 2012-12-31
Sweden	2 189 847	2 281 780	1 854 740
Denmark	394 071	350 313	280 300
Finland	270 998	268 653	255 264
Norway	554 222	371 321	363 029
Other countries	13 414	11 629	9 096
Total	**3 422 553**	**3 283 696**	**2 762 429**
Less costs for operations held for sale (Sweden)	−503 778	−533 699	−562 940
Total	**2 918 775**	**2 749 997**	**2 199 489**

Salaries, other remuneration and social-security contributions

	2014-01-01 - 2014-12-31				2013-01-01 - 2013-12-31				2012-01-01 - 2012-12-31			
Group	Salaries and remuneration	Of which bonuses	Social-security contributions	Of which retirement benefit costs	Salaries and remuneration	Of which bonuses	Social-security contributions	Of which retirement benefit costs	Salaries and remuneration	Of which bonuses	Social-security contributions	Of which retirement benefit costs
Board Directors and CEO	21 281	*2 501*	9 447	*3 648*	20 292	*2 498*	10 137	*3 538*	18 432	2 736	8 237	*3 137*
Other senior executives	10 077	*1 290*	4 945	*1 551*	10 182	*1 182*	5 409	*1 840*	7 880	1 520	4 250	*1 466*
Other employees	2 488 195	*14 352*	888 607	*202 601*	2 392 524	*8 731*	845 152	*192 107*	2 005 468	12 911	718 162	*172 222*
Total Group	**2 519 553**	***18 143***	**902 999**	***207 800***	**2 422 997**	***12 411***	**860 699**	***197 485***	**2 031 780**	**17 167**	**730 649**	***176 825***
Of which operations held for sale	−345 861	*−87*	−157 917	*−28 728*	−372 851	*−412*	−160 848	*−27 346*	−391 979	−404	−170 961	*−30 471*
Total continuing operations	**2 173 692**	***18 056***	**745 082**	***179 072***	**2 050 146**	***11 999***	**699 851**	***170 139***	**1 639 801**	**16 763**	**559 688**	***146 354***

The group Board Directors and CEO includes compensation to the Board of Venoor Invco 1 AB and compensation to the Group's CEO, as well as compensation to the Managing Directors of all of the Group's subsidiaries. The group senior executives referred to above is a part of the Group's management group, excluding those individuals who are Managing Directors for the respective subsidiaries.

Remuneration of senior executives

Senior executives have received the following remuneration	2014	2013	2012
Salaries and short-term remuneration	31 358	26 644	24 140
Termination benefits	—	3 600	—
Retirement benefit costs	5 199	5 242	4 229
Total	**36 557**	**35 487**	**28 369**
Less remuneration in respect of operations held for sale	−2 634	−601	—
Total remuneration senior executives continuing operations	**33 923**	**34 886**	**28 369**

Guidelines

The fees paid to the Chairman of the Board and Board Directors are determined by the meeting of shareholders. No special fee is paid for committee work.

The shareholders' meeting has adopted the following guidelines for remuneration of management:

The remuneration paid to the Chief Executive Officer and other senior executives consists of a basic salary, variable remuneration, other benefits and pension. Other senior executives refer to five individuals who together with the CEO make up the management team.

The balance between basic salary and variable remuneration must be proportionate to the executive's responsibilities and authority. Variable remuneration is based chiefly on the financial outcome relative to

7. Employees and staff costs (Continued)

the Group's target and to a lesser extent on individual targets. For the CEO as well as other senior executives variable remuneration is capped at 50 per cent of the basic salary.

The CEO and all senior executives are covered by an ITP supplementary pension plan solution (or an equivalent solution in other countries). In addition to this, the CEO has the right to pension contributions of 30 per cent for that part of his salary which exceeds 30 base amounts. Two senior executives are entitled to pension contributions of 20 per cent for those parts of their salaries which exceed 30 base amounts, in addition to the normal ITP solution.

Retirement benefit cost refers to the cost which affects profit for the year.

There is no contractual retirement age for the CEO or other senior executives, which means that the retirement age is subject to the local rules which apply for each country.

Remuneration of senior executives—2014

Group 2014	Basic salary/ Directors' fees	Variable remuneration	Other benefits	Pension cost	Severance pay	Other remuneration	TOTAL
Remuneration of the Board							
Anders Narvinger	800	—	—	—	—	—	800
Bernt Magnusson*	250	—	—	—	—	—	250
Mats Jönsson	500	—	—	—	—	—	500
Other Directors	—	—	—	—	—	—	—
Remuneration of the CEO							
Mikael Stöhr	5 580	1 257	88	1 540	—	406	8 871
Remuneration of rest of management team							
Rest of management team, 9 persons	18 436	2 534	524	3 659	—	984	26 136
Total	**25 566**	**3 791**	**612**	**5 199**	**—**	**1 390**	**36 557**
Less operations held for sale	− 1 832	—	—	− 802	—	—	− 2 634
Total continuing operations	**23 734**	**3 791**	**612**	**4 397**	**—**	**1 390**	**33 923**

* The board fee for Bernt Magnusson is invoiced to Coor. The invoices also include compensation for social security contributions.

7. Employees and staff costs (Continued)

Remuneration of senior executives—2013

Group 2013	Basic salary/ Directors' fees	Variable remuneration	Other benefits	Pension cost	Severance pay	Other remuneration	TOTAL
Remuneration of the Board							
Anders Narvinger	800	—	—	—	—	—	800
Bernt Magnusson*	250	—	—	—	—	—	250
Mats Jönsson	500	—	—	—	—	—	500
Other Directors	—	—	—	—	—	—	—
Remuneration of the CEO*							
Mats Jönsson	1 020	700	—	822	1 800	—	4 342
Mikael Stöhr	4 176	825	75	1 116	—	—	6 192
Remuneration of rest of management team					—	—	
Rest of management team, 9 persons	15 529	2 213	557	3 304	1 800	—	23 403
Total	**22 275**	**3 738**	**632**	**5 242**	**3 600**	**—**	**35 487**
Less operations held for sale	−576	—	—	−25	—	—	−601
Total continuing operations	**21 699**	**3 738**	**632**	**5 217**	**3 600**	**—**	**34 886**

* The board fee for Bernt Magnusson is invoiced to Coor. The invoices also include compensation for social security contributions.

** Mats Jönsson was CEO until Mikael Stöhr took up the post of CEO in April 2013.

Remuneration of senior executives—2012

Group 2012	Basic salary/ Directors' fees	Variable remuneration	Other benefits	Pension cost	Severance pay	Other remuneration	TOTAL
Remuneration of the Board							
Anders Narvinger	800	—	—	—	—	—	800
Bernt Magnusson*	250	—	—	—	—	—	250
Other Directors	—	—	—	—	—	—	—
Remuneration of the CEO							
Mats Jönsson	3 411	959	80	1 193	—	—	5 643
Remuneration of rest of management team					—	—	
Rest of management team, 8 persons	15 043	3 056	541	3 036	—	—	21 676
Total	**19 504**	**4 015**	**621**	**4 229**	**—**	**—**	**28 369**

* The board fee for Bernt Magnusson is invoiced to Coor. The invoices also include compensation for social security contributions.

Severance pay

The contract between the Group and Chief Executive Officer is subject to six months' notice by either party. In case of termination by the Group the CEO is entitled to 18 months' severance pay. No severance pay is payable in case of termination by the CEO, except in cases where the non-compete clause which exists between the Group and the CEO becomes effective. In this case the CEO may receive up to 18 months' severance pay even in case of voluntary resignation.

The contracts between the Group and other senior executives are subject to six to twelve months' notice if the employee is made redundant and four to six months' notice in case of voluntary resignation. In case of termination by the Group other senior executives are entitled to zero to twelve months' severance pay. No severance pay is payable in case of termination by the senior executive.

7. Employees and staff costs (Continued)

Average number of employees

Group	2014-01-01 - 2014-12-31 Average no. of employees	2014-01-01 - 2014-12-31 Of which men	2013-01-01 - 2013-12-31 Average no. of employees	2013-01-01 - 2013-12-31 Of which men	2012-01-01 - 2012-12-31 Average no. of employees	2012-01-01 - 2012-12-31 Of which men
Sweden	4 242	2 468	4 088	2 310	3 504	2 177
Denmark	659	409	607	358	682	402
Finland	839	307	845	293	829	351
Norway	1 063	536	578	375	539	360
Belgien	63	46	57	42	62	48
Hungary	24	17	16	11	14	11
Poland	16	5	16	7	10	2
Estonia	10	9	10	9	10	9
Total	**6 916**	**3 797**	**6 218**	**3 405**	**5 649**	**3 359**
Less operations held for sale	−844	−743	−835	−723	−910	−793
Total	**6 072**	**3 054**	**5 383**	**2 682**	**4 739**	**2 566**

Female representation on the Board of Directors of the Parent Company and in the group CEO and other senior executives in the Group

Group	2014-12-31 No. at balance sheet date	2014-12-31 Of which men	2013-12-31 No. at balance sheet date	2013-12-31 Of which men	2012-12-31 No. at balance sheet date	2012-12-31 Of which men
Board Directors	9	9	9	9	8	8
CEO and senior executives	10	10	11	10	11	10
Total	**19**	**19**	**20**	**19**	**19**	**18**

8. Leases, lessee's accounting

Leases in which a significant share of the risks and benefits of ownership are retained by the lessor are classified as operating leases. Payments made during the lease term are charged to the income statement on a straight-line basis over the term of the lease.

Leases in which the economic risks and benefits associated with ownership have essentially been transferred to the lessee are classified as finance leases. At the beginning of its term a finance lease is recognised in the balance sheet at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Each payment under a finance lease is divided into repayment of the loan and financial cost so as to obtain a fixed rate of interest for the recognised liability.

As lessee, the Group has concluded both finance and operating leases. For each contract an assessment is made on whether the contract should be classified as an operating or finance lease.

Finance leases:

The Group has concluded finance leases for primarily machinery, such as trucks and trailers. The majority of these are leased to customers as part of the Group's operations. There are no undertakings obliging the Group to acquire the assets funded through finance leases.

8. Leases, lessee's accounting (Continued)

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

Group	2014	2013	2012
Finance lease liabilities			
Within one year	20 193	24 972	30 120
Between one and five years	24 091	36 540	55 266
After five years	610	59	104
Total	**44 894**	**61 571**	**85 490**
Future financial costs for finance leases	−3 490	−4 987	−7 693
Present value of future mininum lease payments	41 404	56 584	77 797

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

Group	2014	2013	2012
Within one year	19 629	24 304	28 758
Between one and five years	21 327	32 239	48 967
After five years	447	41	72
Total	**41 404**	**56 584**	**77 797**

Operating leases

The Group has concluded operating leases for trucks, trailers, cars, coffee makers, office equipment and other assets. The majority of this equipment is included as part of the service delivery to the customer.

The variable payments are determined based on a financial portion, which in most cases is linked to an interest rate set by the lessor, and a functional portion, which in most cases is linked to an index. There are no undertakings obliging the Group to acquire the assets which are funded through operating leases. Nor are there any restrictions or obligations linked to the assets funded through operating leases.

The distribution of future minimum lease payments attributable to non-cancellable operating leases for continuing operations is as follows:

Group	2014	2013	2012
Maturing within one year	85 577	79 437	60 897
Maturing later than one year but within five years	116 904	102 171	105 228
Maturing after five years	709	1731	951
Total	**203 190**	**183 339**	**167 076**

Lease payments for the year under operating leases for continuing operations were SEK 98,386 (77,836; 49,994).

9. Leases, lessor's accounting

As lessor, the Group has concluded both finance and operating leases. For each contract an assessment is made on whether the contract should be classified as an operating or finance lease.

The Group mainly leases out machinery such as trucks and trailers.

Finance leases:

The Group has mainly concluded finance leases for machinery, such as trucks and trailers.

9. Leases, lessor's accounting (Continued)

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

Finance lease receivables

Group	2014	2013	2012
Within one year	12 963	14 146	15 066
Between one and five years	14 642	25 260	33 457
After five years	0	60	—
Total	**27 605**	**39 466**	**48 523**
Unearned financial income from finance leases	−2 245	−4 042	−5 759
Net investments in finance leases	25 360	35 424	42 764

Net investment in finance leases:

Group	2014	2013	2012
Within one year	12 506	13 645	14 549
Between one and five years	12 855	21 738	28 215
After five years	0	42	—
Total	**25 360**	**35 424**	**42 764**

Operating leases:

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

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

Group	2014	2013	2012
Maturing within one year	18 934	18 322	19 848
Maturing later than one year but within five years	37 219	32 464	34 319
Maturing after five years	800	1 964	1 167
Total	**56 953**	**52 750**	**55 334**

Lease payments under operating leases for the year were SEK 28,998 (30,832; 28,915).

10. Remuneration of auditors

Group	2014-01-01 - 2014-12-31	2013-01-01 - 2013-12-31	2012-01-01 - 2012-12-31
PwC			
Audit engagement	5 573	3 895	4 700
Audit services in addition to audit engagement	319	286	238
Tax advisory services	258	612	1 743
Other services	69	43	1 430
Other audit firms			
Audit engagement	—	—	106
Other services	—	46	75
Total	**6 219**	**4 882**	**8 292**

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

The paid audit fees indicated above include audit fees in operations held for sale of TSEK 577.

11. Other income/expenses

Currency translation differences are included in the operating profit in the amount of 281 (−312; −207) and in finance costs (net) in the amount of −45,989 (−20,920; 20,450).

12. Financial income

Group	2014-01-01 - 2014-12-31	2013-01-01 - 2013-12-31	2012-01-01 - 2012-12-31
Interest income	5 314	4 945	10 263
Interest income, leases	1 943	2 859	2 353
Capital gains on sale of subsidiaries	—	—	3 141
Currency translation differences	3 870	14 649	26 960
Other financial income	175	400	751
Total	**11 302**	**22 853**	**43 467**

Interest income refers chiefly to interest on interest rate swaps and bank deposits. Currency translation differences refer principally to the result of restatement of foreign currency loans.

13. Financial costs

Group	2014-01-01 - 2014-12-31	2013-01-01 - 2013-12-31	2012-01-01 - 2012-12-31
Interest expense	−194 723	−680 670	−663 816
Interest expenses, leases	−3 061	−3 754	−4 055
Currency translation differences	−49 859	−35 569	−6 510
Other financial costs	−35 696	−31 516	−39 884
Total	**−283 340**	**−751 510**	**−714 265**

Interest expenses refer mainly to interest on bank loans. Currency translation differences refer principally to the result of restatement of foreign currency loans. Other financial costs refer primarily to the result of capitalised borrowing costs, fees to the banking syndicate and the restatement of buyout options.

14. Income tax

Group	2014-01-01 - 2014-12-31	2013-01-01 - 2013-12-31	2012-01-01 - 2012-12-31
Current tax	−5 670	−10 316	−12 926
Deferred tax	49 303	344 279	117 942
Total	**43 633**	**333 963**	**105 016**

14. Income tax (Continued)

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

The income tax on the consolidated profit before tax differs from the theoretical amount that would have resulted from the use of a weighted average tax rate for the results of the consolidated companies as follows:

Group	2014-01-01 - 2014-12-31	%	2013-01-01 - 2013-12-31	%	2012-01-01 - 2012-12-31	%
Reported profit before tax	−354 480		−911 399		−667 282	
Tax at applicable tax rate	82 355	23,2%	201 223	22,1%	172 083	25,8%
Correction of tax for previous years	−88	0,0%	36	0,0%	−104	0,0%
Unrecognised deferred tax on tax losses	−40 836	−11,5%	−4 046	−0,4%	−152 570	−22,9%
Use of previously unrecognised tax losses	2 337	0,7%	251 418	27,6%	26 860	4,0%
Tax effect of non-deductible expenses	−612	−0,2%	−117 832	−12,9%	−12 196	−1,8%
Tax effect of non-taxable income	603	0,2%	2 978	0,3%	1 235	0,2%
Effect of change in tax rate	−126	0,0%	187	0,0%	69 708	10,4%
Tax expense	**43 633**	**12,3%**	**333 963**	**36,6%**	**105 016**	**15,7%**

The weighted average tax rate was 23.2 (22.1; 25.8) per cent and the effective tax rate 12.3 (36.6; 15.7) per cent.

The amount of tax attributable to components in other comprehensive income is as follows:

	2014			2013			2012		
Group	Before tax	Tax effect	After tax	Before tax	Tax effect	After tax	Before tax	Tax effect	After tax
Cash flow hedges	−983	216	−767	−1 662	366	−1 296	30 185	−7 939	22 246
Net investment hedge	1 830		1 830	33 238	—	33 238	−5 184	—	−5 184
Actuarial gains and losses	−77	21	−56	2 386	−668	1 718	550	−154	396
Currency translation differences	6 927		6 927	−53 838	—	−53 838	3 163	—	3 163
Other comprehensive income	**7 697**	**237**	**7 934**	**−19 876**	**−302**	**−20 178**	**28 714**	**−8 093**	**20 621**
Current tax		—			—			—	
Deferred tax		237			−302			−8 093	
Total		**237**			**−302**			**−8 093**	

15. Goodwill

Goodwill refers to acquisitions in connection with assets and liabilities and shares of subsidiaries.

Group	2014	2013	2012
Opening cost	3 149 665	3 178 487	2 876 469
Through acquisition of subsidiaries	—	—	313 908
Adjustment relating to prior year	—	−3 347	—
Translation difference	30 470	−25 475	−11 890
Closing cost	**3 180 135**	**3 149 665**	**3 178 487**
Opening accumulated impairment	−274 024	−261 335	−271 385
Impairment losses*	−110 215	—	—
Translation difference	−17 581	−12 689	10 050
Closing accumulated impairment	**−401 820**	**−274 024**	**−261 335**
Closing carrying amount	**2 778 315**	**2 875 641**	**2 917 152**

* The impairment loss for the year relates to the remeasurement of assets and liabilities linked to the operations which is held for sale, for further information see note 5.

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

Group	2014	2013	2012
Sweden	2 072 761	2 072 761	2 076 108
Industrial Service	—	110 215	110 215
Finland	116 510	109 494	105 503
Denmark	136 749	128 296	123 588
Norway	452 295	454 875	501 738
Total	**2 778 315**	**2 875 641**	**2 917 152**

Impairment tests for cash-generating units with goodwill

The recoverable amount for a cash-generating unit is determined based on calculations of value in use. These calculations are made on the basis of estimated future cash flows based on three-year financial budgets and forecasts adopted by management. Cash flows beyond the three-year period are extrapolated based on the business plan.

The calculation of value in use is based on the Group's existing business plan, which in itself includes assumptions and estimates. The most significant assumptions used as a basis for the calculation are the weighted average cost of capital (WACC) for those markets in which operations are conducted as well as assumptions on sales growth and future operating margins.

WACC is calculated based on a debt structure comprising 20 per cent loans 80 per cent equity. The impairment test for the year, including the completed sensitivity analysis, did not show indications of impairment for any part of the continuing operation. Goodwill attributable to the operation which is held for sale has been written down in consequence of the remeasurement of assets and liabilities linked to this operation. For more information, see Note 5.

Sales growth

The calculations are based on growth in the Company's multi-year business plans. Growth is achieved partly through add-on sales to existing customers and partly through sales to new customers. Assumptions on new sales are based on the company's historical experience and on ongoing and coming procurements.

EBITDA margin

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

15. Goodwill (Continued)

Discount rate

The discount factor, based on general market conditions coupled with the specific circumstances of each unit, is 8.6 (8.8; 8.8) per cent after tax in all units. The Group has not deemed that the risks differ materially among the various Nordic countries and has therefore applied the same WACC in calculating value in use.

Material assumptions used in calculations of value in use during the budget period:

Group	Sales growth	EBITDA margin	Discount rate
Sweden	11% - 14%	7,9% - 8,7%	8,6%
Finland	11% - 13%	3% - 5,5%	8,6%
Denmark	3% - 9%	1,6% - 2,2%	8,6%
Norway	7% - 8%	5,7% - 6,3%	8,6%

For assumptions beyond the budget period a perpetual growth rate of 2 per cent has been used.

16. Customer contracts

Group	2014	2013	2012
Opening cost	3 569 134	3 598 492	3 524 960
Through acquisition of subsidiaries	—	—	75 550
Reclassification assets held for sale	−96 787	—	—
Translation difference for the year	15 290	−29 358	−2 018
Closing cost	**3 487 636**	**3 569 134**	**3 598 492**
Opening accumulated amortisation and impairment	−1 972 319	−1 609 873	−1 382 848
Amortisation charges for the year	−218 764	−233 592	−226 111
of which assets held for sale	*−11 143*	*−11 143*	*−16 502*
Impairment losses	−123 000	−145 604	—
Reclassification assets held for sale	85 645	—	—
Translation difference for the year	−9 681	16 750	−914
Closing accumulated amortisation and impairment	**−2 238 119**	**−1 972 319**	**−1 609 873**
Closing carrying amount	**1 249 517**	**1 596 815**	**1 988 619**

Amortisation and impairment of customer contracts are included in the item Cost of services sold.

In a review of customer contracts carried out in 2014 it was identified that three contracts had been impaired due to the fact that the renegotiation of the contracts had resulted in lower volumes and/or margins than previously. The review resulted in a total impairment loss of SEK 123 million relating to the operating segment Sweden.

The assessment of value in use for customer contracts is strongly influenced by renegotiations with customers, which take place on an ongoing basis. In its initial valuation of the customer contracts the Group has based its estimate on the assumption that a certain number of contracts will be renewed at a certain volume and margin. The Group's customer contracts are renegotiated at a weighted average interval of five years. In the assessment made as at 31 December 2014 management has factored in the risk of changes to volumes or reduced margins in the most imminent renegotiations. There is also of course a risk that a customer contract will be lost to a competitor in connection with a renegotiation. As at the closing date management does not believe there is any evident risk that the Group will lose any of those customer contracts for which a carrying amount has been recognised in the balance sheet.

With the exception of those customer contracts that were written down in the accounts there are, at the closing date, no indications of reduced volumes or margins for those customer contracts for which a carrying amount has been recognised in the balance sheet.

17. Trademarks

Group	2014	2013	2012
Opening cost	40 000	40 000	40 000
Closing cost	**40 000**	**40 000**	**40 000**
Closing carrying amount	**40 000**	**40 000**	**40 000**

The impairment tests are based on the same principles as for goodwill. The impairment test carried out did not show any indication of impairment. The trademark refers to the Sweden segment and is not subject to scheduled amortisation.

18. Other intangible assets

Group	2014	2013	2012
Opening cost	108 240	104 973	84 900
Investments through acquisition of subsidiaries	—	—	18 598
Investments	7 920	6 982	6 947
Sales and disposals	—	−4 276	−1 666
Reclassifications	—	65	−3 350
Reclassification assets held for sale	−8 465	—	—
Translation difference	899	496	−456
Closing cost	**108 594**	**108 240**	**104 973**
Opening accumulated amortisation	−64 156	−52 384	−29 677
Sales and disposals	—	4 227	1 666
Increase through acquisition of subsidiaries	—	—	−16 727
Amortisation charges for the year	−14 706	−15 645	−11 289
Reclassifications	−97	—	3 350
Reclassification assets held for sale	7 414	—	—
Translation difference	−697	−353	293
Closing accumulated amortisation	**−72 242**	**−64 156**	**−52 384**
Closing carrying amount	**36 352**	**44 084**	**52 589**

Amortisation and impairment are included in profit or loss in the following amounts:

Group	2014-01-01 - 2014-12-31	2013-01-01 - 2013-12-31	2012-01-01 - 2012-12-31
Cost of services sold	−13 740	−13 891	−10 561
Administrative expenses	−966	−1 754	−728
Total amortisation	**−14 706**	**−15 645**	**−11 289**
Less amortisation in respect of operations held for sale	577	790	437
Total amortisation continuing operations	**−14 129**	**−14 855**	**−10 852**

The item Other intangible assets includes leased assets held by the Group under finance leases in the following amounts:

Group	2014	2012	2012
Cost—capitalised finance leases	43 137	43 137	43 137
Accumulated amortisation	−25 890	−17 268	−8 646
Carrying amount	**17 247**	**25 869**	**34 491**

19. Buildings and land

Group	2014	2013	2012
Opening cost	5 272	5 076	5 057
Investments	—	—	210
Translation difference	344	197	−191
Closing cost	**5 616**	**5 272**	**5 076**
Opening accumulated depreciation	−2 470	−2 200	−2 114
Depreciation charges for the year	−185	−175	−169
Translation difference	−172	−95	83
Closing accumulated depreciation	**−2 827**	**−2 470**	**−2 200**
Closing carrying amount	**2 789**	**2 802**	**2 876**

Depreciation of buildings and land is included in the item Cost of services sold in the amount of 185 (175; 169) and in Administrative expenses in the amount of—(—; —).

20. Machinery and equipment

Group	2014	2013	2012
Opening cost	604 959	600 246	566 608
Investments through acquisition of subsidiaries	—	—	11 785
Investments	35 021	38 034	29 890
Investments through finance leases	6 210	1 329	13 646
Sales and disposals	−38 291	−30 162	−20 110
Reclassifications	−427	−126	−388
Reclassification assets held for sale	−123 506	—	—
Translation difference	3 497	−4 362	−1 185
Closing cost	**487 463**	**604 959**	**600 246**
Opening accumulated depreciation	−467 591	−440 971	−389 959
Increase through acquisition of subsidiaries	—	—	−9 869
Sales and disposals	30 914	27 189	19 347
Depreciation charges for the year	−45 018	−56 348	−61 228
Reclassifications	—	63	—
Reclassifications assets held for sale	72 335	—	—
Translation difference	−2 721	2 476	738
Closing accumulated depreciation	**−412 081**	**−467 591**	**−440 971**
Closing carrying amount	**75 382**	**137 368**	**159 275**

Depreciation and impairment of machinery and equipment are included in the income statement as follows:

Group	2014-01-01 - 2014-12-31	2013-01-01 - 2013-12-31	2012-01-01 - 2012-12-31
Cost of services sold	−43 300	−54 486	−60 347
Administrative expenses	−1 718	−1 863	−881
Selling expenses	—	—	—
Total depreciation	**−45 018**	**−56 348**	**−61 228**
Less depreciation related to operations held for sale	10 605	12 590	13 985
Total depreciation continuing operations	**−34 413**	**−43 759**	**−47 242**

20. Machinery and equipment (Continued)

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

Group	2014	2013	2012
Cost—capitalised finance leases	147 896	159 085	165 540
Accumulated depreciation	– 134 091	– 142 445	– 127 609
Carrying amount	**13 805**	**16 640**	**37 931**

See also Notes 8 and 9 for information on the Group's lease obligations.

21. Other non-current receivables

Group	2013	2012	2012
Lease receivables	12 855	21 779	28 215
Other receivables	28	92	998
Total	**12 883**	**21 871**	**29 213**

Group	2013	2013	2012
Opening non-current receivables	21 871	29 213	20 056
Increase receivables	2 509	5 115	20 302
Decrease receivables	– 11 497	– 12 457	– 11 145
Closing carrying amount non-current receivables	**12 883**	**21 871**	**29 213**

For more information on lease receivables, see Note 9 Leases, lessor's accounting.

The increase in non-current receivables refers primarily to an increased receivable attributable to new leases. The decrease refers mainly to repayments related to lease receivables.

Fair value is deemed to be essentially the same as the carrying amount.

22. Financial instruments by category

The accounting policies for financial instruments have been applied for the following items:

2014-12-31	Loans and receivables	Available-for-sale financial assets	Total
Financial assets according to balance sheet			
Other non-current receivables	12 883	—	12 883
Accounts receivable	1 155 179	—	1 155 179
Current receivables relating to finance leases	12 506	—	12 506
Cash and cash equivalents	335 198	—	335 198
Total	**1 515 765**	**—**	**1 515 765**

2013-12-31	Loans and receivables	Available-for-sale financial assets	Total
Financial assets according to balance sheet			
Other financial assets	—	50	50
Other non-current receivables	21 871	—	21 871
Accounts receivable	1 215 213	—	1 215 213
Current receivables relating to finance leases	13 645	—	13 645
Cash and cash equivalents	288 250	—	288 250
Total	**1 538 979**	**50**	**1 539 029**

22. Financial instruments by category (Continued)

2012-12-31	Loans and receivables	Available-for-sale financial assets	Total
Financial assets according to balance sheet			
Other financial assets	—	58	58
Other non-current receivables	29 213	—	29 213
Accounts receivable	1 368 027	—	1 368 027
Current receivables relating to finance leases	14 549	—	14 549
Cash and cash equivalents	248 647	—	248 647
Total	**1 660 436**	**58**	**1 660 494**

2014-12-31	Derivatives used for hedging purposes	Financial liabilities at amortised cost	Total
Financial liabilities according to balance sheet			
Borrowing	—	2 862 847	2 862 847
Finance lease liabilities	—	41 404	41 404
Derivatives	3 591	—	3 591
Bank overdraft	—	120 000	120 000
Accounts payable	—	893 162	893 162
Total	**3 591**	**3 917 413**	**3 921 004**

2013-12-31	Derivatives used for hedging purposes	Financial liabilities at amortised cost	Total
Financial liabilities according to balance sheet			
Borrowing	—	2 865 128	2 865 128
Finance lease liabilities	—	56 584	56 584
Derivatives	2 609	—	2 609
Accounts payable	—	903 135	903 135
Total	**2 609**	**3 824 847**	**3 827 456**

2012-12-31	Derivatives used for hedging purposes	Financial liabilities at amortised cost	Total
Financial liabilities according to balance sheet			
Borrowing	—	6 381 458	6 381 458
Finance lease liabilities	—	77 797	77 797
Derivatives	17 579	—	17 579
Accounts payable	—	829 646	829 646
Total	**17 579**	**7 288 901**	**7 306 480**

Calculation of fair value

Financial instruments at fair value are classified using a fair value hierarchy.

The different levels of the hierarchy are defined as follows:

- Quoted prices in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included in Level 1 that are observable for the asset or liability (Level 2).
- Inputs for the asset or liability that are not based on observable market inputs (Level 3).

The Group holds derivatives which are used for hedging purposes. The derivative is a financial instrument measured at fair value. The value at 31 December 2014 was SEK −3.6 (−2.6; −17.6) million. The Group has deemed that the derivative should be classified to Level 2.

23. Inventories

Inventories in the Group mainly consist of finished goods. The cost for inventories that has been charged to expense is included in the item Cost of services sold and was 21,441 (17,385; 26,320) for continuing operations in the Group.

In 2014 impairment, including obsolescence, of 1,030 (95; 113) was charged to cost of services sold for continuing operations.

24. Receivable related to services in progress

Group	2014	2013	2012
Costs paid including margin	246 762	475 226	533 351
Invoiced instalments	−230 231	−418 770	−463 799
Total	**16 531**	**56 456**	**69 552**

25. Accounts receivable

Group	2014	2013	2012
Trade receivables	1 159 483	1 219 689	1 373 533
Provision for impairment of trade receivables	−4 304	−4 476	−5 506
Total	**1 155 179**	**1 215 213**	**1 368 027**

The fair value of accounts receivable is judged to be essentially the same as the carrying amount.

Age structure of accounts receivable past due for which no provisions have been made:

For all accounts receivable an individual assessment is made of whether a provision for doubtful receivables should be made. At 31 December 2014 the share of accounts receivable past due for which no provisions had been made was 189,875 (190,712; 233,845). These refer to receivables from a number of customers for which there are no signs of poor creditworthiness and for which no credit losses have been incurred historically. The age structure for these accounts receivable was as follows:

Group	2014	2013	2012
0 - 3 months	181 779	174 661	220 136
>3 months	8 096	16 050	13 709
Total	**189 875**	**190 712**	**233 845**

Age structure of accounts receivable past due for which provisions have been made for all or part of the receivable:

At 31 December 2014 the total share of accounts receivable for which provisions have been made for all or part of the receivable was 4,304 (4,476; 5,506). The provision for doubtful accounts receivable was 4,304 (4,476; 5,506). The age structure for this part of accounts receivable is as follows:

Group	2014	2013	2012
0 - 3 months	—	348	361
>3 months	4 304	4 129	5 145
Total	**4 304**	**4 476**	**5 506**

25. Accounts receivable (Continued)

Analysis of the change in the Group's provision for doubtful accounts receivable:

Group	2014	2013	2012
Provision at beginning of period	−4 476	−5 506	−4 283
Added provisions due to acquisitions	—	—	−715
Provision for impairment	−2 220	−159	−573
Established losses	1 801	962	85
Reclassification to non-current assets held for sale	647	—	—
Translation differences	−56	228	−20
Total	**−4 304**	**−4 476**	**−5 506**

At the balance sheet date the item Accounts receivable included foreign currency receivables in the following amounts converted to SEK at the closing rate:

Group	2014	2013	2012
SEK	747 213	876 738	991 220
NOK	226 154	151 362	196 527
DKK	89 326	105 785	109 607
EUR	92 421	81 780	72 362
USD	73	150	1 081
Other	4 296	3 873	2 736
Total	**1 159 483**	**1 219 689**	**1 373 533**

26. Other receivables

Group	2014	2013	2012
Lease receivables, interest-bearing	12 506	13 645	14 549
VAT receivables	892	757	1 526
Other receivables, interest-bearing	882	—	—
Other receivables	6 243	25 155	21 812
Total	**20 523**	**39 558**	**37 887**

For more information on lease receivables, see Note 9.

27. Prepaid expenses and accrued income

Group	2014	2013	2012
Accrued income	232 644	209 902	238 791
Accrued interest	1 422	1 467	7 059
Prepaid expenses	175 853	159 106	119 681
Total	**409 919**	**370 475**	**365 531**

28. Derivatives

The Group has derivatives in the form of interest rate swap agreements used to hedge cash flows from interest payments on the Group's borrowing.

The Group pays interest to the bank on a quarterly basis. Through fixed-rate swaps, three-month STIBOR, NIBOR and EURIBOR interest rates have been hedged to fixed rates, which ranged from 0.1-1.4 per cent at 31 December 2014. Around 62 per cent of the Group's liabilities to credit institutions has been hedged through interest rate swaps. At 31 December 2014 the derivatives had a total carrying amount of −3,591 (−2,609; −17,579).

29. Cash and cash equivalents

Group	2014	2013	2012
Cash and bank balances	335 198	288 250	248 647
Total	**335 198**	**288 250**	**248 647**

30. Equity

At 31 December 2014 the share capital consisted of 301,958,610 (301,958,610; 301,918,246) shares. 200,000,000 of these are ordinary shares while 101,958,610 are preference shares. Shares are issued in nine series: ordinary shares of series A and B and preference shares of series C, D, E, F1, F2, F3 and F4. Ordinary shares of series A carry ten votes each. Ordinary shares of series B and preference shares of series C, D, E, F1, F2, F3 and F4 carry one vote each. All shares registered at the closing date were fully paid-up.

The terms for preference shares stipulate that these shares incur annual interest of 10-15%, accumulating on unpaid amounts. The Group has made the assessment that the outstanding preference shares comprise of equity instruments. This assessment is based on the fact that both dividends on and the redemption of preference shares presumes a decision by the meeting of shareholders in which the holders of ordinary shares have the majority. However, the company can determine whether dividends or the redemption of these preference shares shall take place and, consequently, there is no contractual obligation to distribute cash, which is the reason the instruments are to be classified as equity.

The quotient value of the shares at 31 December 2014 is 1.0 (1.0; 1.0).

	No. of shares
At 1 January 2012	**301 918 246**
Movement for the year	—
At 31 December 2012	**301 918 246**
Movement for the year	40 364
At 31 December 2013	**301 958 610**
Movement for the year	—
At 31 December 2014	**301 958 610**

A specification of changes in equity is found in the consolidated and Parent Company statements of changes in equity, which are presented immediately after the balance sheets.

The item Other reserves refers to translation differences arising on translation of foreign subsidiaries, items recognised in other comprehensive income from the application of hedge accounting and actuarial effects upon remeasurement of the net pension obligation, see the statement of other comprehensive income and the statement of changes in equity.

By raising loans in NOK the Group has hedged the currency exposure of its net investment in Norwegian subsidiaries. The NOK translation difference was SEK −1 million, of which SEK +2 million refers to the currency hedge of the net investment in the Norwegian subsidiaries. Translation differences attributable to DKK were positive and the translation differences attributable to EUR were negative. The total translation difference for 2014 (including the currency hedge of the net investment in the Norwegian operation) was SEK 9 million.

31. Borrowing

Group	2014	2013	2012
Non-current			
Finance lease liabilities	21 774	32 281	49 039
Liabilities to credit institutions	2 827 336	2 758 094	2 850 151
Capitalised borrowing costs	−52 689	−47 235	−69 340
Non-current liabilities, shareholders	—	—	3 543 798
Other non-current liabilities	8 201	4 601	1 012
Total	**2 804 622**	**2 747 740**	**6 374 660**
Current			
Finance lease liabilities	19 629	24 304	28 758
Liabilities to credit institutions	80 000	149 668	55 837
Total	**99 629**	**173 972**	**84 595**
Bank overdraft facilities	120 000	—	—
Total borrowing	**3 024 251**	**2 921 712**	**6 459 255**

Liabilities to credit institutions at 31 December 2014 refers to a number of loans with a banking syndicate. The loans are subject to interest defined as IBOR (depending on the original currency of the loan) + 3.5 - 5 percentage points.

The Group's loans are denominated in Swedish kronor, Norwegian kroner and euro.

Currency	Nominal amount (SEK) 2014-12-31	Nominal amount (SEK) 2013-12-31	Nominal amount (SEK) 2012-12-31
SEK	1 638 457	1 718 041	1 725 133
NOK	425 510	427 936	474 842
EURO	843 369	761 785	706 013
Total	**2 907 336**	**2 907 762**	**2 905 988**

The available bank overdraft facility at 31 December 2014 is 350,200 (245,000; 245,000) for the Group, of which 234,900 (24,873; 126,616) had been drawn. Bank overdraft facilities drawn at 31 December 2014 comprise cash and cash equivalents of TSEK 120,000 and primarily performance bonds of TSEK 114,900.

Fair values at the balance sheet date were as follows:

	Carrying amount			Fair value		
Group	2014-12-31	2013-12-31	2012-12-31	2014-12-31	2013-12-31	2012-12-31
Finance lease liabilities	41 403	56 584	77 797	41 403	56 584	77 797
Liabilities to credit institutions	2 854 647	2 860 527	2 836 648	2 854 647	2 860 527	2 836 648
Bank overdraft facilitites	120 000	—	—	120 000	—	—
Non-current liabilities, shareholders	—	—	3 543 798	—	—	3 543 798
Other non-current liabilities	8 201	4 601	1 012	8 201	4 601	1 012
Total	**3 024 251**	**2 921 712**	**6 459 255**	**3 024 251**	**2 921 712**	**6 459 255**

At the end of 2014 the covenants and interest rates for the Group's loans were renegotiated with the Group's banking syndicate. The current credit margin is therefore deemed to be consistent with market terms. The Group deems that the valuation is made in accordance with Level 2 of the fair value hierarchy.

The Group has provided collateral in the form of shares in subsidiaries for liabilities to credit institutions. For further information, see Note 38 Pledged assets.

32. Deferred tax

Changes in deferred tax assets and deferred tax liabilities during the year are presented below. Deferred tax assets and tax liabilities have been offset within the same tax jurisdiction. The Group has a net deferred tax liability in each tax jurisdiction.

Group	2014	2013	2012
Deferred tax liability	290 448	372 487	466 622
Deferred tax asset	− 247 196	− 274 919	− 14 291
Deferred tax liability, net	**43 252**	**97 567**	**452 331**

Deferred tax asset

	2014				
Group	Goodwill arising from purchase of net assets	Tax losses	Cashflow hedge	Other	Total
At 1 January 2014	**42 294**	**223 739**	**574**	**8 313**	**274 919**
Recognised in the income statement	− 7 725	− 18 668	1	− 2 335	− 28 726
Recognised in other comprehensive income	—	—	213	—	213
Reclassification		− 776			− 776
Translation differences	—	764	—	802	1 566
At 31 December 2014	**34 569**	**205 059**	**788**	**6 780**	**247 196**

	2013				
Group	Goodwill arising from purchase of net assets	Tax losses	Cashflow hedge	Other	Total
At 1 January 2013	**3 889**	**14 371**	**260**	**− 4 229**	**14 291**
Recognised in the income statement	38 405	208 807	− 52	13 847	261 007
Recognised in other comprehensive income	—	—	366	− 668	− 302
Translation differences	—	561	—	− 637	− 77
At 31 December 2013	**42 294**	**223 739**	**574**	**8 313**	**274 919**

	2012				
Group	Goodwill arising from purchase of net assets	Tax losses	Cashflow hedge	Other	Total
At 1 January 2012	**6 137**	**16 403**	**8 199**	**3 702**	**34 441**
Recognised in the income statement	− 2 248	210	—	− 5 983	− 8 021
Recognised in other comprehensive income	—	—	− 7 939	− 154	− 8 093
Adjusted towards current tax	—	− 2 607	—	− 3 418	− 6 025
Acquired deferred tax	—	814	—	979	1 793
Translation differences	—	− 449	—	645	196
At 31 December 2012	**3 889**	**14 371**	**260**	**− 4 229**	**14 291**

Group	2014	2013	2012
To be recovered within 12 months	7 725	7 711	991
To be recovered after more than 12 months	239 471	267 208	13 300
Total	**247 196**	**274 919**	**14 291**

32. Deferred tax (Continued)

Deferred tax liability

Group	2014 Untaxed reserves	2014 Customer relations and brand	2014 Total
At 1 January 2014	**569**	**371 918**	**372 487**
Recognised in the income statement	−414	−80 459	−80 873
Reclassified to non-current assets held for sale	−79	−2 452	−2 531
Translation difference	13	1 352	1 365
At 31 December 2014	**89**	**290 359**	**290 448**

Group	2013 Untaxed reserves	2013 Customer relations and brand	2013 Total
At 1 January 2013	**5 374**	**461 248**	**466 622**
Recognised in the income statement	−4 809	−85 653	−90 462
Translation difference	4	−3 677	−3 673
At 31 December 2013	**569**	**371 918**	**372 487**

Group	2012 Untaxed reserves	2012 Customer relations and brand	2012 Total
At 1 January 2012	**5 525**	**574 296**	**579 821**
Recognised in the income statement	−102	−129 052	−129 154
Acquired deferred tax	—	16 621	16 621
Translation difference	−49	−617	−666
At 31 December 2012	**5 374**	**461 248**	**466 622**

Group	2014	2013	2012
To be recovered within 12 months	39 807	50 899	53 495
To be recovered after more than 12 months	250 641	321 588	413 127
Total	**290 448**	**372 487**	**466 622**

The Group has total tax losses of SEK 462 million, of which SEK 205 million have been recognised in the balance sheet. Of the total value of the Group's tax losses, SEK 420 million is in Sweden, SEK 38 million in Finland, SEK 2 million in Norway and SEK 2 million in Denmark. In Sweden, Norway and Denmark there are no time limitations on the use of the tax losses. In Finland tax losses must be used within a ten-year period from when they arise and have only been recognised to the extent that they are offset by a deferred tax liability. It is estimated that it will be possible to use the existing tax losses in Norway and Denmark in coming years and these have therefore been fully capitalised. In Sweden a deferred tax asset attributable to tax losses has been recognised only to the extent that there exists a deferred tax liability.

Due to internal restructuring in the Group, it will not be possible to use parts of the tax losses in Sweden for Group contributions between certain companies for a number of years.

In 2010 the Swedish Tax Agency initiated a tax audit of the Parent Company Venoor Invco 1 in which the Tax Agency primarily examined interest expenses for the shareholder loan received from Cinoor S.a.r.l. The tax audit, which referred to the income years 2007 to 2010, was concluded in 2014, with the result that Coor has been permitted to deduct the interest expenses which were the subject of the tax audit.

33. Pensions

Retirement and family pension obligations for salaried professionals in Sweden are secured through an insurance policy with Alecta. According to a statement from the Urgent Issue Committee of the Swedish Financial Accounting Standards Council, UFR 3, this is a defined benefit plan covering several employers. For the financial years 2012, 2013 and 2014 the Group has not had access to information that would allow it to account for this plan as a defined benefit plan. The ITP pension plan secured through an insurance policy with Alecta is therefore accounted for as a defined contribution plan. The year's fees for pension insurance policies provided by Alecta are approximately SEK 68,048 (73,943; 61,982) million. Alecta's surplus can be distributed to the policy owners and/or insured parties. At the end of 2014 Alecta's surplus, as defined by the collective consolidation ratio, was 143 (148; 129) per cent. The collective funding ratio is defined as the market value of Alecta's assets as a percentage of its commitments to policyholders calculated using Alecta's actuarial assumptions, which do not comply with IAS 19.

The Group's Norwegian company has previously had some defined benefit pension plans, but when the old AFP plans were closed in 2010 in response to changes in legislation the majority of employees were transferred to the new AFP plan.

The new AFP plan is a funded plan covering several employers. The new AFP plan is regarded as a defined benefit pension plan, but is accounted for as a defined contribution plan in accordance with IAS 19 for the time being. It is not yet possible to obtain reliable information concerning each company's share of the retirement benefit cost, pension obligation and plan assets, and it is therefore not possible to account for the plan as a provision in the balance sheet. Contributions to pension schemes under the new AFP plan in 2014 were TSEK 14,376 (7,058; 8,369).

Group	2014	2013	2012
Obligations in balance sheet for:			
Endowment policies	23	140	194
Retirement benefits defined benefit plans	9 665	12 354	18 614
Total	**9 688**	**12 494**	**18 808**

Group	2014-01-01 - 2014-12-31	2013-01-01 - 2013-12-31	2012-01-01 - 2012-12-31
Recognition in the income statement for:			
Retirement benefits defined benefit plans	399	−3 126	1 722
Retirement benefits defined contribution plans	207 400	200 612	175 102
Total	**207 799**	**197 486**	**176 824**
Less retirement benefit costs for operations held for sale	−28 728	−27 346	−30 471
Total	**179 071**	**170 140**	**146 353**

The amounts recognised in the balance sheet for defined benefit plans have been calculated as follows:

Group	2014	2013	2012
Present value of funded obligations	3 438	3 060	21 138
Fair value of plan assets	−2 413	−2 430	−13 889
Total	**1 025**	**630**	**7 249**
Present value of unfunded obligations	8 641	11 724	11 365
Net liability in balance sheet	**9 665**	**12 354**	**18 614**

33. Pensions (Continued)

The change in the defined benefit obligation during the year is as follows:

Group	2014	2013	2012
At beginning of year	14 785	32 503	29 077
Current year service costs	368	385	1 142
Interest expense	105	321	785
Actuarial gains (+) / losses (−)	−133	−4 930	−3 521
Currency translation differences	−25	−1 542	420
Redemption pension contribution to Alecta	−2 289	—	—
Pension payments made	−733	−1 108	−2 070
Change of pension scheme, cost borne by customer	—	−791	—
Liabilities assumed on acquisition	—	1 817	6 670
Terminated pension plans*	—	−11 868	—
At end of year	**12 078**	**14 785**	**32 503**

The change in the fair value of plan assets during the year is as follows:

Group	2014	2013	2012
At beginning of year	2 430	13 888	14 338
Expected return on plan assets	73	147	664
Actuarial losses (−) / gains (+)	−56	−2 544	−1 171
Currency translation differences	−14	−798	210
Incoming payments	—	137	270
Pension payments made	−20	−218	−423
Terminated pension plans*	—	−8 182	—
At end of year	**2 413**	**2 430**	**13 888**

* In the previous year a number of persons who were previously covered by defined benefit pension plans were transferred to defined contribution pension plans under the new AFP plan in Norway.

Expected contributions to post-employment benefit plans for the financial year 2015 are SEK 0.4 million for defined benefit pension plans, SEK 72 million for pension plans with Alecta, SEK 13 million for the new AFP plan in Norway and SEK 125 million for other defined contribution pension plans.

34. Other provisions

	2014		
Group	Restructuring	Other provisions	Total
At 1 January 2014	**56 230**	**34 672**	**90 902**
Recognised in the income statement			
—additional provisions	15 631	12 792	28 423
—unused amounts reversed	−2 767	0	−2 767
Used during year	−48 443	−40 311	−88 754
Reclassified to non-current assets held for sale	−6 700	−2 607	−9 307
Translation difference	−200	368	168
At 31 December 2014	**13 751**	**4 914**	**18 665**

34. Other provisions (Continued)

Group	2013 Restructuring	2013 Other provisions	2013 Total
At 1 January 2013	**36 891**	**68 351**	**105 242**
Reclassification	1 915	−1 915	—
Recognised in the income statement			
—additional provisions	70 151	2 116	72 267
—unused amounts reversed	−1 639	−1 983	−3 622
Used during year	−50 951	−30 265	−81 216
Translation difference	−138	−1 632	−1 770
At 31 December 2013	**56 230**	**34 672**	**90 902**

Group	2012 Restructuring	2012 Other provisions	2012 Total
At 1 January 2012	**69 839**	**42 532**	**112 371**
Recognised in the income statement			
—additional provisions	31 376	56 994	88 370
—unused amounts reversed	−9 871	−5 406	−15 277
Used during year	−54 650	−25 852	−80 502
Translation difference	197	83	280
At 31 December 2012	**36 891**	**68 351**	**105 242**

The breakdown between the non-current and current portions of other provisions is as follows:

Group	2014	2013	2012
Long-term	6 927	25 862	47 170
Short-term	11 738	65 040	58 072
Total	**18 665**	**90 902**	**105 242**

Restructuring

The provision for adopted restructuring measures refers primarily to costs in connection with a Group cost savings programme that is expected to increase earnings in coming periods.

Other provisions

Other provisions refer principally to a provision for the acquisition of a minority interest and a provision for future rental expenses.

35. Liability related to services in progress

Group	2014	2013	2012
Costs paid including margin	−110 071	−115 338	−126 986
Invoiced instalments	156 391	141 491	145 898
Total	**46 320**	**26 153**	**18 912**

36. Other liabilities

Group	2014	2013	2012
Short-term			
VAT liabilitiy	125 180	105 209	120 739
Employee withholding tax	53 645	51 145	60 610
Other short term liabilities	29 849	32 274	64 977
Total	**208 674**	**188 628**	**246 326**

37. Accrued expenses and deferred income

Group	2014	2013	2012
Social-security contributions	106 393	112 974	127 888
Vacation salary	268 955	272 243	268 420
Other personell related liabilities	81 903	85 986	103 284
Interest costs	13 588	891	3 202
Prepaid income	171 958	143 416	165 340
Other	218 638	237 486	184 218
Total	**861 434**	**852 994**	**852 352**

38. Pledged assets

For own provisions and liabilities

Group	2014	2013	2012
Shares in subsidiaries	1 086 803	1 445 071	514 794
Bank guarantees	175 976	56 194	133 482
Total	**1 262 779**	**1 501 265**	**648 276**

Assets have been pledged as collateral for liabilities to credit institutions. Collateral has been provided in the form of shares in subsidiaries. This includes floating charges and mortgages. General collateral has also been provided that is designed to secure future interest expenses and repayments under existing bank agreements.

39. Contingent liabilities

For own provisions and liabilities

Group	2014	2013	2012
Parent company guarantees	263 410	229 403	93 806
Performance guarantees	1 092	1 025	987
Other guarantees	40	40	40
Total	**264 542**	**230 468**	**94 833**

The Parent Company has issued performance bonds on behalf of subsidiaries. Subsidiaries have in some cases issued performance bonds directly to external counterparties.

The companies in the Group are involved in tax audits and other legal proceedings which have arisen in the course of their operations. Any liability in connection with such legal proceedings is not deemed to materially affect the Group's operations or financial position. For more information, see Note 32 Deferred tax.

Information on the Group's lease obligations is found in Note 8.

40. Related-party transactions (Group and Parent Company)

Ownership structure

The majority of the shares in Venoor Invco 1 AB are owned by the Cinven Funds via Cinoor S.a.r.l. A portion of the shares are also owned by current and former senior executives, employees and Board members.

The following transactions have been made with related parties:

In 2014 the Parent Company, Venoor Invco 1 AB, received invoices from Cinven, relating to monitoring fees. These invoices were in a total amount of TSEK 3,910 (3,737; 3,755).

The Parent Company has had interest expenses related to shareholder loans to Cinoor S.a.r.l. in the amount of TSEK—(492,822; 450,594). The total closing liability to the owner is TSEK—(—; 3,543,798). In December 2013 the loan from Cinoor S.a.r.l., which at that time was in the amount of TSEK 4,036,620, was converted into equity through a debt-for-equity swap.

40. Related-party transactions (Group and Parent Company) (Continued)

The Parent Company has also passed on the cost of services to Group companies in the amount of TSEK 4,429 (3,777; 3,656) and received intercompany interest income of TSEK −94 (492,822; 450,594).

Total receivables from Group companies at the balance sheet date were TSEK—(—; 3,544,360) while liabilities to Group companies at the same date were TSEK 817 (534,335; 45,365). In December 2013 the receivable from the subsidiary company Venoor Invco 2 AB was converted into equity through a debt-for-equity swap. The loan was in the amount of TSEK 4,036,620 at the time of conversion.

The Group CEO has in year 2013 provided a principal linked participating debenture amounting to TSEK 2,000 to the Parent Company, Venoor Invco 1 AB. The repayment terms of the loan are impacted by the Group's future earnings trend and valuation and will be repaid when the Group is sold. A valuation was made as at 31 December 2014 based on expected EBITDA multiple in such a sale. The loan's fair value as at 31 December 2014 amounted to MSEK 2.7.

Remuneration of senior executives

See Note 7 Staff costs.

41. Specification of other items

Group	2014	2013	2012
Change in provisions	−54 539	−17 274	−16 948
Net result on disposal of fixed assets and subsidiaries	−4 813	621	−1 253
Other	−1 668	9 824	7 505
Total	**−61 020**	**−6 829**	**−10 696**

42. Acquisition of operations

In 2014 a couple of non-controlling interests were bought out for a total consideration of SEK 23 million.

No acquisitions were made in 2013.

In 2012 a non-controlling interest was bought out for a consideration of SEK 14 million and in December 2012 the Group acquired the Addici group for a total consideration of SEK 185 million.

Summary of the effect on cash and cash equivalents of business acquisitions:

Group	2014	2013	2012
Purchase consideration attributable to acquisitions during the year	—	—	184 631
Purchase consideration attributable to investments of non controlling interest	23 389	—	14 206
Cash and cash equivalents in acquired business	—	—	−29 795
Total	**23 389**	**—**	**169 042**

Summary of the acquisition of Addici in 2012:

Details of net assets acquired and goodwill are as follows	2012
Purchase consideration	
—Cash paid	184 531
Total purchase consideration	**184 531**
Fair value of assets acquired	121 567
Goodwill	**306 098**

42. Acquisition of operations (Continued)

Details of asstes and liabilities included in the acquisition:	Book value according to IFRS prior to acquisition	Adjustment	Fair value in the consolidated accounts
Tangible assets	1 916	—	1 916
Customer contracts	—	75 550	75 550
Goodwill	—	306 098	306 098
Other intangible assets	1 872	—	1 872
Deferred tax receivables	1 793	—	1 793
Current assets	189 714	—	189 714
Cash and cash equivalents	29 696	—	29 696
Pension provision, non-current	− 6 671	—	− 6 671
Pension provision, current*	− 135 336		− 135 336
Deferred tax liability	—	− 16 621	− 16 621
Current liabilities	− 263 480	—	− 263 480
Total	**− 180 496**	**365 027**	**184 531**

* Pension provision related to a FPG/PRI pension provision, which in February 2013 was transferred to Alecta.

43. Events after the balance sheet date

In March 2015, a new IFM contact was signed with Statoil regarding the development and delivery of a large number of services to five oil platforms off the coast of Norway. Deliveries will start on 1 July 2015. Also during the first quarter of 2015, a number of larger contracts have been extended and expanded in Sweden, primarily with Volvo Car Group and AB Volvo.

At an extraordinary general meeting of shareholders held on 30 March, Kristina Schauman was elected Board Member in Coor Service Management.

Thomas Backteman has been appointed as IR Manager, and has been co-opted to the EMT (Executive Management Team).

No other significant events have taken place after the balance sheet date that are deemed to affect the Group's financial reporting.

Stockholm, 28 April 2015

Anders Narvinger
Chairman

Bernt Magnusson

Brian Linden

Søren Christensen

Mats Jönsson

Kristina Schauman

Per Granström
Employee Representative

Glenn Evans
Employee Representative

Anders Svensson
Employee Representative

Mikael Stöhr
CEO

We submitted our audit report on 28 April 2015

Öhrlings PricewaterhouseCoopers AB

Sten Håkansson
Authorised Public Accountant
Chief Auditor

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