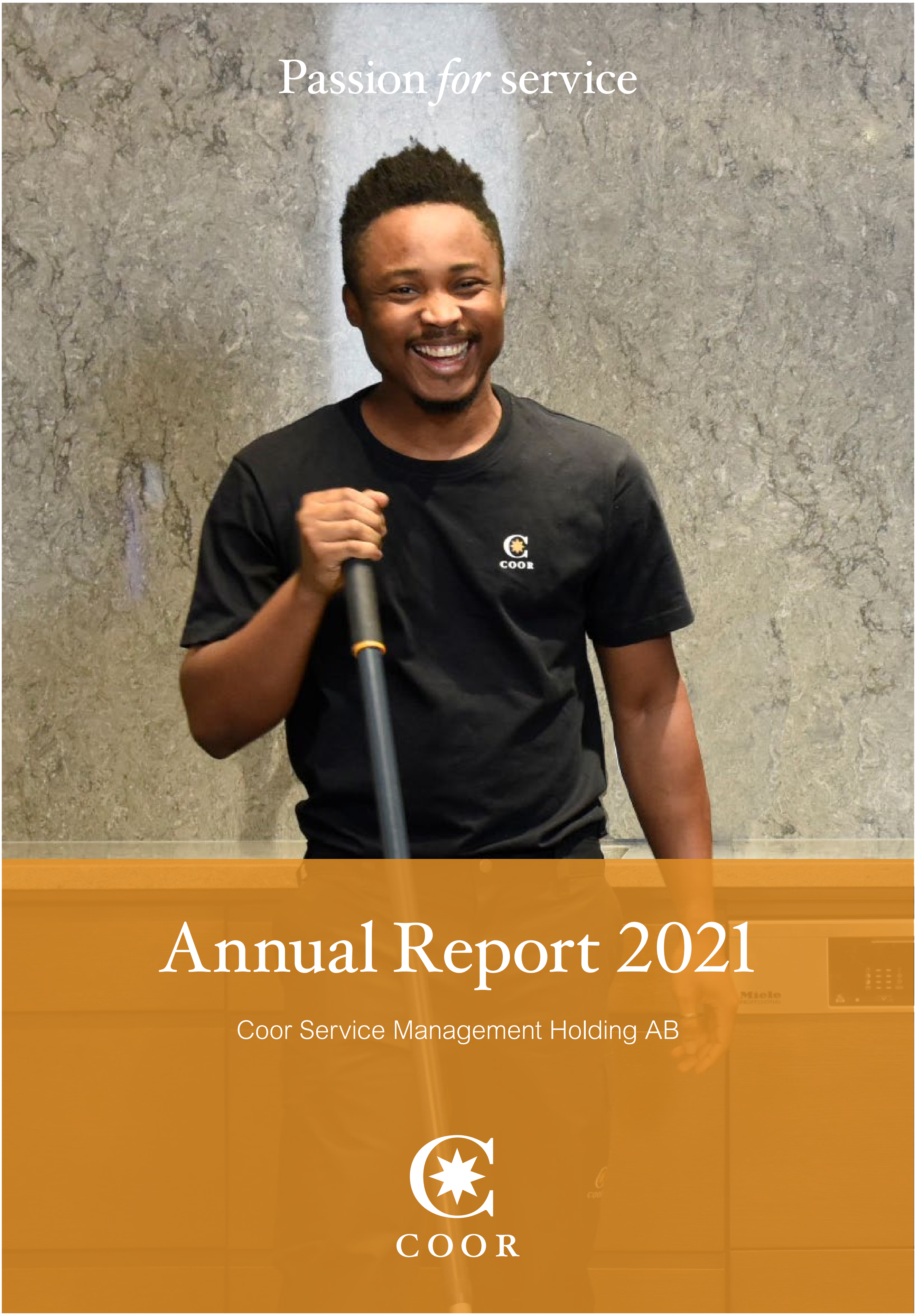
Passion *for* service



Annual Report 2021

Coor Service Management Holding AB

COOR

Contents

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

A vision that shows the way

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

Coor's guiding principles

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

We see further

Seeing further means paying attention and knowing how to prioritise. We must stay one step ahead in order to solve problems before they actually arise. It's necessary to think carefully in advance.

We listen

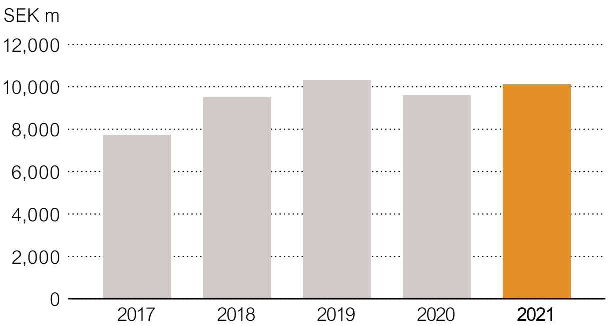
Being responsive is all about openness and communication. We must be open to views and ideas on how we can develop or improve ourselves and our work methods. We must ensure that we interpret messages correctly. It also means ensuring that others can understand any verbal or written information provided by us.

We create success

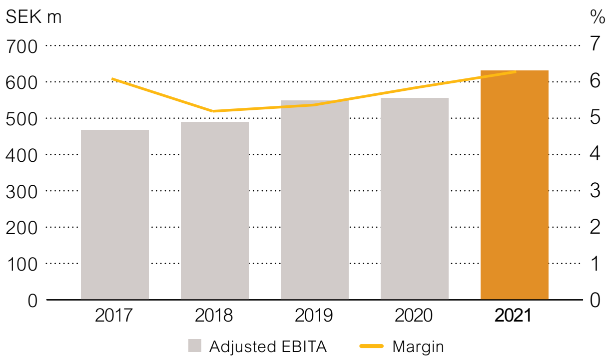
Generating success is about drive and the desire to improve. Quite simply, we get things done. We are creative and find solutions that are smarter and more economical – for us and our customers. Thus, we both benefit.

A strong focus on sustainability and three value-adding acquisitions sum up the year

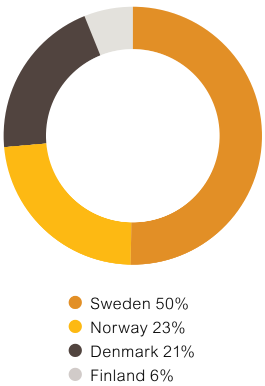
Annual net sales



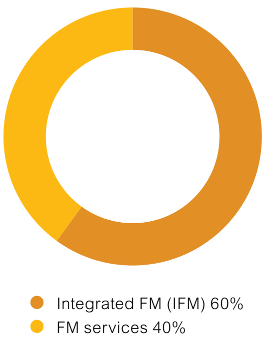
Annual operating profit and margin



Net sales by country



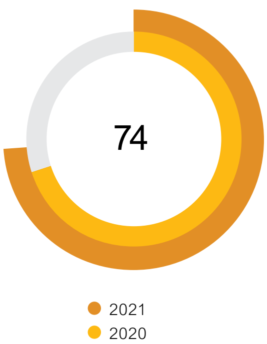
Net sales by type of contract



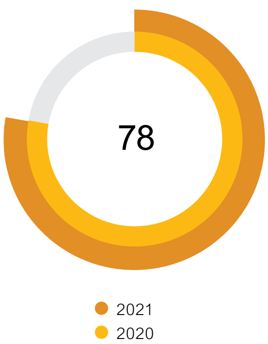
Key performance indicators	2021	2020
Net sales, SEK million	10,104	9,591
Organic growth, %	*3*	*–7*
Acquired growth, %	*3*	*2*
FX effects, %	*0*	*–2*
Adjusted EBITA, SEK million	631	556
Adjusted EBITA margin, %	6.2	5.8
EBIT, SEK million	403	318
Profit after tax, SEK million	265	191
Cash conversion, %	98	108
Earnings per share, SEK	2.8	2.0
Number of employees (FTE) at year-end	10,075	9,029
Dividend per share, SEK	4.80 [1]	4.40

[1] The dividend is subject to approval by the Annual General Meeting on 29 April 2022.

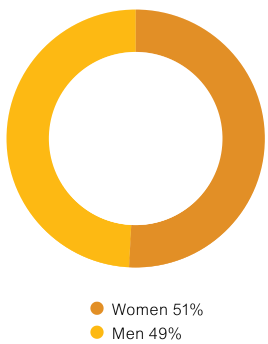
Customer Satisfaction Index



Employee Motivation Index



Gender distribution managers



Financially, this was one of our strongest years ever, in which we achieved record new sales and made three value-adding acquisitions.

AnnaCarin Grandin, President and CEO

A successful year

This has been a successful year – a year which, despite being overshadowed by COVID-19, brought new and extended contracts and an increased focus on sustainability and innovation. Among other highlights, Coor made no less than three value-adding acquisitions, received IFMA's Innovation Award for the third year running and was awarded a gold rating in EcoVadis's annual international ranking for its sustainability performance.

Q1 Coor loses parts of the Equinor contract

On 12 January 2021, it was announced that Coor would lose parts of its IFM contract with Equinor in Norway. Coor's contract covers services for production sites, office sites and offshore installations. Following a procurement, Equinor decided not to extend the office part of the contract with Coor when it expired in October 2021. The annual contract value for the office sites is approximately SEK 500 million.

Q1 New Nordic IFM contract with PostNord

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

Q1 Coor acquires R&K Service

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

Q2 Securing of incentive programme

On 12 May 2021, Coor's Board of Directors resolved to exercise the repurchase authorisation granted by the 2021 Annual General Meeting and acquire Coor shares on Nasdaq Stockholm for the purpose of securing the financial exposure for Coor's long-term incentive programme.

Q2 Extended IFM contract with Equinor's production sites

On 15 June 2021, it was announced that Equinor had chosen to extend its collaboration with Coor by signing a new IFM contract for services at the company's production sites. The contract runs for five years with an option to extend for a further three years and has an annual contract value of approximately SEK 300 million, including Coor's estimate of annual variable project volumes. The contract applies from 1 November 2021.

Q2 New IFM contract with DSB

On 3 June 2021, it was announced that Coor had signed a new IFM contract with Danish rail operator DSB. The contract is worth approximately SEK 150 million annually and runs for five years with an option to extend for a further three years. Delivery of the contract started on 1 October 2021 and includes cleaning, restaurant, caretaking and internal service, security guard, waste management and external care services at all DSB properties, which have a total floor space of around 650,000 square metres.

Q3 Coor acquires Veolia Technical Management

On 19 July 2021, Coor announced that the company was acquiring the business area Veolia Technical Management in Sweden. The acquisition strengthens Coor's offering in technical property maintenance. The acquisition was completed in the form of an asset transfer consisting mainly of four major customer contracts. The business area has annual sales of about SEK 500 million, and the acquisition brought some 250 additional building maintenance technicians to the Group. The acquisition was completed on 30 September 2021.

Q3 Coor awarded gold by EcoVadis

On 28 September 2021, Coor announced that the company had been awarded a gold rating in EcoVadis's annual international ranking. EcoVadis is an independent research firm that analyses and evaluates companies' sustainability performance. The gold rating from EcoVadis places Coor among the top 5 per cent of global companies in terms of its CSR work.

Q4 Coor's customers more satisfied than ever

Each year, Coor conducts a survey among its customers with the help of an external research firm. In the 2021 survey, Coor's customer satisfaction score improved further, reaching a new high of 74 (70). The results provide valuable input for the future, with regard to the development of Coor's relationships with its customers as well as its internal development as a company.

Q4 Tools for climate analysis in food and beverages

Coor's Food & Beverages business area accounts for approximately 40 per cent of the company's total carbon footprint, so to gain a better understanding of emissions from food and beverages Coor has started testing a climate analysis tool. The purpose of the project is to develop the analytical capabilities in the group and create a deeper understanding internally of the connection between the procurement of food and beverages and carbon emissions.

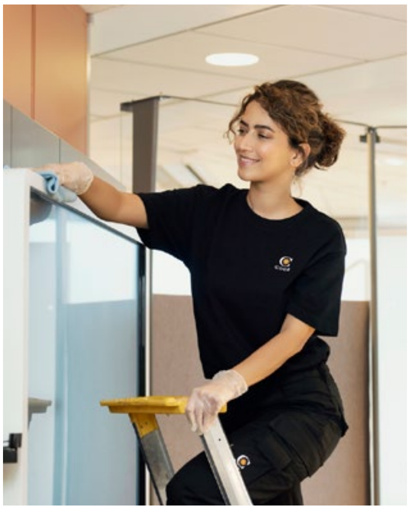
Q4 Coor wins innovation award

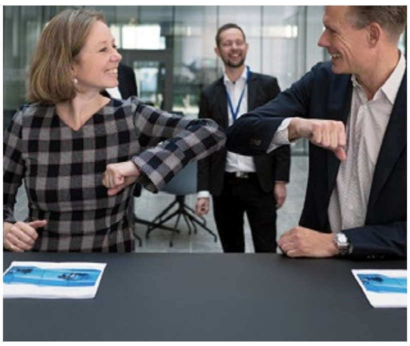
Coor wins IFMA's Innovation Award for the third year running. The winning entry was Coor's service for sustainable laundry solutions, which is offered in collaboration with Mimbly. The Mimbox addresses a number of major environmental problems such as water consumption, energy efficiency and microplastics.

"Winning IFMA's Innovation Award for the third year in a row shows that we have effective innovative capacity," says Fredrik Sandqvist, Coor's Head of Innovation.

Q4 Coor acquires Inspira

On 8 November 2021, it was announced that Coor had signed a contract to acquire Inspira, a well-run family business that provides workplace services, primarily cleaning, to a large number of customers in Central Sweden. The acquisition increases Coor's geographic coverage in Central Sweden and creates potential for significant synergies. Inspira has around 1,400 employees and annual sales of approximately SEK 700 million. The acquisition was completed on 1 December 2021.





Q4 Coor wins IFM contract with the Danish Building and Property Agency

On 12 November 2021, Coor announced that it had signed a new seven-year IFM contract with the Danish Building and Property Agency. The contract will commence on 1 May 2022 and is worth some SEK 3 billion over the contract period. Under the contract, Coor will provide a broad integrated service delivery including restaurant, cleaning, security, exterior environment, waste management, and operations and maintenance services at the Agency's 375,000 square metres of properties in Denmark.

A successful year to be proud of

2021 was a year that exceeded my expectations in many areas. Financially, this was one of our strongest years ever, in which we achieved record new sales and made three value-adding acquisitions. We also achieved our highest levels of employee and customer satisfaction to date. During the year, Coor also made important decisions and carried out several activities aimed at building a truly sustainable company. I am humbled by and proud of what we achieved together in the past year!

At Coor, we are convinced that sustainability needs to be part of everything we do, today and in the future. During the year, we took several important steps towards our goal of building a sustainable company. We joined the UN Global Compact and Science Based Targets initiative in order to take our social responsibility as a company and to do everything we can to reduce our own and our customers' carbon footprints. To really show that we take sustainability seriously, we also amended our variable remuneration programmes for all senior executives and key personnel to also include social and environmental sustainability targets. We have had many reactions to this decision, all of them positive, and I am very pleased with that.

Our employees are everything to us

Coor is a company where the knowledge, skills and motivation of all our employees are crucial to our success. For nearly two years, we have lived with a lengthy pandemic that has affected us all. According to the Swedish Public Health Agency, stress, anxiety and sleeping problems have increased in the population as a whole. Despite these circumstances, we maintained our previous top rating of 78 in our annual employee survey. This success can be attributed to Coor's inclusive culture and our motivated employees and strong, coaching leaders, all of whom are committed to working together for our customers and achieving results.

The great diversity of our workforce is another success factor. We have employees from many different nationalities and cultures. Coor is an important engine of integration, and our different perspectives and experiences enable us to find faster and better solutions where we make use of each other's knowledge. Diversity makes Coor a stronger company.

I would like to extend a heartfelt thank you to all our employees who have shown the Coor spirit throughout this pandemic by being flexible, quick to adjust and willing to share the burden with our customers.

Satisfied customers enable growth

I am convinced that satisfied employees lead to satisfied customers, and that's something that became very clear this year. In this year's customer survey we achieved our highest score yet – 74. This is a great testimony to the importance of our employees' passion for service and shows that our customer-centred business model with decentralised responsibility remains a recipe for success.

Coor is growing

Coor has had a very successful year in terms of new sales. We won new business worth over SEK 1.1 billion, which is a new high since the company's IPO in 2015. The Danish Building and Property Agency, DSB and PostNord are some of our new customers. I am convinced that the reason behind our success is that we always tailor our service concepts to our customers' needs, that we are at the forefront in terms of sustainability and that we are constantly developing our services together with our customers to deliver the best service experiences. We work continuously to develop and maintain our customer relationships. The goal is satisfied customers who want to renew their contracts with Coor. In 2021, a number of major contracts were renegotiated, including those with Aibel, GKN, Borealis, Attendo and Equinor's production sites.

We also made three value-adding acquisitions, which together add just under SEK 1.3 billion in sales. The year began with our acquisition of Norwegian R&K Service, a family business that provides cleaning and restaurant services in the Stavanger area. In the middle of the summer, we acquired the Swedish company Veolia Technical Management, a business with extensive expertise in technical service management in sensitive, industrial environments. In the autumn, we acquired Inspira, including their subsidiary Middlepoint. Like R&K Service, Inspira is a very well-run family business. Inspira delivers workplace services to a large number of customers in Central Sweden.

We have completed a successful year, but that doesn't mean that we can rest on our laurels.

My ambition is for Coor to continue to grow organically, but we also see great potential to continue acquiring value-adding companies.

We must not rest on our laurels

We have completed a successful year, but that doesn't mean that we can rest on our laurels. I usually think of Ingvar Kamprad, IKEA's founder, and his memorable words: "Most things still remain to be done. A glorious future!" We are facing a new year during which our newly won business and acquisitions must be integrated into our operations and new exciting business opportunities will be realised. During the year, we accelerated our development efforts in areas such as innovation, sustainability, digitisation, service development and customer experience. I am extremely proud of all our employees who have made this possible. The world around us will change and it is therefore imperative that we always stay at the forefront if we want to remain the Nordic region's leading IFM company. Coor is ready for the future!

AnnaCarin Grandin
President and CEO
March 2022

Analysis: Four trends that are shaping the industry

Coor has identified four strong trends influencing our industry right now: a changing workplace in the wake of the pandemic, sustainability integrated into everything we do, focusing on the service experience of the customer's employees, and close and reciprocal forms of collaboration between the customer and supplier. At Coor, we work continuously to identify and analyse trends, so that we are able to take advantage of opportunities and address risks in a constantly changing world.

A changing workplace in the wake of the pandemic

Two years of working from home have changed our view of what makes a good workplace. When the time to return to the office arrives it will be more important than ever for companies to lure their employees back by offering attractive workplaces that inspire creativity, create a sense of community and enable hybrid working. Like most industries, the FM industry is adjusting to the new reality that has emerged after the pandemic. FM providers need to provide advice to and support customers who are thinking about what working life will look like in the future, but they also need to adapt their range of services.

Sustainability integrated into everything we do

Today, sustainability is being integrated into every aspect of society, not least in the FM industry. Sustainability encompasses consideration for the climate, active social work, for example by creating a sustainable workplace environment for your employees, and a sustainable relationship with your suppliers. It is also about using resources in a smart way and helping customers switch to greener alternatives and create workplaces where their employees are happy and work efficiently. The FM industry also has a unique opportunity to contribute to social sustainability by helping people who are outside the labour market find employment.

Focusing on the customer's employees

Today, the customer's employees – the service users – are increasingly at the centre of attention. To attract the best talent, employers need to offer a good service experience in all dimensions. The user model that Coor has developed identifies four elements that need to be in place for a good experience. The first is the human being, meaning ensuring that the people who provide the service are professional, flexible and helpful. Secondly, the products offered of course need to be of the best quality, whether we are talking about coffee and lunch or plants or electronic sensors. The third element of the model is the physical space – ensuring that the workplace is well designed and has efficient technology and good air and temperature. Finally, it is of course also important to have processes that work. Everything from canteen services and payments to mail delivery needs to be smooth and efficient.

Close and reciprocal forms of collaboration between the customer and supplier

The trend in the FM industry is moving towards close and reciprocal forms of collaboration between the customer and supplier where both parties benefit. The aim is to build a long-term relationship and jointly set goals for the delivery based on the principles of openness and transparency.

”

To attract the best talent, employers need to offer a good service experience in all dimensions.

Creating tomorrow's office

Helping companies create the workplace of the future – this has become one of Coor's primary tasks during the pandemic.

Coor's workplace specialists, Coor Advisory, are currently working flat out. The business area has existed for a while in Sweden, but was established in the other Nordic markets in 2021 to meet the strong demand.

Coor is currently undergoing its own journey of change led by Coor Advisory – the company's offices are being future-proofed. When changes are made to the workplace, these must always be based on the business's opportunities and the employees' needs. In 2021, Coor conducted two studies on attitudes to the workplace – one among customers and potential customers with around 500 respondents and one among its own employees with around 400 respondents – which confirmed a number of trends. One of the insights is that the office will continue to play a crucial role in the future, but with new demands in terms of design, technology and services.

"The office will be important in the future for building culture and cohesion, but also for creativity and fast problem-solving," says AnnaCarin Grandin, Coor's President and CEO.

Many respondents stated in their answers that they are fed up with the excessive number of Teams meetings about matters which, if they had been in the office, they could have quickly resolved by asking a colleague. At the same time, working from home has worked better than many could have imagined.

"A combination of office and remote working – the hybrid office – will soon be a reality at most workplaces. Coor has always had a positive view of hybrid solutions. We expect working from home to increase, which means that it will be necessary to create offices and offer services which support hybrid meetings, where everyone participates on the same terms," says AnnaCarin Grandin.

AnnaCarin Grandin thinks this is a good thing:

"The office of the future will not be a place where employees go as a matter of routine, but a place they actively choose to go to because it provides so much added value. A workplace that makes life easier and offers services and a sense of security. And that's where Coor can make a difference!"

Our strategic platform

Coor's strategic platform sets the direction for the entire business and guides our priorities and decisions.

VISION

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

BUSINESS CONCEPT

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

STRATEGY

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

RESPONSIBLE BUSINESS

- Business responsibility
- Social responsibility
- Environmental responsibility

Four strategic areas

Coor's long-term strategy remains the same. We will continue to focus on the Nordic region, on achieving growth in IFM as well as single services, and on operational efficiency. In recent years, Coor has placed particular emphasis on sustainability with the goal of becoming a truly sustainable company. Sustainability should be integrated into everything Coor does. In 2021, we increased our transparency towards the market on sustainability issues, received a gold certificate from EcoVadis, initiated the transition to an electrified vehicle fleet and joined the Science Based Targets initiative among other initiatives.

Customer-oriented solutions

The Nordic countries are Coor's home market. Coor's proximity to its customers and its knowledge of local conditions enable us to offer customised and flexible solutions. We are attentive to our customers' needs and work continuously to strike the right balance between economies of scale in the delivery of services and customer adaptations. Coor has some of the largest IFM contracts in the Nordic region, including contracts with Aibel, Ericsson, Volvo Cars and ICA as well as the Danish Police, Prosecution Authority and Prison and Probation Service, which consolidate the company's Nordic market leadership.

Growth in IFM

Coor is the Nordic market leader in delivering IFM services to large organisations with complex requirements. Coor sees continued growth opportunities in the IFM segment, which is growing faster than the FM market as a whole. A growing number of customers are choosing to purchase the majority of their facility management services from a major service provider with the resources to invest in development and innovation. An IFM provider such as Coor is also able to create synergies between services by using the same personnel for multiple services and thus reducing the overall cost for the customer.

Growth in single services

As a major player, Coor is able to offer high-quality separate services at market prices. The service areas that Coor has chosen to focus on are property services, cleaning, and food & beverages, and these services are included in most customer contracts. Coor experienced healthy growth in smaller deals during the year and aims to continue to increase its market share in this area.

Operational efficiency

Coor has a strong improvement and efficiency focus and strives to be the best in the industry at delivering services which increase customer value. Continuous operational improvements are an important part of working life for Coor's personnel. Innovations which increase our customers' efficiency and reduce the use of resources also help to promote sustainable development.

Focus on sustainability

Coor's overall goal is to develop the business in the best way and maximise financial returns while at the same time helping to build a better future for humans and the environment.

For Coor, responsible and sustainable business is about striking a balance between financial, human and environmental factors. For each dimension, we have defined our principal standpoints along with objectives for how we should conduct our business. These are based on internal and external dialogues, the principles of the UN Global Compact (UNGC) and the UN Sustainable Development Goals (SDGs).

For Coor, truly sustainable business means taking active responsibility for the impact of the business on human beings and the environment, but also developing services and solutions that create opportunities for change for the company's customers. In the climate area, Coor has a large number of services for climate action, especially in energy optimisation and efficiency, space management and climate-smart and healthy food – Coor's handprint. While footprint measures the negative impact on the environment, handprint is a tool that focuses on positive impacts, such as actions and solutions that help customers improve their sustainability performance.

As part of its efforts to promote responsible business, Coor works continuously to improve its own sustainability performance by reducing the company's footprint. Coor also works to promote social responsibility based on the company's Code of Conduct and on stable employee processes for the company's employees.

The UN SDGs

The UN is addressing today's biggest challenges through its 17 SDGs. Coor wants to help advance the ambitious agenda that has been adopted by all countries in the world: to abolish extreme poverty, reduce inequality and injustice in the world, promote peace and fairness, and solve the climate crisis by 2030. To date, Coor has chosen to focus on eight of the SDGs where the company has the greatest potential to contribute from a global perspective. In 2021, Coor initiated a comprehensive update of the company's contributions to the UN SDGs, both as an enabler and by taking responsibility in its own operations. The update includes a review of all 169 SDG Targets.

As part of this effort, an external party assessed Coor's success in integrating the SDGs in the fourth quarter. The assessment was performed by DNV and the report strengthens Coor's high ambitions in sustainable change management. Coor has made significant progress in its implementation, and the report also highlights the potential to include further Agenda 2030 goals. In parallel, Coor is also participating in a development project led by the UNGC that aims to challenge and support the company's efforts to set ambitious goals and integrate these goals into its operations. Work on updating Coor's contributions to the SDGs is not yet complete but will continue into 2022.

SUSTAINABLE DEVELOPMENT GOALS

3 GOOD HEALTH AND WELL-BEING

Health and well-being
Ensure healthy lives and promote well-being for all at all ages.

8 DECENT WORK AND ECONOMIC GROWTH

Decent work and economic growth
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

5 GENDER EQUALITY

Gender equality
Achieve gender equality and empower all women and girls.

10 REDUCED INEQUALITIES

Reduced inequalities
Reduce inequality within and among countries.

"Sustainability is essential to our growth"

With a focus on becoming a truly sustainable company, Coor – over the past year – has laid the foundation for its efforts going forward and expressed its position on several important issues, Maria Ekman, Head of Group Sustainability, explains.

What progress has Coor made in terms of sustainability?
"Coor's goal is to become a truly sustainable company. Sustainability is essential to our growth, and our customers, employees, potential employees, investors and society as a whole have high expectations of us, which we appreciate. During the year, we shifted up another gear with a focus on further improving how we monitor and report our sustainability performance. We also took a firm stand on several issues, for example by signing the UNGC and joining the Science Based Targets initiative as well as by increasing the transparency of our climate reporting in our quarterly reports and through platforms such as CDP."

What will you be doing in 2022?
"We will continue the journey we started last year. In 2021, we increased our ambition for sustainability. In 2022, we need to roll up our sleeves and ensure that we really deliver on that ambition. We have, for example, developed Science Based Targets, and although we are still awaiting formal verification it is clear which areas we need to focus on in the near future. These include energy consumption, electrification of the vehicle fleet and developing our climate focus at the supplier level through clear goals. Another aim is to act as a link between our customers – a solution that works for one customer may also work for another. Coor must always be at the forefront in terms of finding solutions to hitherto unsolved problems, together with our customers and suppliers."

What is Coor's long-term ambition for sustainability?
"Sustainability is essential to Coor's existence as a company, today and in the future. Our current strategy extends to 2025, but we are of course looking further ahead. We are constantly taking new steps and setting new goals. Not everything we do has an effect today; it is an investment for the future!"

Responsible consumption and production
Ensure sustainable consumption and production patterns.

Life below water
Conserve and sustainably use the oceans, seas and marine resources for sustainable development.

Climate action
Take urgent action to combat climate change and its impacts.

Partnerships for the goals
Strengthen the means of implementation and revitalise the global partnership for sustainable development.

Business responsibility

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

→ Ensuring sustained growth and profitability over time while following good business practice.

→ Delivering value-creating and innovative solutions based on its customers' requirements for functionality, efficiency and security.

→ Providing reliable and relevant information in a secure manner.

→ Helping its customers achieve their goals.

8 DECENT WORK AND ECONOMIC GROWTH
17 PARTNERSHIPS FOR THE GOALS

Examples of activities

→ A customer-oriented business model and customer-specific solutions that stand the test of time.

→ Meet our customers Saab (see page 29), Deloitte (see page 30), Velux (see page 31) and Ariana (see page 32).

Social responsibility

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

→ Actively promoting the well-being of its employees as well as a safe work environment.

→ Promoting diversity and equality by ensuring that each employee is treated respectfully and fairly regardless of their gender, ethnicity or other characteristics.

→ Developing and engaging the company's employees.

→ Contributing to social development through local initiatives that help build a better society.

3 GOOD HEALTH AND WELL-BEING
5 GENDER EQUALITY
10 REDUCED INEQUALITIES

Examples of activities

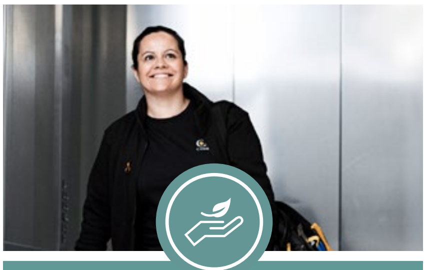
→ Coor has joined the REDO campaign and is offering work to people who have received leave to remain in Sweden under the new High School Act (see page 35).

→ Coor Finland is offering employment to young people at risk of exclusion (see page 45).

→ Coor Norway is taking an effective and systematic approach to preventing and managing drug abuse and addiction (see page 35).

→ *Coor Society Program* helps to simplify the integration of new employees (see page 35).

→ *We Are Coor* meetings to strengthen employee engagement and participation (see page 34).



Environmental responsibility

Coor aims to promote responsible consumption and reduced emissions by:

→ Actively helping to minimise its customers' environmental impact.

→ Engaging in structured and proactive internal environmental management activities.

→ Working actively with strategic and tactical suppliers.

→ Halving Coor's carbon footprint by 2025.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
14 LIFE BELOW WATER

Examples of activities

→ Coor is offering and delivering real-time energy optimisation that saves energy and money (see page 28).

→ Coor is electrifying its vehicle fleet (see page 26).

→ Coor supports research into the sustainable food of the future in the Food (R)evolution project, which is partly funded by the Norwegian government (see page 30).

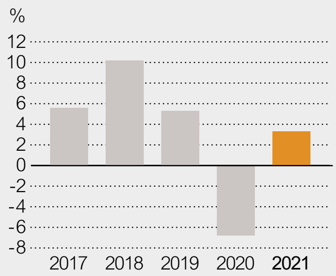
→ Coor is working with Slow Coffee, a coffee supplier which grows coffee that benefits the climate (see page 28).

Goals and results

Organic growth

GOAL 5%
Annual organic growth of 4–5 per cent over the course of a business cycle.

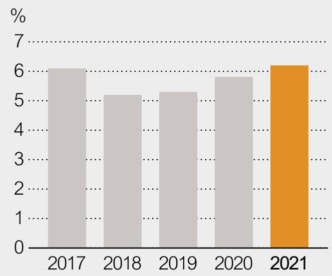
RESULT 3%
In 2021, Coor grew organically by 3 per cent. The pandemic continued to have a negative effect on sales, but this was offset by new business and high project volumes in parts of the business.



Adjusted EBITA margin

GOAL ~5.5%
An adjusted EBITA margin of around 5.5 per cent in the medium term.

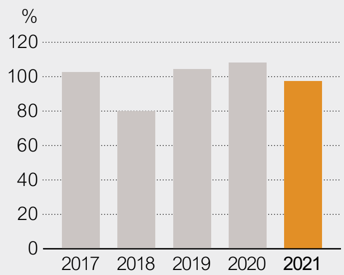
RESULT 6.2%
Coor reported an improved EBITA margin for 2021, which is attributable to a strong focus on costs and efficiency as well as a favourable volume mix. The positive non-recurring effect in the form of a reimbursement from the collectively agreed AGS health insurance scheme also had a positive effect on the margin, which was partly offset by a temporary increase in costs driven by the large number of acquisitions and integrations during the year.



Cash conversion

GOAL >90%
A cash conversion rate in excess of 90 per cent in the medium term.

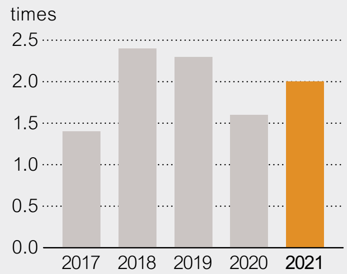
RESULT 98%
Continued structured cash flow management led to improved working capital and a balanced investment level, which resulted in continued strong cash conversion.



Capital structure

GOAL <3.0x
Net debt of less than 3.0 times adjusted EBITDA in the medium term.

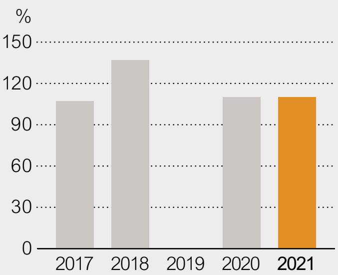
RESULT 2.0x
During the year, Coor completed three acquisitions which had a total effect on cash and cash equivalents of SEK 646 million and paid dividends of SEK 417 million to the shareholders. Despite this, the company reported a leverage of 2.0 times adjusted EBITDA, which is well in line with the Group's target.



Payout ratio, %

GOAL ~50%
The goal is to distribute around 50 per cent of the company's adjusted net profit for the period (before amortisation and impairment of intangible assets) in ordinary dividends to the shareholders.

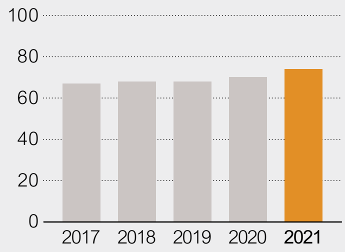
RESULT 101%
In view of the company's strong earnings, cash flow and low debt level, the Board proposes a dividend for 2021 of SEK 4.80 per share (comprising an ordinary dividend of SEK 2.40 per share and an extraordinary dividend of SEK 2.40 per share). Accordingly, the total dividend amounts to 101 per cent of the company's adjusted net profit for the year. The proposed dividend is subject to approval at the 2022 AGM.



High customer satisfaction

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

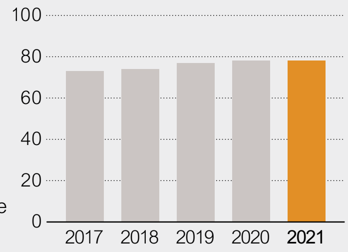
RESULT 74
Coor's results improved further and customer satisfaction is now at its highest level to date.



Committed and motivated employees

GOAL ≥70
The goal is to maintain a high level of employee motivation (Employee Motivation Index) ≥70.

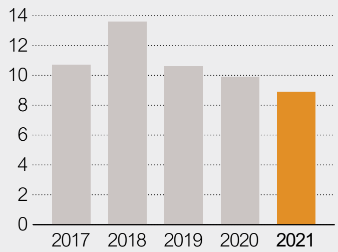
RESULT 78
In this year's employee survey, Coor maintained the same score as last year – a very stable and good result.



No injuries or long-term sick leave

GOAL ≤3.5
The goal is to reduce the company's TRIFR (total recorded injury frequency rate) to ≤3.5 by 2025.

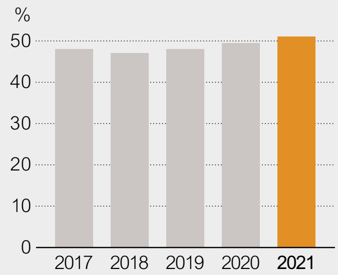
RESULT 8.9
Efforts to reduce the number of injuries have yielded results. Injuries are declining but the goal has not yet been achieved.



Equal opportunities

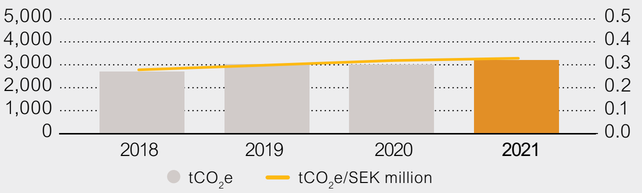
GOAL 50%
The goal is a 50/50 gender balance at management level.

RESULT 51%
Across the company as a whole, the proportion of women in managerial positions is 51 per cent – a figure that has remained stable and is in line with the company's goal.

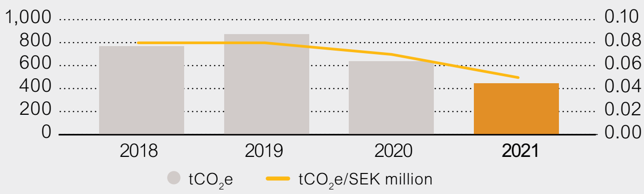


Reduced emissions

Reduction of CO_2e from vehicle fleet (Scope 1)



Reduction of CO_2e from our premises (Scope 2)



GOAL 50%
Coor is working to reduce its emissions of greenhouse gases. Our goal is to reduce our Scope 1 and 2 emissions under the global Greenhouse Gas Protocol framework by 50 per cent by 2025 compared with our baseline year 2018.

RESULT
Taken together, Coor's Scope 1 and 2 emissions have increased in absolute terms since 2018. The failure to achieve the desired reduction in Scope 1 emissions has several reasons, such as an increased share of services provided in-house, which leads to a redistribution of emissions, as well as challenges regarding access to electric vehicles. The efforts to achieve this goal are being ramped up and will require a combination of an increased share of electric vehicles and a transition to HVO fuel wherever the use of electric vehicles is not yet possible. Scope 2 emissions decreased by 42 per cent due to an increased share of renewable energy in a transition that is still ongoing.

We Are Coor

Our navigator – *We Are Coor* – describes Coor and reflects the key elements that make us what we are. *We Are Coor* shows who we are in a simple way, expresses our soul, and describes our DNA and how everything fits together, from our vision to our most important element – our people.

VISION

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

PASSION FOR SERVICE

We create value for our customers with our *Passion for service*. Coor is the leading supplier of facility management in the Nordics. Our major service areas are food and beverage, cleaning and property. We provide our customers with expertise, experience, innovation, development and strategic advice covering more than 100 different service deliveries for workplaces and properties.

SERVICE WITH IQ

Coor offers a broad range of FM services to private companies in many sectors and industries as well as the public sector. By understanding our customers and through innovation, Coor provides the sector's leading and smartest offering. We call it Service with IQ.

OUR GUIDING PRINCIPLES

Coor's guiding principles, our common values, provide a framework for the daily activities of all employees.

WE SEE FURTHER
We stay one step ahead in order to solve problems before they actually arise.

WE LISTEN
We are open to views and ideas on how we can develop or improve ourselves and our work methods.

WE CREATE SUCCESS
Generating success is about drive and the desire to improve.

TRULY SUSTAINABLE

Coor creates value in three dimensions: financially, socially and environmentally. The overall objective is to ensure that the business is successful and generates the highest possible economic return, without compromising on respect for human beings and the environment. Our social and environmental goals are as essential as our business goals.

Business Sustainability
Environmental Sustainability
Social Sustainability

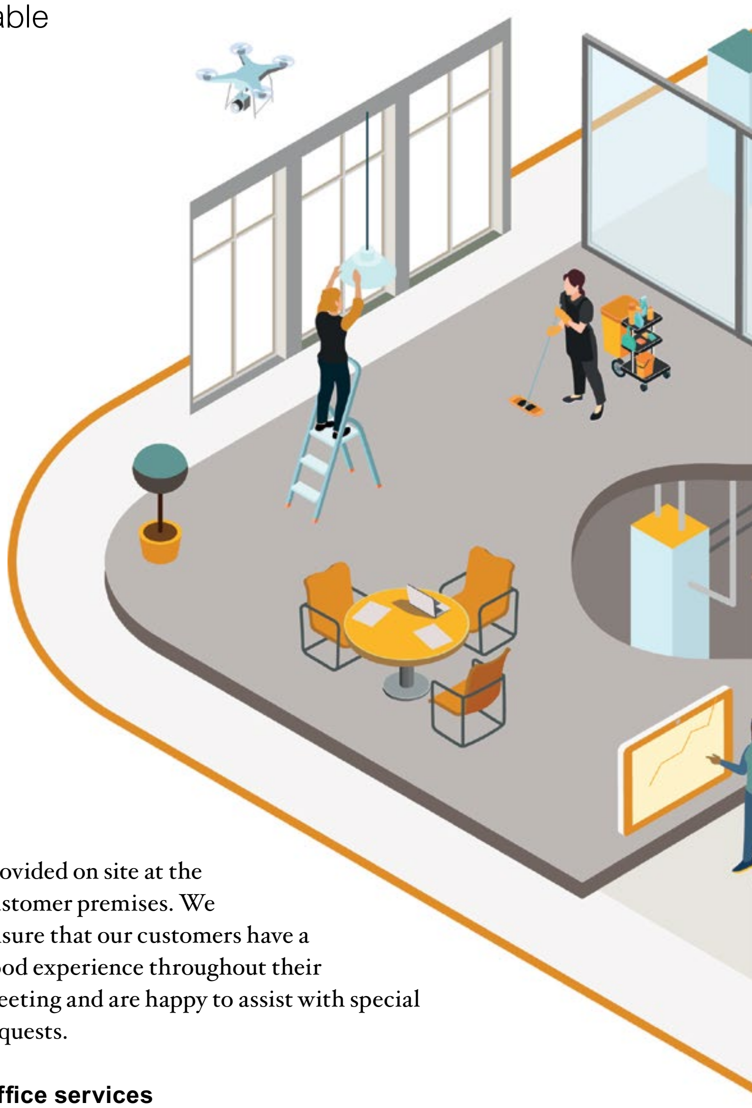
PASSION FOR PEOPLE

For Coor, people are what matter most. We would be nothing without our motivated and competent employees supporting our customers' needs. Coor's decentralised organisation with local managers that have extensive responsibility and far-reaching mandates is a key asset. The strong local leadership allows us to be fast, flexible and adapt to individual customer needs.


COOR

Everything works with Coor

Coor offers around a hundred different services in various service areas, ranging from individual cleaning services to complex IFM deliveries. Regardless of which services are provided, we always strive to create the happiest, healthiest and most prosperous workplace environments in the Nordic region. We strive tirelessly to build the teams and full-service solutions that enable our customers to do what they do best.



Property services

Coor is an expert at property services – we maintain some 15 million square metres of floor space across the Nordic region. Coor is a professional partner that always ensures it finds a good mix of corrective and planned maintenance over time, with the aim of optimising the cost for the property over its lifecycle. Coor can offer everything from caretaking to high-tech solutions.

Cleaning

Coor's strength lies in its ability to combine the professionalism of a large cleaning services company with the commitment of a local player. Coor has the resources, methods and expertise required to provide a wide variety of cleaning services: from office cleaning to more advanced services such as cleaning of hospital environments and cleanrooms. Demand for more advanced cleaning services with a focus on infection control has increased in recent years and many customers are also choosing to increase the frequency of their cleaning services.

Food & Beverages

Coor runs a large number of restaurants in Sweden, Norway and Denmark. The key to success in this business is to adapt to local conditions, as no two countries or regions are alike. That's why the menus for Coor's restaurants are based on local produce and adapted to local preferences. All restaurants have a major focus on sustainability, health and reduced food waste.

Tomorrow's workplace

Coor helps its customers to create tomorrow's workplace where employees actively choose to go because it makes their life easier, gives them a sense of community and enables them to grow and develop on a personal level. Our workplace strategists assist through all stages of the process, from feasibility study to implementation, and have extensive experience of creating efficient workplaces that act as mediators of culture.

Conference services

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

Office services

Coor's goal is to create a workplace where our customers, their employees and guests are happy – an overall experience that integrates networking, hybrid working, service and employee well-being.

This means giving them a warm welcome at reception, good-quality coffee, fruit baskets that are continually topped up, a smooth and efficient mail and freight handling service and functioning photocopiers as well as ensuring that office supplies are always available and that light bulbs are replaced – in short, a good experience on every level. At this modern workplace, Coor can easily apply its smart solutions, for example in the form of sensors that measure the indoor climate and detect whether conference rooms are being used.

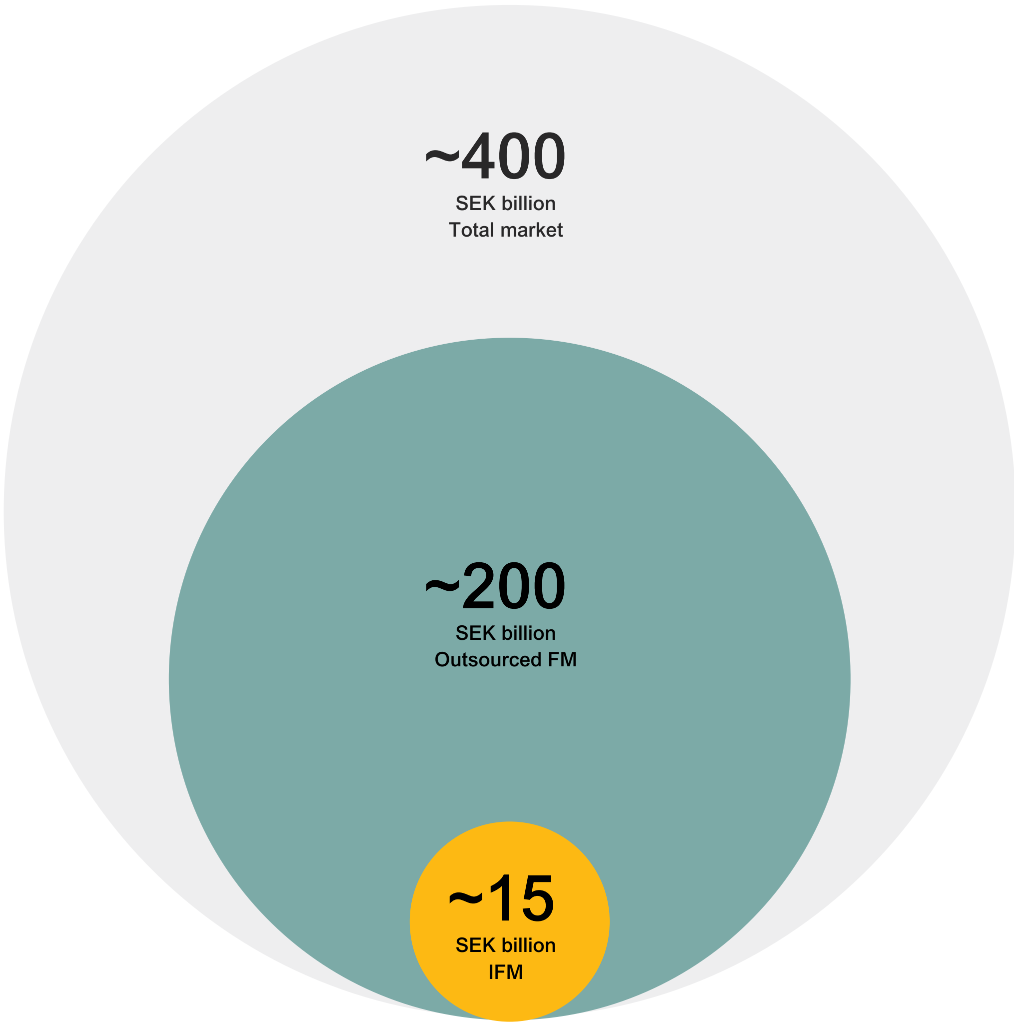
Security
Coor has long experience of providing security solutions for businesses with high security requirements. Security guards, security technology, access control and fire safety are a few examples of Coor's security services.

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

Coor remains the leading player in facility management

Coor has maintained its position as the leading provider of IFM services in the Nordic market while also focusing on growth in single FM services.

The Nordic facility management market



Total market	Outsourced FM	IFM
The value of all FM (facility management) services for all businesses and organisations in the Nordic region. This includes the value of services that are currently handled by the companies themselves.	The total value of the outsourced share of the market. → 2–3% annual growth → Small and large customers → Fragmented market → Coor <5% market share	The value of integrated service deliveries in outsourced FM. → ~5% annual growth → Large customers → Consolidated market → Coor ~40% market share

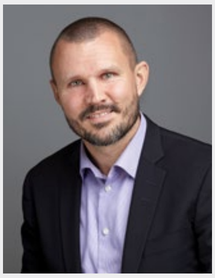

FOOD
by Coor

Innovation is the key to sustainability

Coor's major focus on innovation has resulted in a separate ecosystem where we come into contact with exciting start-ups and jointly develop economically, environmentally and socially sustainable innovations.

Driving improvements and constantly developing services has been a key part of Coor's business since the company's establishment in 1998. It is thanks to its great efforts in innovation, its inquisitive attitude and a whole host of smart, technical solutions that Coor is able to help its customers create more attractive and productive workplaces, achieve cost efficiency and promote sustainability.

Around 2014, Coor began to place an even stronger emphasis on innovation and developed a strategy for how to drive innovation going forward. To reach its goal – to create end value for the customer and for society – Coor realised that it was necessary to collaborate with exciting partners.


Fredrik Sandqvist


Isabella Palmgren

"That's when the idea of our innovation ecosystem was born which encompasses everything from customers, our own employees, our existing suppliers and new interesting companies such as start-ups. There are a greater number of small, exciting innovative companies today, so instead of starting our own incubator programme we have chosen to partner with the best incubators and accelerators in the Nordic region. These help us to identify and screen a large number of start-ups each year, which has proved to be an effective way to find new partners," says Fredrik Sandqvist, Head of Innovation & Service Development.

Over the years, Coor has come into contact with around 400 companies with exciting and innovative solutions. Fredrik Sandqvist says that 10–15 per cent of these make it to the next stage, but that far from all of these contacts lead to a commercial partnership.

"There are many reasons for this, for example that we are unable to add any value to their product, that their product is not commercially viable or that they simply lack the funding necessary to realise their vision. But even if not all partnerships bear fruit, we still need to have the courage to keep trying new solutions. This is the only way to challenge ourselves and find new ways to develop," says Fredrik Sandqvist.

One of the companies that have gone all the way from idea to customer is the Gothenburg-based start-up Mimbly. Their first product, Mimbox, is an add-on solution for washing machines that filters out microplastics and recycles both water and energy.

"The Mimbox reduces water consumption by up to 70 per cent and saves a lot of energy by recovering the heat in the washing water. The microplastic particles released from clothes, mops or rags, for example, are filtered out, thus preventing these harmful substances from flowing into the sea, lakes and nature. The Mimbox thus creates benefits both financially and from a sustainability perspective," says Mimbly's co-founder and CEO Isabella Palmgren.

Coor and Mimbly's collaboration began when the start-up was awarded the Commercialisation Prize at the 2018 Power Circle Summit, a trade fair co-organised by Coor's partner, the start-up accelerator Ignite Sweden. The award gave Mimbly the opportunity to work with Coor in a one-year pilot project at Coor's head office in Kista.

Started in June 2019, the project initially involved testing prototypes and then developing these and improving their efficiency. This opportunity to test and evaluate the product helped Mimbly to identify and solve technical issues at an early stage, and the company's close collaboration with Coor's innovation team was crucial to the success of the pilot project.

"It is always good to work closely with the customer. We

Coor's innovation process identifies, develops and launches solutions that deliver sustainable values to customers, ourselves and society at large.

gained a much greater insight into their needs, how they think and what is important to them. Our work together has been great. It couldn't have been better. Coor has a very positive attitude and always encouraged us to do more testing. If an obstacle arose for some reason, they always had a positive attitude towards finding solutions," says Isabella Palmgren.

Innovations such as Mimbox enable Coor to help its customers become more innovative and achieve their sustainability goals. In January 2021, Mimbly had the opportunity to test its product live at a Coor customer site.

"The reactions have been exclusively positive. The product helps customers become more sustainable, mainly from an environmental perspective but also financially as it cuts the cost of both water and energy," says Fredrik Sandqvist.

Isabella Palmgren is optimistic about the future and is convinced that smart innovations are the key to a more sustainable world.

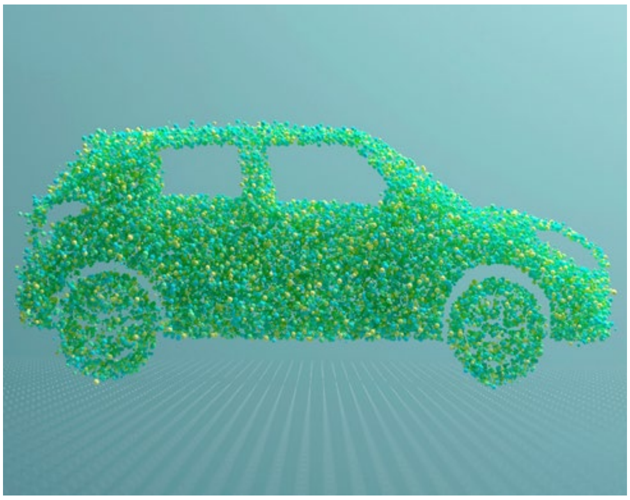
"Our collaboration with Coor has helped us to develop our product. My dream is that there will be a Mimbox on every single washing machine in the world, but above all in the cleaning industry. Our goal is to be able to offer more products, and I am convinced that innovation will be needed to solve the environmental problems we have today and prevent the problems that are developing. The world has finally understood that we need to take a new approach in order to become more sustainable," says Isabella Palmgren.

About Mimbly

Mimbly is a cleantech company founded in 2017 by three students at the Chalmers University of Technology: Isabella Palmgren, Nicolas Maxant and Emil Vestman. They began their journey at the Chalmers Ventures incubator and since then have also participated in the accelerators Imagine H20, Climate KICs, the GU Ventures programme and IKEA's acceleration programme IKEA Bootcamp.

Mimbly's awards

- IFMA Innovation Award 2021, together with Coor
- Settler of the Year in Young Pioneers in the West from H.M. King Carl XVI Gustaf
- National winner of SKAPA Talent for Young Innovators in memory of Alfred Nobel
- Winner of best start-up in Europe
- Female Founder 2018 by Di Digital
- E-prize from Swedish business weekly Veckans Affärer
- Forbes 30 Under 30 Social Impact



Going electric: Coor's vehicle fleet

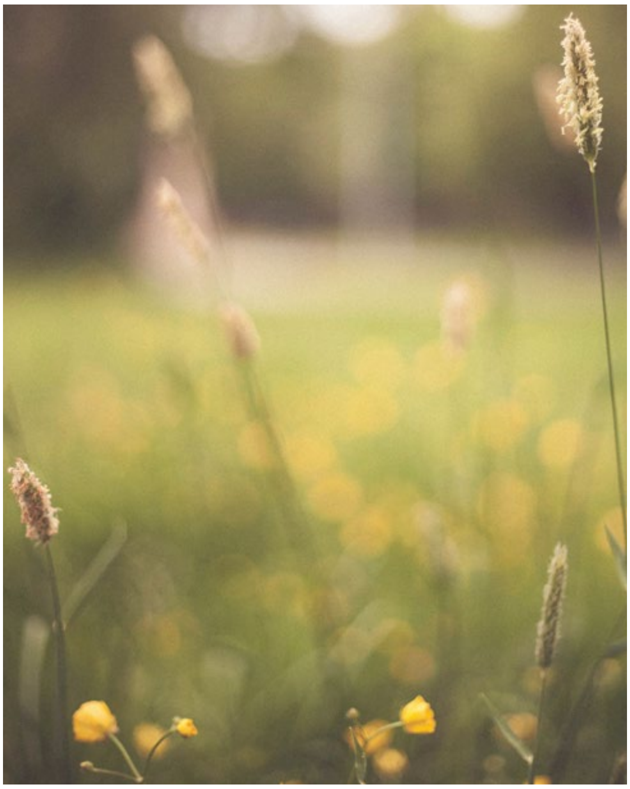
Coor is committed to the Science Based Targets initiative and is also running several projects to promote responsible consumption and reduced emissions. One of these is the decision to electrify Coor's vehicle fleet.

There are currently three main types of vehicles in the company: service vehicles, company cars for business use and company cars for private use. Today, any company car for private use that is ordered by Coor has to be 100 per cent electric. Coor's four countries have also begun the transition to an electrified vehicle fleet for company cars for business use and service vehicles in order to achieve the company's long-term ambition of eliminating the use of fossil fuels in its vehicle fleet.

Sustainable waste management for the future

Waste management in offices is a key element in achieving the UN Sustainable Development Goals (SDGs). Coor has developed a concept that is designed to facilitate the transition and inspire customers: "Making it easy to do the right thing!"

The first step is to perform a waste and recycling analysis and map out movement patterns. Coor offers a variety of products in sustainable waste management. Everything from functional and aesthetically designed waste containers to clear signage systems and strategically placed recycling stations. In addition, Coor offers training in environmental issues and waste management through its suppliers.



Coor highly ranked in CDP index

CDP is an independent global sustainability index that evaluates and rates companies' efforts to reduce their climate impact on a scale from A to D. In the ranking, companies are evaluated based on transparency, awareness and management of climate risks and opportunities. The index also assesses companies' success in setting relevant climate goals.

During the year, Coor achieved a B ranking in the CDP index.

"We are very proud that Coor has achieved a high ranking. In 2021, we worked intensively to improve our capacity to calculate emissions but also invested in our ability to actively reduce emissions. I see our CDP ranking as proof that we are at the forefront in our efforts to combat climate change and that our management and employees have a strong awareness of these issues and are working to promote responsible business practices," says Maria Ekman, Head of Group Sustainability at Coor.

CDP's sustainability index is highly regarded worldwide. The index helps customers and investors who want to assess a company's efforts to reduce its climate impact or take environmental factors into account in their investment decision processes.

Mixed reality headsets guide technicians

In Denmark, Coor's building maintenance technicians use HoloLens, a mixed reality headset, to perform maintenance for certain customers. Mixed reality involves putting a digital filter over reality in order to merge the two worlds. If a Coor technician comes across a type of installation that they are not familiar with, they can put on a pair of HoloLens glasses from Microsoft that will guide them step by step in what to do using sound and images. The technician also has his or her hands free to perform the installation. HoloLens makes the technicians more efficient and makes it easier for them to avoid mistakes as they always have access to the latest information in their virtual guides.

Smart carpets reduce need for plastic shoe covers

As part of its efforts to reduce plastic consumption, Equinor has initiated a project to find out how they can replace the plastic shoe covers that are currently used at many of the company's sites.

Coor's cleaning specialist Renate Haugland is part of the project group that is working on mapping entrance halls and outdoor environments with the aim of reducing the use of shoe covers. In autumn 2021, the team inspected a number of Equinor's sites.

"All inspections show that plastic shoe covers generate a lot of unnecessary waste, so there is great potential here to reduce the amount of plastic," says Renate Haugland.

Today, shoe covers are used to keep dirt such as water, gravel, oil, salt and mud away. One of the measures that will now be tested in a pilot project involves replacing the carpets with a new type of carpet that can stop a much higher proportion of dirt from being tracked in from the entrance hall. If these carpets work as intended, this will lead to a substantial reduction in the consumption of shoe covers. In a best case scenario, it may even be possible to phase them out entirely.

Initiatives reduced emissions by 90 per cent

With around 17,000 student tenants, Hoas, the Helsinki Region's student housing foundation, is Finland's largest student landlord. With young and aware tenants, sustainability is a key factor at all levels.

Coor's contract with Hoas covers property services and cleaning, both inside and outside the student halls of residence. Ten Coor employees work for Hoas and frequently travel between the various halls. Coor therefore proposed that various changes be made to reduce emissions from the vehicles used: diesel was replaced with HVO diesel, one diesel car was replaced with a plug-in hybrid (PHEV) and a biogas car was purchased.

The results speaks for themselves – emissions of carbon dioxide from the vehicles, which previously totalled 22 tonnes per year, are now down to 2 tonnes – a reduction of over 90 per cent.

A cup of coffee for the climate

Coor Denmark has started a partnership with the coffee producer Slow, which grows coffee that benefits the climate. Slow's coffee trees, which grow in harmony with the forest, present a sharp contrast to the big coffee producers' extensive plantations that use up nature's resources.

According to Søren Kanne, Division Director, FOOD by Coor Denmark, this is the way forward if we want to continue to enjoy good coffee while caring about the climate: "At Coor, we want to take active responsibility. The solution is regenerative food production, where you try to copy nature's own processes. In this case, instead of ravaging nature to grow coffee trees, you grow the trees inside the forest."

Coor's contract with Slow runs for seven years. Slow has acquired 100 hectares of conventionally managed coffee plantations in Laos and is converting them into organic forestry. Local trees and other crops are being replanted and Coor has undertaken to consume a large amount of coffee beans each year. From 2022, FOOD by Coor will be delivering regenerative forest coffee to its customers through catering services for meetings in Denmark.

About SLOW

Slow was founded in 2018 by Pijna Puustjärvi from Finland and is currently run by a growing team and a number of investors, including some high-profile international names in the field of sustainability. Slow works to preserve and restore forests together with 153 micro-farmers and a local team in Laos that helps and educates the farmers. Slow is also working to create better living conditions for vulnerable coffee farmers.

Energy-efficient data centres

Coor is currently responsible for the operation of a large data centre in Sweden where we have achieved major energy savings. A data centre generates a significant amount of heat that needs to be cooled down and this process often accounts for a large portion of the data centre's total electricity use. Coor's energy experts have supported in making the operation of the data centre as energy-efficient as possible. They do this through careful measurements of pumps, pressure and flows at the site. Since 2014, Coor has implemented measures that save some 3 million kWh per year at the site, which equates to an annual financial saving of around SEK 2 million. Coor is one of only a few Swedish companies to have been certified for energy-efficient operation of data centres by the US Department of Energy.

Small changes made a big difference for Saab

Optimised ventilation and smart lighting solutions – these sound like minor measures, but coupled with various other initiatives Coor used these to save large amounts of energy as well as millions of kronor for its client, Saab.

Saab, an industrial and defence group with a long and rich heritage, is a major employer in Sweden with over 17,000 employees. Its partnership with Coor is long standing, and today there are just over 200 Coor employees at 13 of Saab's sites who provide property maintenance, cleaning and other services.

Saab has long had a stated ambition to reduce its energy use, in which Coor has been heavily involved. Working together, Saab and Coor performed an in-depth analysis and then developed various proposals for how to improve energy use at Saab's production sites. These efforts have now taken concrete form in an action plan for which measures to implement and which areas to prioritise. As part of the action plan, Saab has also started using *Smart Energy*, Coor's energy monitoring concept for real-time energy optimisation.

"Saab's plant in Huskvarna became something of a pilot in Sweden for trialling *Smart Energy*. At Huskvarna, we have come up with ideas that can reduce energy use by nearly 10 per cent. We have also seen a major reduction in energy use at Saab's large plant in Linköping which employs over 5,000 people, but there we used more traditional methods. 10 per cent may not sound like much, but it is a lot in absolute terms," says Klas Ekelöw, an energy specialist at Coor.

The efforts to reduce energy use have been going on for several years and involve constantly coming up with new ideas and suggestions for how to further cut energy use. The work began in 2016 when new EU requirements made it mandatory for all large companies to conduct energy audits. Coor was entrusted to conduct the audit on behalf of Saab, as Klas Ekelöw recounts:

"Today, our systematic efforts to improve energy efficiency are still ongoing at most of Saab's sites, where we review energy use on a quarterly basis. Optimising ventilation, heat recovery from pneumatic compressors and smarter lighting solutions are some of our initiatives so far."

Reduced energy costs

These measures are an important part of Saab's ambition to reduce energy use by 30 per cent by 2030, but for Saab this is not just about sustainability; it is also about reducing costs. Since 2016, Coor's efforts and the measures it has suggested are estimated to have reduced Saab's energy costs by over SEK 20 million.

"We divide energy use into three areas: properties, transport and the operations themselves, and so far we have addressed the properties. One challenge at the outset was to identify where the energy was going. To measure is to know, and with Coor's help we have now reviewed many of our larger properties," says Christer Ståhlgren, Director South & Regional at Saab Group.

In the past few years, Saab has further refined the measurement structure at Coor's initiative, partly with the help of *Smart Energy*. The effectiveness of the tool quickly became evident; areas that needed to be addressed were identified after only a few months. Examples include systems that are incorrectly adjusted or that work against each other, as Christer Ståhlgren explains:

"These activities have improved our efficiency and created savings for us, allowing us to use our money elsewhere where it can be put to better use. Coor has given us a lot of very valuable input based on their measurements and discoveries. That's really great and is definitely something we encourage!"

Coor's IFM contract with Saab

Coor delivers and develops IFM services for Saab at most of the company's facilities in Sweden. Coor continually develops and ensures cost-effective delivery of high-quality FM services, mainly property management and cleaning services but also mail handling, conference, waste management, project management, redevelopment, energy optimisation and other services.

Trying out tomorrow's food in Deloitte's staff restaurant

Consumers have little knowledge of the connection between climate challenges, sustainability and food. A joint project between Coor and several partners in the food sector is looking to change that. Among Coor's customers, Deloitte was one of the first to get on board.

30 per cent of the world's carbon footprint comes from food production. To slow climate change, consumers need to be educated and the way we produce and consume food needs to change. To address these challenges, Coor is leading a project called Food (R)evolution together with Nofima, Orkla Foods Norway, HOFF, Foodback and Æra Strategic Innovation. The project, which has received NOK 12 million in funding from the Research Council of Norway, will run until 2024 and Coor has involved a number of customers who are making their staff canteens available for trying out new products and conducting research into consumer behaviour.

Deloitte, a company that provides auditing, legal, financial advisory, risk analysis and consulting services, is one of these. Coor provides a range of services to Deloitte, including reception, mail and freight handling, cleaning, coffee machines, fruit, and meeting services, in addition to the staff restaurant

Coor and Deloitte are jointly developing sustainable FM solution. When Coor offered some of its customers the opportunity to participate in Food (R)evolution, Deloitte immediately agreed and became involved in the project.

"Food (R)evolution fits in well with our climate strategy and is completely in line with our ambition to make a difference," says Tone Indrebø Næs, Director of Corporate Responsibility & Sustainability at Deloitte.

She believes that Food (R)evolution is an important initiative that serves several purposes.

"It's great to be able to contribute to research into sustainable food while at the same time engaging our employees in an important initiative."

Before the pandemic, more than a million lunches were served daily in staff canteens across Norway. Canteens are therefore an ideal arena for food producers to try out new products, get feedback and make adjustments before releasing the products in the market. Through increased knowledge and training of chefs, more sustainable choices will be made in the running of the canteens.

Three challenges from production to store

Food (R)evolution is studying three main challenges from production to store that need to be solved to achieve more sustainable food consumption.

1. The development of sustainable products is too inefficient. What can we do to improve development so that more and better sustainable products are made available in the market?

2. People want to eat more sustainably but fall back into old patterns when they shop. How can we change this behaviour?

3. Knowledge about sustainability issues is too low among chefs and kitchen staff and they therefore do not always make the right choices. How can we increase their knowledge and thereby make staff canteens more sustainable?

Coor and VELUX are creating tomorrow's FM solutions

Advice on sustainable and innovative solutions is a prominent part of tomorrow's facility management services. In the partnership between Velux and Coor, tomorrow is already here.

Eric Martin, Senior Director at VELUX (left) and Morten Christiansen, Coor's contract manager.

When the partnership between Coor and VELUX was initiated in 2014, the emphasis was on carrying out the giant FM contract which covered seven services at nine locations across Denmark. Today, the focus is on VELUX's "Sustainability Strategy 2030", as part of which VELUX has undertaken to offset all the CO_2e it has ever emitted, for example by planting trees in Uganda in partnership with WWF. This ambitious goal is to be achieved by VELUX's 100th anniversary in 2041. But this is not VELUX's only sustainability focus going forward. The company has also started to invest in healthier workplaces, as Eric Martin, Senior Director VELUX Global Facilities, explains:

"We expect all our suppliers, including Coor, to reduce CO_2e in their deliveries to us. Now we also need to focus on the human element of sustainability, which involves creating healthy workplaces for our employees."

The goal is to ensure good daylight and a healthy indoor climate in all VELUX buildings by 2030.

"It's not easy," Eric Martin admits, "because our employees have so many different needs."

Coor has acted as an advisor to VELUX, as Morten Christiansen, Coor's contract manager for VELUX, explains:

"There's a big difference between standing at a conveyor belt in Østbirk or sitting in an office in Hørsholm. That's why we involved our partners, Proptech Denmark, as joint consultants and created a vision for 'healthy workplaces' for VELUX."

But why should a company like VELUX address issues such as sustainability, healthy workplaces and diversity? The answer is that VELUX wants to take responsibility for society as whole, as Eric Martin explains:

"We are doing this because VELUX wants to be responsible and make a difference. Our recipe is building a consensus among management and defining local goals. It needs to be very clear that we WANT to succeed."

The next step is to realise the vision of healthy workplaces, as VELUX did with the goal of reducing CO_2e. Eric Martin continues:

"Now we will move forward with investment plans, business cases and advice from Coor. Together, we are setting tomorrow's standard for facility management and this is where our long partnership makes a real difference: we can demand of each other that we continue to up our game all the time."

Coor's FM contract with VELUX A/S

The contract is one of Denmark's largest FM contracts with nine locations in Denmark. Coor provides services covering more than 300,000 square metres, where 150 Coor employees are in charge of running canteens, property management and maintenance, and cleaning as well as providing advice on optimisation in matters relating to sustainability, investments and operations. The contract was entered into in 2014 and was extended for another five years in 2019.

An important service partner in northern Finland

Osuuskauppa Arina is a cooperative with a number of grocery stores, restaurants, service stations, hotels and a major shopping center in northern Finland. Coor's sense of service and strong presence in the region were key factors behind Arina's decision to choose Coor as its service partner.

The collaboration between Coor and Osuuskauppa Arina began in July 2021, and since then Coor has been in charge of cleaning Arina's grocery stores, the Valkea shopping centre in Oulu and the Rosso restaurant. The choice of service partner was a careful process and Coor was selected thanks to its sense of service and strong presence in northern Finland. For Arina and Coor, a key objective is to provide a pleasant and safe shopping experience for the customers.

Arina has operations in 32 municipalities in northern Finland. The large territory covered coupled with a declining population in sparsely populated areas has created challenges in terms of maintaining and developing the service network.

"Another important factor as to why we chose Coor as our service partner is its ability to develop the business and its strong commitment to sustainability," says Asko Lehto, property manager at Arina.

Sustainability is an important priority for Arina. The company aims for carbon negativity in its own operations by 2025 and is well on its way to achieving this. Geothermal hybrid and carbon dioxide refrigeration units, which are much more environmentally friendly than traditional refrigerants, are used, for example, to cool refrigerated counters and cold rooms in Arina's stores. Solar panels on the roofs of Arina's stores and other buildings are used to generate electricity, and the waste heat from a new grocery store that will open in Oulu next year will be transferred to the district heating network.

"Coor is an important partner and comes up with initiatives that improve Arina's sustainability management. Environmentally friendly, ozonated water is used for cleaning, and cleaning is carried out while other staff are on site, which saves energy because of the reduced need for lighting, for example," says Asko Lehto.

Coor's contract with Arina

Osuuskauppa Arina is a cooperative in northern Finland that is part of the S Group. Arina has about 180,000 customer-owners, accounting for 70 per cent of the area's households. Coor is responsible for cleaning at Arina's facilities in northern Finland. The facilities are spread across six municipalities: Oulu, Rovaniemi, Kemi, Raahe, Ylitornio and Kolari.

Enriching diversity

Respect for the equal value and rights of all people is fundamental to Coor. We are convinced that a diversity of personalities, experiences and knowledge is enriching and that each employee should be treated respectfully and fairly regardless of gender, background or identity. It is also essential to ensure that all employees continuously have opportunities for development – to grow within Coor.

Employees with a strong drive

Coor's employees have a strong drive to continually improve our service delivery to the customer. To leverage the full potential of our employees, it is essential that everyone knows that they are seen, that they matter and that they make a difference for Coor. At Coor, we refer to our efforts to build employee engagement as *Passion for People*. During the year, we carried out several activities to strengthen employee engagement and participation. A large number of employees took part in *We Are Coor* workplace gatherings, in many cases digitally, in order to highlight the positive energy that exists in the workforce as a whole. These gatherings will continue to be held in 2022.

Diversity makes Coor a better company

For us, diversity is much more than just a word in a governing document. Among our employees we see a great ethnic and cultural diversity, which we are very proud of. Coor's ambition is that its employees should reflect both its customers and society as a whole. We see diversity as enriching – with more perspectives we become better, more profitable and more responsive.

The fact that Coor's employees come from different backgrounds is a great asset; it increases our creativity and innovative power. The FM industry is in a better position than many others to employ new arrivals and those who are currently outside the labour market. A person's first job in a new country is so much more than just a workplace; it provides a context and a community. Coor has an inclusive culture – all our 12,000 employees should feel that they can be themselves and that they will be respected for who they are. Coor equips and helps its employees to enter society in various ways, for example through internal language courses or training programmes. Diversity management is also important for Coor's brand as an employer, for current as well as potential employees. People want to work at a company where they can be proud of the culture.

Coor Awards

The Coor Awards is a Group-wide event that takes place annually. The aim is to showcase and award employees who have made significant contributions during the year based on Coor's values. Anyone can nominate and be nominated.

Satisfied employees build a stronger Coor

Each year, Coor carries out a comprehensive employee survey with the help of an external research firm. The survey, which was carried out during the third quarter in 23 different languages, gives employees an opportunity to provide anonymous feedback on what it is like to work at Coor. Despite the impact of the pandemic, the results of the 2021 employee survey were outstanding, in terms of the score as well as the number of respondents.

The results of the survey are important for our efforts to become an even more attractive employer. The 2021 survey was answered by 80 (85) per cent of employees and once again resulted in very high employee motivation score (Employee Motivation Index) of 78 (78).

Coor also measures employee engagement through an Engagement Index, which provides important guidance on the evaluation of the company's People Engagement activities. This year, our Engagement Index score was 80 (80), which is an indication that our initiatives really are making a difference. We also saw an increase in our Leadership Index, with a score of 82 (81).

Coor is an organisation with great diversity in many dimensions. This year's employee survey included a new Inclusion Index, which gauges our success in ensuring that all employees feel included and that we make use of their particular skills and experience. We were pleased to receive a very high score of 83.

An overwhelming majority of employees were also very satisfied with the information and activities initiated in response to the pandemic.

82 (81)
Leadership Index

80 (80)
Engagement Index

78 (78)
Employee Motivation Index

83 (n/a)
Inclusion Index

The categories for the Coor Awards are: *Employee of the Year*, *Manager of the Year*, *Improvement of the Year*, *Sales of the Year* and *Guardian Angel of the Year*. In each country, winners in all categories are announced and celebrated locally. These country winners then participate in the prestigious Group final where the winners are announced. Interest in the Coor Awards has grown over time, and 2021 saw a record-high number of nominations. There is a genuine enthusiasm about the competition and a strong will to showcase the people who are making a contribution to Coor's success. The Coor Awards add to the pride that our employees feel in being part of Coor.

Health and safety

Coor has a vision to achieve zero work-related injuries, and it goes without saying that all employees should have a safe work environment.

Managers and employees need to take responsibility for preventing and avoiding injuries. During the year, all Coor countries organised campaign weeks with the theme of a safer work culture.

Coor's health and safety activities are based on identified risks as well as general legal requirements and cover risks linked to the physical as well as psychosocial work environment. The risk environment at the various workplaces varies, and preventive activities are adapted to local conditions.

Local social commitment

At Coor, we believe in giving something back to the societies in which we operate. During the year, Coor ran an internal project aimed at clarifying its strategy and working methods for promoting social sustainability. These efforts included *the Coor Society Programme*, which promotes sustainable development by simplifying the integration of new employees, and helping those who need assistance and support. To realise this objective, each country runs its own initiatives through local networks. Some of the ongoing projects include: language courses for employees, opportunities for Coor employees to participate in further education courses, mentorship for entrepreneurs in suburban areas, help to join the labour force for the long-term unemployed and help with homework for children and young people in deprived neighbourhoods.

Whistleblower portal

Coor has a whistleblower portal where employees, suppliers and customers can anonymously report suspected irregularities at the company. It is an explicit goal for Coor to ensure that all people who are affected by the company's activities are well treated and feel safe and secure. The portal is available in the ten most widely used languages at Coor and guarantees full anonymity to anyone who wants to report an irregularity.

"A great opportunity to recruit"

10 REDUCED INEQUALITIES

During the year, Coor in Sweden entered into a partnership with Arbetskraftsförmedlingen, a Swedish employment service, by joining their REDO campaign. This is a national campaign aimed at matching the skills of people who have received leave to remain in Sweden under the High School Act with companies that are looking for workers.

"We see REDO as a great opportunity to recruit motivated and talented employees to Coor. We have many entry-level jobs in our business and it is an important part of our social responsibility to help these individuals and others who are far removed from the labour market to find work. We hope our collaboration with REDO will help us find many new talents who can grow with us at Coor," says Magnus Wikström, President of Coor in Sweden.

One of the people who have found employment with Coor through REDO is Mohammad Mosawi. He works in Umeå as a cleaner and felt at home from his very first day.

Game-based prevention of drug and alcohol addiction recognised

3 GOOD HEALTH AND WELL-BEING

Coor in Norway has been awarded the Akan Prize for its work to prevent and manage drug and addiction problems in a good and systematic way. For many years, the company has taken an active and systematic approach to preventing alcohol, drug and medicine abuse through early action. The focus has been on game-based training where the game and learning take place in realistic environments similar to those in which the employees live and work, so that they face the same dilemmas and can make the same decisions as they would in reality.

"We are proud to receive this year's Akan Award in recognition of the work we are doing to prevent various types of addiction. We have worked consciously to inform, train and guide our managers and employees by putting prevention and attitude formation on the agenda," says Nikolai Utheim, President of Coor in Norway.

Sasitorn Håkansson

Lives in: Gävle, Sweden
Age: 43
Works as: Cleaner at Gävle Hospital

> *Then I thought maybe I could do something for them. I made coffee, cut up some fruit and arranged it nicely on a plate, so that they would be happy when they came for their coffee break.*

Sasitorn Håkansson – Employee of the Year

When the COVID-19 pandemic broke out, Sasitorn Håkansson decided to apply for a job as a cleaner at Gävle Hospital.

In the middle of March 2020, Sasitorn Håkansson began her new job at Coor. After completing Coor's cleaning course and receiving a thorough introduction, Sasitorn asked to work in the hospital's intensive care unit for COVID-19 patients – a challenging workplace that required one hundred per cent reliability and correct performance of her duties.

"It was tiring sometimes and it could be difficult to breathe with all that PPE. But it went well in the end and I enjoyed working with the nice hospital staff."

Sasitorn soon noticed how the nursing staff struggled to take care of the seriously ill patients. The patients' relatives also noticed their hard work and sent coffee and baskets with fruit to the staff to thank them for their efforts. Due to the heavy workload, the staff didn't always have time to unpack the gifts they received.

"The staff had so much to do in that chaotic situation. Then I thought maybe I could do something for them. I made coffee, cut fruit and arranged it nicely on a plate, so that they would be happy when they came for their coffee break. They were so tired there at the ICU, so when they saw that fruit and coffee had been put out they got some energy and could continue their fight."

Sasitorn's care and concern did not go unnoticed. Passion for people and passion for service are things that Coor takes pride in. The staff at the ICU noticed this in Sasitorn and praised her efforts, both her flawless cleaning and the excellent service that went beyond her job description.

Colleagues and customers agree: "It always makes you glad to meet Sasitorn. She does everything with a big smile on her lips."

Asked what next year will be like, Sasitorn answers calmly: "I only think about today. We don't know what tomorrow will bring, so I just do the best I can every day."

How does it feel to have been named Coor Employee of the Year?

"I'm very happy and so proud. The staff at the hospital said they thought I did a really good job at the COVID ICU and also at the day surgery unit where I clean today. It's great to be appreciated for what you do."

Jenna Seiteri

Lives in: Helsinki, Finland
Age: 28
Works as: Cleaner under a major contract in the banking sector in Helsinki

> *Having tasks to do makes the days feel meaningful.*

"I have been happier since I started at Coor"

Because of her positive attitude, her care and dedication to her work, Jenna Seiteri is growing, professionally and as a person.

Jenna Seiteri works as a cleaner under a major contract in the banking sector in Helsinki and was recruited to Coor through a partnership with the City of Helsinki. The local authority's initiative is aimed at finding employment for people with disabilities, either full-time or part-time, where the key criteria are the individual's attitude, motivation and willingness to work.

"My job at Coor is really important to me, and I want to work. Having tasks to do makes the days feel meaningful," says Jenna, who works from 9:00 a.m. to 2:00 p.m. every day.

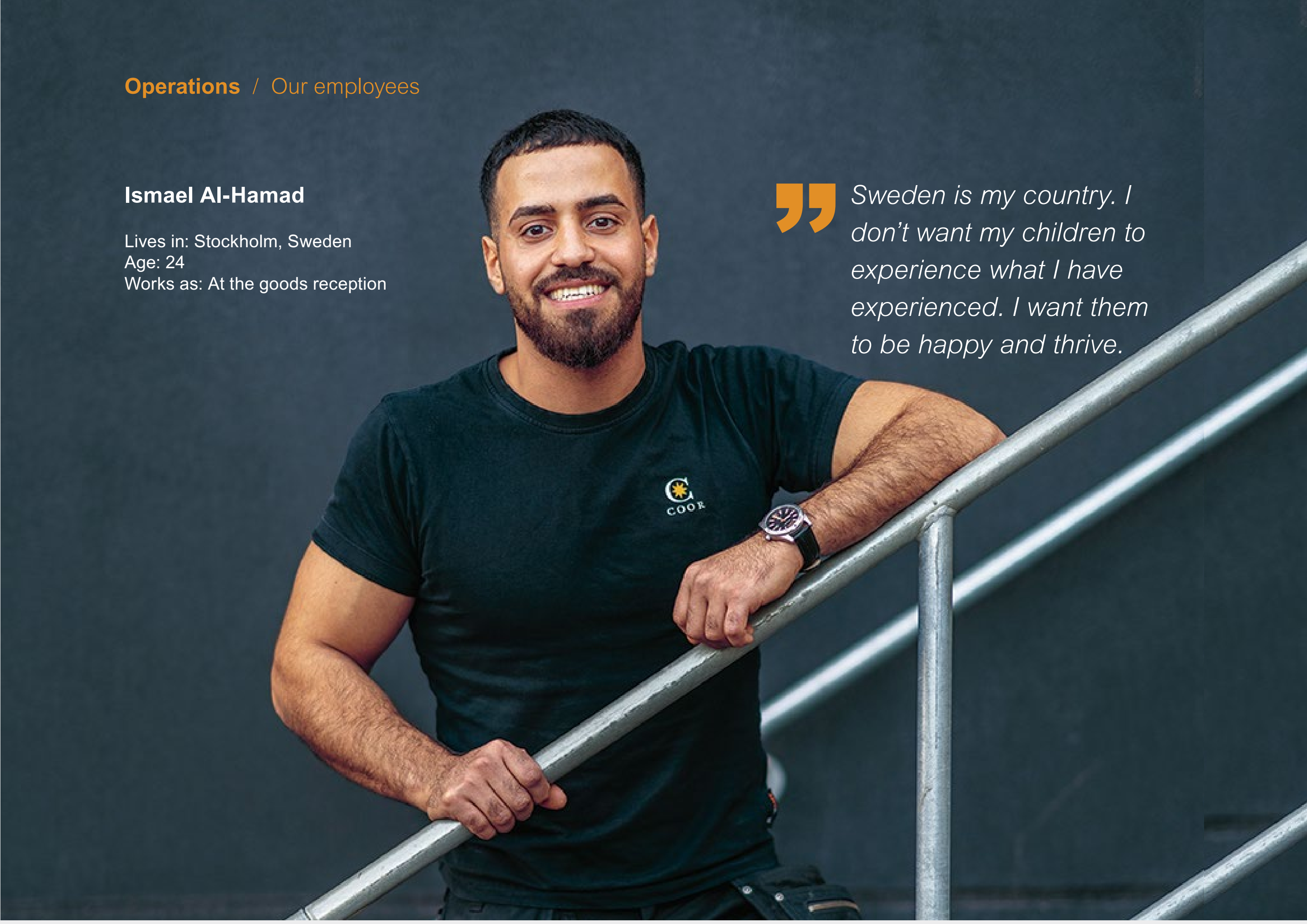
She describes her daily work as wide-ranging and varied, and although she is fairly new to the job she is already very happy and says she received a nice welcome from her colleagues.

"I feel better and am happier since I started working at Coor. We have a lot of fun in our team, and my colleagues have become my friends," Jenna says.

In addition to a close dialogue with her boss and colleagues, Jenna has access – through the City of Helsinki – to a work coach who provides support and advice and monitors her progress. The coach also helps her with any difficult questions or situations that may arise, both at work and privately, including work-related challenges such as agreements, procedures and communication. The arrangement is designed to suit Jenna's particular needs and knowledge.

Jenna's boss and colleagues describe her as happy, positive and a team player who gets along well with other people. She is also praised for her attitude and her care.

"Since I started, I have received many new tasks to handle, both independently and with my team. It makes me grow as a person, and the best thing about the job is when you get positive feedback from customers, your team and your supervisor – I love that!"



The dream of a new life brought Ismael to Sweden – and Coor

At a time when many 14-year-olds dream of a moped, mobile phone or new PlayStation, Ismael Al-Hamad was dreaming of something completely different – escaping from his war-torn native Syria and starting a new life in another country.

"When I was a teenager, I had already experienced so many terrible things because of the war. I had seen dead family members and relatives, seen friends shot to death in the street and had myself been shot at several times. My family and I felt we had to flee Syria," Ismael says. Today he is 24, works at a goods reception department and lives with his mother, father and two siblings in Stockholm. That the family ended up in Sweden, after a great deal of back and forth, is no coincidence – it was here they dreamed of coming. But the journey to Sweden would prove long and costly. First Ismael, his brother and brother-in-law went to Egypt, where they got a place on a boat bound for Italy through human traffickers.

Once there, they were met by another trafficker, who for EUR 3,000 per person could help them get further north, towards Sweden. They were squeezed into a family car, with Ismael in the trunk:

"It was a very tough journey."

After another couple of months, Ismael, his brother and brother-in-law finally arrived, but the authorities wanted to send them back to Denmark. Since he was under 18, Ismael was allowed to decide for himself, and he chose to remain, alone.

"I was staying at a home for unaccompanied minors and it felt like I had to wait a very long time to turn 18. Finally my parents also came here," Ismael says.

Today life looks completely different for Ismael. For the past couple of years, he has been working at a goods reception through Coor.

"My life has changed tremendously. Now I feel that I am moving forward all the time. My job at Coor is good and I am grateful to have such nice colleagues."

As a 24-year-old, Ismael has the same dreams as many others his age: being able to afford his own apartment, getting a driver's licence, having a family and continuing his education.

"I don't want to go back to Syria. I want to buy a flat in Stockholm. Sweden is my country. I don't want my children to experience what I have experienced. I want them to be happy and thrive."

Oksana Gomeniuk

Lives in: Täby, Sweden
Age: 35
Works as: Group leader for cleaners at Karolinska University Hospital in Solna

"It's a wonderful mix and we all get along very well. We don't make any distinctions – everyone is equally valuable."

Putting diversity on the map

Chile, Ethiopia, Thailand and Uzbekistan – the team of cleaners at Karolinska University Hospital in Solna come from all corners of the world. This diversity at the workplace has led to many interesting conversations, which gave group leader Oksana Gomeniuk an idea.

Oksana Gomeniuk works as group leader for cleaners in group 1 at Karolinska University Hospital in Solna. The team consists of 45 people, most of whom come from different parts of the world and have Swedish as a second language.

"I myself come from Ukraine and know how difficult it can be to make yourself understood when you don't speak the same language."

All the people with different backgrounds in her team and her own interest in geography gave her an idea.

"I went home from work with a colleague who was going to tell me where he came from," Oksana says.

When her colleague showed her his hometown on a map, Oksana immediately got an idea.

"Because our team comes from so many different countries, I had the idea of placing pins on a map to make it easy to see where in the world we all come from. I have always been interested in geography so I think that's how I got the idea."

There are now four 2 x 1.5 metre world maps in Coor's coffee room at Karolinska University Hospital in Solna. Many of the employees have already placed a pin on the map to show where they come from. Thailand, Mongolia, Albania, Turkey, Georgia, Ethiopia, Uzbekistan, Chile, Eritrea and Ivory Coast are just some of the nations represented in the team.

"It's a wonderful mix and we all get along very well. We don't make any distinctions – everyone is equally valuable, whatever their origin," Oksana says.

The map is often a conversation-starter among colleagues. "It's not unusual to hear staff in the lunchroom say things like: 'Who is the third person from Mongolia?', 'Do we have people from China who work with us?', 'We don't have anyone from Australia' and so on. The map is an easy way to get to know your colleagues better, understand where everyone comes from and learn more about each other's culture and traditions."

Help to get work

During the year, Coor in Denmark initiated a partnership with the non-profit organisation Settlement. Settlement works to create hope, opportunities for development and a meaningful sense of community at work for people who have been outside the labour market for many years. Through the partnership, four people have found work in the kitchens of Coor customers HQ, GN, Portland Towers and MAN Energy Solutions, where they are being given a new chance and an opportunity to find a sense of community in working with other people.

One of them is Rizwana: "I'm super happy to be a part of the Coor community. I have gained a lot of new knowledge in the kitchen and have also really improved my Danish. My colleagues encourage me to speak Danish, which is great. I'm less shy when I speak Danish and my colleagues create a positive work environment where I develop professionally all the time."

Coor – a gender-equal investment

The Indecap Q30 fund invests in the 30 Swedish listed companies that have the highest share of women in leading positions in relation to their sector. Based on these criteria, Indecap Q30 has chosen to invest in Coor.

Indecap Q30 regards Coor as one of the most gender-equal companies on the Stockholm Stock Exchange this year. Set up four years ago, the fund was the first in the Nordic region to focus on gender equality.

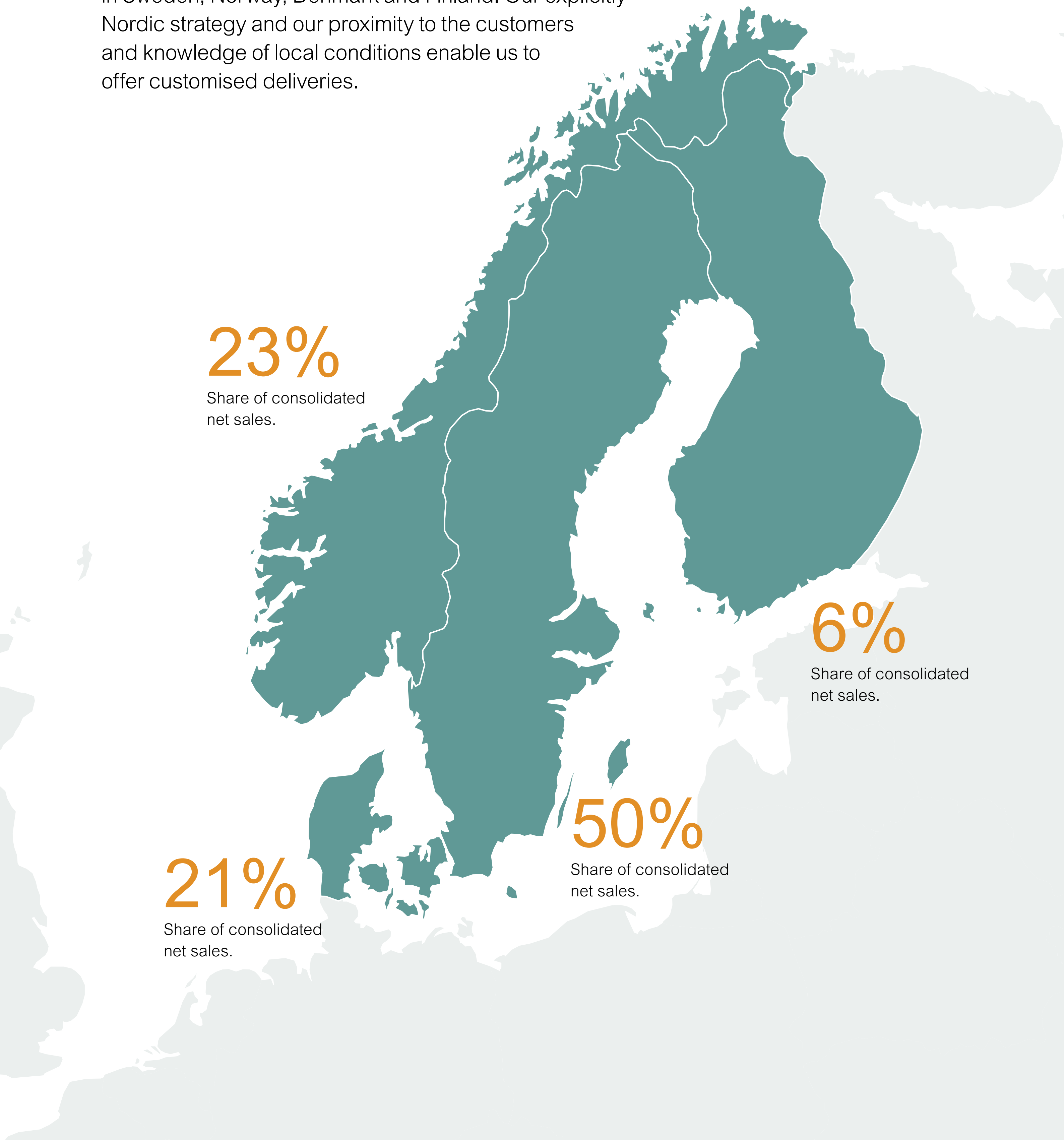
"Our efforts to promote gender equality are by no means over, but we are proud of what we have achieved so far. We see this as confirmation that we have made more progress than our competitors, but there is still a long way to go," says AnnaCarin Grandin, President and CEO of Coor.

A visit from Santa

For five years running, Coor has arranged a Santa visit at Karolinska University Hospital in Solna. With the help of the robots in the hospital, Santa and his friends spread joy and Christmas spirit to the youngest patients. The robot sled is laden with Christmas presents and bags of goodies that were handed out to about 75 children at the hospital.

Nordic specialist

The Nordic countries are Coor's home market. Coor operates in Sweden, Norway, Denmark and Finland. Our explicitly Nordic strategy and our proximity to the customers and knowledge of local conditions enable us to offer customised deliveries.



Strategic acquisitions strengthen the business

Coor in Sweden made two acquisitions in 2021 that will broaden and strengthen the company. The market recovered during the year, which spurred renewed demand for facility management services from Coor's existing customers and led to new contracts and the extension of existing contracts.

Value-adding acquisitions

Coor made two strategic acquisitions during the year: Veolia Technical Management, which strengthens Coor's offering in technical property services and sustainability, and the cleaning company Inspira including its subsidiary Middlepoint, which gives Coor an increased customer base in central Sweden as well as an attractive arena and staffing business. Through these acquisitions, Coor had the pleasure of welcoming 1,650 new competent employees to the company – a valuable addition to Coor's Swedish organisation.

Customer focus yields good results

A key focus area for Coor during the COVID-19 crisis has been to support its customers by adapting its deliveries to changing requirements. As more customers plan a return to the workplace, Coor has helped to ensure safe working environments. Cleaning was a strategically important service for many customers during the year and this is a service area that continues to grow.

Growth through new business and extended contracts

In the first quarter, Coor signed a new, large IFM contract with PostNord. Other new contracts include a security services contract with Borealis and a cleaning contract with Seco Tools. In addition to these, Coor signed a prestigious contract in food and beverages with a Swedish public authority. The IFM agreement with Sandvik Materials Technology was extended as was the cleaning contract with BAE, and Coor's contract with GKN was renegotiated and renewed.

Net sales by type of contract

- Integrated FM (IFM) 62%
- FM services 38%

Gender distribution managers

- Men 46%
- Women 54%

76 Employee Motivation Index

73 Customer Satisfaction Index

Coor in Sweden, key performance indicators

	2021	2020
Net sales	5,079	4,904
Adjusted EBITA	564	479
Adjusted EBITA margin, %	11.1	9.8
Number of employees, FTE	5,547	4,452

Top five customers

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

Magnus Wikström
President of Coor in Sweden

What was your most important focus area during the year?
"Service is created in the meeting with the customer and for us the key is to ensure that it is a good meeting. During the year, we resumed our much appreciated *Star-class service* course for our employees. We also supported our customers in their plans to return staff to the workplace. These efforts yielded results in the form of new and extended contracts."

How have you promoted sustainability and innovation?
"We established a strategic forum for sustainability issues that has formulated a green vision for Coor's Swedish business. Sustainability is integrated into all activities. During the year, we took the decision to electrify Coor's vehicle fleet and we are seeing many good initiatives in our restaurant business aimed at reducing our carbon footprint."

What are you most proud of in 2021?
"I am proud of our ability to quickly adapt our business to meet customer needs and of all our fantastic employees who have done their utmost to help our customers. I am also proud that we managed to complete two outstanding, value-adding acquisitions during the year."

A year of increased activity

After a demanding 2020, 2021 was characterised by several contract renewals and a gradual reopening of society, which resulted in increased activity for Coor in Norway, despite renewed restrictions towards the end of the year.

Advice and customer experience in focus

In the wake of the pandemic, new requirements are being developed for work environments. The hybrid workplace is likely here to stay, and this requires a new strategy for the office as well as changes to familiar working methods. One result of this is that a new business area has been established – Coor Advisory – which offers strategic advice on and implementation of attractive, healthy and inspiring workplaces.

Acquisition in Stavanger

In February, Coor acquired the cleaning and restaurant services provider R & K Service AS. The company is located in Stavanger and has annual sales of approximately SEK 80 million and about 130 employees. The acquisition gives Coor increased geographic coverage in Norway and strengthens the company's expertise in cleaning and restaurant services.

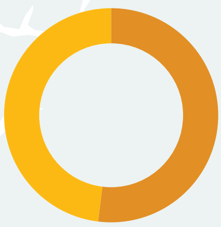
New and renewed contracts

During the year, Coor in Norway entered into several new contracts in addition to renewing a number of contracts. In June, Equinor chose to extend the collaboration with Coor by signing a new contract for FM services at its production sites. The agreement runs for five years with an option to extend for a further three years and has an annual contract value of approximately SEK <300 million, including Coor's estimate of annual variable project volumes. Coor in Norway also signed a new contract with Equinor for housing services and extended a large contract with Aibel.

Net sales by type of contract

- Integrated FM (IFM) 79%
- FM services 21%

Gender distribution managers



- Men 52%
- Women 48%

76 Employee Motivation Index

68 Customer Satisfaction Index

Coor in Norway, key performance indicators

	2021	2020
Net sales	2,318	2,102
Adjusted EBITA	146	124
Adjusted EBITA margin, %	6.3	5.9
Number of employees, FTE	1,255	1,460

Top five customers

- ABB
- Aibel
- Aker Solutions
- Equinor
- Storebrand

Nikolai Utheim
President of Coor in Norway

What were the highlights of 2021?
"One of the highlights for me was that we made a strategic decision to increase our focus on customer experience, and this is a very exciting initiative that is already under way."

What is your best memory from 2021?
"Renewing the contract with Equinor to provide services at their production sites was definitely a highlight. It was a wonderful feeling to receive that confirmation! We have now developed a vision for our partnership that is linked to strategic target areas and we have high ambitions for the coming years."

How have you promoted sustainability and innovation?
"I would say that sustainability has become a central part of our company culture. We have worked to produce data that will enable us to make good, data-driven decisions. For example, we can now measure the climate impact per dish in our restaurants. In terms of innovation, we have an exciting project in employee training, *Coor My Learning*. This is a platform for occupational safety that uses game-based training, or gamification, as well as pure knowledge modules."

Growth and an outstanding contract

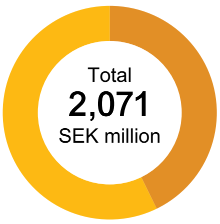
The highlight for Coor in Denmark during the year was the new FM contract with the Danish Building and Property Agency, which is worth almost SEK 3 billion. Denmark also had its best year ever in terms of organic growth thanks to new and extended customer contracts.

Focusing on quality and sustainability at the Danish Building and Property Agency
Under the new contract with the Danish Building and Property Agency, Coor in Denmark will provide services to 18 public institutions. 375,000 square metres will be cleaned, more than 10,000 meals will be served daily and service will be provided to more than 8,600 users every day.

New and extended contracts
In addition to the contract with the Danish Building and Property Agency, new and existing customers contributed to solid growth. Two major contracts – with PostNord and DSB – were implemented in 2021. Coor in Denmark also welcomed DMI, Herlev Municipality, Magasin Århus and several other private and public-sector organisations as customers. We extended our contracts with Odense Sport og Event, Coloplast and MAN Energy Solutions, among others.

Sustainability high on the agenda
Coor in Denmark is working actively to promote sustainability: During the year, FOOD by Coor initiated a pioneering partnership with the coffee producer Slow Coffee. In cleaning, the company is reducing its carbon footprint by using fewer chemicals and less water. Coor in Denmark also created a new department for waste management, which works strategically to reduce its customers' carbon footprint.

Net sales by type of contract



Gender distribution managers

Coor in Denmark, key performance indicators

	2021	2020
Net sales	2,071	1,941
Adjusted EBITA	105	83
Adjusted EBITA margin, %	5.0	4.3
Number of employees, FTE	2,270	2,098

Top five customers

- GN Store Nord
- Danish Police, Prison and Probation Service and Prosecution Authority
- Skejby Hospital
- Hospital of Southern Jutland
- VELUX

Jørgen Utzon
President of Coor in Denmark

What are you most proud of in 2021?
"I am incredibly proud that we won the contract with the Danish Building and Property Agency. Together with them, we will set a completely new standard and provide best-in-class solutions for sustainability and innovation in public FM contracts. But I am also very proud of our employees who always managed to meet our customers' needs. I couldn't have wished for a better year!"

What will you remember from 2021?
"I will especially remember our employees' tremendous efforts. Given the circumstances, it is extraordinary that our employees succeeded in achieving the results that we did in 2021. I also know that many employees have felt concerned during the pandemic and I would like to offer my sympathy to those who have been affected personally."

How has Coor in Denmark promoted sustainability and innovation?
"Through our activities, we influence society well beyond our own company, our employees and our customers. Examples of this include our collaboration with the organic coffee producer Slow and our social sustainability work. There's no doubt that we have taken a leading position in the industry. Among our customers, we see a growing demand for sustainability as well as innovation, and in these areas we can also help to strengthen our customers' brands."

Record-high customer satisfaction and greater diversity

In 2021, Coor strengthened its position as a facility management company that provides a wide range of services throughout Finland. Coor continued its efforts to promote diversity at work and customer satisfaction reached a new high.

Reflecting the diversity of society

Coor in Finland continued its efforts to promote diversity in 2021. Coor's workforce reflects the diversity of its customers and of society as a whole. We believe different perspectives help us to become more creative, more profitable and better at listening to others. Coor was one of the first companies to join the "Young people in working life" programme, which helps people at risk of being marginalised, coordinated by the Deaconess Foundation and pension provider Varma. The programme is designed to help 16 to 29-year-olds who are at risk of social exclusion to find employment.

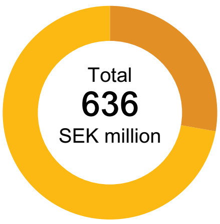
A nationwide operator

During the year, Coor signed several contracts with companies that operate throughout Finland, including two logistics firms – Matkahuolto and PostNord. In September, Coor also entered into a contract with Evidensia, which provides veterinary services.

Expertise in many areas

In 2021, Coor strengthened its position as a facility management company that provides a wide range of services. In addition to significant new cleaning contracts, Coor also signed several property service contracts. In June, we entered into an extension contract to provide property services at Attendo's nursing homes, and in August another contract was signed to provide property services at Pilke's preschools.

Net sales by type of contract



- Integrated FM (IFM) 28%
- FM services 72%

Gender distribution managers

- Men 42%
- Women 58%

81 Employee Motivation Index

77 Customer Satisfaction Index

Coor in Finland, key performance indicators

	2021	2020
Net sales	636	646
Adjusted EBITA	25	24
Adjusted EBITA margin, %	3.9	3.8
Number of employees, FTE	886	905

Top five customers

- ABB
- Attendo
- Finnish customer in the banking sector
- Senate Properties
- Varma

Marcus Karsten
President of Coor in Finland

What were the highlights of 2021?
"The results of Coor in Finland's employee and customer surveys have consistently improved over the past three years, and this trend continued in 2021. Our employee satisfaction score continued to increase despite the challenges associated with COVID-19, and our leadership score was also up. Satisfied employees were also reflected in satisfied customers: Our customer satisfaction score has been rising in recent years and reached a new high this year."

What are you most proud of?
"In 2021, we took a big step forward in health and safety. Each year, Zero Accident Forum, which is coordinated by the Finnish Institute of Occupational Health, issues safety certificates to workplaces that have continuously improved their standard of health and safety at the workplace. In 2021, Coor was certified for the first time and immediately achieved a high level."

How has Coor in Finland promoted sustainability and innovation?
"Sustainability is a cornerstone of our business and many of our innovations promote sustainability. We are constantly looking for new ways to make our own and our customers' businesses more environmentally sustainable."

"Things are going in the right direction"

2021 continued to be overshadowed by the pandemic, but Coor is stable. "Things have been going in the right direction. We made several acquisitions, achieved good returns and have a strong focus on sustainability, innovation and the workplace of the future," says Klas Elmberg, CFO at Coor.

How would you sum up 2021?

"Things have been going in the right direction. Coor has been active in acquisitions, has a strong ability to adapt and has effective cost control processes. We once again paid a good dividend to our investors and have maintained a high dividend yield.

The past year was partly a continuation of 2020, marked by considerable uncertainty due to the global COVID-19 crisis. The pandemic resulted in increased volumes in cleaning, our largest service, but our volumes in property services and food and beverages were once again down this year. However, we are confident that we will see a return to more normal volumes in these service areas.

The key to stability is Coor's business model, where 70–75 per cent of our revenue comes from fixed subscriptions. The company has a good customer base, with reliable customers who pay their invoices on time."

Are acquisitions still an important strategy for Coor?

"Absolutely. We carried out three acquisitions in 2021. In the spring, we acquired R & K Service AS, a very well-run family company providing cleaning and food and beverage services in Stavanger, Norway. In the summer, we completed the strategically important acquisition of Veolia Technical Management, a business with high technical expertise in production and infrastructure facilities, and in November we acquired Inspira, a company that provides cleaning and workplace services to a large number of companies in central Sweden. Coor will continue to generate organic growth complemented by acquisitions. The companies we are interested in are well managed, have strong finances and good customer relations, and take good care of their employees. But organic growth will always be most important to us."

Coor has become even more transparent and broad in its reporting. What does that mean?

"It means that every quarter, in addition to financial performance indicators, the company also reports the social and environmental dimensions according to the triple bottom line approach. Transparency and our strong focus on sustainability are essential to our ability to continue to grow and attract customers, employees and investors."

How do you see the future for Coor?

"The future looks very bright. There is still a big market in the Nordic region where Coor can grow and further strengthen its position. We have a strong focus on sustainability and innovation and are investing even more in advisory services throughout the Nordic region, where we support our customers in developing the workplace of the future. This is something that many of our customers are demanding."

Transparency and our strong focus on sustainability are essential to our ability to continue to grow.

Coor as an investment

Strong prospects

Coor's leading position in the IFM segment, which accounts for around 60 per cent of the company's business, is creating good prospects for continued growth, as the IFM market is growing significantly faster than GDP and the FM market as a whole. In the short term, growth may vary somewhat, as it is affected by the volume of major IFM agreements coming into the market in any particular period as well as by major unexpected events such as the pandemic.

Coor has a strong position in the Nordic market, where the company is a front runner in terms of innovation and digitisation. Under Coor's business model, a large part of the company's revenue is relatively stable in the form of subscriptions, which account for over 70 per cent of total revenue. The company's services are also in demand regardless of the economic climate. In a strong economy, the volume of FM services in the company's existing contracts increases, but due to the significant savings potential which Coor offers its customers the company also remains an important partner in times of slower economic growth. Historically, periods of weaker economic growth have led to new outsourcing deals reaching the market.

Stable profitability

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

Strong cash conversion

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

A high dividend yield

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

Continued opportunities for value-creating acquisitions

In 2021, Coor made three acquisitions, one in Norway and two in Sweden. Although Coor's primary focus is on organic growth, the company has both the financial capacity and the ability to integrate further acquisitions going forward. Coor works continuously to identify well-managed Nordic companies that can complement and strengthen the company's offering in the FM market. The acquisitions need to be made at reasonable valuations and create synergies through our integration activities.

Three reasons to own shares in Coor

1

Coor is a market leader in a stable market with good growth opportunities.

2

Coor is relatively immune to the economic cycle with stable profitability.

3

Coor has high cash conversion, creating scope for a high dividend payout and acquisitions.

Share information

Share performance

Coor's shares performed well in 2021. The closing price on 30 December 2021 was SEK 82.65, an increase of 14 per cent over the year. Over the same period, the OMXSPI (Stockholm All Share) index gained 33.77 per cent. The highest closing price during the year was SEK 91.60 on 19 November and the lowest SEK 56.10 on 27 January.

Share turnover

During the year, 67,404,436 shares were traded, representing a total value of SEK 5.1 billion. On average, 266,421 shares changed hands each day.

Shareholder

On 31 December 2021, Coor had 12,218 shareholders. At the same date, the ten largest shareholders controlled 48.6 per cent of the capital and voting rights. The three largest shareholders were Nordea Fonder, Capital Group and the First Swedish National Pension Fund (Första AP-fonden). Foreign owners held 58.7 per cent of the capital and voting rights.

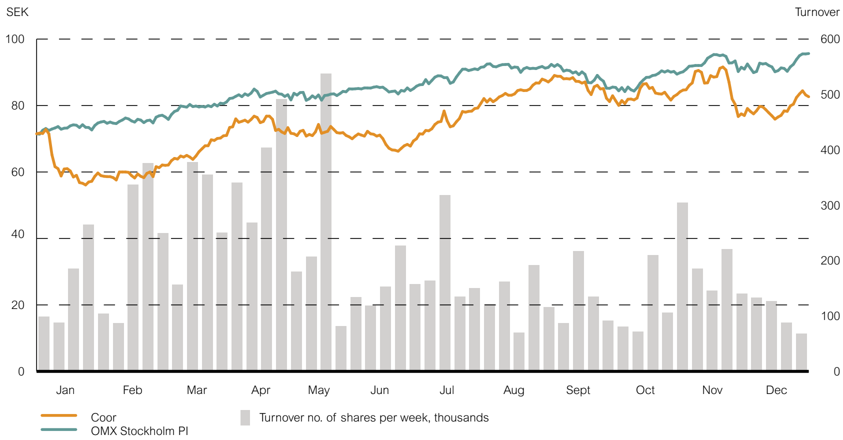
Share capital

On 31 December 2021, Coor had a share capital of SEK 383 million. The number of shares was 95,812,022, representing a quotient value per share of SEK 4. Under the Articles of Association, the share capital must be at least SEK 200 million and no more than SEK 800 million, represented by at least 50,000,000 shares and no more than 200,000,000 shares. The free float – the portion of shares available for trading – was 100 per cent at year-end.

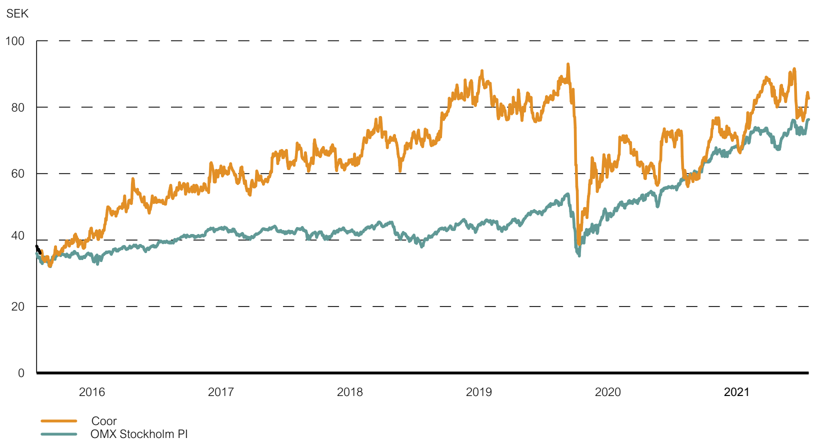
Dividend

The Board of Directors proposes a dividend of SEK 4.80 per share for

Share performance, 1 January–31 December 2021



Share performance, 2016–2021



The ten largest owners

Shareholder	Votes, %	Holding, %	Total number of shares
Nordea Fonder	6.9	6.9	6,610,264
Capital Group	6.0	6.0	5,770,000
First Swedish National Pension Fund (AP1)	5.8	5.8	5,590,748
Mawer Investment Management	5.3	5.3	5,105,387
Taiga Fund Management AS	4.7	4.7	4,457,937
Second Swedish National Pension Fund (AP2)	4.4	4.4	4,261,319
SEB-Stiftelsen	4.2	4.2	4,000,000
ODIN Fonder	4.2	4.2	4,000,000
Didner & Gerge Fonder	4.1	4.1	3,907,563
Länsförsäkringar Fonder	3.0	3.0	2,890,239
Total, ten largest shareholders	**48.6**	**48.6**	**46,593,457**
Other shareholders	51.4	51.4	49,218,565
TOTAL	**100.0**	**100.0**	**95,812,022**
Shares owned by Coor Service Management Holding	0.8	0.8	740,000

Ownership structure

Size classes	Number of known shareholders	Number of shares	Holding, %	Votes, %	Share of known shareholders
1–500	9,751	1,265,360	1.3	1.3	79.8
501–1,000	1,175	956,778	1.0	1.0	9.6
1,001–5,000	971	2,062,805	2.2	2.2	7.9
5,001–10,000	126	947,240	1.0	1.0	1.0
10,001–15,000	39	501,976	0.5	0.5	0.3
15,001–20,000	21	368,478	0.4	0.4	0.2
20,001–	135	86,479,781	90.3	90.3	1.1
Anonymous ownership		3,229,604	3.4	3.4	–
TOTAL	**12,218**	**95,812,022**	**100.0**	**100.0**	**100.0**

Liquidity, 1 January–31 December 2021

Lowest, SEK	54.7
Highest, SEK	93.7
Volume-weighted average price, SEK	75.2
Number of shares traded	67,404,436
Average per day	266,421
Number of transactions	227,284
Average number of transactions per day	898
Average value per transaction, SEK	22,297
Average daily volume, SEK million	20.0
Daily volume as a percentage of market value	0.28%
Traded on Nasdaq (regular trading), %	49.4
Block transactions, %	23.6
Dark pools (Nasdaq), %	7.2

2021. The dividend comprises an ordinary dividend, in accordance with the dividend policy, of SEK 2.40 and a special dividend of SEK 2.40 per share. The total dividend thus amounts to SEK 460 million, which equates to 101 per cent of the company's adjusted net profit for 2021. Proposed dividend offers a good yield to shareholders while also giving the company financial scope for further acquisitions.

IR activities

Investor relations activities in 2021 focused on continuing to strengthen Coor's position in capital markets. Management took part in conferences, was available for questions and held a large number of mainly digital meetings on both the buy and sell sides to ensure that there is a wide familiarity with the company in the market.

Analysts

Coor is followed by Carnegie, DNB and Analysguiden.

Distribution of ownership by category

Distribution of ownership by country

Trading platforms

Source: Monitor by Modular Finance AB and Fidessa.

Corporate Governance Report

The Corporate Governance Report is a part of Coor's Annual Report 2021, which explains why it begins on page 50. The Corporate Governance Report can be read separately but sometimes contains references to other parts of the annual report. The full annual report is available on the company's website.

Corporate Governance Report 2021

Mats Granryd
Chairman

The Corporate Governance Report of Coor Service Management Holding AB (corp. ID no. 556742-0806) refers to the 2021 financial year.

"Coor has momentum"

A strong year doesn't happen by itself. On the contrary, Coor's successes were built on an enormous amount of hard work from all the company's employees, according to Mats Granryd, Chairman of Coor's Board of Directors.

WHAT IS YOUR VIEW OF COOR'S PERFORMANCE IN 2021, WITH REGARD TO THE COMPANY'S GOALS AND STRATEGIES?

"Coor delivered a strong and stable performance in a challenging world. We have grown organically as well as through acquisitions. I am very pleased and proud of the company's performance and the fact that we are following our strategies, getting results and achieving our goals. It makes managing the company so much easier. A strong year doesn't happen by itself. Our successes were built on an enormous amount of hard work from all Coor employees and those of us on the Board are very grateful for that."

WHAT SETS COOR APART AS A COMPANY?

"I am very impressed that Coor always manages to deliver and always thinks about the value we are creating for the customer. Being professional and responsive to the market and seeing opportunities, even in a tough climate. I am also impressed by our attention to detail and professionalism, which are two of Coor's hallmarks, and that there is a genuine respect for both our employees and our customers."

WHAT DO YOU SEE AS THE BOARD'S MOST IMPORTANT TASKS?

"Our primary task is twofold – to support management with advice and insights in order to look after our many owners' interests, and to demand that management does its utmost, which requires a combination of prudence and courage."

ARE THERE ANY MATTERS THAT THE BOARD DEVOTED PARTICULAR ATTENTION TO THIS YEAR?

"This has been a year of intense activity at Coor. We have focused on sustainability and innovation and on integrating acquisitions and new contracts.

Growth is always important for Coor, and innovation is crucial to ensuring that our customers remain happy. There is strong demand, and what we need to do is to aim even higher in all areas. More innovation, more sustainability and ensuring a smooth integration of our acquisitions."

WHAT ROLE DO YOU SEE COOR'S FOCUS ON SUSTAINABILITY PLAYING TODAY AND IN THE FUTURE?

"Coor has a strong focus on sustainability. If you don't, you won't be around as a company in five years' time. During the year, we increased our ambition for sustainability and signed the UN Global Compact (UNGC), joined the Science Based Targets initiative and increased the transparency of our reporting to the market. We also made several important decisions, including eliminating the use of fossil fuels in our vehicle fleet and adding sustainability goals to our incentive programme for senior executives and key personnel.

Coor also has a way of structuring sustainability issues based on a triple bottom line approach where Coor takes responsibility for financial, social and environmental sustainability, and where all aspects are important. Today, everyone is demanding a focus on sustainability, and if you don't take responsibility you will be shunned by employees, customers and investors."

HOW DO YOU SEE THE NEXT FEW YEARS FOR COOR?

"Coor has momentum – we have built a strong foundation and are ready to embark on an exciting growth journey in the Nordic region, organically and through acquisitions. In other words, it looks promising. We also have strong cash flow, which gives the company great freedom of action. It is not an easy journey of course, but I feel that we have an edge over our competitors. We work hard, with dedication and with a long-term view, and are always responsive to our customers' needs. 2022 will, like all other years, be a year of challenges. The most important thing is not to become complacent and rest on our laurels. Only dead fish follow the stream. At Coor, we have the strength to go our own way.

I and the rest of the Board look to the future with confidence. We have a dynamic journey ahead of us, and hope that you all – our employees, customers and shareholders – really feel it!"

Only dead fish follow the stream. At Coor we have the strength to go our own way.

Structured governance and control

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

This Corporate Governance Report has been prepared by the Board of Directors of the Coor Group and describes Coor's corporate governance for 2021. The report has been reviewed by Coor's auditors, whose opinion is presented at the end of the report.

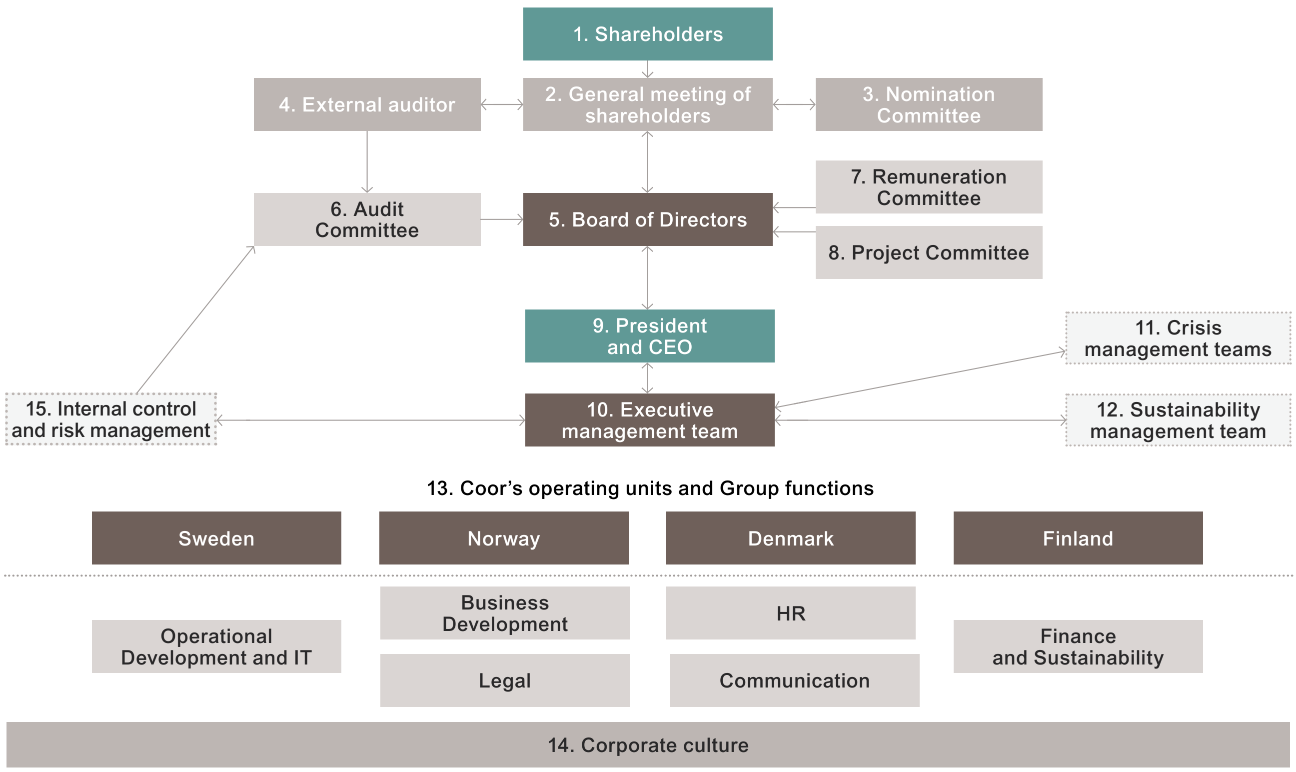
CORPORATE GOVERNANCE AT COOR

Coor is a public limited company with its registered office in Stockholm, whose shares were listed on the Nasdaq Stockholm exchange on 16 June 2015. For Coor, good corporate governance means that the company is managed in a sustainable, responsible and efficient manner in all dimensions, thereby creating long-term value for all shareholders and other stakeholders. Coor's corporate governance is based on Swedish laws and regulations and on the rules and practices which apply for companies listed on Nasdaq Stockholm. Coor also follows the Swedish Corporate Governance Code without deviating from any of its rules. In the countries where Coor operates the company follows the applicable local legislation.

In addition to the external regulations, Coor has a set of internal regulations consisting of governing documents for the Group, of which the most important are the Articles of Association, which are adopted by the shareholders' meeting, the rules of procedure for the Board of Directors and its committees, and the Board's terms of reference for the Chief Executive Officer. In addition, there are a large number of internal policies, instructions and delegation arrangements which clarify responsibilities and authorities in different areas. The most important governing documents are included in Coor's management system, which also describes the company's main processes and common work methods.

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

Coor's corporate governance structure



1. SHARES AND OWNERSHIP STRUCTURE

At year-end, Coor had a share capital of SEK 383,248,088, represented by 95,812,022 shares. Each share carries one vote at general meetings. As at 31 December 2021, Coor's share register listed approximately 12,200 shareholders. Of the total share capital, approximately 59 per cent was owned by investors outside Sweden. The three largest shareholders were Nordea Fonder with 6.9 per cent of the shares and voting rights, Capital Group with 6.0 per cent and the First Swedish National Pension Fund (AP1) with 5.8 per cent. More information about Coor's shares and ownership structure is available on the company's website under Investors and in the section *Share information*.

2. GENERAL MEETING OF SHAREHOLDERS

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

3. NOMINATION COMMITTEE

The composition and activities of the Nomination Committee are governed by the terms of reference adopted by the AGM and are described on the company's website under *Who we are/Corporate Governance/Annual General Meetings*.

Composition and activities in preparation for the 2022 AGM

Prior to the 2022 AGM, the Nomination Committee consists of Ulrika Danielson (Second Swedish National Pension Fund), Henrik Didner (Didner & Gerge Fonder), Sophie Larsén (First Swedish National Pension Fund), Jan Särlvik (Nordea Funds) and Chairman of the Board Mats Granryd.

In preparation for the 2022 AGM, the committee met on four occasions. Through the Chairman of the Board and the company's President and Chief Executive Officer, the Nomination Committee received information about the operations, development and other circumstances of the company. The Nomination Committee also interviewed individual Board Directors. It also discussed the main requirements that should be applied for Directors, including the requirement for independent Directors, and looked at the number of directorships of other companies held by the Directors. The committee placed a strong emphasis on ensuring a balanced representation of men and women, diversity and breadth.

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

4. EXTERNAL AUDITORS

The company's auditors are appointed by the AGM. At the 2021 AGM, Öhrlings PricewaterhouseCoopers AB (PwC), with Niklas Renström as auditor-in-charge, were re-elected to serve as the company's external auditors until the 2022 AGM. PwC have been Coor's auditors since 2004. Niklas Renström has been Coor's auditor-in-charge since 2018.

The external audit of Coor's financial statements is conducted in accordance with the Swedish Companies Act, the International Standards on Auditing (ISA) and generally

RESOLUTIONS ADOPTED AT THE 2021 AGM

The main resolutions adopted at the 2021 AGM were as follows:

- → That the Board of Directors should consist of seven Directors with no deputies.
- → The election of the Chairman of the Board and Directors in accordance with the Nomination Committee's proposal:
- → Mats Granryd was re-elected to the Board as a Director and as Chairman of the Board.
- → The Directors Anders Ehrling, Mats Jönsson, Monica Lindstedt, Kristina Schauman and Heidi Skaaret were re-elected to the Board. The election of Magnus Meyer as a new Director.
- → To approve the payment of Directors' fees totalling SEK 3,495,000, as proposed by the Nomination Committee. The fees will be distributed as follows:
  - SEK 825,000 to the Chairman.
  - SEK 295,000 to each of the other AGM-elected Directors.
  - SEK 100,000 to Directors who are members of the Audit Committee.
  - SEK 200,000 to the Chairman of the Audit Committee.
  - SEK 50,000 to Directors who are members of the Remuneration Committee.
  - SEK 75,000 to the Chairman of the Remuneration Committee.
  - SEK 75,000 to Directors who are members of the Project Committee.
  - SEK 100,000 to the Chairman of the Project Committee.
- → Resolution on a long-term share-based incentive programme (LTIP 2021) for the executive management team (EMT) and top management team (TMT).
- → To authorise the repurchase and transfer of shares.
- → To authorise the issuance of new shares.
- → Resolution on minor amendments to the Articles of Association.

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

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

Auditors

Öhrlings PricewaterhouseCoopers AB (PwC)
Auditor-in-charge:
Niklas Renström

Other audit engagements:
Betsson, Bonnier, Nobina and Note.

DNV – Environmental and quality auditors
Coor's business has been globally certified under the international ISO 45001-2018 occupational health and safety, ISO 14001-2015 environment and ISO 9001-2015 quality standards. This means that the business is audited twice a year by an independent party. Det Norske Veritas (DNV) is in charge of the external audit with regard to compliance with the standards. The results of these audits are reported to the executive management team.

More information about this audit is presented in the section *Sustainability notes*.

accepted auditing standards in Sweden. The auditors are tasked with auditing the annual accounts, annual report and consolidated accounts as well as the Board of Directors' and executive management team's management of the company. The auditors also review the interim financial statements as at 30 September and the company's internal control.

The auditors are required to keep the Board updated on the planning, scope and content of the annual audit and to inform the Board of any services in addition to audit services that have been provided, the fees for such services and other circumstances that could affect the auditors' independence. To meet the Board's need for information and to ensure that all areas are addressed in a structured manner, Coor's auditors participate at the meetings of the Audit Committee and attend at least one Board meeting a year. On at least one occasion, the auditors meet the Board without the presence of management. The fees paid to the auditors for 2021 are presented in *Note 8 Audit fees* in the *statutory annual report*.

5. BOARD OF DIRECTORS

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

Composition and activities in 2021

As of 31 December 2021, Coor's Board of Directors consists of six ordinary Directors elected by the general meeting of shareholders and three employee representatives. The composition of the Board meets the requirements for independent Directors provided for in the Swedish Corporate Governance Code. Information on the independence of the Directors is presented in a table on the next page. The Board of Directors is presented at the end of the Corporate Governance Report along with information about the Directors' directorships outside the Group and their holdings of Coor shares. The Board has appointed Coor's Chief Legal Counsel to act as its secretary.

In 2021, the Board met on 14 occasions. The Board addressed strategic matters, financial performance and matters relating to customers, employees, sustainability and risk management over the course of the year. Important matters addressed in 2021 included matters relating to the impact of COVID-19 on the company, new deals and potential acquisitions. Senior executives gave presentations on specific issues to the Board on an ongoing basis.

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

6. AUDIT COMMITTEE

Consists of two Board-appointed members: Kristina Schauman (Chairman) and Heidi Skaaret. Anders Ehrling was a member until his resignation from the Board in October 2021. Coor's CFO and external auditors attend all meetings. Follows up and monitors internal control, audit, risk management, accounting and financial reporting activities.

7. REMUNERATION COMMITTEE

Consists of three Board-appointed members: Mats Granryd (Chairman), Monica Lindstedt and Kristina Schauman. Submits proposals on remuneration to the Board, and monitors and evaluates remuneration structures and levels for the executive management team.

8. PROJECT COMMITTEE

Consists of three Board-appointed members: Mats Granryd (Chairman), Magnus Meyer and Mats Jönsson. Anders Ehrling was a member until his resignation from the Board in October 2021. Assists the Board by submitting proposals for and providing decision guidance on major customer contracts, acquisitions and other important agreements.

Directors’ attendance, independence and fees

	Meeting attendance				Independence		Fees
	Board of Directors	Audit Committee	Project Committee	Remuneration Committee	Independent of the company	Independent of major shareholders	Approved Directors’ and committee fees, SEK ‘000 [5]
Total number of meetings	**14**	**5**	**9**	**4**			
AGM-elected Directors							
Anders Ehrling [1]	11	3	9	–	Yes	Yes	470
Mats Granryd, Chairman	14	–	9	4	Yes	Yes	1,000
Mats Jönsson	13	–	9	–	Yes	Yes	370
Monica Lindstedt	11	–	–	3	Yes	Yes	345
Magnus Meyer [2]	8	–	6	–	Yes	Yes	370
Kristina Schauman	14	5	–	4	Yes	Yes	545
Heidi Skaaret	12	5	–	–	Yes	Yes	395
Union-appointed employee representatives							
Glenn Evans	14	–	–	–	No	Yes	–
Linus Johansson [3]	4	–	–	–	No	Yes	–
Rikard Milde	14	–	–	–	No	Yes	–
Urban Rääf [4]	7	–	–	–	No	Yes	–

[1] Stepped down as a Director and member of the Audit Committee and Project Committee on 19 October 2021. The approved fee was reduced proportionately on his departure from the Board.
[2] Appointed as a Director on 26 April 2021.
[3] Stepped down as a Director on 26 April 2021.
[4] Appointed as a Director on 26 April 2021.
[5] The fees for directors' and committee work were approved by the AGM on 26 April 2021 and apply until the next AGM on 29 April 2022. For information on fees that had an impact on earnings for 2021, see Note 7 Remuneration of senior executives in the statutory annual report.

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

Diversity policy

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

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

9. CHIEF EXECUTIVE OFFICER

The Board of Directors has delegated operational

SUSTAINABILITY MANAGEMENT

All companies have a big responsibility for the activities in which they are engaged, and for how these activities affect the environment and society at large, in the short and long term. Coor takes a structured, long-term approach to those sustainability aspects that are considered to have the biggest external impact. The purpose of Coor’s sustainability management is to ensure that the company grows in a stable and profitable manner by delivering sustainable services to our customers based on sound business ethics while minimising its environmental impact, and that the company makes a positive contribution to society. For more information on Coor’s sustainability management and governance, see the section *Sustainability notes*.

Key external and internal governing documents

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

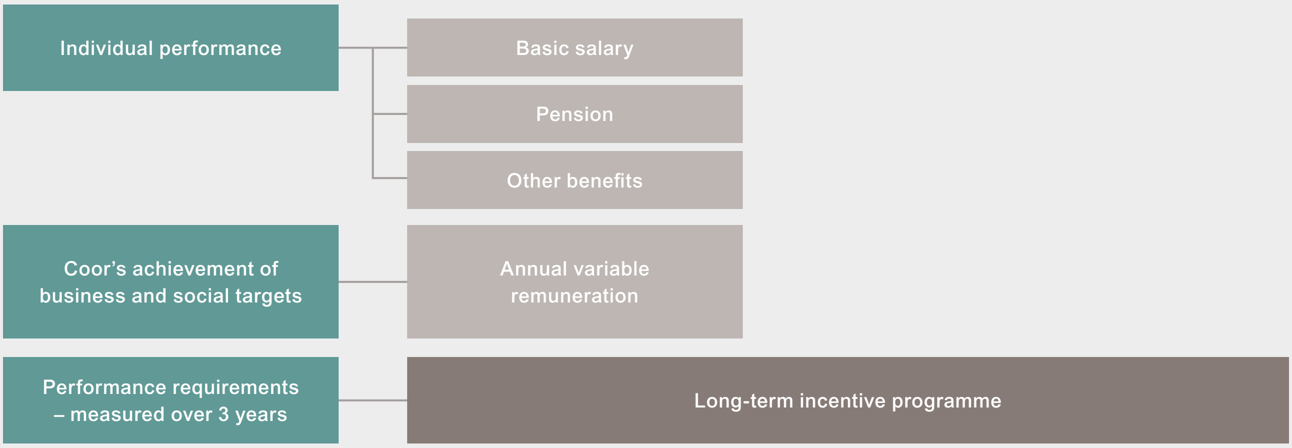
Internal governing documents
- Articles of Association
- Rules of procedure for the Board of Directors
- Rules of procedure for the Board committees
- Board of Directors’ terms of reference for the CEO

Policies and instructions
- Code of Conduct [1]
- Anti-corruption policy[1]
- Insider policy [1]
- Treasury policy [1]
- Financial targets and dividend policy[1]
- Tax policy [1]
- Procurement policy
- Sustainability policy including risk management
- IT policy
- Information security policy
- Internal control framework
- Accounting manual
- Authorisation manual
- Data protection policy

[1] Policies adopted by the Board of Directors.

Principles of remuneration of Directors and senior executives

Coor's remuneration structure



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

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

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

For complete information on levels of remuneration and guidelines for remuneration, see *Note 7 Remuneration of senior executives* in the statutory annual report.

BASIC SALARY

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

VARIABLE REMUNERATION

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

Annual variable remuneration

Annual variable remuneration is based on the achievement of Coor's targets for earnings, growth, cash flow, CSI, ESI and TRIFR. The remuneration is contingent on achievement of defined and measurable targets and is capped at 75 per cent of the fixed annual salary. In special cases, an agreement on non-recurring remuneration may be concluded. Such remuneration is capped at 25 per cent of the fixed annual salary.

Long-term share-based incentive programmes (LTIP)

Coor's long-term incentive programmes (LTIP) are designed to increase and strengthen the company's ability to recruit and retain key individuals and to encourage participants to become long-term shareholders of Coor as a means of aligning the interests of participants and other shareholders. To participate in the programmes, participants are required to invest in Coor shares. The LTIP runs for three years and the outcome depends on the achievement of various performance requirements. Members of the executive management team also had the option, as part of LTIP 2018, to purchase call options.

For information on LTIP 2018, 2019 and 2021, see *Note 6 Employees and employee benefit expenses* and *Note 7 Remuneration of senior executives* in the *statutory annual report*.

RETIREMENT BENEFITS

Retirement benefits for senior executives must take the form of defined contribution benefits and may not exceed 30 per cent of the fixed annual salary. The CEO and other senior executives are covered by an ITP supplementary pension plan solution (or an equivalent solution in other countries). The retirement age is not specified contractually, but is governed by local rules in each country.

OTHER BENEFITS AND SEVERANCE PAY

Other benefits mainly consist of normal company car and healthcare programmes. The contracts of members of the executive management team are terminable on no more than six months' notice and provide for severance pay of no more than 18 months' fixed salary. No severance pay is paid in case of voluntary resignation.

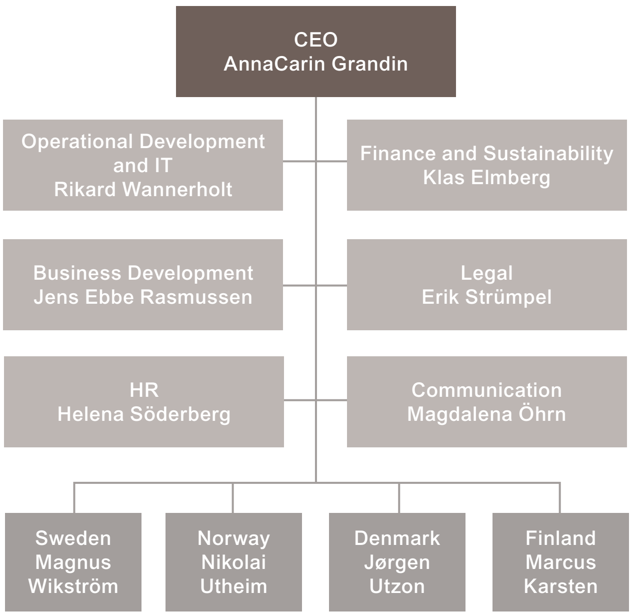
responsibility for the company and its management to the company's President and Chief Executive Officer (CEO), who manages the business within the limits and guidelines established by the Board. The division of responsibilities between the Board and CEO is set out in written terms of reference, which are adopted annually by the Board. On 1 August 2020, AnnaCarin Grandin took over as Group President. The CEO appoints the executive management team, who together with the CEO are in charge of managing the company's day-to-day operations. This responsibility includes setting goals for the company's operational activities, allocating resources and monitoring performance as well as preparing proposals for investments, acquisitions and divestments in accordance with the Board's written instructions.

10. EXECUTIVE MANAGEMENT TEAM

In addition to the CEO, the Group's executive management team consists of the Presidents of each country and the heads of the Group functions.During the year, the executive management team met 26 times in person or by video conference. Matters addressed included the impact of COVID-19 on the company, performance monitoring and forecasts, targets and target monitoring, the market situation, ongoing deals, the status of Group-wide projects, strategy work, recruitment and other important matters.

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

Coor's executive management team



Evaluation of the Board and CEO

The annual evaluation of the Board, including the Board committees, took the form of an online questionnaire. The evaluation covered Board practices and the composition and expertise of the Board, including the Directors' backgrounds, experience and diversity. The results of the evaluation were presented to the Nomination Committee and the Board of Directors.

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

11. CRISIS MANAGEMENT TEAMS

Coor's continuity management and continuity planning are integrated into the company's regular management structure. In more extreme situations, the Group's crisis management teams (CCT, Coor Crisis Teams) are convened. The CCTs are organised as a Group crisis management team and national crisis management teams.

In order to deal with the COVID-19 pandemic, crisis management teams were activated in Coor's countries in the past year based on the pandemic situation in each country. The focus has consistently been on the health and safety of Coor's employees and our customers' employees. Throughout the pandemic, commercial matters were handled in the company's regular management structure.

12. SUSTAINABILITY MANAGEMENT TEAM

The Board continuously discusses the company's strategic focus for sustainability. It also defines the framework for the Group's operational activities through the executive management team (EMT) and the Sustainability Management Team (SuMT), which reports directly to the EMT. SuMT is responsible for managing and monitoring the company's sustainability management activities, deciding on focus areas for sustainability within the framework of the EMT's strategic focus and assigning priorities to strategic sustainability initiatives. SuMT has a mandate to make executive decisions to ensure compliance with the sustainability strategy. SuMT also drafts decisions on sustainability-related matters that will be made by the executive management team, and is responsible for monitoring compliance with Coor's sustainability policy. The team meets at least once a quarter.

For the composition of SuMT, see the section *Sustainability notes*.

13. COOR'S OPERATING UNITS AND GROUP FUNCTIONS

Coor has an explicitly Nordic strategy and conducts operations primarily in Sweden, Norway, Denmark and Finland.

The country structure is the primary basis of segmentation for monitoring and reporting.

Coor has a decentralised organisation in which local managers are required to assume a high degree of responsibility for their business in all three dimensions – financial, social and environmental sustainability. There is a well-defined responsibility structure with regular reporting and monitoring in all dimensions at different organisational levels. Each unit is responsible for maintaining good internal control and for identifying and managing risks in its area.

The Group functions support the operational side of the business and the executive management team in various areas and ensure that effective risk management and internal control processes have been implemented.

14. COOR'S CORPORATE CULTURE

A healthy corporate culture is of great importance to ensuring systematic risk management and sustainable value creation for shareholders. Coor's corporate culture is inspired by the vision of creating the happiest, healthiest and most prosperous workplace environments in the Nordic region. Coor creates value by executing, developing and streamlining our customers' service activities. This enables our customers to do what they do best.

The most important thing for Coor is the people. Coor's 12,000-strong workforce is a reflection of society at large, in terms of culture, background, age and gender. We are convinced that all these differences strengthen us as a company. Respect for the equal value and rights of all people is fundamental to Coor. We are convinced that a diversity of personalities, experiences and knowledge is enriching and that each employee should be treated respectfully and fairly regardless of gender, background or identity. It is also essential to ensure that all employees continuously have opportunities for development – to grow and develop at Coor.

These values are a fundamental reason why Coor has committed and competent employees who in turn ensure effective corporate governance and risk management.

All employees have a responsibility to ensure that the company follows external and internal rules and to take action if the company fails in any way to act in accordance with the established rules. There is an online whistleblower channel through which employees, suppliers and customers can anonymously report irregularities at the company through encrypted messages.

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

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

Annual calendar 2021

JANUARY | FEBRUARY | MARCH | APRIL | MAY | JUNE

BOARD OF DIRECTORS

FEBRUARY
- Review of Auditor's Report.
- Approval of Corporate Governance Report.
- Resolution on the proposed appropriation of retained earnings.
- Approval of year-end report.
- Preparations for AGM.

MARCH
- Approval of annual report.

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

AUDIT COMMITTEE

FEBRUARY, Q4 MEETING
- Review of year-end report.
- Approval of Corporate Governance Report.
- External Auditor's Report.
- Governance, risk assessment and compliance.
- IT security.

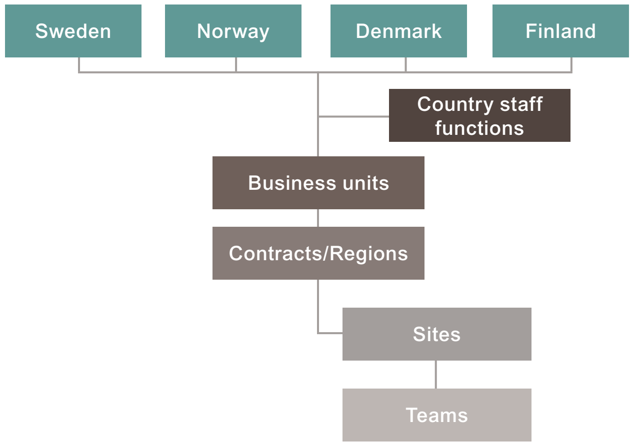
APRIL, Q1 MEETING
- Review of Q1 report.
- Audit plan and fees for external auditors.
- Plan for internal control.
- Review of procedure for purchase of non-audit services.
- Review of treasury policy.
- Governance, risk assessment and compliance.

REMUNERATION COMMITTEE

MEETING IN FEBRUARY PRIOR TO FIRST BOARD MEETING
- Evaluation of remuneration guidelines and the application of the guidelines.
- Proposed LTIP 2021.

JUNE
- Management review and succession planning.
- Assessment of interest in this year's LTIP.

Coor's Group functions



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

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

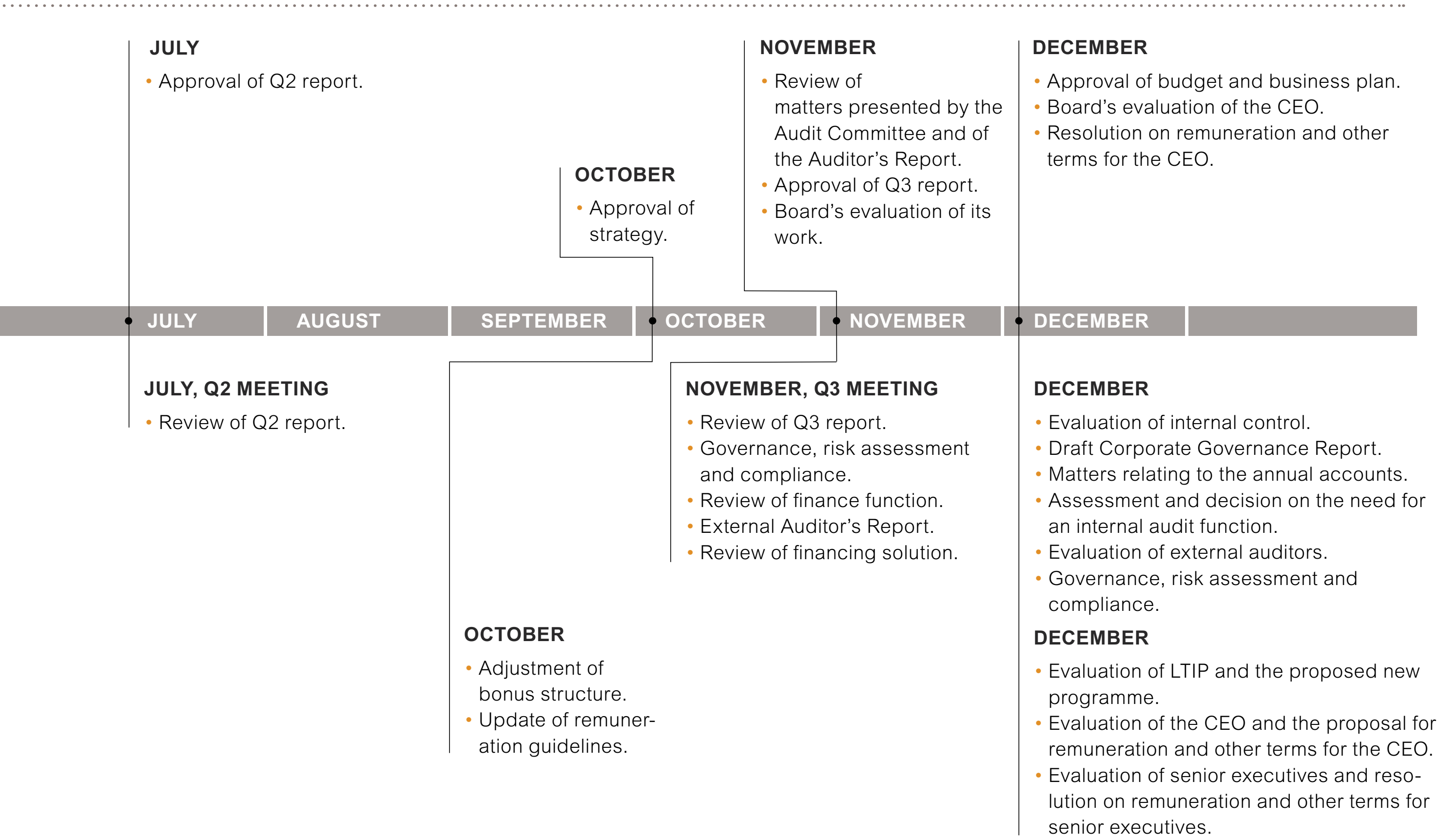
The intention behind Coor's internal control framework is to create effective processes and integrate internal control in the company's day-to-day activities as far as possible.

A. Control environment

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

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

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



guidelines for financial reporting and the authorisation manual.

B. Risk assessment

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

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

C. Control activities

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

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

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

D. Information and communication

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

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

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

E. Monitoring

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

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

The Audit Committee has tasked the Group finance function with developing and monitoring the company's internal control system for financial reporting. This is done proactively by continually analysing and updating the Group's internal control framework and by assessing the effectiveness of the internal control system. A key instrument for monitoring internal control is the self-assessment that is carried out annually in the Group. The purpose of the self-assessment is to ensure that all control activities have been carried out in a satisfactory manner, and to identify potential improvements in the framework. Internal control is monitored on a country and process basis. In addition to the self-assessment, the Group's finance function also reviews the Group's financial processes according to a rolling schedule. Conclusions and proposed improvements are reported to each country and process owner.

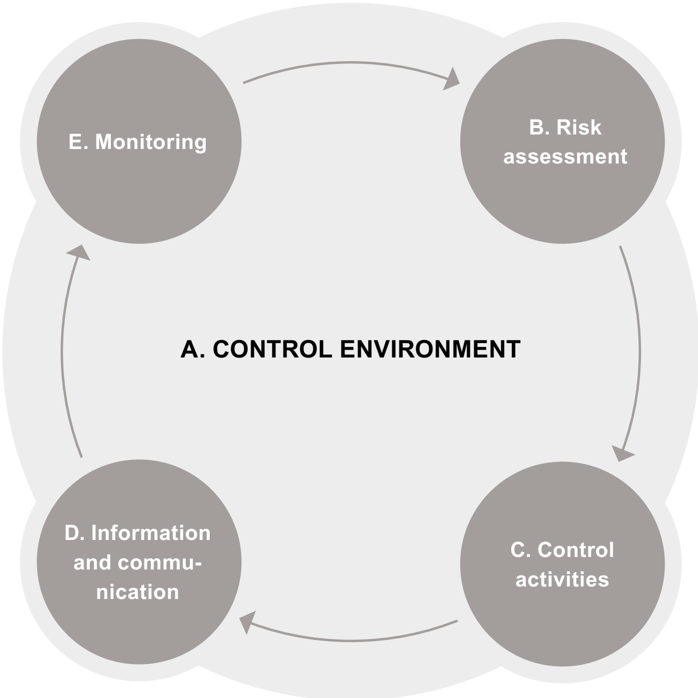
A more detailed report on internal control is submitted to the Group's Audit Committee and to the Group's external auditors.

INTERNAL AUDITING

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

Internal governance and control at Coor

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



Financial processes
- Financial close
- Tax
- Revenue and Receivables
- Purchase and Payables
- Payroll
- Investments
- IT/IT security

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

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

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

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

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

Auditor's opinion on the Corporate Governance Report

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

Engagement and division of responsibility

Responsibility for the Corporate Governance Report for 2021 on pages 50–62 and for ensuring that it has been prepared in compliance with the Swedish Annual Accounts Act rests with the Board of Directors.

Scope and focus of review

Our review has been conducted in accordance with Statement RevR 16 *The Auditor's Review of the Corporate Governance Report* issued by FAR, the professional institute for accountants in Sweden.

Our review of the Corporate Governance Report has a different focus and significantly narrower scope than a full audit conducted in accordance with the International Standards on Auditing and generally accepted auditing standards in Sweden. We believe this review gives us a sufficient basis for our opinion.

Opinion

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

Stockholm, 31 March 2022
Öhrlings PricewaterhouseCoopers AB

Niklas Renström
Authorised Public Accountant

Board of Directors

Mats Granryd

Director since 2016 and Chairman of the Board since 2017. Chairman of the Project Committee and Remuneration Committee. Independent of the company and management and of the company's major shareholders.

Born: 1962

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

Professional experience: CEO of Tele2. Various senior positions at Ericsson.

Other current directorships: CEO and Director of GSMA. Director of Vattenfall and Sveriges Television AB.

Shareholding at closing date: 30,000 shares.

Mats Jönsson

Director since 2000 and member of the Project Committee. Independent of the company and management and of the company's major shareholders.

Born: 1957

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

Professional experience: President and CEO of Coor Service Management. Various positions at Skanska including President and CEO of Skanska Services. CEO of Monberg & Thorsen A/S.

Other current directorships: Chairman of Bonava, Tengbomgruppen AB and Lekolar. Director of NCC AB and Assemblin.

Shareholding at closing date: 329,155 shares.

Monica Lindstedt

Director since 2015 and member of the Remuneration Committee. Independent of the company and management and of the company's major shareholders.

Born: 1953

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

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

Other current directorships: Chairman of Hemfrid i Sverige AB. Director of Apotea AB, Studieförbundet Näringsliv och Samhälle, the German-Swedish Chamber of Commerce and Sveriges Television AB.

Shareholding at closing date: 16,300 shares.

Magnus Meyer

Director since 2021 and member of the Project Committee. Independent of the company and management and of the company's major shareholders.

Born: 1967

Education: M.Sc. in Engineering and Licentiate of Engineering, KTH Royal Institute of Technology in Stockholm.

Professional experience: President and CEO of WSP Europe and Tengbomgruppen AB. Various senior positions at GE Real Estate and Ljungberggruppen AB.

Other current directorships: Chairman of HiQ AB. Director of Vasakronan AB, Kinnarps AB, Slättö Förvaltning AB and Goodbye Kansas AB.

Shareholding at closing date: 6,866 shares.

Kristina Schauman

Director since 2015. Chairman of the Audit Committee and member of the Remuneration Committee. Independent of the company and management and of the company's major shareholders.

Born: 1965

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

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

Other current directorships: CEO and Director of Calea AB. Director of BEWi ASA, Billerud-Korsnäs AB, Nordic Entertainment Group AB, Afry AB, Ellos Group Holding AB and Danads International AB.

Shareholding at closing date: 15,000 shares.

Heidi Skaaret

Director since 2016 and member of the Audit Committee. Independent of the company and management and of the company's major shareholders.

Born: 1961

Education: MBA, University of Washington, USA.

Professional experience: CEO of Lindorff AS and IKANO Bank Norge. Senior Vice President of DNB ASA. Director of Storebrand ASA.

Other current directorships: Group Executive Vice President of Personmarked Storebrand ASA. Chairman of Storebrand Bank ASA and Storebrand Forsikring AS.

Shareholding at closing date: 2,500 shares.

Employee representatives

Glenn Evans

Director since 2013.

Born: 1959

Employee representative.

Rikard Milde

Director since 2019.

Born: 1967

Employee representative.

Urban Rääf

Director since 2021.

Born: 1958

Employee representative.

Executive management team

AnnaCarin Grandin

President and CEO since 2020.

Born: 1967

Education: M.Sc. in Economics and Business, Stockholm University/University of Gävle/ Sandviken.

Professional experience: Several roles at Coor, including President of Coor Sweden and Norway, Veolia (formerly Dalkia) and the Swedish Association of Local Authorities and Regions (SKR).

Shareholding at closing date: 49,489 shares and 27,500 call options.

Klas Elmberg

CFO and IR Director since 2019.

Born: 1974

Education: M.Sc. in International Business and Trade, Gothenburg School of Business, Economics and Law.

Professional experience: Several roles at Coor, including Vice President and CFO of Coor Sweden, President of Coor Norway and Head of Business Unit at Coor Sweden. Management Consultant, Accenture. Controller, Saab Automobile.

Shareholding at closing date: 35,053 shares.

Marcus Karsten

President of Coor Finland since 2018.

Born: 1966

Education: M.Sc. in Business Administration and Economics, Åbo Akademi University.

Professional experience: CEO of Bravida Finland, CEO of Lemminkäinen Talotekniikka, CEO of Tekmanni Service, Head of Business Unit at Siemens.

Other current directorships: Director of Oy Hedengren Ab.

Shareholding at closing date: 10,285 shares.

Jens Ebbe Rasmussen

Senior Vice President, Business Development & Sales since 2009.

Born: 1968

Education: M.Sc. in Business Administration and Economics, Lund University. Finance, École supérieure de commerce de Paris. Cadet, Land Warfare Centre, Skövde.

Professional experience: Management Consultant, McKinsey & Company. Fixed Income Department, Unibank Markets (Nordea). Consultant/External Advisor, Fruktbudet.

Shareholding at closing date: 66,598 shares.

Erik Strümpel

Chief Legal Counsel since 2006.

Born: 1970

Education: LL.M., Lund University. IFL Executive Education, Stockholm School of Economics.

Professional experience: Solicitor, Linklaters Advokatbyrå. Judicial Clerk, Handen District Court.

Shareholding at closing date: 8,250 shares.

Helena Söderberg

HR Director since 2020.

Born: 1967

Education: B.Sc. in Human Resource Management and Working Life, Uppsala University.

Professional experience: HR Director, JM. HR Director, Alstom and various HR positions at Skanska.

Shareholding at closing date: 1,000 shares.

Nikolai Utheim

President of Coor Norway since 2016.

Born: 1975

Education: M.Sc. in Economics and Business with a major in Finance, Norwegian School of Management (BI) and Copenhagen Business School.

Professional experience: PwC, transaction-related work, Statoil Norge AS, Chief Controlling and Strategy Projects, Deputy CFO.

Shareholding at closing date: 22,785 shares.

Jørgen Utzon

President of Coor Denmark since 2001.

Born: 1961

Education: M.Sc. in Business Administration, Copenhagen Business School. Executive Programme, International Institute for Management Development, Lausanne.

Professional experience: CEO of Strax Nordic, Logistics Manager and Service Director at Xerox Danmark. Various management functions, Rockwool.

Other current directorships: Member of the Executive Committee of the Confederation of Danish Industry (DI). Chairman of DI Service (Confederation of Danish Industry). Director of Nordomatic AB and Nordomatic A/S.

Shareholding at closing date: 50,000 shares

Rikard Wannerholt

Senior Vice President Operations since 2013.

Born: 1962

Education: M.Sc. in Economics and Business, Lund University. Advanced Management Programme, Stockholm School of Economics. International Executive Programme, IESE Business School, Navarra, Barcelona.

Professional experience: CEO of Sun Microsystems Sweden. President and CEO, Addici. Executive Vice President, EDB Business Partner.

Shareholding at closing date: 37,531 shares and 27,500 call options.

Magnus Wikström

President of Coor Sweden since 2020.

Born: 1965

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

Professional experience: Several roles at Coor, including Vice President of Coor Denmark, Skanska AB and Cap Gemini Sverige AB.

Shareholding at closing date: 24,073 shares.

Magdalena Öhrn

Communications Director since 2018.

Born: 1966

Education: B.Sc. in Information Science, Uppsala University, and the Poppius School of Journalism.

Professional experience: Director of Communications, Ving, Head of Department, Account Manager and other roles at Prime PR, Project Manager, Rikta kommunikation, Public Relations Manager, TV3.

Shareholding at closing date: 8,065 shares.

Annual accounts and consolidated financial statements 2021

Statutory annual report

The Board of Directors and Chief Executive Officer of Coor Service Management Holding AB (corp. ID no. 556742-0806) hereby present the following annual accounts and consolidated financial statements for the financial year 1 January 2021 to 31 December 2021.

Directors' Report

All amounts are expressed in millions of Swedish kronor unless otherwise indicated. Due to rounding, some totals may differ from the sum of the individual items. For definitions, objectives and information on the calculation of alternative performance measures, see pages 141–144.

Full-year 2021 was characterised by a high level of activity in new sales, acquisitions and strategic development initiatives, while the pandemic continued to affect our operations. Financially, Coor performed strongly during the year, reporting annual sales of SEK 10,104 million and operating profit (adjusted EBITA) of SEK 631 million, corresponding to an operating margin of 6.2 per cent. We also achieved our best results yet in the year's customer and employee surveys.

SIGNIFICANT EVENTS DURING THE YEAR

A high level of business activity in a successful year

Throughout 2021, the pandemic continued to affect our operations in various ways through the restrictions that the authorities in each country introduced to limit the spread of infection. This year, we once again handled the pandemic well, and 2021 was a successful year for Coor. We reported strong financial results and made three value-adding acquisitions. In addition it was a very successful year in terms of new sales, but at the same time we also lost some contracts in connection with renegotiations.

During the year, we took several important steps towards our goal of becoming a truly sustainable company. Coor joined the UN Global Compact and Science Based Targets initiative in order to take our social responsibility as a company and do everything we can to reduce our carbon footprint.

Changes in the contract portfolio

During the year, the Group had a net inflow of new contracts with a combined annual volume of SEK +344 (+159) million. The five largest new contracts were those with the Danish Building and Property Agency (IFM), DSB (IFM), PostNord (IFM), Borealis (security) and Micasa (property services).

The renegotiation volume for 2021 was approximately SEK 2.4 (1.5) billion. The retention rate for the year was 58 (92) per cent, with the largest individual losses coming from Equinor's office sites and AB Volvo. Coor's retention rate for the past three years is 78 per cent.

Management changes

On 19 October 2021, Coor announced that Anders Ehrling, a member of Coor's Board of Directors, would be stepping down at his own request in order to take on a new position in a competing business. A replacement will not be chosen before the ordinary Annual General Meeting.

CHANGES IN THE CONTRACT PORTFOLIO	2021 Number of contracts	2021 Annual sales	2020 Number of contracts	2020 Annual sales
New contracts during the period	24	927	15	257
Contracts terminated during the period	–5	–583	–9	–98
Net change in portfolio	**19**	**344**	**6**	**159**

Changes in the contract portfolio comprise all contracts with annual sales of over SEK 5 million. For new contracts concluded during the period, the contracted or estimated annual sales volume is indicated. For contracts that were completed during the period, the sales volume for the last 12-month period, in which the full volume of services was provided, is indicated.

Coor in brief

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

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

Established in 1998, Coor has been listed on the Nasdaq Stockholm exchange since June 2015. All operations are certified under the international ISO 14001, ISO 9001 and ISO 45001 environmental and quality management standards. In addition, Coor has also obtained a number of local, service-specific environmental and quality certifications. Read more about the company at www.coor.com/.

PERFORMANCE IN 2021

FINANCIAL SUMMARY	2021	2020
Net sales	10,104	9,591
Organic growth, %	*3*	*–7*
Acquired growth, %	*3*	*2*
FX effects, %	*0*	*–2*
Adjusted EBITA	631	556
Adjusted EBITA margin, %	6.2	5.8
EBIT	403	318
EBIT margin, %	4.0	3.3
Profit after tax	265	191
Cash conversion, %	98	108
Number of employees (FTE)	10,075	9,029

Net sales and profit

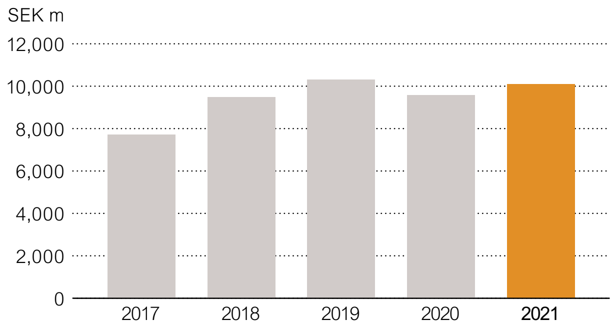
Net sales increased by 5 per cent year-on-year to SEK 10,104 (9,591) million. Organic growth was 3 per cent and growth from acquisitions 3 per cent, while exchange rate effects accounted for 0 per cent.

Coor's operations are mainly conducted on site at our customers' premises, which means that during the pandemic we have worked in partnership with our customers and continuously adapted our operations in close dialogue with the customers to find sustainable short-term and long-term solutions.

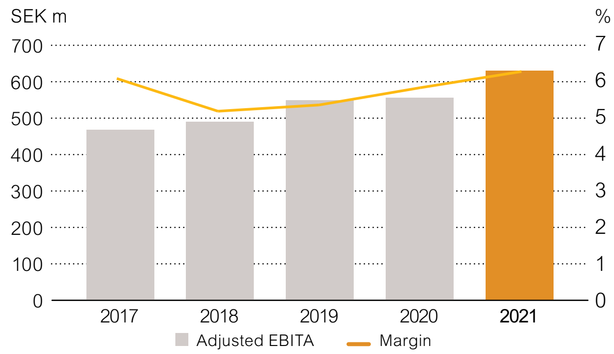
Organic growth was driven mainly by new deals, such as the DSB and PostNord contracts, but was also positively affected by increased assignment volumes compared with the previous year in parts of the business.

Acquired growth is attributable to R&K Service AS in Norway, which was acquired on 1 March 2021, and Veolia Technical Management and Inspira AB in Sweden, which were acquired on 30 September and 1 December 2021, respectively. For further information on acquisitions in 2021, see *Note 23 Business acquisitions*.

Annual net sales



Operating profit (adjusted EBITA) and margin



Operating profit (adjusted EBITA) increased by 13 per cent compared with the previous year to SEK 631 (556) million. The operating margin was 6.2 (5.8) per cent. Coor reported an improved EBITA margin, which is attributable to a strong focus on costs and efficiency as well as a favourable volume mix. The positive non-recurring effect, in the form of a reimbursement of approximately SEK 40 million from the collectively agreed AGS health insurance scheme, also had a positive effect on the margin, which was partly offset by a temporary increase in costs driven by the large number of acquisitions and integrations in 2021.

Net sales and earnings by segment

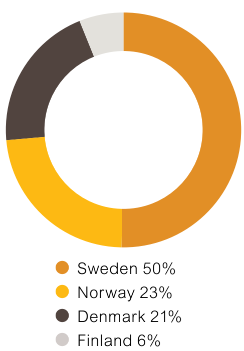
Sweden	2021	2020
Net sales	5,079	4,904
Organic growth, %	*0*	*–9*
Acquired growth, %	*4*	*4*
FX effects, %	*0*	*0*
Adjusted EBITA	564	479
Adjusted EBITA margin, %	11.1	9.8
Number of employees, full-time equivalents	5,547	4,452

Norway	2021	2020
Net sales	2,318	2,102
Organic growth, %	*5*	*–9*
Acquired growth, %	*3*	*0*
FX effects, %	*2*	*-8*
Adjusted EBITA	146	124
Adjusted EBITA margin, %	6.3	5.9
Number of employees, full-time equivalents	1,255	1,460

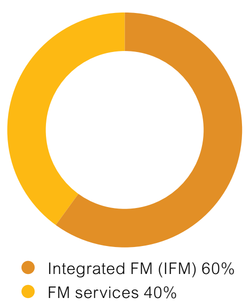
Finland	2021	2020
Net sales	636	646
Organic growth, %	*2*	*–8*
Acquired growth, %	*0*	*0*
FX effects, %	*–3*	*–1*
Adjusted EBITA	25	24
Adjusted EBITA margin, %	3.9	3.8
Number of employees, full-time equivalents	886	905

Denmark	2021	2020
Net sales	2,071	1,941
Organic growth, %	*10*	*2*
Acquired growth, %	*0*	*0*
FX effects, %	*–3*	*–1*
Adjusted EBITA	105	83
Adjusted EBITA margin, %	5.0	4.3
Number of employees, full-time equivalents	2,270	2,098

Net sales by country



Net sales by type of contract



EBIT for the full year amounted to SEK 403 (318) million. In addition to the increase in adjusted EBITA, items affecting comparability decreased, while amortisation of customer contracts and trademarks was slightly higher than in the preceding year.

Net financial income/expense and tax

Net financial income/expense and tax

Net financial income/expense and tax	2021	2020
Net interest expense, excl. leases	–44	–46
Interest, leases	–9	–10
Borrowing costs	–4	–4
Foreign exchange differences	1	–2
Other	–4	–5
Total net financial expense	**–59**	**–66**
Profit before tax	343	252
Tax	–79	–61
Profit after tax	**265**	**191**

The net financial expense decreased by SEK 7 million year-on-year and totalled SEK -59 (-66) million.

The tax expense for full-year 2021 was SEK -79 (-61) million, which represents 23 (24) per cent of earnings before tax. Profit after tax was SEK 265 (191) million.

Cash flow

Cash flow – summary	2021	2020
Adjusted EBITA	631	556
Depreciation and amortisation	198	199
Net investments	–68	–70
Change in net working capital	49	133
Cash flow for calculation of cash conversion	**809**	**818**
Cash conversion, %	*98*	*108*
Items affecting comparability	–38	–46
Net financial expense	–57	–64
Income tax paid	–61	–46
Other	17	8
Cash flow from operating activities including net investments	**670**	**671**
Acquisition of subsidiaries	**–646**	**–12**
Change in borrowings	721	–550
Repayment, lease liabilities	–131	–127
Dividend	–417	–
Other	–13	–19
Cash flow from financing activities	**159**	**–696**
CASH FLOW FOR THE YEAR	**184**	**–37**
Cash and cash equivalents at the beginning of the year	396	497
Foreign exchange difference in cash and cash equivalents	49	–63
Cash and cash equivalents at the end of the year	**628**	**396**

Cash conversion

The most important external KPI for cash flow is cash conversion, which is defined as the ratio of a simplified measure of operating cash flow to adjusted EBITDA. Cash conversion for full-year 2021 was 98 (108) per cent. In 2021, net working capital decreased by SEK 49 (133) million. This strong cash flow was the result of focused work on working capital across the entire organisation. Coor always works proactively to secure its cash flow, from both a working capital and an investment perspective. Customer payments are monitored on a daily basis and at a detailed level. Coor did not observe any significant changes in customers' payment patterns, despite the fact that it was a difficult year for many companies due to the restrictions introduced in response to the pandemic.

Acquisition of subsidiaries

During the year, Coor completed three acquisitions: R&K Service AS in Norway together with Veolia Technical Management and Inspira AB in Sweden. The total effect on cash and cash equivalents was SEK 646 million. For further information on acquisitions during the year, see *Note 23 Business acquisitions.*

Financing activities

Net financial payments were down slightly compared to the previous year, totalling SEK -57 (-64) million. External loans increased by SEK 721 million in 2021, mainly as a result of the three acquisitions Coor made during the year and dividend payments to the shareholders.

Financial position

Assets	2021	2020
Intangible assets	4,221	3,687
Property, plant and equipment	389	417
Financial assets	114	164
Total non-current assets	**4,724**	**4,268**
Accounts receivable	1,346	1,144
Other current assets	388	257
Cash and cash equivalents	628	396
Total current assets	**2,362**	**1,796**
TOTAL ASSETS	**7,086**	**6,064**

Equity and liabilities	2021	2020
Equity	**2,003**	**2,079**
Borrowing, incl. leases	2,186	1,500
Other non-current liabilities	36	36
Total non-current liabilities	**2,222**	**1,536**
Borrowing, incl. leases	110	103
Accounts payable	788	607
Other current liabilities	1,963	1,738
Total current liabilities	**2,861**	**2,449**
TOTAL EQUITY AND LIABILITIES	**7,086**	**6,064**

Key performance indicators	2021	2020
Net working capital	–940	–881
Net working capital/net sales, %	–9.3	–9.2
Equity/assets ratio, %	28	34
Leverage, times	2.0	1.6
Net debt		
Liabilities to credit institutions	995	241
Bonds	1,000	1,000
Leases, net	297	328
Other	–1	33
	2,291	**1,603**
Cash and cash equivalents	–628	–396
Net debt	**1,663**	**1,207**

Financial position

The Group has intangible assets, consisting mainly of goodwill, of SEK 3,609 (3,125) million and customer contracts worth SEK 435 (392) million. Goodwill is not amortised, but is tested annually for impairment. Customer contracts are amortised on a straight-line basis over the estimated useful life and are tested for impairment if there are indications of impairment. For further information on intangible assets, see *Note 11 Intangible assets.* The Group has negative net working capital of SEK -940 (-881) million.

Consolidated net debt at 31 December 2021 was SEK 1,663 (1,207) million. The year-on-year increase is mainly due to the three acquisitions Coor made during the year and dividend payments to the shareholders. The leverage, defined as net debt to adjusted EBITDA, was 2.0 (1.6) at the end of the year, which is well in line with the Group's target of a leverage below 3.0. Coor thus has excellent scope and financial capacity for new business opportunities, dividends and business acquisitions.

Equity at the end of the year was SEK 2,003 (2,079) million. The Group's equity/assets ratio was 28 (34) per cent. Equity increased during the year due to comprehensive income amounting to SEK 342 (74) million, but decreased due to the dividend paid to the shareholders, which totalled SEK 417 million.

Cash and cash equivalents at the end of the year amounted to SEK 628 (396) million. At the same date, the Group had undrawn credit lines of SEK 500 (1,250) million.

ORGANISATION AND EMPLOYEES

At the end of the year, the number of employees was 12,497 (11,230), or 10,075 (9,029) on a full-time equivalent basis. The increase over the previous year is primarily due to the three acquisitions made during the year.

For more information on Coor's employees and on Coor's health and safety activities, and management and employee development activities, see the section *Our employees*. For information on employee benefit expenses, see *Note 6 Employees and employee benefit expenses.*

Distribution of employees (full-time equivalents) at 31 December 2021

REMUNERATION OF SENIOR EXECUTIVES

The guidelines for remuneration of senior executives adopted at the AGM on 28 April 2020, which now apply, are presented below. See also *Note 7 Remuneration of senior executives.*

Guidelines for remuneration of senior executives

The executives covered by the guidelines are the CEO and the other members of the executive management team. The guidelines also cover any remuneration of Directors in addition to Directors' fees. Following their adoption by the 2020 AGM, the guidelines apply to new remuneration contracts as well as changes to existing contracts. The guidelines do not cover remuneration that is approved by the general meeting of shareholders. For employment relationships subject to other rules than Swedish rules, necessary adaptations may be made in respect of retirement benefits and other benefits to ensure compliance with mandatory rules or established local practice, provided that the general purpose of the guidelines is adhered to as far as possible.

Promotion of the company's business strategy, long-term interests and sustainability

Simply put, Coor's business strategy is to take over, manage and develop services in offices, at properties and production facilities, and in the public sector (facility management). We aim to run our business in an effective and sustainable manner that creates long-term value for our customers, employees and investors as well as for society at large and the environment. Coor's overall strategies are:

- Growth in integrated facility management.
- Growth in single FM services.
- Customised and flexible delivery model.
- Focus on operational efficiency.
- Nordic focus, with some flexibility to branch out into Europe.

For further information on Coor's business strategy, see Coor's website: https://www.coor.com/investors2/strategy/.

To successfully implement its business strategy and further the company's long-term interests, including its sustainability, Coor needs to be able to recruit and retain qualified personnel. To do this, Coor needs to be able to offer a competitive total remuneration package, which these guidelines allow the company to do. The total remuneration is to be competitive, in line with market levels and reflect the individual's performance and responsibility and, with regard to any long-term variable remuneration, the appreciation of Coor's shares that accrues to the shareholders. Variable cash remuneration that is covered by these guidelines must be aimed at promoting the company's business strategy and long-term interests, including its sustainability.

The company has introduced long-term share-based incentive programmes in which the CEO and other senior executives have been offered to participate. The outcomes of these programmes are not pensionable for the participants. These programmes were approved by the respective AGMs and are therefore not subject to these guidelines. For the same reason, any future share-based incentive programmes adopted by the general meeting of shareholders will not be subject to the guidelines. For more information on performance requirements, conditions and costs for these programmes, see the complete texts of the Board of Directors' proposals to the respective AGMs on Coor's website *(https://www.coor.com/who-we-are/governance/annual-general-meetings/)*.

Forms of remuneration, etc.

The remuneration of senior executives is to consist of a fixed salary, any variable remuneration, pension and other benefits. In addition, the general meeting of shareholders may, irrespective of these guidelines, resolve to approve share- and share price-based remuneration.

Fixed salary

The fixed salary is to comprise a cash salary. The fixed salary is revised annually for all members of the executive management team. The fixed salary is to be in line with market levels and be determined on the basis of factors such as position, skills, experience and performance.

Variable salary

Any variable salary is to comprise an annual variable cash salary. Variable cash remuneration is to be contingent on the achievement of defined and measurable goals and be capped at 75 per cent of the fixed annual salary. Fulfilment of criteria for disbursement of any annual variable cash salary is to be measured over a period of one year.

The variable cash salary is to be linked to one or several defined and measurable targets, such as consolidated EBITA, increase in net sales in respect of new deals (through organic growth or acquisitions) or cash flow. The targets may to some extent also comprise individual quantitative or qualitative criteria. The weight of each target for variable pay is to be adapted individually for each executive, but EBITA, the increase in net sales in respect of new deals or cash flow must represent at least 70 per cent of the weight for all targets. By linking the senior executives' remuneration to growth, profitability measures and cash conversion, the targets promote the implementation of the company's business strategy and long-term interests, including its sustainability, as well as executives' long-term development.

When the measurement period for fulfilment of the criterias for payment of variable cash salary has ended, an assessment is to be made of the extent to which the criterias have been fulfilled. In respect of variable cash salary of the CEO, the assessment is to be made by the Remuneration Committee. In respect of variable cash salary of other senior executives, the assessment is to be made by the CEO. In respect of financial targets, the assessment is to be based on the most recent financial information published by the company.

The terms for variable remuneration are to be formulated so that the Board, in the event of exceptional circumstances, is able to limit or refrain from paying variable remuneration if such action is deemed reasonable.

In specific instances, agreements on variable non-recurring remuneration may be concluded, provided that such remuneration does not exceed 25 per cent of the fixed annual salary and is not paid more than once a year to the same individual. Such remuneration is not to be pensionable unless otherwise provided for in mandatory provisions of applicable collective agreements. Decisions on such remuneration are to be made by the Board of Directors based on a proposal submitted by the Remuneration Committee.

No other variable cash remuneration is to be paid.

Pension

For the CEO, retirement benefits are to be regulated by a collective bargaining agreement. Retirement benefits for the portion of an executive's salary that exceeds the maximum limit specified in the collective bargaining agreement are to take the form of defined contribution benefits and may not exceed 30 per cent of the fixed annual salary. Variable salary is not to be pensionable.

For other senior executives, retirement benefits are to take the form of defined contribution benefits unless the executive is covered by a defined benefit pension plan under mandatory provisions of a collective bargaining agreement. Variable salary is to be pensionable. Defined contribution retirement benefits may not exceed 30 per cent of the fixed annual salary.

Other benefits

Other benefits may include benefits such as health insurance and car benefits. The total amount of premiums and other costs incurred for such benefits may not exceed 5 per cent of the fixed annual salary.

Payment of consulting fees to Directors

In specific cases, Coor's AGM-elected Directors may, for a limited period of time, be remunerated for services in their respective areas of expertise that do not constitute Board work. For such services (including services rendered through an entity wholly owned by a Director), a market-based fee is to be paid, provided that such services contribute to the realisation of Coor's business strategy and further Coor's long-term interests, including its sustainability. For each Director, such consulting fees may never exceed two annual Directors' fees per year.

Termination of employment

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

Salary and terms of employment

In preparing these proposed remuneration guidelines, the Board of Directors has taken account of salaries and employment terms of the company's employees by including information on employees' total remuneration, the components of the remuneration and its increase and rate of increase over time in the decision basis used by the Remuneration Committee in assessing the reasonableness of the guidelines and the limitations arising therefrom.

Decision-making process for determining, reviewing and implementing the guidelines

The Board of Directors has established a Remuneration Committee. The duties of the committee include preparing the Board's proposed resolutions on guidelines for remuneration of senior executives. The Board is to prepare proposed new guidelines at least every fourth year and submit its proposal for adoption by the AGM. The guidelines are to apply until new guidelines are adopted by the general meeting of shareholders. The Remuneration Committee is also to monitor and evaluate the variable remuneration programme for management, the application of guidelines for remuneration of senior executives and the applicable remuneration structures and remuneration levels in the company. The members of the Remuneration Committee are independent of the company and management. During the preparation of and decisions on remuneration-related matters by the Board, the CEO or other members of the executive management team are not to be present, insofar as they are affected by the matters concerned.

Deviation from the guidelines

The Board may decide temporarily to deviate, wholly or partially, from the guidelines adopted by the general meeting of shareholders if in an individual case there are special reasons for doing so and such deviation is necessary to safeguard the long-term interests of the company, including its sustainability, or to ensure the company's financial capacity. As stated above, it is part of the duties of the Remuneration Committee to prepare the Board's resolutions on remuneration matters, which includes resolutions on deviations from the guidelines.

SHAREHOLDERS AND SHARE INFORMATION

Coor was listed on the Nasdaq Stockholm exchange on 16 June 2015. The number of shares is 95,812,022. At year-end, the three largest shareholders were Nordea Fonder with 6.9 per cent of the share capital and voting rights, Capital Group with 6.0 per cent and the First Swedish National Pension Fund (AP1) with 5.8 per cent.

For more share information, see the sections *Coor as an investment* and *Share information*, and *Note 16 Share capital and data per share*.

PARENT COMPANY

The Group's parent company, Coor Service Management Holding AB, provides management services to its wholly owned subsidiary Coor Service Management Group AB. The parent company also manages shares in subsidiaries.
The loss after tax in the parent company was SEK -11 (-10) million. Total assets in the parent company at the end of the period were SEK 7,926 (7,913) million. Equity in the parent company amounted to SEK 5,079 (5,509) million.

SUSTAINABILITY REPORT

Coor has prepared a sustainability report in accordance with the Global Reporting Initiative (GRI) Standards: Core option. This means that the content of the Sustainability Report reflects those issues which the company and its stakeholders have deemed to be most material. Coor's statutory sustainability report is submitted by the Board but does not form part of the formal annual report documents. The sustainability report prescribed by the Swedish Annual Accounts Act comprises the following pages in this document: 10–40, 55, 76–77 and 120–140. The report has been reviewed by Coor's auditors, whose opinion is presented on page 137 of this document.

PROPOSED DIVIDEND

The Board of Directors proposes a dividend for 2021 of SEK 4.80 (4.40) per share, comprising an ordinary dividend of SEK 2.40 (2.00) and an extraordinary dividend of SEK 2.40 (2.40) to be distributed in two payments of SEK 2.40 and SEK 2.40 per share, respectively. This corresponds to a total distribution of SEK 460 million.

Proposed record date for dividend

The proposed record date is Tuesday 3 May 2022 for the first payment and Friday 7 October 2022 for the second payment. Subject to the approval of this proposal by the general meeting of shareholders, it is expected that the first payment, pertaining to the ordinary dividend, will be made on Friday 6 May 2022 and the second, pertaining to the extraordinary dividend, on Wednesday 12 October 2022.

OUTLOOK

Coor is a market-leading service company operating in a growing market. Coor is generally experiencing strong interest and high demand in the market, and sees interesting business opportunities throughout the Nordic region.

Coor looks to the future with confidence. Coor is in a strong financial position after winning many new deals and completing acquisitions, and has the financial capacity to make further value-creating acquisitions.

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

SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

No significant events occurred after the end of the year.

Proposed appropriation of retained earnings

The parent company and consolidated income statements and balance sheets will be submitted for adoption at the AGM on 29 April 2022.

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

	SEK
Retained earnings including share premium reserve	4,707,215,290
Loss for the year	–11,426,481
Total	**4,695,788,809**

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

	SEK
Dividend of SEK 4.80 per share to the shareholders	459,897,706
Carried forward	4,235,891,103
Total	**4,695,788,809**

The Board of Directors proposes that the dividend of SEK 4.80 per share, comprising an ordinary dividend of SEK 2.40 per share and an extraordinary dividend SEK 2.40 per share, be divided into two payments of SEK 2.40 and SEK 2.40 per share, respectively.

The Board proposes Tuesday 3 May 2022 as the record date for the first distribution. The Board proposes Friday 7 October 2022 as the record date for the second distribution. The first dividend is expected to be paid to shareholders on Friday 6 May 2022 and the second dividend on Wednesday 12 October 2022.

THE BOARD OF DIRECTORS' STATEMENT ON THE PROPOSED DIVIDEND

In reference to its proposed dividend, the Board of Directors hereby makes the following statement pursuant to Chapter 18, Section 4 of the Swedish Companies Act:

The Board has proposed that the 2022 AGM approve the payment of a dividend of SEK 4.80 per share to shareholders as part of the appropriation of retained earnings. This would result in a total distribution of around SEK 460 million.

The Board has established that the company's restricted equity will be fully covered after the proposed dividend.

The Board also considers the proposed dividend to the shareholders to be justifiable in view of the factors set forth in Chapter 17, Section 3, second and third paragraphs of the Swedish Companies Act (nature, scope and risks of the operations, and consolidation requirements, liquidity and financial position). In reference thereto, the Board would like to state the following.

Nature, scope and risks of the operations

In the Board's assessment, the equity of the company and of the Group after the proposed dividend will be sufficient in view of the nature, scope and risks of the operations. In making its assessment, the Board considered the historical and budgeted performance of the company and of the Group as well as the general economic situation.

Consolidation requirements

The Board has made a comprehensive assessment of the company's and the Group's financial position and of the company's and the Group's ability to fulfil its short-term and long-term obligations. The proposed dividend represents 9 per cent of the company's equity and 23 per cent of the Group's equity.

After the dividend, the company's and the Group's equity/assets ratio will be 58 per cent and 23 per cent, respectively. The company's and the Group's equity/assets ratio is thus good in relation to the industry in which the Group operates. The Board believes that the company and the Group are in a position to take future business risks and also to sustain any losses. The dividend distribution will not impair the company's and the Group's ability to make further commercially motivated investments in accordance with the Board's plans.

Liquidity

It is expected that it will be possible to maintain the company's and the Group's liquidity at a continued satisfactory level. The Board's view is that the proposed dividend will not affect the company's or the Group's ability to meet its payment obligations in the short or long term. The company and the Group have good access to both short-term and long-term credit. The credit facilities can be drawn at short notice, and the Board therefore considers that the company and the Group are well prepared to manage both changes in liquidity and unexpected events.

Other financial circumstances

In addition to what has been stated above, the Board has considered other known circumstances that may be of significance for the financial position of the company and the Group. No circumstance has emerged indicating that the proposed dividend is not justifiable.

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

A structured approach to risk

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

RISKS TO THE BUSINESS

Coor is exposed to a number of strategic, operational, financial and legal risks. The risks that Coor has identified as being most material along with brief descriptions of how they are managed and of developments in 2021 are presented in the table on the next page.

SUSTAINABILITY RISKS

From a sustainability perspective, the Nordic FM industry is perceived as an industry with a relatively low risk profile. In its risk analysis, the company has taken account of sustainability-related risks. Risks related to human rights and corruption have also been addressed but are currently not considered material enough to warrant inclusion in the detailed assessment of the Group's priority risk areas. The areas are discussed continuously to ensure that appropriate measures are implemented and to ensure continued progress. With regard to environmental risks, it should also be noted that the Coor Group only has minor operations that are subject to environmental permit requirements.

A SOPHISTICATED RISK PROCESS

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

RISK ASSESSMENT

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

Risks to the business

MAIN RISKS	IMPACT SCALE 1–5	PROBABILITY SCALE 1–5	RISK MANAGEMENT MEASURES	RISK MAN-AGEMENT	DEVELOPMENTS IN 2021
Strategic and operational risks					
Loss of material contracts If a delivery deviates from the agreed services or agreed quality, this can lead to loss of revenue or lost contracts.	4	2	• Structured monitoring of customer contracts at the strategic level. • A focus on HSEQ issues and people engagement to increase employee satisfaction and ultimately also customer satisfaction. • Special unit established for renegotiation of existing contracts.		• During the year, Coor extended several important contracts but also lost contracts. • Coor takes stock of feedback from contracts won and lost in order to further improve our delivery and thus reduce the risk of losing contracts.
Information leaks, cyber threats and non-compliance The increasing prevalence of cyber attacks in the world raises the risk that Coor will experience disruptions to its own solutions and/or in the supply chain. In addition to information leaks and non-compliance, ransomware and information theft are the biggest risks in the area.	4	3	• Establishment of a security monitoring centre. • Automated technical protection of computers and user accounts. • Cyber security training (awareness training) for employees. • Management system for information security. • Evaluate insurance against cyber attacks.		• Enhanced monitoring of intrusion attempts. • Enhanced e-mail protection against phishing and malware. • External threat analysis and renewed measurement of compliance with control framework. (CIS20) implemented. • Enhanced governance model.
Health and safety risk A poor work environment can lead to mental and physical health problems among employees or third parties. Coor's vision is to achieve zero workplace-related injuries.	2	3	• A systematic approach to preventive health and safety. • Training to increase risk awareness. • Ongoing monitoring and assessment for targeted risk prevention activities. • Coor Crisis Team activated at Group and country level in response to COVID-19. Several measures taken to protect customers' and suppliers' employees as well as Coor's own employees.		• The number of reported risk observations continues to increase, which points to increased risk awareness and an improved reporting culture.
Unforeseen events Unforeseen events such as viruses/ pandemics can affect the demand for specific services or the ability to deliver.	3	3	• Preparedness with Coor Crisis Team at Group and country level. • Ensuring the Board's involvement. • Strong focus on communication.		• Coor Crisis Team was convened to manage COVID-19. • Commercial priorities were made and continuous measures were taken. • Crisis management exercises were carried out. • Increased focus on business continuity planning.
Negative publicity Poor handling of media attention can lead to negative publicity.	2	2	• Media training. • Stakeholder meetings.		• The company's spokespersons at different levels of the organisation have taken part in media training activities. • Ongoing monitoring and evaluation of initiatives creates increased awareness and knowledge internally.
Cost-benefit analysis risk and contract risk Incorrect cost estimates, poor contract terms or business models can lead to low margins or high contractual risks.	3	3	• Compliance with tendering instructions and risk assessment process, focus on payment authorisations at all levels. • Regular post cost-benefit analyses.		• Good compliance with instructions and processes.
Financial risks					
Interest rate, currency and liquidity risks Changes in interest rates, exchange rates and market prices of financial instruments can have an impact on Coor's income statement and balance sheet, and on cash flow.	2	3	• Coor follows a treasury policy which sets forth guidelines for financial risk management. See also *Note 17 Borrowing and financial risk management*.		• No new risks arose during the year.
Financial reporting risks The risk of misstatements in financial reporting and the risk that reports will not be prepared in accordance with legal requirements, requirements for listed companies and applicable accounting rules.	3	2	• A clear process for managing the risk of misstatements in financial reporting. • Key controls in financial processes are monitored continually through self-assessments and internal audits. For a more detailed description, see the *Corporate Governance Report*.		• In 2021, the company distributed interim reports and an annual report. • One interim report and the annual report were examined by the company's external auditors without qualifications.
Credit risk The risk of credit losses due to the failure of customers to meet their payment obligations.	2	2	• Coor has clear processes for customer credit checks and monitoring of accounts receivable. See also *Note 14 Accounts receivable and Note 17 Borrowing and financial risk management.*		• Very few bad debts in 2021. • No significant changes in customers' payment patterns despite the pandemic.
Climate risk					
Environmental impact and climate change Environmental incidents, extreme weather and climate change impacting the supply of raw materials, for example, can affect deliveries.	2	3	• Climate goals and climate calculations for reduced emissions and responsible consumption. • Close monitoring in order to limit any effects. • This area is part of the annual strategy process (identification, assessment and risk management measures). • Certified environmental management system (ISO 14001). • Training.		• A continued strong focus on the company's potential environmental impact, even though most operations are conducted at customer sites. • Plan to start reporting according to the Task Force on Climate-related Financial Disclosures (TCFD).

Good management   Satisfactory management   Need for improvement

Consolidated financial statements

CONSOLIDATED INCOME STATEMENT

	Note	2021	2020
Net sales	2,3,13	10,104	9,591
Cost of services sold	3,4,5,6,13	–8,928	–8,595
Gross profit		**1,176**	**996**
Selling expenses	3,4,5,6,7	–129	–103
Administrative expenses	3,4,5,6,7,8	–645	–576
Operating profit		**403**	**318**
Financial income	9	3	1
Financial expenses	9	–63	–67
Net financial expense		**–59**	**–66**
Profit before tax		**343**	**252**
Income tax	10	–79	–61
PROFIT FOR THE YEAR		**265**	**191**
EARNINGS PER SHARE, SEK	16		
Earnings per share, undiluted		2.78	2.00
Earnings per share, diluted		2.78	2.00
DIVIDEND PER SHARE, SEK	16		
Proposed ordinary dividend per share		2.40	2.00
Proposed extraordinary dividend per share		2.40	2.40
TOTAL DIVIDEND PER SHARE, SEK		**4.80**	**4.40**

The notes on pages 82–109 are an integrated part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2021	2020
PROFIT FOR THE YEAR	**265**	**191**
Other comprehensive income		
Items that will not be reclassified to profit or loss	–	–
Items that may be subsequently reclassified to profit or loss		
Translation differences in foreign operations	73	–106
Cash flow hedges	5	–10
Total	**78**	**–116**
Total other comprehensive income for the year, net of tax	**78**	**–116**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**342**	**74**

CONSOLIDATED BALANCE SHEET – ASSETS

	Note	2021	2020
ASSETS			
Non-current assets			
Intangible assets	11		
Goodwill		3,609	3,125
Customer contracts		435	392
Trademarks		50	42
Other intangible assets		128	128
Property, plant and equipment			
Land and buildings	12	1	1
Plant and equipment	12	85	82
Right-of-use assets	13	303	334
Financial assets			
Other non-current receivables	17	18	16
Other financial assets	17	8	2
Deferred tax asset	10	88	146
Total non-current assets		**4,724**	**4,268**
Current assets			
Inventories		18	15
Accounts receivable	2,14,17	1,346	1,144
Tax assets	10	1	–
Other receivables		24	32
Prepaid expenses and accrued income	2.15	345	210
Cash and cash equivalents	17	628	396
Total current assets		**2,362**	**1,796**
TOTAL ASSETS		**7,086**	**6,064**

For pledged assets and contingent liabilities, see *Note 21.*
The notes on pages 82–109 are an integrated part of the consolidated financial statements.

CONSOLIDATED BALANCE SHEET – EQUITY AND LIABILITIES

	Note	2021	2020
EQUITY AND LIABILITIES			
Equity			
Share capital	16	383	383
Other contributed capital		6,683	6,655
Other reserves		3	–75
Retained earnings, including profit for the year		–5,066	–4,884
Total equity		**2,003**	**2,079**
Liabilities			
Non-current liabilities			
Borrowings	17	1,997	1,273
Lease liabilities	13,17	189	227
Deferred tax liability	10	11	18
Provisions for pensions and similar obligations	6	22	18
Other provisions	18	3	0
Total non-current liabilities		**2,222**	**1,536**
Current liabilities			
Lease liabilities	13,17	110	103
Accounts payable	17	788	607
Current tax liabilities	10	63	50
Other liabilities	19	294	249
Accrued expenses and deferred income	2, 20	1,592	1,424
Other provisions	18	14	15
Total current liabilities		**2,861**	**2,449**
Total liabilities		**5,083**	**3,985**
TOTAL EQUITY AND LIABILITIES		**7,086**	**6,064**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Other contributed capital	Other reserves	Retained earnings, including profit for the year	Total equity
Opening balance, 1 January 2020	**383**	**6,630**	**42**	**–5,075**	**1,980**
Profit for the year	–	–	–	191	191
Total other comprehensive income for the year	–	–	–116	–	–116
Share-based payments	–	25	–	–	25
BS **Closing balance, 31 December 2020**	**383**	**6,655**	**–75**	**–4,884**	**2,079**
Opening balance, 1 January 2021	**383**	**6,655**	**–75**	**–4,884**	**2,079**
Profit for the year	–	–	–	265	265
Total other comprehensive income for the year	–	–	78	–	78
Share-based payments	–	28	–	–	28
Transactions with shareholders					
Share buybacks	–	–	–	–29	–29
Dividend	–	–	–	–417	–417
BS **Closing balance, 31 December 2021**	**383**	**6,683**	**3**	**–5,066**	**2,003**

Other reserves refers to translation differences arising from translation of foreign subsidiaries and items recognised in other comprehensive income from the application of hedge accounting. The total translation difference for 2021 was SEK 73 (–106) million. The translation difference was positive for all currencies.

For information on share capital and data per share see *Note 16 Share capital and data per share.* For information on the appropriation of retained earnings for the year, see *page 75.*

The effect which above is included in the line Share-based payments refers to accruals of employee benefit expenses in accordance with IFRS 2 and the effects arising from the share swap agreement that has been entered into to secure access to shares for the Group's long-term incentive programme.

§ ACCOUNTING PRINCIPLES

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	2021	2020
Operating activities			
IS Operating profit		403	318
Adjustment for non-cash items		404	395
Interest received		1	1
Interest paid		–52	–57
Financial expenses paid		–6	–8
Income tax paid	10	–61	–46
Cash flow from operating activities before changes in working capital		**689**	**603**
Increase (–)/decrease (+) in inventories		–2	1
Increase (–)/decrease (+) in accounts receivable		–75	125
Increase (–)/decrease (+) in other current receivables		–54	169
Increase (+)/decrease (–) in accounts payable		132	–340
Increase (+)/decrease (–) in other current operating liabilities		48	177
Cash flow from operating activities		**737**	**736**
Investing activities			
Purchases of intangible assets	3,11	–36	–33
Purchases of property, plant and equipment	3,12	–34	–44
Proceeds from sale of property, plant and equipment		3	11
Acquisition of subsidiaries	23	–646	–12
Other items		1	0
Cash flow from investing activities		**–713**	**–77**
Financing activities	17		
Dividend		–417	–
Proceeds from borrowings	17	750	–
Repayment of borrowings	17	–29	–550
Repayment, lease liabilities	13	–131	–127
Other items		–13	–19
Cash flow from financing activities		**159**	**–696**
Cash flow for the year		**184**	**–37**
Cash and cash equivalents at the beginning of the year		396	497
Foreign exchange difference in cash and cash equivalents		49	–63
BS Cash and cash equivalents at the end of the year		**628**	**396**

CASH CONVERSION

	Note	2021	2020
IS Operating profit		403	318
Depreciation, amortisation and impairment	11,12,13	389	392
Adjustment for items affecting comparability	5	38	46
Adjusted EBITDA		**829**	**756**
Net investments in property, plant and equipment and intangible assets [1]		–68	–70
Change in net working capital		49	133
Cash flow for calculation of cash conversion		**809**	**818**
Cash conversion, %		**98**	**108**

[1] Net investments including capital gains on the sale of non-current assets.

NON-CASH ITEMS

	Note	2021	2020
Depreciation and amortisation	11,12,13	389	392
Change in provisions		3	0
Proceeds from sale of non-current assets		–1	–5
Other		14	8
SCF Total		**404**	**395**

SPECIFICATION OF CASH AND CASH EQUIVALENTS

	Note	2021	2020
Cash and bank balances		628	396
BS Total		**628**	**396**

§ ACCOUNTING PRINCIPLES

The statement of cash flows 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.

Notes to the consolidated financial statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

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

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

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

§ ACCOUNTING PRINCIPLES

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

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

IS Income statement
BS Balance sheet
SCF Statement of cash flows

! CRITICAL ASSUMPTIONS

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

Items which are subject to assumptions and judgements	Note
Taxes	Note 10
Measurement of goodwill and other intangible assets	Note 11
Accounts receivable and revenue	Notes 2, 14
Financial risks	Note 17

CHANGES TO ACCOUNTING PRINCIPLES AND DISCLOSURES

a) New and amended standards applied by the Group
Standards which the Group will apply for the first time for financial years beginning on 1 January 2021 are presented below:
- *COVID-19-Related Rent Concessions* – Amendment to IFRS 16
- *Interest Rate Benchmark Reform – Phase 2* – Amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 4

The amendments indicated above had no 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 are effective for financial years beginning after 1 January 2021 but have not been applied in preparing these financial statements. These new standards and interpretations are not expected to have a material impact on the consolidated financial statements.

CONSOLIDATION

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

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

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

TRANSLATION OF FOREIGN CURRENCY

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

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

NOTE 2. RECOGNITION OF REVENUE

ACCOUNTING PRINCIPLES

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

The Group applies the five-step model under IFRS 15 to determine how revenue from each customer contract should be accounted for. Under the five-step model, revenue should be 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. The Group's principal source of revenue is services in which control is transferred to the customer in connection with delivery. The customer receives and consumes the service as it is provided. The Group's revenue is thus recognised as the services are provided.

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

Revenue from subscription contracts

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

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

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

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

To meet the definition of a contract in IFRS 15, the subscription contract as well as call-off orders for subscription services for the month need to be taken into account, which means that the term of the contract does not exceed 12 months. The Group therefore does not provide disclosures on future unsatisfied performance obligations for subscription contracts.

Contract revenue

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

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

All contracts linked to contract revenue have an original expected term of no more than one year or are invoiced on a time basis. In accordance with the rules of IFRS 15, no disclosure is made on the transaction price for these unsatisfied obligations.

Type of contract

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

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

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

The Group has one customer that accounts for more than 10 per cent of consolidated net sales. Net sales to this customer in 2021 amounted to SEK 1,355 (1,185) million. This customer is a customer of the Group's Norwegian business.

The Group has its registered office in Sweden. Revenue from external customers in Sweden and the breakdown for other countries are shown in the table on the next page.

Contract assets and contract liabilities

The Group recognises the following assets and liabilities in the balance sheet related to contracts with customers.

	2021	2020
Accounts receivable	1,346	1,144
Accrued income	260	133
Total contract assets	**1,607**	**1,276**
Deferred income	–245	–270
Total contract liabilities	**–245**	**–270**

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

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

Of total deferred income at 31 December 2020, SEK 208 million was recognised as income in 2021.

CRITICAL ASSUMPTIONS

The Group has certain customer contracts in which a part of the Group's performance obligation consists in long-term property maintenance. This performance obligation is normally included in the monthly subscription invoice that is issued, but at the end of the period the performance obligation had not yet been fulfilled. A portion of the revenue must therefore be recognised on an accrual basis in future periods. To estimate the cost of future property maintenance, management is required to make judgements on a number of parameters. Even if management has detailed maintenance plans at its disposal as a basis for its estimates, such judgements are subject to a degree of uncertainty.

BREAKDOWN OF REVENUE FROM CONTRACTS WITH CUSTOMERS

2021	Sweden [1]	Norway	Denmark	Finland [2]	Other	Total
External revenue by segment	5,079	2,318	2,071	636	–1	10,104
Breakdown by type of contract						
IFM contracts	3,172	1,825	900	178	–	6,075
FM contracts	1,907	493	1,171	458	–1	4,028
TOTAL	**5,079**	**2,318**	**2,071**	**636**	**–1**	**10,104**

2020	Sweden [1]	Norway	Denmark	Finland [2]	Other	Total
External revenue by segment	4,904	2,102	1,941	646	–1	9,591
Breakdown by type of contract						
IFM contracts	2,970	1,696	667	217	–	5,550
FM contracts	1,934	405	1,274	429	–1	4,041
TOTAL	**4,904**	**2,102**	**1,941**	**646**	**–1**	**9,591**

[1] The figure for Sweden includes sales of SEK 234 (247) million for Belgium.
[2] The figure for Finland includes sales of SEK 17 (19) million for Estonia.

NOTE 3. SEGMENT INFORMATION

§ ACCOUNTING PRINCIPLES

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

The Group operates in Sweden, Norway, Finland and Denmark and has minor operations in Belgium and Estonia. Management mainly monitors the operations on a country by country basis. The Group's operations in Belgium are organisationally part of the Swedish business and the operations in Estonia are organisationally part of the Finnish business.

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

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

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

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

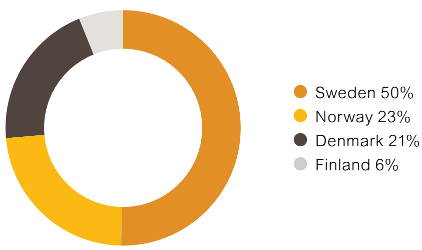
The Group's executive management team does not monitor total assets or liabilities on a segment basis. The executive management team analyses the change in net working capital for each segment in connection with its analysis of operating cash flow.

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

GEOGRAPHICAL SEGMENTS

Net sales	2021	2020
Sweden	**5,079**	**4,904**
Total sales	5,136	5,072
Internal sales	–57	–168
Norway	**2,318**	**2,102**
Total sales	2,327	2,109
Internal sales	–9	–8
Finland	**636**	**646**
Total sales	636	646
Internal sales	–	–
Denmark	**2,071**	**1,941**
Total sales	2,072	1,944
Internal sales	–1	–3
Group functions/other	**–1**	**–1**
IS **Total**	**10,104**	**9,591**

Net sales by country 2021



Adjusted EBITA	2021	2020
Sweden	564	479
Norway	146	124
Finland	25	24
Denmark	105	83
Group functions/other	–208	–154
Total	**631**	**556**
Adjusted EBITA is reconciled to profit before tax as follows:		
Amortisation and impairment of customer contracts and trademarks (Note 11)	–190	–193
Items affecting comparability (Note 5)	–38	–46
IS Net financial expense	–59	–66
IS Profit before tax	**343**	**252**

Adjusted EBITA margin, %	2021	2020
Sweden	11.1	9.8
Norway	6.3	5.9
Finland	3.9	3.8
Denmark	5.0	4.3
Group functions/other	–	–
Total	**6.2**	**5.8**

OTHER INFORMATION

Investments in non-current assets	2021	2020
Sweden	–11	–27
Norway	–4	–6
Finland	–3	–2
Denmark	–17	–8
Group functions/other	–35	–33
SCF Total	**–70**	**–76**

Non-current assets	2021	2020
Sweden	3,240	2,788
Norway	621	545
Finland	160	184
Denmark	470	469
Group functions/other	120	117
Total	**4,610**	**4,104**

Change in net working capital	2021	2020
Sweden	–11	–3
Norway	–1	45
Finland	9	–16
Denmark	42	117
Group functions/other	9	–10
SCF Total	**49**	**133**

Net sales by type of contract	2021	2020
IFM	6,075	5,550
FM services	4,028	4,041
IS Total	**10,104**	**9,591**

NOTE 4. GOVERNMENT ASSISTANCE

§ ACCOUNTING PRINCIPLES

Government grants are recognised at fair value, as there is reasonable assurance that the grants will be received and that the Group will meet the conditions attached to the grants. Government grants received as compensation for costs are recognised on an accrual basis in the income statement in the same periods as the costs for which the grants are intended to compensate. The assistance received is deducted from the costs to which it refers on the same line in the income statement.

GOVERNMENT ASSISTANCE

In 2020, companies in the Group benefited from some of the government support packages that each country introduced to mitigate the financial impact of the COVID-19 outbreak. In 2020, government assistance was primarily received in the form of furlough support. The amounts received are not considered significant for the Group as a whole. Coor did not receive any government assistance in 2021.

NOTE 5. OPERATING EXPENSES

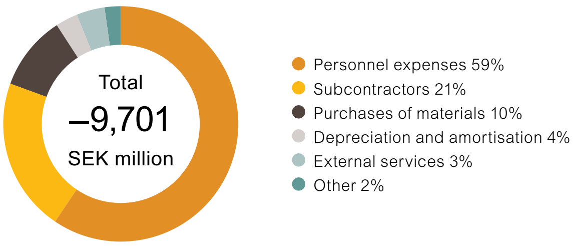
Coor has chosen to present its income statement by function, as this gives a more accurate picture of how the business is managed and monitored. A breakdown of costs by nature of expense is shown below.

Operating expenses by function	2021	2020
IS Cost of services sold	–8,928	–8,595
IS Selling expenses	–129	–103
IS Administrative expenses	–645	–576
Total	**–9,701**	**–9,273**

COSTS BY NATURE OF EXPENSE

Costs by nature of expense	2021	2020
Personnel expenses	–5,769	–5,557
Subcontractors	–2,047	–1,981
Materials	–999	–891
External services	–330	–299
Depreciation and amortisation	–389	–392
Other operating expenses	–166	–153
Total	**–9,701**	**–9,273**

Costs by nature of expense 2021



ITEMS AFFECTING COMPARABILITY

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

Items affecting comparability for 2021 mainly comprise costs for integration and restructuring. Integration and restructuring comprise organic transactions as well as acquisitions. Integration costs refer, for example, to costs for integrating IT systems while restructuring refers to costs related to staff reductions. Acquisition-related costs refer exclusively to transaction costs.

Reconciliation of adjusted EBITA	2021	2020
IS **Operating profit (EBIT)**	**403**	**318**
Amortisation and impairment of customer contracts and trademarks	190	193
Items affecting comparability	38	46
Adjusted EBITA	**631**	**556**

Items affecting comparability	2021	2020
Integration	–24	–19
Restructuring	–13	–25
Acquisition-related costs	–1	–
Other	1	–1
Total	**–38**	**–46**

Items affecting comparability by function	2021	2020
Cost of services sold	–29	–29
Selling and administrative expenses	–8	–17
Total	**–38**	**–46**

NOTE 6. EMPLOYEES AND EMPLOYEE BENEFIT EXPENSES

§ ACCOUNTING PRINCIPLES

TERMINATION BENEFITS

Remuneration 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 remuneration. 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 to provide remuneration on termination as a result of an offer to encourage voluntary redundancy. Benefits expiring more than 12 months after the balance sheet date are discounted to present value.

BONUS PLANS

The Group recognises a liability and a cost for bonuses to employees based on the applicable contracts.

SHARE-BASED PAYMENTS

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

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

POST-EMPLOYMENT BENEFITS

The Group has a number of pension plans in different countries. Most of the Group's pension plans are defined contribution plans, under which contributions are paid to an authority or other body which then takes over the obligations to the employees. Once the contributions have been paid, the Group has no further payment obligations. Liabilities related to defined contribution plans are expensed in the income statement as they arise. Prepaid contributions are 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 pension plans are post-employment benefit plans other than defined contribution plans. The defining characteristic of a defined benefit plan is that it specifies an amount for the post-employment benefit which an employee will receive on retirement, normally based on one or several factors, such as age, length of service or salary. Only a small number of employees in the Group are covered by a defined benefit plan, for which the Group recognises a provision in the balance sheet.

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

NUMBER OF EMPLOYEES AND GENDER DISTRIBUTION

	2021			2020		
Average number of employees	**Women**	**Men**	**Total**	**Women**	**Men**	**Total**
Sweden	2,639	2,013	4,651	2,554	1,949	4,502
Norway	838	559	1,397	873	607	1,480
Finland	574	337	910	565	346	912
Denmark	1,306	835	2,141	1,293	792	2,085
Other countries	103	78	181	93	68	161
Total	**5,460**	**3,821**	**9,281**	**5,377**	**3,762**	**9,140**

Gender distribution among Directors, CEOs and senior executives

	2021			2020		
No. at balance sheet date	**Women**	**Men**	**Total**	**Women**	**Men**	**Total**
Directors	3	6	9	3	6	9
CEOs and senior executives	3	8	11	3	8	11
Total	**6**	**14**	**20**	**6**	**14**	**20**

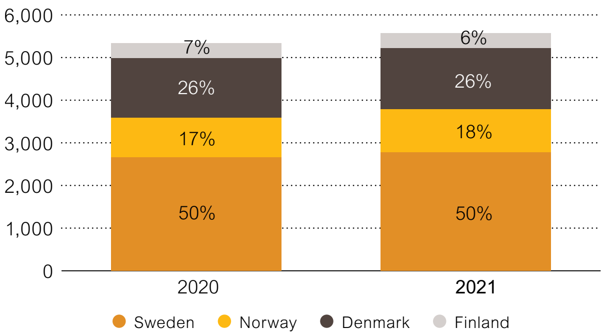
EMPLOYEE BENEFIT EXPENSES

Salaries, other benefits and social security contributions

	2021					2020				
Employee benefit expenses	**Salaries and benefits[1)]**	*Of which bonuses*	**Social security contributions**	*Of which retirement benefit costs*	**Total**	**Salaries and benefits[1)]**	*Of which bonuses*	**Social security contributions**	*Of which retirement benefit costs*	**Total**
Directors, CEOs and VPs	35	*8*	12	*4*	47	30	*4*	10	*4*	41
Other employees	4,177	*45*	1,352	*328*	5,529	4,018	*27*	1,284	*318*	5,303
Total	**4,212**	*53*	**1,364**	*333*	**5,576**	**4,048**	*31*	**1,295**	*323*	**5,343**

1) Salaries and termination benefits totalled SEK 3 (11) million. Of this amount, SEK 0 (0) million refers to severance pay to CEOs and other senior executives. The group Directors, CEOs and VPs includes remuneration to the Board of Coor Service Management Holding AB as well as remuneration to the Group's CEO and the CEOs and VPs of all subsidiaries of the Group.

Employee benefit expenses by country, SEK million*



* Employee benefit expenses for Belgium are included in the figure for Sweden, as Belgium is operationally under Sweden. Employee benefit expenses for Estonia are included in the figure for Finland, as Estonia is operationally under Finland. Employee benefit expenses for Sweden also include costs related to Group functions.

SHARE-BASED REMUNERATION PROGRAMMES

The purpose of Coor's long-term incentive programmes

Coor's long-term incentive programmes (LTIP) are designed to increase and strengthen the company's ability to recruit and retain key individuals and to encourage participants to become long-term shareholders of Coor as a means of aligning the interests of participants and other shareholders. To participate in the programmes, participants are required to invest in Coor shares. By offering an allocation of performance-based share rights that is based on the achievement of defined performance and operational goals, participants are rewarded for increasing shareholder value. The programmes also promote loyalty and long-term value growth in the Group. The Board of Directors is therefore of the opinion that the programmes will have a positive impact on the Group's future performance, thus benefiting both the company and its shareholders. The programmes are aimed at senior executives of the Coor Group: the executive management team (EMT) and top management team (TMT).

Criteria and conditions for participation in the incentive programmes

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

The basic criteria for allocation of performance shares are that the participant has remained an employee of the Coor Group during the vesting period (except, in limited cases, where proportional allocation has been authorised) and has continued to hold his or her Coor shares over that period. The vesting periods will end in connection with the publication of Coor's interim reports for the first quarter of 2022 (LTIP 2019) and 2024 (LTIP 2021), respectively. Allocations of shares under LTIP 2018 were made in May 2021.

In addition to the employment condition, the allocation of performance shares is based on a number of performance conditions. The allocation of share rights depends on the extent to which the defined goals and performance conditions have been met during the performance period concerned.

For LTIP 2019, the measurement period ended on 31 December 2021, see table on the next page for achievement of performance conditions.

Description of performance conditions for the share programmes:

The performance conditions for LTIP 2019 and LTIP 2021 are the same, with the exception of series A where LTIP 2021 has different minimum and maximum levels for allocation. See below for a description of the conditions for each series.

Series A: Change in customer satisfaction index:

If Coor's average customer satisfaction score during the performance period is equal to or below the minimum level of 64 (LTIP 2021 66), no shares will be allocated. If Coor's average customer satisfaction score is equal to or exceeds the maximum level of 68 (LTIP 2021 70), 100 per cent of the shares will be allocated. The allocation will be adjusted on a proportional basis if the outcome is somewhere between the minimum and maximum levels.

Series B: Cumulative adjusted EBITA:

If Coor's cumulative adjusted EBITA over the performance period is equal to or below the minimum level, defined as 10 per cent below the cumulative adjusted EBITA targeted in Coor's business plan for the three-year period commencing at the start of each programme, no shares will be allocated. If the percentage change in Coor's cumulative adjusted EBITA is equal to or exceeds the maximum level, defined as 10 per cent above the cumulative adjusted EBITA targeted in Coor's business plan, 100 per cent will be allocated. The allocation will be adjusted on a proportional basis if the outcome is somewhere between the minimum and maximum levels.

Series C: Relative total shareholder return (TSR) growth:

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

Number of share rights	Base value share price, SEK	Number of participants upon allocation	Measurement period	Number of outstanding share rights 31 Dec 2021	Number of outstanding share rights 31 Dec 2020
LTIP 2018	69.3	45	1 Jan 2018–31 Dec 2020	–	259,075
LTIP 2019	84.2	33	1 Jan 2019–31 Dec 2021	216,774	207,505
LTIP 2021	71.0	57	1 Jan 2021–31 Dec 2023	403,376	–
Total number of outstanding share rights				**620,150**	**466,580**

Number of share rights	LTIP 2018 Change during the year	LTIP 2018 Accumulated	LTIP 2019 Change during the year	LTIP 2019 Accumulated	LTIP 2021 Change during the year	LTIP 2021 Accumulated
Outstanding share rights at 1 January 2021	*259,075*		*207,505*		–	
Allocated on issuance		348,724		281,338	391,830	391,830
Allocated compensation, dividend	7,997	24,337	12,007	12,007	11,546	11,546
Allocated	–267,072	–267,072	–	–	–	–
Forfeited	–	–105,989	–2,738	–76,571	–	–
Total number of outstanding share rights at 31 December 2021	–	–	**216,774**	**216,774**	**403,376**	**403,376**

No share rights were redeemable at the end of the year.

ACHIEVEMENT OF PERFORMANCE CONDITIONS FOR LTIP 2019

The measurement period for LTIP 2019 ended on 31 December 2021. The table on the next page presents the degree of achievement of the performance conditions. To be allocated shares, participants in the programme must continue to be employed and continue to hold their investment shares until the date of presentation of the interim report for the first quarter of 2022. The allocation of shares is expected to take place shortly after the Annual General Meeting on 29 April 2022.

Achievement of performance conditions for LTIP 2019	Performance conditions (linear allocation)	Performance result	Allocation
Series A – Customer satisfaction index	>64–68	70.7	100%
Series B – Cumulative adjusted EBITA	SEK 1,427m–SEK 1,744m	SEK 1,736m	98%
Series C – Relative total shareholder return (TSR) compared to reference group	>0%–6%	29.3%	100%

SECURING OF FINANCIAL OBLIGATIONS UNDER LTIP 2018, 2019 AND 2021

To secure the Group's financial obligation under LTIP 2018, Coor has entered into a share swap agreement with Nordea. At 31 December 2021, the number of guaranteed shares was 55,000. To secure the Group's financial obligation under LTIP 2019, Coor repurchased 340,000 shares in 2019 for SEK 28 million at an average price of SEK 82.5 per share. To secure the Group's financial obligation under LTIP 2021, Coor repurchased 400,000 shares in 2021 for SEK 29 million at an average price of SEK 72.4 per share.

ACCOUNTING OF COST LINKED TO LTIP:

The total cost for outstanding share rights under the incentive programme is expensed over the vesting period with a corresponding increase in equity. The cost for social security contributions is recognised as a liability, as this cost will be paid in cash at the end of the programme.

Call option programme

In addition to the share programme, the Group's LTIP 2018 incentive programme also included a call option programme.

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

A market-based premium was paid for the call options. The price per share on exercise of the call option is SEK 80.3.

The option programme was aimed at members of the executive management team (EMT) and comprised 320,000 options. In 2021, 265,000 options were exercised and 55,000 options remain outstanding. The call options are freely transferable and are not contingent on continued employment in Coor.

	Cost for the year before tax		Accumulated cost before tax		Liability, social security contributions at balance sheet date	
	2021	2020	2021	2020	2021	2020
LTIP 2018	4	7	20	16	–	3
LTIP 2019	7	4	15	8	3	1
LTIP 2021	5	–	5	–	1	–
Total	**17**	**12**	**40**	**24**	**4**	**4**

POST-EMPLOYMENT BENEFITS

Retirement benefit costs recognised in the income statement	2021	2020
Retirement benefits, defined benefit plans	0	0
Retirement benefits, defined contribution plans	333	322
Total	**333**	**323**

Contributions for the year to pension plans held with Alecta amounted to SEK 86 (79) million. Alecta's surplus can be distributed to the policy owners and/or insured parties. At the end of 2021, Alecta's surplus, defined as the collective funding ratio, was 172 (148) per cent. The collective funding ratio is defined as the market value of Alecta's assets as a percentage of its commitments to policyholders calculated using Alecta's actuarial assumptions, which do not comply with IAS 19.

Contributions for the year to pension plans covered by the new AFP scheme in Norway amounted to SEK 34 (33) million.

Retirement benefit costs recognised in the balance sheet	2021	2020
Endowment policies*	19	15
Retirement benefits, defined benefit plans	3	3
BS **Total**	**22**	**18**
Non-current receivable, endowment policies*	–15	–12
Total, net	**6**	**6**

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

Change in defined benefit pension obligations	2021	2020
At the beginning of the year	**3**	**4**
Payments made	0	0
Actuarial gains/losses	0	0
Foreign exchange differences	0	0
Other changes during the year	–	–1
Total defined benefit pension obligation at the end of the year	**3**	**3**

Retirement benefit costs in the coming year

Expected contributions to post-employment benefit plans for the 2022 financial year amount to SEK 0 (0) million for defined benefit pension plans, SEK 90 (82) million for pension plans held with Alecta, SEK 37 (35) million for the new AFP scheme in Norway and SEK 261 (228) million for other defined contribution pension plans.

NOTE 7. REMUNERATION OF SENIOR EXECUTIVES

REMUNERATION OF SENIOR EXECUTIVES

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

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

Remuneration of the Board of Directors and executive management team	2021	2020
Remuneration of the Board of Directors	3.2	3.0
Remuneration of the executive management team	62.8	52.6
Total	**66.1**	**55.6**

REMUNERATION OF THE BOARD OF DIRECTORS – GUIDELINES

Fees are paid to the Chairman and members of the Board of Directors in accordance with the resolution of the general meeting of shareholders. The following tables specify the fees charged to expense during the year for each Director. For a specification of fees approved by the AGM, see the *Corporate Governance Report*.

	Directors' fee		Fee for committee work		Total	
SEK '000	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Mats Granryd (Chairman)	812	785	167	150	979	935
Anders Ehrling	232	280	140	175	373	455
Heidi Skaaret	290	280	100	100	390	380
Kristina Schauman	290	280	250	250	540	530
Magnus Meyer	201	–	51	–	252	–
Mats Jönsson	290	280	75	75	365	355
Monica Lindstedt	290	280	50	50	340	330
Other shareholders	–	–	–	–	–	–
Total	**2,407**	**2,185**	**834**	**800**	**3,240**	**2,985**

GUIDELINES FOR REMUNERATION OF SENIOR EXECUTIVES

The executives covered by the guidelines are the CEO and the other members of the executive management team. The guidelines also cover any remuneration of Directors in addition to Directors' fees. Following their adoption by the 2020 AGM, the guidelines apply to new remuneration contracts as well as changes to existing contracts. The guidelines do not cover remuneration that is approved by the general meeting of shareholders. For employment relationships subject to other rules than Swedish rules, necessary adaptations may be made in respect of retirement benefits and other benefits to ensure compliance with mandatory rules or established local practice, provided that the general purpose of the guidelines is adhered to as far as possible.

Promotion of the company's business strategy, long-term interests and sustainability

Simply put, Coor's business strategy is to take over, manage and develop services in offices, at properties and production facilities, and in the public sector (facility management). We aim to run our business in an effective and sustainable manner that creates long-term value for our customers, employees and investors as well as for society at large and the environment. Coor's overall strategies are:

- Growth in integrated facility management.
- Growth in single FM services.
- Customised and flexible delivery model.
- Focus on operational efficiency.
- Nordic focus, with some flexibility to branch out into Europe.

For further information on Coor's business strategy, see Coor's website: https://www.coor.com/investors2/strategy/

To successfully implement its business strategy and further the company's long-term interests, including its sustainability, Coor needs to be able to recruit and retain qualified personnel. To do this, Coor needs to be able to offer a competitive total remuneration package, which these guidelines allow the company to do. The total remuneration is to be competitive, in line with market levels and reflect the individual's performance and responsibility and, with regard to any long-term variable remuneration, the appreciation of Coor's shares that accrues to the shareholders. Variable cash remuneration that is covered by these guidelines must be aimed at promoting the company's business strategy and long-term interests, including its sustainability.

The company has introduced long-term share-based incentive programmes in which the CEO and other senior executives have been offered to participate. The outcomes of these programmes are not pensionable for the participants. These programmes were approved by the respective AGMs and are therefore not subject to these guidelines. For the same reason, any future share-based incentive programmes adopted by the general meeting of shareholders will not be subject to the guidelines. For more information on performance requirements, conditions and costs for these programmes, see the complete texts of the Board of Directors' proposals to the respective AGMs on Coor's website (*https://www.coor.com/who-we-are/governance/annual-general-meetings/*).

Forms of remuneration, etc.

The remuneration of senior executives is to consist of a fixed salary, any variable remuneration, pension and other benefits. In addition, the general meeting of shareholders may, irrespective of these guidelines, resolve to approve share- and share price-based remuneration.

Fixed salary

The fixed salary is to comprise a cash salary. The fixed salary is revised annually for all members of the executive management team. The fixed salary is to be in line with market levels and be determined on the basis of factors such as position, skills, experience and performance.

Variable salary

Any variable salary is to comprise an annual variable cash salary. Variable cash remuneration is to be contingent on the achievement of defined and measurable goals and be capped at 75 per cent of the fixed annual salary. Fulfilment of criteria for disbursement of any annual variable cash salary is to be measured over a period of one year.

The variable cash salary is to be linked to one or several defined and measurable targets, such as consolidated EBITA, increase in net sales in respect of new deals (through organic growth or acquisitions) or cash flow. The targets may to some extent also comprise individual quantitative or qualitative criteria. The weight of each target for variable pay is to be adapted individually for each executive, but EBITA, the increase in net sales in respect of new deals or cash flow must represent at least 70 per cent of the weight for all targets. By linking the senior executives' remuneration to growth, profitability measures and cash conversion, the targets promote the implementation of the company's business strategy and long-term interests, including its sustainability, as well as executives' long-term development.

When the measurement period for fulfilment of the criteria for payment of variable cash salary has ended, an assessment is to be made of the extent to which the criteria have been fulfilled. In respect of variable cash salary of the CEO, the assessment is to be made by the Remuneration Committee. In respect of variable cash salary of other senior executives, the assessment is to be made by the CEO. In respect of financial targets, the assessment is to be based on the most recent financial information published by the company.

The terms for variable remuneration are to be formulated so that the Board, in the event of exceptional circumstances, is able to limit or refrain from paying variable remuneration if such action is deemed reasonable.

In specific instances, agreements on variable non-recurring remuneration may be concluded, provided that such remuneration does not exceed 25 per cent of the fixed annual salary and is not paid more than once a year to the same individual. Such remuneration is not to be pensionable unless otherwise provided for in mandatory provisions of applicable collective bargaining agreements. Decisions on such remuneration are to be made by the Board of Directors based on a proposal submitted by the Remuneration Committee.

No other variable cash remuneration is to be paid.

Pension

For the CEO, retirement benefits are to be regulated by a collective bargaining agreement. Retirement benefits for the portion of an executive's salary that exceeds the maximum limit specified in the collective bargaining agreement are to take the form of defined contribution benefits and may not exceed 30 per cent of the fixed annual salary. Variable salary is not to be pensionable.

For other senior executives, retirement benefits are to take the form of defined contribution benefits unless the executive is covered by a defined benefit pension plan under mandatory provisions of a collective bargaining agreement. Variable salary is to be pensionable. Defined contribution retirement benefits may not exceed 30 per cent of the fixed annual salary.

Other benefits

Other benefits may include benefits such as health insurance and car benefits. The total amount of premiums and other costs incurred for such benefits may not exceed 5 per cent of the fixed annual salary.

Payment of consulting fees to Directors

In specific cases, Coor's AGM-elected Directors may, for a limited period of time, be remunerated for services in their respective areas of expertise that do not constitute Board work. For such services (including services rendered through an entity wholly owned by a Director), a market-based fee is to be paid, provided that such services contribute to the realisation of Coor's business strategy and further Coor's long-term interests, including its sustainability. For each Director, such consulting fees may never exceed two annual Directors' fees per year.

Termination of employment

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

Salary and employment terms for employees

In preparing these proposed remuneration guidelines, the Board of Directors has taken account of salaries and employment terms of the company's employees by including information on employees' total remuneration, the components of the remuneration and its increase and rate of increase over time in the decision basis used by the Remuneration Committee in assessing the reasonableness of the guidelines and the limitations arising therefrom.

Decision-making process for determining, reviewing and implementing the guidelines

The Board of Directors has established a Remuneration Committee. The duties of the committee include preparing the Board's proposed resolutions on guidelines for remuneration of senior executives. The Board is to prepare proposed new guidelines at least every fourth year and submit its proposal for adoption by the AGM. The guidelines are to apply until new guidelines are adopted by the general meeting of shareholders. The Remuneration Committee is also to monitor and evaluate the variable remuneration programme for management, the application of guidelines for remuneration of senior executives and the applicable remuneration structures and remuneration levels in the company. The members of the Remuneration Committee are independent of the company and management. During the preparation of and decisions on remuneration-related matters by the Board, the CEO or other members of the executive management team are not to be present, insofar as they are affected by the matters concerned.

Deviation from the guidelines

The Board may decide temporarily to deviate, wholly or partially, from the guidelines adopted by the general meeting of shareholders if in an individual case there are special reasons for doing so and such deviation is necessary to safeguard the long-term interests of the company, including its sustainability, or to ensure the company's financial sustainability. As stated above, it is part of the duties of the Remuneration Committee to prepare the Board's resolutions on remuneration matters, which includes resolutions on deviations from the guidelines.

REMUNERATION OF THE CEO AND EXECUTIVE MANAGEMENT TEAM – 2021

2021	Basic salary	Variable remuneration	Share-based payments	Other benefits	Retirement benefit costs	Severance pay	Other remuneration	Total
Remuneration of the CEO								
AnnaCarin Grandin	6.8	3.4	1.1	0.1	1.9	–	–	13.3
Remuneration of other members of the executive management team								
Rest of management team, 10 persons	26.3	10.0	6.0	0.9	6.4	–	–	49.5
Total	**33.1**	**13.4**	**7.1**	**1.0**	**8.3**	–	–	**62.8**

REMUNERATION OF THE CEO AND EXECUTIVE MANAGEMENT TEAM – 2020

2020	Basic salary	Variable remuneration	Share-based payments	Other benefits	Retirement benefit costs	Severance pay	Other remuneration	Total
Remuneration of the CEO[1]								
Mikael Stöhr	4.5	0.0	–1.6	0.1	1.2	–	–	4.1
AnnaCarin Grandin	3.8	0.8	0.3	0.0	0.8	–	–	5.8
Remuneration of other members of the executive management team								
Rest of management team, 11 persons	24.7	4.9	6.3	0.8	5.9	–	–	42.7
Total	**33.1**	**5.7**	**5.0**	**0.9**	**7.9**	–	–	**52.6**

[1] Mikael Stöhr stepped down as President and CEO on 31 July 2020 and AnnaCarin Grandin took over as CEO on 1 August 2020. For AnnaCarin Grandin, the above amount includes only the remuneration she has received since she took over as President and CEO.

Share-based payments to the CEO and executive management team

At 31 December 2021, the current CEO AnnaCarin Grandin held 69,941 (28,137) outstanding share rights under the Group's LTIP 2019 and LTIP 2021 incentive programmes. The other members of the executive management team held 246,026 (235,133) outstanding share rights at 31 December 2021.

Under LTIP 2018, members of the EMT also had the option of acquiring call options. The former CEO Mikael Stöhr subscribed for 90,000 options, the current CEO AnnaCarin Grandin for 27,500 options and the other members of the EMT for 202,500 options under the options part of the incentive programme. A total of 265,000 options were exercised in 2021 and 55,000 options remain outstanding.

For more information on the Group's incentive programmes, see the section Share-based payments in ***Note 6***. The cost linked to LTIP for the CEO and the EMT is presented in the table above under Share-based payments.

	LTIP 2018		LTIP 2019		LTIP 2021	
Number of share rights	AnnaCarin Grandin	Other senior executives	AnnaCarin Grandin	Other senior executives	AnnaCarin Grandin	Other senior executives
Allocated on issuance	13,750	122,500	13,750	108,725	54,000	128,750
Outstanding at 1 January 2021	**14,387**	**126,408**	**13,750**	**108,725**	–	–
Allocated compensation, dividend	398	3,495	796	6,291	1,591	3,794
Allocated	–14,785	–129,903	–	–	–	–
Forfeited	–	–	–196	–1,535	–	–
Total number of outstanding share rights at 31 December 2021	–	–	**14,350**	**113,482**	**55,591**	**132,544**

Pensions and other benefits

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

NOTE 8. AUDIT FEES

Audit fees	2021	2020
PwC		
Audit engagement	5	6
Audit services in addition to the audit engagement	–	0
Tax advisory services	0	0
Other services	2	–
Total	**7**	**6**

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

Audit engagement refers to the examination of the annual accounts, 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 examination or the performance of such other tasks. Everything else is defined as other services.

NOTE 9. FINANCIAL INCOME AND EXPENSES

Net financial income/expense in the income statement	2021	2020
Financial income		
Interest income	1	1
Foreign exchange differences	1	0
Other financial income	1	0
IS Total	**3**	**1**
Financial expenses		
Interest expense	–44	–47
Interest expense, leases	–9	–10
Foreign exchange differences	0	–2
Other financial expenses	–10	–8
IS Total	**–63**	**–67**
Total net financial expense	**–59**	**–66**

Interest expense refers mainly to interest on bank loans and bonds as well as lease-related interest. Foreign exchange differences refer principally to results of the revaluation of cash and cash equivalents in foreign currency. The Group only has loans in SEK. Other financial expenses refer mainly to borrowing costs and bank charges. The expense incurred in connection with the raising of loans is allocated over the term of the loan.

See also *Note 17 Borrowing and financial risk management* for more information on borrowing and financial risks.

NOTE 10. TAXES

§ ACCOUNTING PRINCIPLES

The Group's tax expense comprises current and deferred tax. Tax is recognised in profit or loss, 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.

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

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

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

! CRITICAL ASSUMPTIONS

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

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

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

APPROACH TO TAX

The companies in the Coor Group pay several types of tax, primarily employee-related taxes, value-added tax and income tax. Political decisions resulting in changes to tax laws or their interpretation could lead to a changed tax situation for Coor. The key elements of Coor's tax policy are as follows:

- Coor strives to ensure that the right tax is paid in all its countries of operation.
- Coor continuously monitors changes in laws and case law to ensure that tax is managed in accordance with applicable laws and regulations.
- The evaluation of tax management should be integrated into the company's business decisions and general risk management.
- Coor does not acquire businesses to obtain tax advantages but because they fit into Coor's business model. Coor adheres to applicable laws and regulations when making acquisitions.
- Cross-border intercompany transactions must be made at arm's length and pricing must follow OECD guidelines.
- Coor should take an ethical, legal and commercial approach to its tax expense but should not act in grey areas or engage in aggressive tax planning.
- Coor's contacts with the tax authorities in each country should be characterised by openness and transparency. In cases where regulations are unclear or ambiguous, Coor should seek to interpret the spirit of the law and act proactively and transparently by making open claims, applying for preliminary rulings or entering into dialogue with the tax authority.
- Coor's tax policy must be revised regularly and approved by the Board.

TAX EXPENSE IN THE INCOME STATEMENT

Tax expense (–), tax income (+)	2021	2020
Current tax	–63	–58
Deferred tax	–15	–3
IS **Total**	**–79**	**–61**

Tax attributable to components in other comprehensive income was SEK –1 (3) million.

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

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

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

	2021							2020	
	Sweden*	Norway	Denmark	Finland*	Consolidation adjustments	TOTAL	%	TOTAL	%
IS **Reported profit before tax**	**272**	**136**	**98**	**21**	**–184**	**343**		**252**	
IS **Tax expense**	**–66**	**–30**	**–22**	**–1**	**40**	**–79**	*–23*	**–61**	*–24*
Calculated tax expense	–57	*–30*	–22	*–4*	40	–72	*–21*	*–55*	*–22*
Difference	**–9**	**0**	**0**	**3**	**0**	**–7**	**–2**	*–6*	*–2*
Unrecognised deferred tax on tax losses	–	–	–	–	–	–	–	0	*0*
Use of previously unrecognised tax losses	–	–	–	–3	–	–3	*–1*	–3	*–1*
Tax effect of non-deductible expenses less non-taxable income	9	0	0	0	–	10	*3*	9	*4*
Tax effect of change of tax rate	–	–	–	–	–	–	–	–1	*0*
Other effects	–	–	0	–	–	0	*0*	0	*0*
Total	**9**	**0**	**0**	**–3**	–	**7**	*2*	**6**	*2*
SCF **Tax paid**	**–14**	**–31**	**–17**	–	–	**–61**		**–46**	

* Sweden also includes Belgium, as Belgium is operationally reported as part of Sweden. Finland also includes Estonia, as Estonia is operationally reported as part of Finland.

The weighted average tax rate was 21 (22) per cent and the effective tax rate 23 (24) per cent.

Non-deductible expenses/non-taxable income

The Group's non-tax-deductible expenses are primarily attributable to the rules on limitation of interest deductibility that came into force in 2019.

Tax losses

The Group has tax losses in Sweden and Finland, which means that the company pays low income tax in relation to its earnings in these countries.

DEFERRED TAX LIABILITY AND TAX ASSET IN THE BALANCE SHEET

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

Deferred tax by country, net	2021	2020
Deferred tax asset		
Sweden	88	146
BS Total deferred tax asset	**88**	**146**
Deferred tax liability		
Norway	3	7
Denmark	8	11
Finland	0	0
BS Total deferred tax liability	**11**	**18**
Net deferred tax	**76**	**128**

SPECIFICATION OF CHANGE IN DEFERRED TAX LIABILITY/TAX ASSET

2021	Goodwill arising from asset acquisitions	Tax losses	Cash flow hedge	Customer relationships and trademarks	Other	Total
At 1 January 2021	**0**	**200**	**0**	**–91**	**19**	**128**
Recognised in profit or loss	–1	–53	–	38	1	–15
Recognised in other comprehensive income	–	–	–1	–	–	–1
Acquired companies	–	–	–	–34	0	–34
Foreign exchange differences	–	0	–	–1	0	–1
Other	–	–6	–	–	6	0
At 31 December 2021	**–1**	**141**	**–2**	**–88**	**26**	**76**

2020	Goodwill arising from asset acquisitions	Tax losses	Cash flow hedge	Customer relationships and trademarks	Other	Total
At 1 January 2020	**0**	**256**	**–3**	**–134**	**8**	**126**
Recognised in profit or loss	0	–55	–	41	11	–3
Recognised in other comprehensive income	–	–	3	–	–	3
Foreign exchange differences	–	0	–	2	0	2
At 31 December 2020	**0**	**200**	**0**	**–91**	**19**	**128**

Of the above net asset related to deferred tax, the Group estimates that SEK –32 (–37) million will be used within a 12-month period. In this amount, that portion of the Group's reported tax losses that will be used in the coming year has been excluded.

TAX LOSSES

The Group has tax losses of SEK 161 (224) million, of which SEK 141 (200) million has been recognised in the balance sheet. All tax losses attributable to Sweden have been recognised in the balance sheet while tax losses attributable to Finland have been recognised only to the extent that there exists an equivalent deferred tax liability.

Tax losses at 31 Dec 2021	Total	Of which recognised in balance sheet
Sweden	141	141
Finland	20	0
Total	**161**	**141**

CURRENT TAX LIABILITY/TAX ASSET

The current tax liability at 31 December 2021 was SEK 63 (50) million and the current tax asset SEK 1 (0) million.

VALUE-ADDED TAX (VAT)

Companies in the Coor Group pay output VAT on essentially all sales to customers and receive a deduction for input VAT on supplier invoices (where there is no limitation on deductibility under local rules). As Coor is engaged in labour-intensive business activities, the company pays significant amounts of VAT to the tax authority in each country every month. On a net basis, Coor paid SEK 1,472 (1,390) million in VAT in 2021.

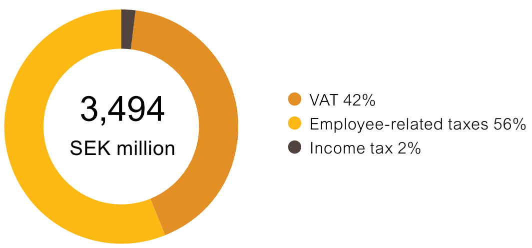
EMPLOYEE-RELATED TAXES

Employers in Sweden pay 31.42 per cent in social security contributions based on salaries and 24.26 per cent in payroll tax on pension premiums. In addition, withholding tax is deducted from employees' salaries and paid to the Swedish Tax Agency. In other countries where Coor operates the local regulations are slightly different, but employee-related taxes are paid in some form in each country. In total, Coor's businesses generated SEK 1,960 (1,816) million in employee-related taxes in 2021.

SUMMARY OF TOTAL TAX PAYMENTS

In total, Coor's businesses generated SEK 3,494 (3,252) million in taxes of various types in 2021, broken down as shown below.

Total taxes paid in 2021



NOTE 11. INTANGIBLE ASSETS

ACCOUNTING PRINCIPLES

GOODWILL

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

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

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

CUSTOMER CONTRACTS

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

The customer contracts have a determinable useful life covering the remaining term of the contract and estimated contract renewal periods. The contracts are 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. The carrying amount is tested for impairment when there are indications that the carrying amount is less than the recoverable amount. Previously recognised impairment losses are reversed if the reasons for the impairment loss have ceased to exist.

Customer contracts that have been recognised and measured in connection with an acquisition have a remaining useful life of one to ten years.

TRADEMARKS

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

OTHER INTANGIBLE ASSETS

Other intangible assets mainly comprise software and licences.

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

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

Capitalised software and licences are amortised over their useful life, which is estimated at three to five years.

CRITICAL ASSUMPTIONS

IMPAIRMENT TESTING OF GOODWILL

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

– Forecasts for organic growth

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

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

– Profit margin growth

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

– Discount rate

The discount rate used is the relevant weighted average cost of capital (WACC) for the markets in which the Group operates. WACC is calculated based on a debt structure comprising 20 per cent loans and 80 per cent equity. The after-tax discount rate for 2021 was 7.7 (8.5) per cent in all entities. The Group has not deemed that the risks differ materially among the various Nordic countries and has therefore applied the same WACC in calculating value in use. In the sensitivity analysis, management has assessed whether an increase in WACC would result in impairment.

The Group has chosen to use an after-tax WACC in the impairment tests, as the cash flow figure used in the Group's impairment tests is measured after tax and because WACC after tax is a more relevant measure for understanding the impairment test. The estimated pre-tax WACC would have been 9.2 (10.2) per cent.

– Sensitivity analysis

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

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

In 2021, the recoverable amount for the Coor Group's operations exceeded the carrying amount for all segments, which means that no impairment existed. Management has also tested whether there still exists an excess based on the above changes in critical assumptions. As the excess varies from one segment in the Group to another, the segments have differing degrees of sensitivity to changes in the above assumptions.

Based on sensitivity analyses, it was concluded that no adjustments to the above assumptions would give rise to impairment in any of the cash-generating units.

VALUATION OF CUSTOMER CONTRACTS

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

The assessment of value in use for customer contracts is strongly influenced by renegotiations with customers, which take place on an ongoing basis. In its initial valuation of the customer contracts, the Group has based its estimate on the assumption that a certain number of contracts will be renewed at a certain volume and margin.

The Group's customer contracts are renegotiated at a weighted average interval of five years. In its assessment made as at 31 December 2021, management factored in the risk of changes to volumes or reduced margins in the most imminent renegotiations.

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

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

	Goodwill		Customer contracts		Trademarks		Other intangible assets	
Intangible assets	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Opening cost	3,433	3,510	2,640	3,173	50	50	303	273
SCF Investments	–	–	–	–	–	–	36	33
Acquired businesses	440	–	226	–	9	–	–	–
Sales and disposals	–	–	–510	–473	–	–	–4	–2
Reclassifications	–	–	–	–	–	–	–	–
Translation differences for the year	50	–78	35	–60	0	0	0	–1
Closing accumulated cost	**3,922**	**3,433**	**2,392**	**2,640**	**59**	**50**	**336**	**303**
Opening amortisation and impairment	–308	–320	–2,248	–2,582	–8	–4	–176	–146
Sales and disposals	–	–	510	473	–	–	4	2
Amortisation for the year	–	–	–181	–190	–2	–3	–36	–32
Impairment for the year	–	–	–7	–	–	–	–	–
Reclassifications	–	–	–	–	–	–	–	–
Translation differences for the year	–6	12	–30	51	0	0	0	1
Closing accumulated amortisation and impairment	**–313**	**–308**	**–1,956**	**–2,248**	**–10**	**–8**	**–208**	**–176**
BS **Closing carrying amount**	**3,609**	**3,125**	**435**	**392**	**50**	**42**	**128**	**128**
Specification of amortisation and impairment by function								
Cost of services sold	–	–	–188	–190	–2	–3	–36	–32
Administrative expenses	–	–	–	–	–	–	0	0
Total amortisation and impairment	–	–	**–188**	**–190**	**–2**	**–3**	**–36**	**–32**

The allocation of intangible assets to the Group's cash-generating units is as follows:

	Goodwill		Customer contracts		Trademarks		Other intangible assets	
Breakdown by segment	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Sweden (incl. Group functions)	2,601	2,204	344	277	49	42	127	126
Norway	526	448	50	47	1	0	–	–
Finland	125	123	3	8	–	–	1	1
Denmark	357	350	39	60	–	0	–	–
BS **Total**	**3,609**	**3,125**	**435**	**392**	**50**	**42**	**128**	**128**

NOTE 12. PROPERTY, PLANT AND EQUIPMENT

§ ACCOUNTING PRINCIPLES

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment. Cost does not include additional expenditure directly attributable to the acquisition of the asset. Repairs and maintenance are recognised as expenses in the income statement in the period in which they are incurred. Property, plant and equipment are depreciated systematically over the asset's estimated useful life, down to the estimated residual value. If there are indications of impairment of an item of property, plant and equipment at the closing date, the item is tested for impairment.

Estimated useful lives

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

	Land and buildings		Plant and equipment	
Property, plant and equipment	**2021**	**2020**	**2021**	**2020**
Opening cost	**6**	**6**	**302**	**326**
SCF Investments	–	–	34	44
Acquired businesses	–	–	5	–
Sales and disposals	–	–	–21	–59
Reclassification	0	–	–3	1
Translation differences for the year	0	0	6	–9
Closing accumulated cost	**6**	**6**	**324**	**302**
Opening depreciation and impairment	**–5**	**–5**	**–220**	**–242**
Sales and disposals	–	–	19	53
Depreciation for the year	0	0	–33	–38
Acquired businesses	–	–	–2	–
Reclassification	0	–	2	0
Translation differences for the year	0	0	–4	7
Closing accumulated depreciation and impairment	**–5**	**–5**	**–239**	**–220**
BS **Closing carrying amount**	**1**	**1**	**85**	**82**
Specification of depreciation and impairment by function				
Cost of services sold	0	0	–32	–36
Administrative expenses	–	–	–1	–2
Total depreciation and impairment	**0**	**0**	**–33**	**–38**

NOTE 13. LEASES

§ ACCOUNTING PRINCIPLES

Accounting as lessee:

All assets and liabilities related to leases where Coor is a lessee are recognised in the balance sheet. Exceptions are made for low-value assets and leases with a term of less than 12 months, for which lease payments are recognised as expense on a straight-line basis over the term of the lease.

The leases are recognised as right-of-use assets with corresponding lease liabilities on the day when the leased asset is available for use by the Group. The asset and liability are measured at present value at the start of the lease.

The value of the lease liability mainly consists of fixed lease payments and variable payments that are contingent on an index or other variable. Lease payments are discounted to present value using the adopted discount rate. In many cases, the interest rate implicit in the lease is not known. The Group has therefore instead used the incremental borrowing rate for each country for different types of assets and lease terms. Each lease payment is apportioned between the finance charge and repayment of the outstanding liability. The finance charge is allocated over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The value of the asset held under a right of use agreement consists mainly of the lease liability at the start of the lease and any payments made before the start date of the lease. The right-of-use asset is depreciated on a straight-line basis from the start date of the lease over the asset's useful life or to the end of the lease term, whichever is shorter.

Useful lives of right-of-use assets under leases:

Commercial premises	2–7 years
Cars	3–6 years
Other assets	3–6 years

Lease payments

Coor has decided to separate lease components and non-lease components for all assets. Expenditure attributable to non-lease components is expensed as incurred and is not included in the basis for calculating the right-of-use asset and lease liability.

Certain leases, mainly for the lease of premises used for restaurant and catering activities, provide for rental fees that are commission-based. The percentage rate ranges from 4 to 10 per cent of sales. Commission-based rent is treated as variable payments and is not included in the basis for calculating the right-of-use asset and lease liability.

When an index adjustment is made to the lease payment, the value of the asset and liability is recalculated.

Lease term

The Group defines the lease term as the non-cancellable period of the lease plus any option to extend the lease term in cases where the Group considers it likely that this option will be exercised.

The Group reviews the length of the lease term when the non-cancellable lease term is changed or when something occurs that changes the Group's assessment of whether the option to extend will be exercised.

When the lease term is changed the lease liability is remeasured, with a corresponding change in the value of the associated right-of-use asset.

Accounting as lessor:

When assets are leased to another party under a finance lease, the present value of the lease payments is recognised as a non-current or current receivable. Finance lease payments are apportioned between repayment of the receivable and interest income in order to apply a constant interest rate on the remaining balance of the receivable. For operating leases where Coor is the lessor, the payments are recognised as revenue on a straight-line basis over the term of the lease.

RIGHT-OF-USE ASSETS UNDER LEASES

The following table shows rights of use held by Coor under leases.

	Commercial premises		Cars		Other		Total	
Right-of-use assets	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Opening cost	**330**	**302**	**192**	**170**	**23**	**29**	**545**	**502**
New leases during the year	4	15	46	49	2	2	51	66
New leases through business acquisitions	13	–	12	–	–	–	24	–
Change in value of existing leases	24	24	–5	–2	0	0	19	22
Leases terminated during the year	–9	–6	–23	–18	–5	–8	–38	–32
Translation differences for the year	4	–6	3	–6	0	0	7	–13
Closing accumulated cost	**364**	**330**	**225**	**192**	**19**	**23**	**609**	**545**
Opening depreciation and impairment	**–119**	**–59**	**–81**	**–45**	**–11**	**–11**	**–211**	**–115**
Depreciation for the year	–69	–65	–55	–56	–6	–9	–130	–129
Leases terminated during the year	9	3	23	18	5	8	38	29
Translation differences for the year	–1	1	–2	3	0	0	–3	4
Closing accumulated depreciation and impairment	**–180**	**–119**	**–115**	**–81**	**–11**	**–11**	**–306**	**–211**
Closing carrying amount	**185**	**211**	**111**	**112**	**8**	**12**	**303**	**334**

LEASE LIABILITIES

The following table shows lease liabilities recognised by Coor for its leases.

	Commercial premises		Cars		Other		Total	
Lease liabilities	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Opening balance	**203**	**234**	**112**	**126**	**15**	**21**	**330**	**381**
New leases during the year	4	15	46	49	2	3	51	67
New leases through acquisitions	13	–	12	–	–	–	24	–
Changes to existing leases	24	21	–5	–2	0	0	19	19
Repayment for the year	–69	–62	–55	–56	–7	–9	–131	–127
Translation differences for the year	2	–5	2	–4	0	0	4	–9
Closing balance	**177**	**203**	**112**	**112**	**10**	**15**	**299**	**330**
Of which current liability	**55**	**49**	**50**	**48**	**5**	**6**	**110**	**103**

Lease liabilities fall due as follows

	Commercial premises		Cars		Other		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Within one year	60	55	51	49	5	7	116	110
Between one and two years	62	60	33	35	3	4	98	99
Between two and three years	43	49	18	19	1	3	62	71
Between three and four years	19	37	9	9	1	1	29	46
Between four and five years	3	16	2	3	0	0	6	19
After five years	1	2	–	–	–	–	1	2
Total future nominal payments	**188**	**218**	**113**	**114**	**10**	**15**	**311**	**347**
Future financial expenses	–10	–15	–2	–2	0	0	–12	–17
Recognised present value of lease liabilities	**177**	**203**	**112**	**112**	**10**	**15**	**299**	**330**

The following table shows all lease-related expenses recognised in the income statement.

Amounts recognised in the income statement	2021	2020
Depreciation of right-of-use assets for the year	–130	–129
Expenditure attributable to variable lease payments not included in recognised lease liabilities	0	–3
Expense for the year for low-value leases	–81	–74
Expense for the year for leases with a term of less than 12 months	0	0
Lease interest expense for the year	–9	–10
Total	**–219**	**–217**

The following table shows all amounts recognised in the statement of cash flows in respect of leases.

Amounts recognised in the statement of cash flows	2021	2020
Lease repayments related to leases recognised in the balance sheet	–131	–127
Lease interest related to leases recognised in the balance sheet	–9	–10
Low-value and short-term lease payments	–81	–74
Variable payments not included in the measurement of the lease liability	0	–3
Total	**–220**	**–215**

COOR AS LESSOR

As lessor, the Group has concluded finance leases for trucks and trailers.

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

	2021	2020
Due within 1 year	1	1
Due after more than 1 year but not more than 5 years	1	2
Due after more than 5 years	0	0
Total	**2**	**2**
Unearned financial income from finance leases	0	0
Present value of finance lease receivables	**2**	**2**

OPERATING LEASES:

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

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

	2021	2020
Due within 1 year	0	1
Due after more than 1 year but not more than 5 years	0	2
Due after more than 5 years	0	0
Total	**0**	**2**

Lease payments under operating leases for the year amounted to SEK 3 (6) million.

NOTE 14. ACCOUNTS RECEIVABLE

ACCOUNTING PRINCIPLES

Accounts receivable are amounts due from customers for goods sold or services provided in the ordinary course of business. If payment is expected within one year or earlier, accounts receivable are classified as current assets. If not, they are classified as non-current assets.

The Group applies the simplified approach for calculating expected credit losses. Under the simplified approach, expected losses over the entire life of the receivable are used as a basis for accounts receivable. The calculation of expected credit losses is based on an analysis of historical data on payment patterns and credit losses over the last two years. Historical data are then adjusted to take account of current and forward-looking macroeconomic factors that may affect the customers' ability to pay their receivables. The analysis of historical data shows very low credit losses. Nor has Coor been able to identify significantly different loss patterns for different customer segments or economic conditions.

CRITICAL ASSUMPTIONS

Accounts receivable have been stated at amortised cost, net of provisions for estimated and actual bad debts. The assessment of bad debts is a critical estimate. Further information on credit risk in accounts receivable is provided in *Note 17 Borrowing and financial risk management.*

Accounts receivable	2021	2020
Accounts receivable	1,354	1,154
Provision for impairment of accounts receivable	–7	–10
BS Total	**1,346**	**1,144**

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

AGING ANALYSIS OF ACCOUNTS RECEIVABLE:

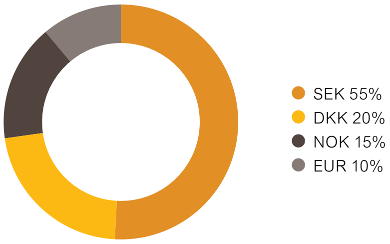
The Group's calculation of expected credit losses on accounts receivable not past due shows a very low credit risk and the amount is considered insignificant. With regard to accounts receivable past due, the analysis is supplemented by taking into account individual circumstances such as bankruptcy, known insolvency and similar events.

Aging analysis of accounts receivable	2021	2020
Accounts receivable which are neither past due nor impaired	1,219	1,036
Accounts receivable which are past due but not impaired		
0–3 months	128	106
>3 months	7	12
Accounts receivable which are past due but not impaired	**135**	**118**
Provision for impairment of accounts receivable	–7	–10
BS Total	**1,346**	**1,144**

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

Provision for doubtful debts	2021	2020
Provision at the beginning of the year	–10	–8
Provision for expected losses	2	–3
Actual losses	1	1
Foreign exchange differences	0	0
Total	**–7**	**–10**

Accounts receivable by currency 2021



NOTE 15. PREPAID EXPENSES AND ACCRUED INCOME

Prepaid expenses and accrued income	2021	2020
Accrued income, subscriptions	61	19
Accrued income, projects	199	114
Prepaid expenses	85	77
BS Total	**345**	**210**

NOTE 16. SHARE CAPITAL AND DATA PER SHARE

The company's share capital at 31 December 2021 comprised 95,812,022 (95,812,022) ordinary shares. The quotient value of the shares at 31 December 2021 was SEK 4.0 (4.0) per share. All shares registered at the closing date were fully paid up. The share capital at 31 December 2021 was SEK 383,248,088 (383,248,088).

Data per share	2021	2020
Share price at end of period	82.7	72.4
Number of shares at end of period	95,812,022	95,812,022
Number of treasury shares	–740,000	–340,000
Number of outstanding shares at end of year	**95,072,022**	**95,472,022**
Number of ordinary shares (weighted average)	95,225,657	95,472,022
Dividend per share, SEK [1]		
Ordinary dividend, SEK	2.40	2.00
Extraordinary dividend, SEK	2.40	2.40
Total	**4.80**	**4.40**
Earnings per share, undiluted and diluted, SEK [2]	**2.78**	**2.00**
Equity per share, SEK	**21.07**	**21.78**

[1] For 2021, the figure refers to the proposed dividend, which is subject to adoption at the AGM on 29 April 2022.
[2] As at 31 December 2021, there were 55,000 issued options outstanding that could have a dilutive effect for future periods. There was no dilutive effect in 2020 or 2021.

NOTE 17. BORROWING AND FINANCIAL RISK MANAGEMENT

§ ACCOUNTING PRINCIPLES

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

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

The Group enters into interest rate swaps to hedge a portion of its variable-rate borrowings. The effectiveness of a hedge is assessed at the inception of the hedge. Interest rate swaps must have the same critical terms as the hedged item. Critical terms may refer to the reference rate, interest rate fixing dates, payment dates and nominal amount.

! CRITICAL ASSUMPTIONS

As part of its current financing solution, Coor has concluded agreements which are subject to certain covenants. If Coor were to breach any of these covenants, this could lead to increased costs as well as a risk that the current financing agreement would be terminated. At 31 December 2021, Coor was complying will all covenants.

BORROWINGS

Borrowings	2021	2020
Long-term borrowings		
Liabilities to credit institutions	1,000	250
Bonds	1,000	1,000
Capitalised borrowing costs	–5	–9
Other non-current liabilities	2	31
BS Total	**1,997**	**1,273**

At 31 December 2021, the Group only had liabilities to credit institutions and outstanding bonds denominated in SEK. The financing agreement comprises a revolving credit facility with a total credit limit of SEK 1,500 million and incurs interest at STIBOR plus 1.10 percentage points in the current interest rate tier. The financing agreement has an IBOR floor. STIBOR was negative in 2021, and the average interest rate on amounts drawn under the Group's revolving credit facility was 0.95 per cent.

In March 2019, Coor issued SEK 1,000 million in bonds with a maturity of five years and a variable interest rate of 3-month STIBOR plus 230 bps. The variable interest rate on the bonds has been hedged using a 0.0 per cent interest rate swap. The average interest rate during the year was therefore equal to the margin, 2.3 per cent.

The limit on the Group's revolving credit facility at 31 December 2021 was SEK 1,500 (1,500) million, of which SEK 1,000 (250) million had been drawn.

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

Carrying amounts and fair values of borrowings	Carrying amount 2021	Carrying amount 2020	Fair value 2021	Fair value 2020
Bank loans (including capitalised borrowing costs)	995	241	995	241
Bonds	1,000	1,000	1,000	1,000
Lease liabilities	299	330	299	330
Other interest-bearing liabilities	2	31	2	31
Total	**2,296**	**1,603**	**2,296**	**1,603**

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

Reconciliation of net debt

2021	Cash and cash equivalents	Lease liabilities	Liabilities to credit institutions	Bonds	Net pensions	Other	Total
Opening balance, 1 January 2021	**396**	**–330**	**–241**	**–1,000**	**–6**	**–25**	**–1,207**
Repayment of borrowings	–29	–	–	–	–	29	–
New liabilities to credit institutions	750	–	–750	–	–	–	–
Acquisition of subsidiaries	–646	–	–	–	–	–	–646
Dividend	–417	–	–	–	–	–	–417
Other cash flow	526	131	–	–	–	–	657
Foreign exchange differences	49	–4	–	–	–	–	44
Other non-cash changes	–	–95	–4	–	1	3	–94
Closing balance, 31 December 2021	**628**	**–299**	**–995**	**–1,000**	**–5**	**8**	**–1,663**

2020	Cash and cash equivalents	Lease liabilities	Liabilities to credit institutions	Bonds	Net pensions	Other	Total
Opening balance, 1 January 2020	**497**	**–381**	**–791**	**–1,000**	**–7**	**–59**	**–1,741**
Repayment of borrowings	–550	–	550	–	–	–	–
Acquisition of subsidiaries	–12	–	–	–	–	12	–
Other cash flow	525	127	–1	–	–	19	670
Foreign exchange differences	–63	9	–	–	–	–	–55
Other non-cash changes	–	–85	–	–	1	3	–81
Closing balance, 31 December 2020	**396**	**–330**	**–241**	**–1,000**	**–6**	**–25**	**–1,207**

FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

The Group classifies its financial instruments as either financial assets and liabilities at amortised cost or financial assets and liabilities measured at fair value through other comprehensive income.

The following tables show financial assets and liabilities at amortised cost.

In 2019, the Group entered into interest rate swaps that are measured at fair value through other comprehensive income. At 31 December 2021, these had a value of SEK 8 (2) million.

Loans and receivables	2021	2020
Lease receivables	2	2
BS Accounts receivable	1,346	1,144
BS Cash and cash equivalents	628	396
Total	**1,976**	**1,542**

Financial liabilities measured at amortised cost	2021	2020
Bank loans including capitalised borrowing costs	995	241
Bonds	1,000	1,000
Lease liabilities	299	330
Other interest-bearing liabilities	2	31
BS Accounts payable	788	607
Total	**3,085**	**2,210**

FINANCIAL RISK MANAGEMENT

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

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

RISK	POLICY / MEASURE
CURRENCY RISK	
Transaction exposure Transaction risk is the risk that Coor is exposed to when making purchases and sales in currencies other than the company's functional currency and when paying interest on and converting loans in currencies other than the company's functional currency.	As the Group's subsidiaries conduct their business almost exclusively in local currency, the transaction risk in the commercial flow is low. Both revenue and expenses are in the local currency of each country. The Group only has borrowings in SEK, and Coor is therefore not affected by changes in exchange rates in connection with interest payments and the revaluation of borrowings.
Translation exposure Translation risk is the risk that Coor is exposed to on translation of its foreign subsidiaries' income statements and balance sheets to Swedish kronor.	In 2021, operations with a different functional currency than Swedish kronor accounted for 47 (46) per cent of operating profit (EBITA). NOK 23 (22) per cent, EUR 7 (9) per cent and DKK 17 (15) per cent. The translation difference in equity for the year was SEK 73 (–106) million. In 2021, a weakening of the Swedish krona by 10 per cent against the currencies listed below would have had the following impact on consolidated profit after tax and equity:

Translation exposure (SEK million)	Profit after tax ± 2021	Equity ± 2021
DKK	6	26
EUR	3	3
NOK	8	71
Total	**17**	**100**

RISK	POLICY / MEASURE
INTEREST RATE RISK	
Interest rate risk is the risk that changes in market interest rates will have a negative impact on net profit, cash flow or the fair values of financial assets and liabilities. For variable-rate assets and liabilities, a change in market interest rates would have a direct impact on net profit and cash flow. For fixed-rate assets and liabilities, the impact is on fair value.	The Group's debt creates an exposure to interest rate risk, as the Group borrows at variable rates. To hedge the interest rate risk related to the bonds, the Group has chosen to enter into interest rate swaps which effectively match the critical terms of the bonds. The critical terms were matched throughout the year and no ineffectiveness therefore arose. For the interest rate risk related to the revolving credit facility, the Group has chosen not to enter into any interest rate swaps. At 31 December 2021, SEK 1,000 (250) million of the revolving credit facility and SEK 1,000 (1,000) million of the bonds had been drawn. 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 ±10 million on the Group's annual interest expense.

RISK	POLICY / MEASURE
CREDIT RISK	

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

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

In 2021, the Group's ten largest customers accounted for 46 (46) per cent of consolidated net sales. Historically, the Group has had a low level of bad debts relative to sales. The maximum credit exposure in accounts receivable at 31 December 2021 was SEK 1,354 (1,154) million. The concentration of credit risk based on the situation at 31 December 2021 is shown below. The indicated figures are based on the amount of the Group's exposure to each customer at the balance sheet date.

	2021		2020	
Concentration of credit risk	**Share of total accounts receivable**	**Percentage of portfolio**	**Share of total accounts receivable**	**Percentage of portfolio**
Exposure <SEK 15m	784	58%	599	52%
Exposure SEK 15–50m	427	32%	348	30%
Exposure >SEK 50m	142	11%	206	18%
Total	**1,354**	**100%**	**1,154**	**100%**

Provisions for doubtful debts at 31 December 2021 amounted to SEK 7 (10) million, representing 0.5 (0.9) per cent of total accounts receivable. For further information on provisions for doubtful debts, see *Note 14 Accounts receivable*.

At 31 December 2021, the Group had accrued but not yet invoiced revenue of SEK 260 (133) million. This revenue consists partly of revenue from subscription contracts under which invoices are issued in the month after the work has been performed and partly of accrued revenue from ongoing projects. The Group performs aging analyses of all accrued income on an ongoing basis to minimise the risk in recognised but not yet invoiced revenue.

LIQUIDITY RISK

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

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

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

The table below shows a breakdown of the Group's financial liabilities by time to contractual maturity at the balance sheet date. The indicated amounts are the undiscounted cash flows. The Group's revolving credit facility can be drawn as required until the maturity date in 2024.

2021 – Maturity analysis	**Within 1 year**	**Between 1–2 years**	**Between 2–3 years**	**Between 3–4 years**	**Between 4–5 years**	**More than 5 years**
Accounts payable	788	–	–	–	–	–
Lease liabilities	116	98	62	29	6	1
Revolving credit facility	–	–	1,000	–	–	–
Bonds	–	–	1,000	–	–	–
Interest, borrowings	34	34	6	–	–	–
Total	**938**	**132**	**2,068**	**29**	**6**	**1**

2020 – Maturity analysis	**Within 1 year**	**Between 1–2 years**	**Between 2–3 years**	**Between 3–4 years**	**Between 4–5 years**	**More than 5 years**
Accounts payable	607	–	–	–	–	–
Lease liabilities	110	99	71	46	19	2
Revolving credit facility	–	–	–	250	–	–
Bonds	–	–	–	1,000	–	–
Interest, borrowings	26	26	26	5	–	–
Total	**743**	**124**	**96**	**1,302**	**19**	**2**

RISK	POLICY / MEASURE
REFINANCING RISK	
Refinancing risk is the risk that financial expenses will be higher and/or that refinancing opportunities will be more limited or non-existent when the Group's liabilities fall due and need to be refinanced.	To reduce the financing risk, the Group strives to use diversified funding sources by maintaining commercial relations with at least two financial operators as well as through financing via the capital market. In January 2019, Coor entered into a financing agreement with two credit institutions. The agreement provides a credit line of SEK 1,500 million consisting of a revolving credit facility which matures in January 2024. The interest rate on the revolving credit facility is a variable interest rate defined as 3-month STIBOR with a STIBOR floor and a tiered margin based on the company's level of debt. In 2021, the margin was 0.95 per cent. With the aim of increasing the Group's financial flexibility and extending the company's maturity profile, Coor issued SEK 1,000 million in senior unsecured bonds in March 2019. The bonds have a maturity of five years and a variable interest rate defined as 3-month STIBOR plus 230 bps. Both the revolving credit facility and the bonds are denominated in SEK and are subject to normal restrictions and financial covenants. The key ratios reported to the banks under the covenants for the financing agreement are leverage (the ratio of net interest-bearing debt to adjusted EBITDA) and interest coverage ratio (the ratio of adjusted EBITDA to net interest expense). For the current financial year, the Group has met all the requirements specified in the loan agreements.
CAPITAL RISK	
Capital risk is the risk that the Group will be unable to maintain an optimal capital structure and therefore be unable to continue to generate returns to the shareholders and other stakeholders in line with its objectives.	The Group strives to maintain an efficient capital structure that promotes the long-term development of the Group while also generating returns for its shareholders and benefits for other stakeholders. The Group's objective is to have a leverage of less than 3.0. The table below shows the Group's capitalisation and debt at 31 December 2021:

Net debt	2021	2020
Liabilities to credit institutions	995	241
Bonds	1,000	1,000
Leases, net	297	328
Other	–1	33
	2,291	**1,603**
Cash and cash equivalents	–628	–396
Net debt	**1,663**	**1,207**
Leverage, times	2.0	1.6
Equity	2,003	2,079
Equity/assets ratio, %	28	34

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

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

For definitions and information on target achievement in respect of the financial targets for 2021, see the section ***Goals and results*** on pages 16–17.

NOTE 18. PROVISIONS

ACCOUNTING PRINCIPLES

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. The provision is measured at the present value of the amount expected to be required to settle the obligation.

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

SPECIFICATION OF CHANGE IN PROVISIONS:

2021	Restructuring	Other provisions	Total
At 1 January 2021	**15**	**0**	**15**
Recognised in the income statement:			
– additional provisions	12	4	16
– reversal of unused amounts	0	–	0
Utilised during the year	–14	0	–14
Translation difference	0	–	0
BS **At 31 December 2021**	**13**	**4**	**16**

2020	Restructuring	Other provisions	Total
At 1 January 2020	**15**	**0**	**15**
Recognised in the income statement:			
– additional provisions	20	–	20
– reversal of unused amounts	–3	–	–3
Utilised during the year	–17	–	–17
Translation difference	0	–	0
BS **At 31 December 2020**	**15**	**0**	**15**

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

	2021	2020
Non-current component	3	0
Current component	14	15
BS **Total**	**16**	**15**

NOTE 19. OTHER LIABILITIES

Other liabilities	2021	2020
VAT liability	174	151
Employee withholding tax	91	72
Other current liabilities	30	26
BS **Total**	**294**	**249**

NOTE 20. ACCRUED EXPENSES AND DEFERRED INCOME

Accrued expenses and deferred income	2021	2020
Social security contributions	240	184
Holiday pay	583	510
Other personnel-related liabilities	306	241
Accrued interest expense	2	1
Deferred income, subscriptions	238	269
Deferred income, projects	7	2
Other accrued expenses	217	218
BS **Total**	**1,592**	**1,424**

NOTE 21. PLEDGED ASSETS AND CONTINGENT LIABILITIES

ACCOUNTING PRINCIPLES

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 that 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.

Contingent liabilities	2021	2020
Performance bonds	181	169
Total	**181**	**169**

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

Pledged assets	2021	2020
Bank guarantees	49	127
Total	**49**	**127**

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

NOTE 22. RELATED-PARTY TRANSACTIONS

Ownership

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

The following transactions have been made with related parties: No material transactions took place between Coor and any related parties during the year.

For information on remuneration of senior executives, see *Note 7 Remuneration of senior executives*.

NOTE 23. BUSINESS ACQUISITIONS

ACCOUNTING PRINCIPLES

The Group applies IFRS 3 Business Combinations in connection with acquisitions. In a business combination, the acquired assets and assumed liabilities are identified and classified at fair value at the acquisition date. In preparing the purchase price allocation, an assessment is also made of whether there are intangible assets such as trademarks and customer contracts that have not been recognised in the acquired entity. In case of acquisitions where the cost exceeds the net value of the acquired assets and assumed liabilities and identified intangible assets, the difference is recognised as goodwill. Any premiums are amortised over the asset's estimated useful life. Goodwill is not amortised but is tested for impairment in the annual impairment test. Transferred payments that are contingent on future events are measured at fair value. Any change in value is recognised in profit or loss for the period. Transaction costs in connection with acquisitions are not included in cost but are expensed as incurred. Entities acquired during the period are included in the consolidated financial statements from the acquisition date.

ACQUISITIONS DURING THE YEAR

Acquisition of R&K Service AS

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

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

In conjunction with the acquisition of R&K Service, intangible assets were identified at a value of SEK 70 million (SEK 64 million net including deferred tax liability), of which SEK 26 million was allocated to customer contracts and SEK 1 million to trademarks. The remainder comprises goodwill. The goodwill that arose from the acquisition is primarily attributable to the employees' skills and to increased profitability in the form of expected synergies from the acquisition. No portion of the recognised goodwill is expected to be tax-deductible.

Acquisition of Veolia Technical Management

On 30 September 2021, Coor completed the acquisition of the operations in the business area Veolia Technical Management, part of Veolia Sverige AB. The business area has around 250 employees and annual sales of approximately SEK 500 million. The acquisition further strengthens Coor's offering and expertise in technical property maintenance.

The transaction costs for the acquisition, totalling SEK 0.5 million, have been recognised as an administrative expense in the income statement.

In conjunction with the acquisition of the business area Veolia Technical Management, intangible assets were identified in the form of customer contracts valued at SEK 70 million and goodwill of SEK 109 million. The goodwill that arose from the acquisition is primarily attributable to the employees' skills and to increased profitability in the form of expected synergies from the acquisition. Recognised goodwill is expected to be tax-deductible.

Acquisition of Inspira AB

On 1 December 2021, Coor completed the acquisition of Inspira AB (including the subsidiary Middlepoint AB), a well-run family business that provides workplace services, primarily focused on cleaning, to a large number of customers in Central Sweden. The acquisition increases Coor's geographic coverage in Central Sweden and opens up the possibility of extensive synergies. Inspira has around 1,400 employees and annual sales of approximately SEK 700 million.

The transaction costs for the acquisition, totalling SEK 0.4 million, have been recognised as an administrative expense in the income statement.

In conjunction with the acquisition of Inspira AB, intangible assets were identified at a value of SEK 426 million (SEK 397 million net including deferred tax liability), of which SEK 130 million was allocated to customer contracts and SEK 8 million to trademarks. The remainder comprises goodwill. The goodwill that arose from the acquisition is primarily attributable to the employees' skills and to increased profitability in the form of expected synergies from the acquisition. No portion of the recognised goodwill is expected to be tax-deductible.

The acquisitions' contributions to consolidated sales and earnings

The three acquisitions during the year increased consolidated sales by SEK 243 million and had a positive impact on consolidated net profit of SEK 15 million during the period 1 January to 31 December 2021. If the acquisitions had taken place on 1 January 2021, the acquired businesses would have increased consolidated net sales by SEK 1,254 million and consolidated net profit by SEK 57 million on a pro forma basis for the period 1 January to 31 December 2021.

	2021			
SEK million	**R&K Service[1]**	**Veolia TM[1]**	**Inspira[1, 2]**	**Total**
Purchase price				
Total consideration	84	210	401	695
The assets acquired and liabilities assumed that have been recognised as a result of the acquisitions are the following				
Property, plant and equipment	5	13	9	28
Intangible assets – customer contracts	26	70	130	226
Intangible assets – trademarks	1	–	8	9
Other financial assets	0	–	–	0
Cash and cash equivalents	20	–	29	49
Accounts receivable and other current receivables	15	49	111	174
Deferred tax liability	–6	–	–29	–34
Lease liabilities	–5	–12	–9	–25
Accounts payable and other operating liabilities	–16	–19	–137	–171
Acquired identifiable net assets	**40**	**101**	**114**	**255**
Goodwill	43	109	288	440
Total acquired net assets	**84**	**210**	**401**	**695**
Cash flow attributable to acquisitions for the period				
Consideration paid	84	210	401	695
Cash in acquired businesses	–20	–	–29	–49
Net outflow, cash and cash equivalents	**64**	**210**	**372**	**646**

[1] Preliminary amounts. The purchase price allocation has not yet been completed.
[2] The acquisition comprises two legal entities, Inspira AB and Middlepoint AB.

NOTE 24. EVENTS AFTER THE BALANCE SHEET DATE

No significant events have occurred after the end of the reporting period.


FLÄKTFABRIKEN
FLÄKTRUM
TA-1
FILTERBYTE

Parent company financial statements

PARENT COMPANY INCOME STATEMENT

	Note	2021	2020
Net sales		9	4
Net sales		**9**	**4**
Selling and administrative expenses	26,27,28	–37	–27
Operating loss		**–28**	**–22**
Other interest income and similar income	29	0	–
Interest expense and similar charges	29	–46	–45
Net financial expense		**–46**	**–45**
Group contributions		**68**	**64**
Loss before tax		**–6**	**–4**
Tax on profit for the year	30	–6	–6
LOSS FOR THE YEAR		**–11**	**–10**

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

PARENT COMPANY BALANCE SHEET

	Note	2021	2020
ASSETS			
Non-current assets			
Financial assets			
Shares in subsidiaries	33	7,789	7,789
Deferred tax asset	30	51	50
Other financial assets		3	2
Total non-current assets		**7,843**	**7,841**
Current assets			
Receivables from Group companies [1]		73	69
Other receivables		8	1
Prepaid expenses and accrued income		1	1
Total current receivables		**83**	**72**
Cash and cash equivalents*		0	1
Total current assets		**83**	**72**
TOTAL ASSETS		**7,926**	**7,913**

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

PARENT COMPANY BALANCE SHEET

	Note	2021	2020
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital, 95,812,022 shares	16	383	383
Total restricted equity		**383**	**383**
Non-restricted equity			
Share premium reserve		6,683	6,655
Retained earnings		–1,976	–1,519
Loss for the year		–11	–10
Total non-restricted equity		**4,696**	**5,126**
Total equity		**5,079**	**5,509**
Liabilities			
Non-current liabilities			
Borrowings	31	1,995	1,271
Provisions for pensions		5	3
Total non-current liabilities		**2,000**	**1,273**
Current liabilities			
Accounts payable		1	0
Liabilities to Group companies [1]		818	1,108
Tax liabilities	30	13	13
Other liabilities		1	1
Accrued expenses and deferred income	32	15	9
Total current liabilities		**847**	**1,131**
Total liabilities		**2,847**	**2,404**
TOTAL EQUITY AND LIABILITIES		**7,926**	**7,913**

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium reserve	Retained earnings	Profit for the year	Total equity
Opening balance, 1 January 2020	**383**	**6,630**	**–2,100**	**581**	**5,494**
Transfer of profit/loss from previous year according to resolution of AGM	–	–	581	–581	–
Profit/loss for the year	–	–	–	–10	–10
Share-based remuneration programmes	–	25	–	–	25
BS **Closing balance, 31 December 2020**	**383**	**6,655**	**–1,519**	**–10**	**5,509**
Opening balance, 1 January 2021	**383**	**6,655**	**–1,519**	**–10**	**5,509**
Transfer of profit/loss from previous year according to resolution of AGM	–	–	–10	10	–
Profit/loss for the year	–	–	–	–11	–11
Share-based remuneration programmes	–	28	–	–	28
Share buybacks	–	–	–29	–	–29
Dividend	–	–	–417	–	–417
BS **Closing balance, 31 December 2021**	**383**	**6,683**	**–1,976**	**–11**	**5,079**

For information on share capital, see *Note 16 Share capital and data per share*. For information on the appropriation of retained earnings for the year, see *page 75*. Share-based compensation programmes in 2021 refer to a recognised cost for LTIP 2018, 2019 and 2021 of SEK 13 million in accordance with IFRS 2 and an effect of SEK 15 million for the share swap entered into to secure access to shares for LTIP 2018.

PARENT COMPANY STATEMENT OF CASH FLOWS

	2021	2020
Operating activities		
IS **Operating loss**	–28	–22
Other non-cash items	14	10
Interest paid and other financial expenses	–41	–45
Tax paid	–7	0
Cash flow from operating activities before changes in working capital	**–62**	**–57**
Increase (+)/decrease (–) in net working capital	–3	–6
Cash flow from operating activities	**–65**	**–63**
Cash flow from investing activities	–	–
Financing activities		
Group contribution received	64	76
Dividend	–417	–
Share-based remuneration programmes	15	–20
Share buybacks	–29	–
Proceeds from borrowings	750	–
Repayment of borrowings	–29	–550
Change in cash pool balance	–288	557
Cash flow from financing activities	**65**	**63**
CASH FLOW FOR THE YEAR	**0**	**0**
Cash and cash equivalents at the beginning of the year	1	0
Foreign exchange difference in cash and cash equivalents	0	0
BS **Cash and cash equivalents at the end of the year**	**0**	**1**

Notes to the parent company financial statements

NOTE 25. ACCOUNTING PRINCIPLES

ACCOUNTING PRINCIPLES

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

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

Related-party disclosures

The parent company has related-party relationships which include a controlling interest in its subsidiaries, see *Note 33 Shares in Group companies*. All transactions with related parties have been made on market terms.

Sales to other Group companies totalled SEK 9 (4) million in 2021. In 2021, the parent company paid interest of SEK 12 (10) million to other Group companies.

Group contributions

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

Dividend

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

Shares in subsidiaries

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

NOTE 26. COSTS BY NATURE OF EXPENSE

Costs by nature of expense	2021	2020
External services	–4	–3
Payroll costs	–33	–23
Other operating expenses	0	–1
IS **Total**	**–37**	**–27**

NOTE 27. AUDIT FEES

Audit fees	2021	2020
PwC		
Audit engagement	2	2
Audit services in addition to the audit engagement	–	–
Tax advisory services	0	–
Other services	1	–
Total	**2**	**2**

Audit engagement refers to the examination of the annual accounts, 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 examination or the performance of such other tasks. Everything else is defined as other services.

NOTE 28. EMPLOYEES AND EMPLOYEE BENEFIT EXPENSES

	2021				2020			
Employee benefit expenses	**Salaries and benefits**	*Of which bonuses*	**Social security contributions**	*Of which retirement benefit costs*	**Salaries and benefits**	*Of which bonuses*	**Social security contributions**	*Of which retirement benefit costs*
Directors and CEO	15	*3*	7	*2*	11	*1*	6	*2*
Other employees	7	*2*	4	*1*	3	*0*	2	*1*
Total	**21**	*5*	**11**	*3*	**14**	*1*	**8**	*3*

AVERAGE NUMBER OF EMPLOYEES

The company had 2 (2) employees during the year, of whom 1 (1) was a man.

At the balance sheet date, the Board of Directors of the parent company, not including employee representatives, consisted of 6 (6) members, of whom 3 (3) were men. There are also 3 (3) employee representatives.

NOTE 29. FINANCIAL INCOME AND EXPENSES

	2021	2020
Financial income		
Foreign exchange differences	0	–
IS **Total**	**0**	–
Financial expenses		
Interest expense, Group companies	–12	–10
Interest expense, external	–26	–30
Foreign exchange differences	0	0
Other financial expenses	–7	–6
IS **Total**	**–46**	**–45**
Total net financial expense	**–46**	**–45**

NOTE 30. INCOME TAX

Tax expense (–), Tax income (+)	2021	2020
Current tax	–6	–7
Deferred tax	0	0
IS **Total**	**–6**	**–6**

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

	2021	%	2020	%
IS **Reported profit/loss before tax**	–6		–4	
IS **Tax expense**	–6	100.0	–6	181.4
Calculated tax expense	1	–20.6	1	–21.4
Difference	**–7**	**120.6**	**–7**	**202.8**
Tax effect of non-deductible expenses	7	–120.6	7	–202.8
Total	**7**	**–120.6**	**7**	**–202.8**

Deferred tax asset	2021	2020
BS **Opening balance**	**50**	**50**
Change in deferred tax on temporary differences	0	0
BS **Closing balance**	**51**	**50**

At 31 December 2021, the company had a current tax liability of SEK 13 (13) million.

NOTE 31. BORROWINGS

Borrowings	2021	2020
Liabilities to credit institutions	1,000	250
Bonds	1,000	1,000
Capitalised borrowing costs	–5	–9
Liability related to share swap	–	29
BS **Total**	**1,995**	**1,271**

In January 2019, Coor entered into a financing agreement with two credit institutions. The agreement provides a credit line of SEK 1,500 million consisting of a revolving credit facility which matures in January 2024.

In March 2019, the company issued SEK 1,000 million in senior unsecured bonds. The bonds have a maturity of five years. For further information on borrowing and financial risks, see *Note 17 Borrowing and financial risk management*.

NOTE 32. ACCRUED EXPENSES AND DEFERRED INCOME

Accrued expenses and deferred income	2021	2020
Social security contributions	5	4
Holiday pay	3	3
Other personnel-related liabilities	5	1
Other items	1	1
BS **Total**	**15**	**9**

NOTE 33. SHARES IN GROUP COMPANIES

2021	Corp. ID no.	Registered office	Share of equity	Carrying amount
Direct				
Coor Service Management Group AB	556739-7665	Stockholm	100%	7,789
Indirect				
Coor Service Management AB	556084-6783	Stockholm	100%	
Coor Service Management APS AB	556764-1328	Stockholm	100%	
Addici Security AB	556555-5314	Stockholm	100%	
Coor Service Management CTS AB	556912-0156	Stockholm	100%	
Coor Norrland Lokalvård AB	556180-2959	Stockholm	100%	
Coor Service Management LB 3 AB	556994-4506	Stockholm	100%	
Coor Service Management LB 4 AB	556994-4498	Stockholm	100%	
Coor ILV AB	556478-2646	Stockholm	100%	
Middlepoint AB	556789-6864	Stockholm	100%	
Coor Service Management A/S	10 68 35 48	Denmark	100%	
Coor Service Management AS	983,219,721	Norway	100%	
Coor Cleaning Catering and Property AS	912,523,918	Norway	100%	
Coor Offshore AS	814,493,962	Norway	100%	
Coor Service Management Øst AS	815,367,952	Norway	100%	
R&K Service AS [1]	984,231,083	Norway	100%	
Coor Service Management OY	1597866-9	Finland	100%	
Coor Service Management NV	0480-088-929	Belgium	100%	
Addici Security NV	0559-876-971	Belgium	100%	
Coor DOC NV	0668-588-237	Belgium	100%	
Coor Service Management sp. z.o.o [2]	0000350979	Poland	100%	
Coor Service Management OÜ	12169810	Estonia	100%	

[1] Merger process is ongoing. The company will be merged with Coor Cleaning Catering and Property AS during 2022.
[2] Companies in course of liquidation.

CHANGE DURING THE YEAR	2021	2020
Opening cost	8,489	8,489
Closing accumulated cost	**8,489**	**8,489**
Opening impairment	–700	–700
Closing accumulated impairment	**–700**	**–700**
BS **Closing carrying amount**	**7,789**	**7,789**

NOTE 34. PLEDGED ASSETS AND CONTINGENT LIABILITIES

The parent company has provided a parent company guarantee of SEK 31 (30) million covering financial obligations of the Finnish subsidiary in respect of leases and bank guarantees. The parent company has no other pledged assets or contingent liabilities.

Declaration of the Board of Directors

The Board of Directors and Chief Executive Officer certify that the annual accounts have been prepared in accordance with the international accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards as well as generally accepted accounting principles, and give a true and fair view of the financial positions and results of the parent company and Group. The Directors' Report for the parent company and Group gives a true and fair view of the parent company's and Group's activities, their financial position and results, and describes significant risks and uncertainties faced by the parent company and the companies in the Group.

The consolidated statement of comprehensive income and balance sheet and the parent company statement of comprehensive income and balance sheet will be submitted for adoption at the AGM on 29 April 2022.

Stockholm, 31 March 2022

MATS GRANRYD
Chairman

MAGNUS MEYER

MATS JÖNSSON

MONICA LINDSTEDT

KRISTINA SCHAUMAN

HEIDI SKAARET

GLENN EVANS
Employee representative

RIKARD MILDE
Employee representative

URBAN RÄÄF
Employee representative

ANNACARIN GRANDIN
President and CEO

We submitted our Auditor's Report on 31 March 2022
Öhrlings PricewaterhouseCoopers AB

NIKLAS RENSTRÖM
Authorised Public Accountant
Auditor-in-charge

Auditor's Report

To the general meeting of shareholders of Coor Service Management Holding AB (publ), corp. ID no. 556742-0806

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

OPINION

We have audited the annual accounts and consolidated financial statements of Coor Service Management Holding AB (publ) for 2021. The company's annual accounts and consolidated financial statements are included on pages 68–115 of this document.

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Swedish Annual Accounts Act and give a true and fair view of the state of the parent company and the Group's affairs at 31 December 2021 and of their financial results for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the state of the Group's affairs at 31 December 2021 and of its financial results and cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory Directors' Report is consistent with the other parts of the annual accounts and consolidated accounts.

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

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

BASIS OF OPINION

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

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

AUDIT APPROACH

FOCUS AND SCOPE OF THE AUDIT

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

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

MATERIALITY

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

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

KEY AUDIT MATTERS

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

KEY AUDIT MATTER	HOW THE KEY AUDIT MATTER WAS ADDRESSED IN OUR AUDIT
Testing for impairment of goodwill and other acquisition-related intangible assets Refer to Note 1 for a description of significant accounting principles and to Note 11 Intangible assets for a description of the year's impairment testing. At 31 December 2021, Coor had goodwill and other acquisition-related assets, including contracts, of SEK 4,094 million, representing 58 per cent of total assets. The principal risk is the risk that the value of these assets will need to be written down. Each year, Coor performs a test to measure goodwill and other intangible assets in order to determine whether any impairment has occurred. The test is complex and relies on management's expectations in respect of material parameters, including future sales performance, margins and discount rates (WACC). Coor has an established process for testing the measurement that is based on cash-generating units. The process is described in Note 11. For 2021, there were four identified cash-generating units. Acquired identifiable contracts are handled in the same manner. When contracts can be separated from a purchase price allocation, assumptions are made about the duration of the contracts, expected volumes and margins. These assumptions are tested annually. Coor's conclusion is that no impairment had occurred for the aforementioned assets in 2021.	In testing goodwill and other acquisition-related intangible assets for impairment, we performed a number of audit procedures aimed primarily at confirming the measurement and accuracy. In particular, we: • Have previously engaged PwC's experts in accounting measurement to test and assess Coor's models, methods and assumptions. • Through spot checks, tested, assessed and challenged the information used in the calculations in relation to Coor's financial plan and, where possible, external information. In doing so, we focused on assumed growth rates, margin growth rates and discount rates for each cash-generating unit. We also assessed the accuracy and inherent quality of the company's process for preparing business plans and financial plans based on historical outcomes. • Checked the sensitivity of the measurements to negative changes in all parameters which, individually or in the aggregate, could result in impairment. • Assessed whether the disclosures made in the annual report are correct based on tests of the measurements made, with a particular emphasis on disclosures on the sensitivity of the measurements. • Compared the disclosures included in the annual report with the requirements of IAS 36 Impairment of Assets. Based on our examination, it is our conclusion that Coor's valuation and disclosures meet the requirements pursuant to IAS 36 and that the assumptions that form the basis of the valuation are deemed reasonable.
Recognition of revenue Refer to Note 1 for a summary of significant accounting principles, and to Note 2 Revenue, Note 14 Accounts receivable, Note 15 Prepaid expenses and accrued income, and Note 20 Accrued expenses and deferred income. One of the focus areas in our audit was the Group's recognition of revenue. Revenue is to be recognised when or as the company completes its contractual performance obligations. The majority of Coor's services are completed and recognised during a specific month, but there are also some services that may be performed over a longer period of time. Assessing whether revenue has been allocated to the correct accounting periods and whether it has been correctly measured thus constitutes a key audit matter. The revenue process involves line managers, who are in charge of compiling and assessing the data used for invoicing, as well as a central function, which issues the invoices. Revenue earned that has not been invoiced by the closing date is recognised as accrued income based on an assessment of the percentage of the services provided that can be invoiced. Revenue invoiced but not yet earned is recognised as deferred income based on an assessment of the extent to which the services have yet to be performed.	Our audit is based both on an evaluation of internal control and substantive testing of revenue and material projects, including systems-based analysis of balance sheet and income statement items. Our audit procedures included the following: • Identification of the processes for revenue recognition and testing of relevant checks concerning revenue recognition. • Substantive analytical testing concerning material business units and specific customer contracts. • Systems-based analyses of deferred income to ensure that registered revenue has been correctly transferred to the main ledger. • Testing of recognised revenue against the contracts through spot checks to determine whether the correct amount has been recognised in the right period and whether the revenue has been fully accounted for and paid. • Assessment of any bad debts based on Coor's policy for provisions, and discussions and follow-ups on any significant overdue receivables to determine whether provisions have been recognised correctly based on the estimated risk of non-payment. Based on our examination, it is our conclusion that Coor's revenue recognition meets the requirements of IFRS 15 Revenue from Contracts with Customers.

OTHER INFORMATION THAN THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

This document also contains other information than the annual accounts and consolidated financial statements, which is found on pages 1–67 and 120–146. The information in Coor Service Management's remuneration report for 2021, which is published on the company's website at the same time as this report, also constitutes other information. Responsibility for this other information rests with the Board of Directors and Chief Executive Officer.

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

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

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

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

Responsibility for ensuring that the annual accounts and consolidated accounts are prepared and give a true and fair view pursuant to the Annual Accounts Act rests with the Board of Directors and Chief Executive Officer. The Board of Directors and the Chief Executive Officer are also responsible for such internal control as they deem necessary for the purpose of preparing annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board and Chief Executive Officer are responsible for assessing the company's and Group's ability to continue as a going concern. Where applicable, they are also required to disclose circumstances which could affect the company's ability to continue as a going concern and use the going concern assumption. The going concern assumption applies unless the Board and Chief Executive Officer intend to liquidate the company or cease operations, or have no realistic alternative but to do so.

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

RESPONSIBILITIES OF THE AUDITOR

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

OPINION

In addition to our audit of the annual accounts and consolidated accounts, we have audited the Board of Directors' and Chief Executive Officer's management of Coor Service Management Holding AB (publ) for 2021 and the proposed appropriation of the company's profit or loss.

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

BASIS OF OPINION

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

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

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

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

The Board of Directors is responsible for the company's organisation and the administration of the Company's affairs. This includes, among other things, continuous assessment of the company's and the Group's financial situation and ensuring that the company's organisation is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a satisfactory manner. The Chief Executive Officer is responsible for day-to-day management in accordance with the guidelines and instructions issued by the Board, and is required to take such actions as may be necessary to ensure compliance with the company's statutory accounting obligations and satisfactory management of funds.

RESPONSIBILITIES OF THE AUDITOR

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

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

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

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

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

THE AUDITOR'S EXAMINATION OF THE ESEF REPORT

OPINION
In addition to our audit of the annual accounts and consolidated accounts, we have also examined whether the Board of Directors and the Chief Executive Officer have prepared the annual accounts and consolidated accounts in a format that facilitates uniform electronic reporting (the ESEF report) according to Chapter 16, Section 4 a of the Securities Market Act (2007:528) for Coor Service Management Holding AB for the year 2021.

Our examination and our opinion refer only to the statutory requirement.

In our opinion, the ESEF report has been prepared in a format that in all material respects facilitates uniform electronic reporting.

BASIS OF OPINION
We have conducted our examination in accordance with FAR's recommendation, RevR 18 Review of the ESEF report. Our responsibilities under this recommendation are further described in the section Responsibilities of the auditor. We are independent of Coor Service Management Holding AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER
The Board of Directors and the Chief Executive Officer are responsible for ensuring that the ESEF report has been prepared in accordance with Chapter 16, Section 4 a of the Securities Market Act (2007:528) and for ensuring that there is such internal control as the Board of Directors and the Chief Executive Officer deem necessary for the purpose of preparing the ESEF report in a manner that is free from material misstatement, whether due to fraud or error.

RESPONSIBILITIES OF THE AUDITOR
Our responsibility is to express an opinion with reasonable assurance on whether, based on our examination, the ESEF report, in all material respects, has been prepared in a format that satisfies the requirements of Chapter 16, Section 4 a of the Securities Market Act (2007:528). RevR 18 requires that we plan and implement our audit procedures to achieve reasonable assurance that the ESEF report has been prepared in a format that satisfies these requirements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in aggregated, they can reasonably be expected to influence financial decisions made by users on the basis of the ESEF report.

The auditing firm applies ISQC 1 (International Standard on Quality Control) Quality Control for audit firms that audit and review financial reports and perform other assurance engagements, as well as related services and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The review involves performing various procedures to obtain evidence that the ESEF report has been prepared in a format that facilitates uniform electronic reporting of the annual accounts and consolidated accounts. The auditor selects which procedures are to be performed, including assessing the risks of material misstatement in the reporting, whether due to fraud or error. In making these risk assessments, the auditor considers the parts of the internal control relevant to how the Board of Directors and the Chief Executive Officer prepare the basis for designing audit procedures that are appropriate in view the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. The review also includes an evaluation of the appropriateness and reasonableness of the Board of Directors' and the Chief Executive Officer's assumptions.

The audit procedures primarily comprise a technical validation of the ESEF report, meaning whether the ESEF report fulfils the technical specifications stated in the European Commission's delegated regulation (EU) 2019/815 and checking that the ESEF report complies with the audited annual accounts and consolidated accounts.

The review also includes an assessment of whether the ESEF report has been marked with iXBRL, which enables a fair and complete machine-readable version of the consolidated income statements, balance sheets and statements of equity, as well as the cash flow statement.

Öhrlings PricewaterhouseCoopers AB, Torsgatan 21, 113 97 Stockholm, were appointed to serve as auditors of Coor Service Management Holding AB by the Annual General Meeting on 26 April 2021 and have been the company's auditors since December 2004.

Stockholm, 31 March 2022
Öhrlings PricewaterhouseCoopers AB

Niklas Renström
Authorised Public Accountant

Sustainability at all stages

Coor's ambition is to run a sound business in a sustainable manner. This ambition extends across the whole value chain, from supplier to end customer.

SUSTAINABILITY GOVERNANCE AND MATERIALITY

Coor's framework for sustainability work consists of the Group's sustainability policy, Code of Conduct and values/guiding principles. The Board of Directors has ultimate responsibility for Coor's organisation and operations, and continuously assesses the company's performance from a triple bottom line perspective. The Board addresses strategic matters, financial performance and matters relating to customers, employees, sustainability and risk management. They also monitor progress towards the company's sustainability goals and Coor 2025 – the company's efforts to become a truly sustainable company. The Board of Directors has delegated operational responsibility for the company and its management to the company's President and CEO, AnnaCarin Grandin, who leads the activities within the limits and guidelines established by the Board. This responsibility includes setting goals for the company's operational activities, allocating resources and monitoring sustainability issues. One of Coor's President and CEO's core values is sustainability, and this is reflected in the decisions that were made during the year, such as the decision to electrify the company's vehicle fleet and introduce a bonus structure that includes social sustainability goals. From 2022, environmental goals, which focus on reducing the company's carbon footprint, will form part of Coor's incentive programme. Members of the executive management team have been assigned responsibility for strategic development of the various sustainability dimensions. The CFO is in charge of the business dimension, the HR Director of the social dimension, which includes diversity and inclusion, and the Senior Vice President, Operations Development of the environmental dimension.

Reporting directly to the executive management team is the Sustainability Management Team (SuMT), which is in charge of managing and monitoring the company's sustainability management. Based on a central governance model and a sustainability organisation with operational responsibility, we ensure that sustainability is integrated into all activities. This work is led by Coor's Group-level Head of Sustainability with support from the Head of Sustainability/HSEQ Managers in the Nordic countries. Coor manages health, safety and environment issues nationally, as regulations and practices sometimes differ from one country to another.

The Group's sustainability network, Sustainability Council, operates cross-functionally between the company's operating units. The purpose of the network is to promote uniform practices and drive joint development activities as well as to exchange experiences between the businesses.

COOR'S SUSTAINABILITY AGENDA

Sustainable business is about taking long-term responsibility for the activities in which you are engaged. The overall objective is to ensure that the business is successful and generates the highest possible economic return, without compromising on respect for human beings or the environment. Coor's sustainability agenda, which is designed to support the strategy to build a truly sustainable company, has been developed through analysis, internal discussions and dialogue with target groups and stakeholders. The agenda is based partly on the UN global Sustainable Development Goals (SDGs), local and global opportunities and challenges, risk management, Coor's stakeholders' priorities and its opportunities to create value for them.

Sustainability governance at Coor in 2021

EXECUTIVE MANAGEMENT TEAM

Sustainability management team
- Head of Sustainability [1]
- CFO and IR Director
- Senior Vice President, Operations Development
- Director of Communications
- HR Director
- Chief Legal Counsel and Risk Manager
- Business representative
- Sustainability Managers [1]

Employees, health and social responsibility
- HR Director
- HR Managers in the Nordic countries

Health, safety, environment and quality
- Head of Sustainability [1]
- Head of Sustainability/HSEQ Managers [2] in the Nordic countries

[1] Not a member of the executive management team
[2] HSEQ is short for health, safety, environment and quality

Stakeholder dialogue and communication with target groups

To create sustainable values, Coor needs to understand and analyse our stakeholders' expectations. Coor therefore engages in continuous dialogue with its stakeholders. This communication is both transparent and objective, and is aimed at building good and trusting relationships with the stakeholders.

Coor continuously identifies those issues that are most important in its communication with its various stakeholder groups. Personal meetings (on-site or digital) are a key element of Coor's stakeholder dialogue. Personal meetings are complemented with several other communication channels. We also conduct regular surveys to measure key indicators, the most important of which are the annual customer and employee surveys. Responsibility for communication with a particular stakeholder group is decentralised to the person who knows most about the group, and this is clearly defined in the company's communication policy.

In 2021, in addition to these stakeholder dialogues, we conducted several in-depth interviews with selected representatives from various stakeholder groups in collaboration with external consultants. The purpose was to secure Coor's existing sustainability strategy and material issues, but also to examine the need for change in order to ensure that we continue to be a relevant FM partner, now and in the future. The interviews gave Coor information about expectations for sustainability issues and where there is room for improvement.

External initiatives and membership of organisations

Coor's sustainability management activities are guided by the following international agreements:

- The ten principles of the UN Global Compact
- The UN Universal Declaration of Human Rights
- The ILO core conventions on labour rights
- The OECD Anti-Bribery Convention
- Science Based Targets initiative

Information on the Sustainability Report

Coor Service Management Holding AB (corp. ID no. 556742-0806), with its registered office in Stockholm, publishes an annual Sustainability Report which describes the company's activities from a sustainability perspective. The report covers all Group companies. This report refers to the year 2021 and is published together with the annual report. The data presented follows relevant reporting and consolidation principles for financial reporting.

The Sustainability Report has been prepared in accordance with the GRI Standards: Core option. This means that the content of the Sustainability Report reflects those issues which the company and its stakeholders have deemed to be most material. Coor's statutory sustainability report is submitted by the Board but does not form part of the formal annual report documents. The sustainability report prescribed by the Swedish Annual Accounts Act comprises the following pages: 10–40, 55, 76–77 and 120–140. The report has been reviewed by Coor's auditors, whose opinion is presented at the end of the report.

In addition to these, Coor adheres to the principles of the Swedish Corporate Governance Code, including the gender equality principles set forth therein. Coor is also active in a number of organisations and has an extensive commitment to innovation that promotes the company's sustainability management, for example through:

- The UN Global Compact (UNGC)
- SWERMA
- IFMA
- SÄKU
- NMC
- Ignite Sweden
- PropTech Denmark
- PropTech Sweden
- Things Stockholm
- Sweden Innovation Days
- PropTech Startup & Scaleup Europe Awards
- As lead partner to Nordic PropTech Awards 2021

Stakeholder group	How we engage in dialogue	Key issues	How we address the issues
Employees	• Performance reviews • Regular workplace meetings • Training activities • Employee surveys • Management meetings • Liaison meetings • Improvement meetings (Actio)	• Work environment, health and safety • Equal treatment: diversity and safety • Corporate culture and ethics • Fair pay • Development opportunities • Motivated employees	• Training in the Code of Conduct, introduction course for new employees and skills development programmes • Certification under the ISO 45001:2018 occupational health and safety management standard • Liaison with trade union representatives, including business council meetings, liaison meetings and health and safety committee meetings • Salary reviews • Management review
Customers	• Ongoing engagement with customers through defined channels (defined for each customer) • Customer visits, customer meetings • Delivery monitoring • Customer and market surveys • Website, social media	• Work environment, health and safety • Customer insight • Environmental impact, environmental labelling, energy efficiencies, resource efficiency, chemicals use • Monitoring of compliance • Quality • Innovation/improvement • Relationship	• Individual suggestions for improvements • Delivery monitoring • Supplier control • Green advice, including energy efficiencies • Monitoring of suppliers' compliance with the Code of Conduct • Product lifecycle analyses
Potential customers	• Market dialogue • Visits, meetings • Market events • Market surveys • Website, social media • Annual, interim and sustainability reports	• Service requirements and service level • Keeping it simple • Corporate culture and ethics • Motivated employees • Health and safety • Environmental impact • Monitoring of compliance • Quality • Innovation/improvement • Relationship	• Quality reviews • Active development of management systems and certifications under ISO 9001, 14001 and 45001 • The UN SDGs as a framework
Investors and analysts	• General meetings of shareholders • Open analyst meetings in connection with interim reports • Analyst and investor meetings in smaller forums	• Integrated and strategic sustainability management • Long-term profitable growth and strong cash flows • Total return • Responsible behaviour in the value chain	• Clear Nordic strategy • Strong, local business acumen, clear financial control and a focus on efficiency • Strong customer relationships
Suppliers	• Ongoing supplier engagement • Supplier monitoring • Digital monitoring tools • Supplier controls	• Market terms • Corporate culture and business ethics • Work environment, health and safety • Equal treatment: diversity and safety • Innovation/improvement	• Monitoring of suppliers' compliance with the Code of Conduct • Audits • Risk assessment process for purchases
Trade unions	• Major trade unions are represented on the Board • Forum for meetings with major unions centrally • Local meetings with local unions	• Labour law issues in accordance with the Co-determination Act (and equivalent laws outside Sweden) • Compliance • Work environment, health and safety	• Health and safety inspections with participants from the employers' association, health and safety officers, trade union representatives • Staff training • Risk and incident reporting • Preventive measures • Monitoring of compliance • Internal and external audits
Authorities	• Structured monitoring • Specialist networks • Meetings • Internal and external audits	• Laws, regulations and rules • Compliance	• Quality reviews • Certification under the ISO 9001, 14001 and 45001 standards
Stakeholder organisations and specialist networks, e.g. SWERMA, IFMA, SÄKU, NMC	• Active membership through participation in forums and initiatives	• Relevant specialist issues • Exchange of experience • Good practical examples	• Membership and engagement in organisations

MATERIALITY

SAFEGUARD		IMPROVE
• Continuous improvements	• Anti-corruption and compliance	• Diversity and inclusion
• Attractive employer	• Supplier management	• Digital security
• Customer satisfaction	• Sustainable and fair sourcing	• Transparency and data
• Employee engagement	• Attract new customers	• CO_2e emissions
• Safety	• Risks and opportunities	• Energy and water consumption
• Financial performance	• Crisis management	• Consumables
• Chemical management	• Waste management	• Health and well-being
• Decent working conditions		

The above table shows which sustainability areas are most important for Coor as a company based on a stakeholder dialogue and materiality analysis.

Materiality analysis

Coor's materiality analysis is based on our stakeholders, risks and opportunities, external factors and impact assessments of people, the environment and society in our value chains. Based on Coor's vision and strategy, the SuMT then sets priorities that are validated by the Sustainability Council and Executive Management Team. Based on the materiality analysis, Coor annually reviews selected focus areas in the *Responsible Business* framework, including the company's long-term ambitions.

In 2021, Coor engaged in an in-depth dialogue with the company's stakeholders and service-specific workshops were held to analyse the company's impact on the value chain. This resulted in an updated platform with a new overview of important focus areas. The update highlights the most relevant issues, which areas we should continue to safeguard and in which areas we need to focus on strategic improvements. Although all issues are classified as important, not all meet the requirements for performance and reporting. If an issue has been identified as an area to safeguard, this does not mean that Coor is excelling in that area but that the existing processes and activities provide a good foundation. For areas where there is room for improvement, an increased strategic focus is required to achieve satisfactory results.

Areas of potential improvement identified in the survey

Issues related to renewable and efficient resource management (especially CO_2e emissions, energy and water consumption, and consumables) have become more important and Coor's stakeholders expect us to improve our ability to manage these areas and report on progress. Coor is therefore improving its reporting and securing strategic development. This applies also to digital security, transparency and data, where all stakeholders expect an increased focus and where we see a growing need for process development. Access to transparent and reliable data is crucial to Coor's strategic activities in data-driven development.

Diversity and inclusion are also highlighted as an area where there is room for improvement, and Coor is therefore working on updating its social responsibility framework, for example by adding additional important KPIs that will promote progress with a focus on gender distribution (an area where Coor is generally living up to expectations and its own goals but where there is room for improvement in local management teams).

Coor's stakeholders continue to emphasise areas such as safety, decent working conditions (including training and skills development as well as fair pay) and committed employees – processes where our employees are signalling through the annual employee survey that Coor has good control.

Operational targets

To ensure a clear link between the materiality analysis and Coor's performance, operational targets are linked to each focus area. The targets are defined by the executive management team and monitored based on Coor's process for management by objectives. Based on the business plan, internal operational targets are defined for a three-year period. Action plans for achieving the targets are followed up through Actio. Actio is the Group's mandatory system for target-oriented activities and action plans in all sustainability related areas as well as for deviations and reporting of risk observations, incidents and workplace injuries.

MONITORING OF SUSTAINABILITY MANAGEMENT AND CERTIFICATIONS

To ensure a high-quality and environmentally friendly delivery in a safe and secure work environment, all Coor businesses have been certified under the ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 standards. This also means that the management system covers all employees of the company. The activities are monitored continually through external and internal audits.

The external audits are conducted by DNV, which in its 2021 report summed up positive indications regarding Coor's handling of situations caused by the pandemic during the year. The auditor's report also highlights Coor's ability to meet its customers' needs and expectations. In general, Coor's systematic approach to dealing with the pandemic and its consequences is effective. The basis is the clear and strong commitment of top management and Coor's managers. Internal control and legal compliance activities are monitored regularly through internal audits and reported through the management review process. Coor's management system is considered to be well implemented in the business and the company has a forward-looking attitude to business intelligence, covering areas such as technological development, stakeholder requirements, improvement work and information security. Areas for improvement that have been reported have been included as development areas for 2022.

In its management system, Coor has gathered Group policies which provide guidance on decisions in areas such as sustainability, risk management, communication, IT and purchasing. New employees are informed about these policies and revisions to the policies are communicated.

BUSINESS RESPONSIBILITY

Code of Conduct

Coor's business ethics principles are set forth in a Code of Conduct, which provides guidance for employees in their daily work. The Code of Conduct is stricter than the applicable legislation and covers the whole company. Among other matters, the Code describes how Coor and the company's employees should work to prevent corruption, conflicts of interest and discrimination. Coor's Code of Conduct forms part of the employees' terms of employment and is discussed annually in employee performance reviews. Coor also offers a web-based course on the Code of Conduct that all employees can complete. New employees take the course in connection with their introduction.

The Code of Conduct can be found on Coor's intranet and website and is included in information packs given to potential customers, for example in tendering processes. Small customer contracts are normally based on Coor's contract template, which includes Coor's Code of Conduct. Major customer contracts can be entered into based on the customer's own contract templates and normally refer to a document which in terms of content is equivalent to Coor's Code of Conduct, such as the customer's own Supplier Code of Conduct.

Coor's Board of Directors reviews and approves the Code of Conduct annually, including any revisions. Sustainability and compliance issues are a recurring theme in Board discussions. In 2022, Coor will launch a completely new training course on the Code of Conduct, in a format that is more accessible and better adapted to the large number of employees. The course will be mandatory for all employees and Coor's Board of Directors will also be taking the course.

Monitoring of compliance with the Code of Conduct	Outcome 2021	Outcome 2020	Outcome 2019
Number of reported and investigated cases of suspected breaches of the Code of Conduct [1]	10	7	9

[1] Cases reported through Coor's whistleblower system, where employees, suppliers and customers can anonymously report suspected breaches of Coor's Code of Conduct for suppliers and employees.

Whistleblower portal

Coor has an online whistleblower function provided by an external supplier. Through the function, employees, suppliers and customers can anonymously report suspected irregularities at the company through encrypted messages. The whistleblower function is accessible via Coor's website and intranet. Dialogue with anonymous whistleblowers is enabled by allowing the whistleblower to obtain a personal code at the time of submitting a report. The whistleblower logs in using his or her personal code and can read answers from Coor's whistleblower team that is investigating the matter. The dialogue can continue for as long as desired and is entirely anonymous. Discrimination or reprisals against a person who reports a suspected irregularity in good faith will not be tolerated.

The whistleblower function is available in the ten most widely spoken languages at Coor. The number of cases is presented in the table above. All reports submitted through the portal are handled within ten days, in most cases immediately. Cases that are incorrectly submitted through the portal are forwarded to the right recipient in the organisation.

Customer relationships

Every year, Coor conducts a survey among its customers with the help of an external research firm with the aim of monitoring its performance as a service provider. In the survey for 2021, Coor's customer satisfaction index improved even further and is now at the highest score to date of 74 (70). The results from the customer survey provide valuable input for the future, with regard to the development of Coor's relationships with its customers as well as its internal development as a company.

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

Maintaining customer relationships and retaining satisfied customers over time are crucial to achieving stable and profitable growth. Coor works proactively to develop its service offering and continuously proposes improvements to its customers. In 2021, 6,838 (6,490) suggestions for improvement were made, of which 4,436 (4,288) were implemented at the customers' premises.

Customer satisfaction	Outcome 2021	Outcome 2020	Outcome 2019
Number of registered and implemented improvement initiatives [1]	6,838	6,490	7,265
Customer survey score [2]	74	70	68
Percentage of customer contracts extended [3]	58	92	93

[1] Number of implemented suggestions for improvement, as registered in Coor's IT-based Actio system.
[2] Each year, Coor conducts a comprehensive customer survey with the help of an external research firm.
[3] The customer retention rate is commented on in the Directors' Report.

Anti-corruption

In 2021, Coor produced an Anti-corruption Policy, which defines the company's clear position against corruption. The policy defines what corruption is, establishes what Coor's employees may and may not do in different situations, and is in many cases stricter than the applicable laws. The policy also includes rules relating to the know your customer

process, money laundering risks and conflicts of interest. The policy is owned by Coor's Chief Legal Counsel and has been adopted by Coor's executive management team. Until 2021, anti-corruption training formed part of Coor's e-learning programme on the Code of Conduct. In 2022, Coor will launch a new training course on the Code of Conduct, which will include the areas covered in the Anti-corruption Policy. This course will be better adapted to the large number of employees at Coor by providing more real-life scenarios and by employing technology to make the course more accessible to participants. The new course is also designed to make it easier to follow up the implementation. It will be mandatory for all employees, and certain groups of employees (including managers) will take an expanded course that will further equip them for the challenges they face.

Number of people (excl. Board) who have received training in anti-corruption	**2021**
Sweden	1,512
Finland	584
Estonia	15
Norway	571
Denmark	321
Belgium	6
Total number	**3,009**

Competition

Coor is committed to promoting healthy competition and complying with applicable competition laws. Coor's policy is to not exchange information with or enter into agreements or arrangements with competitors, customers or suppliers in a manner that risks impeding, restricting or distorting competition in the market.

Coor's position on competition issues is set out in Coor's Code of Conduct and in certain internal guidelines which describe how specific situations should be handled. Any concerns regarding Coor's actions in competition matters can be communicated through various channels, including Coor's whistleblower portal, which is thus available to both employees and third parties. Coor's Chief Legal Counsel is responsible for competition law issues, and any complaints are handled in accordance with Coor's guidelines for handling whistleblower cases.

During the period 2019–2021, Coor was not involved in any legal actions regarding anti-competitive practices, nor did it receive any complaints regarding such practices.

Human rights

The equal value of all human beings is a fundamental value that governs all of Coor's activities. This value is integrated into the company's Code of Conduct and into relevant processes.

Information security

IT security and information security continue to be a focus area in view of the blackmail attacks and other cyber-related incidents that are increasing in scope across the world. Continued digitisation, in companies and societies as a whole, which are facing increasingly sophisticated methods of attack, is creating a need for constant attention in this area.

During the year, Coor analysed current threats and renewed the annual measurement of the company's maturity based on the CIS 20 security framework. CIS 20 and ISO 27001 continue to serve as a basis for technical safeguards and procedures aimed at achieving full compliance.

Today, Coor has a modernised platform for equipment, communications and tools with low technical debt. Continued changes in work patterns with regard to home and office working were handled without compromising on security in 2021. Existing security solutions have been further strengthened and Coor has expanded its collaboration with Microsoft in cyber security. In 2022, Coor will be working to further increase security awareness in the company.

Information security is managed through our IT Board and Information Security Management Council, both with executive representation, as well as the roles of CISO, Head of IT Security, DPO and CIO. These report to the executive management team and Board on a regular basis.

EMPLOYEES

Coor's employee processes form the basis for the company's social responsibility. Coor's employees work continuously to improve the company's service delivery to customers. But to be able to do a good job, they need to have the right conditions and they need to feel that they are being seen, heard and acknowledged. We refer to Coor's efforts to build employee engagement as *Passion for People*.

The Group's HR Director is responsible for Coor's strategic development activities in the area of social sustainability. In 2021, the Group's HR Director, together with all the country HR Managers, formed a management team tasked with promoting joint development, not least in the area of social responsibility. The management team has created a common development plan for those areas where the Group has common interests. The management team also continuously monitors the common Group goals as well as other strategic KPIs in social sustainability and evaluates the initiatives that are implemented to achieve the goals. Coor is a service company whose most important asset is our employees. As part of *Passion for People*, Coor therefore monitors staff turnover to ensure that the company has the necessary talent. This monitoring also provides indications regarding the well-being of employees and is an important parameter as the company grows.

Continuous skills development

Coor strives to be the most attractive employer in the Nordic FM industry, and in order to succeed in this ambition our employees need to continuously be given opportunities to develop. Employees are therefore given an individual development plan that is prepared at the annual performance review with their manager. Like 2020, 2021 was a challenging year due to COVID-19. Our managers and leaders were put under a lot of pressure to find good ways of leading and motivating their teams remotely. To help them develop their skills in this area, Coor held a number of webinars on themes linked to remote leadership, such as *Leadership in a hybrid world*, and expanded its training catalogue to include offerings with an emphasis on self-leadership and digital tools.

Employee surveys	Outcome 2021	Outcome 2020	Outcome 2019
Sweden			
Employee survey score	76	76	75
Leadership Index	80	79	78
Inclusion Index	83	n/a	n/a
Safety Index	83	n/a	n/a
Denmark			
Employee survey score	81	83	82
Leadership Index	83	86	85
Inclusion Index	84	n/a	n/a
Safety Index	80	n/a	n/a
Norway			
Employee survey score	76	74	75
Leadership Index	83	80	81
Inclusion Index	83	n/a	n/a
Safety Index	88	n/a	n/a
Finland			
Employee survey score	81	78	75
Leadership Index	80	78	75
Inclusion Index	79	n/a	n/a
Safety Index	83	n/a	n/a
Total Group			
Employee survey score	78	78	77
Leadership Index	81	81	80
Inclusion Index	83	n/a	n/a
Safety Index	83	n/a	n/a

Average number of training hours per employee

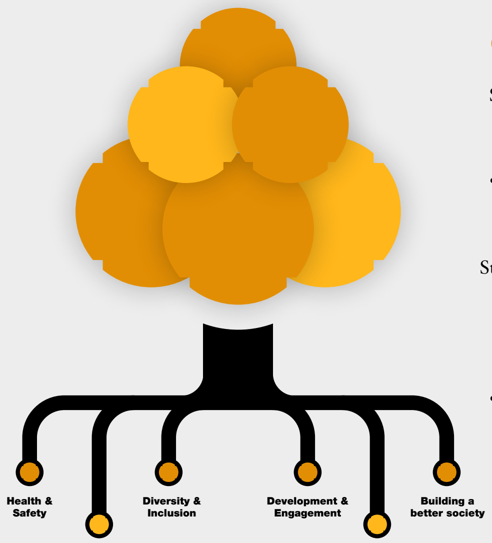
	2021		2020	
	Women	Men	Women	Men
Board of Directors	0	0	0	0
Executive management team	16	16	0	0
Employees with staff management responsibilities	14	14	6	5
Other employees	5	2	4	2

Percentage of employees who have received regular performance and career development evaluations and reviews, %

	2021		2020	
	Women	Men	Women	Men
Executive management team	100	100	100	100
Employees with staff management responsibilities	74	70	83	80
Other employees	59	64	62	65

A new framework for social responsibility

In 2021, Coor updated the company's framework for social responsibility. We have chosen to illustrate this framework with a tree where the roots symbolise a stable foundation. The leaves at the top represent *Coor Society Program* where Coor reaches out to the most vulnerable groups in the societies in which we operate. The best ideas and partnerships from *Coor Society Program* are then developed into Coor's next strategic development initiatives, for which broad support is built across the business, as symbolised by the trunk. An example of the latter is Coor's language courses – an initiative that began as a local activity under *Coor Society Program* but is now being implemented in all countries. Some of these development initiatives in turn become part of Coor's fundamental employee processes – symbolised by the root system. Although the root system grows over time, this growth is gradual and the tree remains stable. Through this new framework, Coor ensures continuous development, with flows between the leaves and root system. Coor's social responsibility activities, from *Coor Society Program* all the way through the trunk, must have a clear connection to our daily operations and our processes, from customers and employees to suppliers.



Models of success

Coor's success models clearly define the skills that are required to be successful in one's role. The models also describe desired behaviours linked to each skill. Coor has three different success models: one for service personnel, one for specialists and one for leaders. The models are based on Coor's vision, overall goals and the company's three guiding principles: *We see further*, *We listen* and *We create success*.

Internal training programmes

Coor has several internal training programmes for new employees, including *Coor Service School* for service personnel and *Coor Business School* for managers and specialists. In these programmes, a strong emphasis is placed on understanding Coor's business and its culture.

In the last few years, we have produced targeted training programmes for first-line managers to ensure that they have the best possible knowledge and skills for leading their employees and delivering the best possible service. The *First Line Manager Training – Property* programme was implemented and a similar concept for *First Line Managers – Cleaning* has been developed and courses have been initiated. Coor also stepped up its digital training courses, especially *Star-class Service*, a course on service skills and interacting with customers that is aimed at all employees. Coor also has local and service-specific training programmes for specific categories of employees or assignments.

The number of training hours increased from 2020 due to wider use of digital channels as well as slightly improved opportunities for physical participation.

Diversity and inclusion

At Coor, we believe firmly that a diversity of personalities, backgrounds, experiences and knowledge creates the right conditions for the company's continued success. Coor's Code of Conduct states clearly that every employee must be treated fairly and with respect. Efforts to achieve an equal representation of men and women at managerial level continued during the year, and the balance has remained stable. The share of female managers during the year was 51 (50) per cent.

Percentage of workforce covered by collective bargaining agreements	2021	2020
Percentage covered by collective bargaining agreements	90%	92%[1]

[1] The percentage of employees covered by collective bargaining agreements for 2020 does not include employees from Norway.

Employees at 31 Dec	2021 Employ-ees	2021 Share of women	2020 Employ-ees	2020 Share of women
Coor Group				
Total number of employees	118	46%	115	48%
No. of permanent employees	118	46%	115	48%
– Of whom full-time	114	42%	109	43%
– Of whom part-time	4	3%	6	5%
No. of fixed-term employees	0	0%	0	0%
Contract staff	236	26%	180	16%
Norway				
Total number of employees	1,433	60%	1,666	59%
No. of permanent employees	1,367	59%	1,613	59%
– Of whom full-time	1,000	55%	1,181	54%
– Of whom part-time	367	71%	432	72%
No. of fixed-term employees	66	67%	53	68%
Contract staff	961	3%	980	0%
Denmark				
Total number of employees	3,885	61%	3,459	63%
No. of permanent employees	3,882	61%	3,456	63%
– Of whom full-time	1,141	47%	990	48%
– Of whom part-time	2,741	66%	2,466	69%
No. of fixed-term employees	3	33%	3	33%
Contract staff	45	38%	34	29%
Sweden[1]				
Total number of employees	4,914	55%	4,634	57%
No. of permanent employees	4,754	55%	4,481	57%
– Of whom full-time	3,874	51%	3,598	54%
– Of whom part-time	880	72%	883	71%
No. of fixed-term employees	160	61%	153	68%
Contract staff	200	41%	141	50%
Finland including Estonia				
Total number of employees	993	63%	1,001	62%
No. of permanent employees	976	63%	984	61%
– Of whom full-time	779	61%	802	61%
– Of whom part-time	197	70%	182	63%
No. of fixed-term employees	17	76%	17	82%
Contract staff	9	67%	13	62%
Total number of employees	**11,343**	**58%**	**10,875**	**60%**

[1] Excluding Belgium, Inspira and Middlepoint.

Our employees include a large number of foreign-born people and we are often the first employer for new arrivals to the country. Coor's annual employee survey monitors a number of different areas. One is employee motivation, which is measured through an index, in which Coor achieved a score of 78 (78) in 2021. This shows that our employees feel valuable, that their expectations are being met and that they are monitored and receive feedback continuously. An inclusive culture is essential to ensuring that employees are able to be themselves and feel respected. Coor therefore chose to add two new indices to the 2021 employee survey: an inclusion index and a health and safety index. Coor's score on both indices was high at 83.

Any form of harassment is unacceptable at Coor, and in the annual employee survey employees are specifically asked if they have experienced discrimination at work. The results for the year showed that 3 (3) per cent had experienced some form of discrimination. Incidents are followed up by HR together with the organisation concerned where possible. In other cases, targeted initiatives are implemented along with broader communication about measures. During the year, 203 (227) cases of discrimination were reported. There are no legal proceedings in the organisation based on any incidents.

Employees at different levels	2021 Number	2021 Share of women	2020 Number	2020 Share of women
Board of Directors	**9**	**33%**	**10**	**30%**
Under 30 years	0	0%	0	0%
30–50 years	0	0%	0	0%
Over 50 years	9	33%	10	30%
Management	**11**	**27%**	**11**	**27%**
Under 30 years	0	0%	0	0%
30–50 years	2	0%	3	0%
Over 50 years	9	33%	8	38%
Employees with staff management responsibilities	**938**	**49%**	**869**	**49%**
Under 30 years	31	61%	26	62%
30–50 years	536	48%	507	51%
Over 50 years	371	48%	336	46%
Other employees	**10,604**	**58%**	**10,202**	**60%**
Under 30 years	1,608	59%	1,582	62%
30–50 years	5,280	58%	5,034	59%
Over 50 years	3,716	59%	3,586	61%

[1] Excluding Inspira and Middlepoint

Staff turnover

New hires during the year	2021 Employ-ees	2021 Share of women	2020 Employ-ees	2020 Share of women
Coor Group				
Under 30 years	5	40%	6	83%
30–50 years	11	27%	8	50%
Over 50 years	1	100%	4	25%
Norway				
Under 30 years	37	43%	0	0%
30–50 years	128	64%	0	0%
Over 50 years	36	61%	0	0%
Denmark				
Under 30 years	448	68%	326	67%
30–50 years	948	60%	536	65%
Over 50 years	407	59%	300	62%
Sweden[1]				
Under 30 years	283	59%	125	55%
30–50 years	681	51%	329	54%
Over 50 years	392	57%	97	42%
Finland including Estonia				
Under 30 years	203	68%	241	23%
30–50 years	177	68%	198	77%
Over 50 years	54	67%	135	41%
Total no. of new hires	**3,811**	**60%**	**2,132**	**61%**
Share of new employees	*34%*		*20%*	

[1] Excluding Belgium, Inspira and Middlepoint.

	2021		2020	
Terminations during the year	**Employ-ees**	**Share of women**	**Employ-ees**	**Share of women**
Coor Group				
Under 30 years	0	0%	0	0%
30–50 years	9	44%	7	43%
Over 50 years	1	100%	5	40%
Norway				
Under 30 years	35	51%	0	0%
30–50 years	292	60%	0	0%
Over 50 years	158	58%	0	0%
Denmark				
Under 30 years	270	73%	276	66%
30–50 years	413	64%	394	62%
Over 50 years	261	62%	293	63%
Sweden[1]				
Under 30 years	118	61%	87	53%
30–50 years	255	51%	174	45%
Over 50 years	131	48%	116	52%
Finland including Estonia				
Under 30 years	78	69%	55	76%
30–50 years	95	63%	102	74%
Over 50 years	32	78%	35	80%
Total no. of terminations	**2,148**	**61%**	**1,544**	**61%**
Share of terminations	*19%*		*14%*	

1) Excluding Belgium, Inspira and Middlepoint.

HEALTH AND SAFETY

Preventing risks at the workplace

All employees should be able to work in a good and safe environment, both physically and psychosocially. Coor's efforts to promote health and safety are based on identified risks and general legal requirements. This work is managed by the executive management team and is discussed on an ongoing basis. Coor has a clear vision to achieve zero work-place-related injuries. A key success factor to realise this vision is to address health and safety in collaboration with customers as well as suppliers. The majority of Coor's employees work in our customers' premises and often in collaboration with subcontractors, which is why continuous dialogue, joint efforts and analysis are important and prioritised. Risks are identified through risk surveys, continuous safety inspections and daily reporting of risk observations. A distinction is made between incidents and observations. In 2021, COVID-19 continued to restrict Coor's ability to implement and follow up planned initiatives in its operations. Some activities could be carried out through Teams.

The focus was on the following areas:

- Nationwide initiatives in the form of targeted initiatives to increase the focus on risk awareness.
- Operational monitoring and analysis of risk observations and injuries in order to implement targeted risk prevention activities.

- Collaboration with customers on safety inspections, training and supplier meetings.
- Internal and external audits in accordance with the ISO 45001:2018 health and safety standard.
- Ensuring the availability of and correct use of personal protective equipment and other risk prevention measures in response to COVID-19.

As part of the above risk management activities, the executive management team and national management teams took part in safety inspections in a number of different areas to identify risks. This is a very important and appreciated effort.

Reporting and monitoring

All employees are encouraged to report observed risks. Processes and procedures contain instructions for how events should be reported and investigated. Risk observations, incidents and injuries are reported directly to the relevant manager by mobile phone or computer. The reports are then followed up and the implemented risk prevention activities are assessed. The results are followed up and analysed at country and Group level on a monthly basis. Based on the results, targeted measures and training activities are carried out. Actio is used as system support.

The increased number of risk observations and reported events in 2021 reflects an increased risk awareness and willingness to report risks in the business. In 2021, we expanded the employee survey to include safety-related questions. The results help us to identify activities in planning our training courses and preventive measures. The most common categories of injuries reported were falls on the same level, falls from heights and stabs/cuts.

In 2022, we will step up our efforts to promote health and safety activities aimed at preventing injuries by introducing *Life Saving Rules* in our operations. These rules will help us all to understand how to act in risky situations in our operations and will be an important step towards achieving our goals in the area and our vision of zero workplace-related injuries. The rules are based on the most common dangers and risks in Coor's operations and the course that was developed at the end of 2021 for roll-out in 2022 is based on actual events. Coor will also strengthen its First Line Manager course to raise the level of knowledge in the company, and to establish a common view and enhanced safety culture in our day-to-day activities.

Coor uses the US OSHA (US Occupational Safety and Health Administration) definitions and classifications as guidelines for the classification of injuries.

Health promotion activities

Coor has continued its efforts to reduce sick leave. Apart from direct activities aimed at reducing sick leave, our efforts to strengthen employee engagement and motivation are also considered to have a positive impact on sick leave. During the year, we faced a challenging situation linked to COVID-19. Sick leave increased during the year, from 6.2 per cent to 7.7 per cent.

At country level, Coor is engaged in various types of health promotion activities, such as ensuring that all employees have access to occupational health services, wellness benefits and health checks. In connection with the introduction of new managers and employees, Coor communicates the importance of health and safety at the workplace. Managers also take a mandatory course in health and safety.

Work-related accidents, Coor employees	2021	2020
Number of work-related injuries	141	144
TRIFR[1]	8.9	9.9
LTIFR[2]	8.3	7.4
Number of injuries with serious consequences[3]	0	0
Accident frequency, serious injuries[3]	0	0

Work-related accidents, non-Coor employees	2021	2020
Number of work-related injuries	10	17
Number of injuries with serious consequences[3]	0	0

1) TRIFR (total recordable injury frequency rate) measures the total number of injuries during the period. The following formula was used to calculate TRIFR: total number of injuries x 1,000,000/number of hours worked. Injuries on the journey to and from work are excluded.
2) LTIFR (lost time injury frequency rate) measures the total number of injuries resulting in an employee's absence from work for more than 8 hours. The following formula was used to calculate LTIFR per million hours worked: number of injuries resulting in sick leave (8 hours) x 1,000,000/number of hours worked. The number of hours worked in 2021 was 16,567,369.
3) Injuries with serious consequences are defined as those resulting in more than six months' absence, excluding death.

Health and wellness activities[1]	Outcome 2021	Outcome 2020	Outcome 2019
Sick leave, %	7.7	6.2	5.7
Number of risk observations	9,673	7,195	5,403
Number of incidents	986	841	914

1) Excluding Belgium, Inspira and Middlepoint.

SOCIAL COMMITMENT

Coor Society Program is our platform for our social commitment. Coor has great potential to make a positive contribution to the development of society, for example by helping to integrate new arrivals and providing a route to employment for those who for various reasons are outside the labour market. *Coor Society Program* initiatives can be implemented both centrally and locally. Coor seeks to ensure that all initiatives are run through partnerships with well-established partners and that all relevant topics are closely related to Coor's core business and values as well as the company's four focus areas for social responsibility: health & safety, diversity & inclusion, development & commitment, and building a better society. For these activities, the company has an established network which is led by the Group's HR Director.

In 2021, Coor implemented initiatives aimed at getting people into work and organised a number of charity events among other activities. Read more about some of these events in the section *Operations – Our employees*.

ENVIRONMENTAL HANDPRINT

Environmental handprint is what Coor calls the measures we implement to help our customers reduce their environmental footprint. Handprint is an important part of our customer offering.

Green advice

Through our *Coor Green Services* auditing tool, we can identify and present environmental improvement measures to customers. Using the tool, Coor can assess the environmental performance of the services it provides and then make suggestions for concrete improvements to reduce the environmental impact. The environmental audit has three levels: platinum, gold and silver. During the year, 86 customer sites were audited, of which three achieved platinum status, 49 gold status and 34 silver status. Coor's own offices were also audited. The Swedish head office in Kista achieved platinum and the office in Gothenburg gold while Lysaker in Norway and Espoo in Finland were awarded silver diplomas. The tool is continuously updated to ensure that it promotes the best solutions available in the market.

Advisory services	Outcome 2020	Outcome 2020	Outcome 2019
Average result after environmental audits conducted using Coor Green Services, % 1)	84.5	86.0	84.2

1) A self-inspection in accordance with instructions from Coor Green Services is to be carried out after a discussion with the customer. In 2021, 87 sites were inspected.

Energy advice

Qualified energy advice is a service that is increasingly demanded by customers. This is partly because energy auditing became mandatory for all large companies in the EU in 2016 and partly because of a desire among our customers to reduce their climate impact. Coor helps its customers to reduce their actual energy consumption through energy audits coupled with a systematic approach that harnesses the latest technology. Examples of Coor services linked to energy efficiency:

- Systematic energy management – Coor leads ongoing energy management activities together with the customer and the local operations staff to achieve the customer's own energy objectives.
- Energy audits – Coor carries out detailed energy audits in accordance with the Act on Energy Audits in Large Enterprises.
- Energy-efficient operation of data centres – Coor is certified to provide services in this area, which is growing fast in Sweden.

- Technical site assessments – Coor performs assessments of specific energy-saving measures or to establish whether the existing systems can cope with the customers' extensions to and redevelopment of the facilities.

ENVIRONMENTAL FOOTPRINT

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

Emissions

Coor calculates greenhouse gas emissions according to the Greenhouse Gas Protocol. Coor's operations give rise to direct emissions of greenhouse gases from our vehicle fleet and machinery (Scope 1), indirect emissions from energy consumption in the form of electricity, heating and cooling (Scope 2) and emissions that occur in our value chain where Coor does not always own the process or have direct control over production (Scope 3). These include purchases of goods and services, business trips and employees commuting to and from work. Our goal is to reduce our Scope 1 and 2 emissions by 50 per cent by 2025 compared with our baseline, 2018. Scope 1 emissions are generated by our vehicle fleet, which includes service vehicles and company cars for private use, in cases where Coor pays for the fuel, as well as our machinery. The transition to an electrified vehicle fleet has begun. We have some challenges regarding infrastructure and in 2021 we also faced challenges in the form of longer delivery times for electric vehicles.

Scope 2 comprises energy consumption in the form of electricity, heating and cooling in the premises where Coor has operational control over energy consumption. Energy reviews are carried out annually.

Coor works continuously to reduce energy consumption in its premises. In 2021, Coor verified its baseline and data quality connected to energy consumption. Compared with the baseline from 2018, measures have been implemented that have reduced the absolute level of tCO_2e. In 2021, 57 per cent of the electricity came from renewable sources, compared with 48 per cent in 2020. An important part of this work is to continue the transition to renewable electricity.

We also want to do what we can to reduce our Scope 3 emissions. That is why we have also chosen to set goals and develop processes for monitoring some of our indirect Scope 3 emissions, starting in food & beverages.

Coor will also be driving change in property services and cleaning, with a clear ambition to reduce greenhouse gas emissions there as well. This will be achieved partly through remote monitoring and control of customers' energy systems, which reduces the need for travel to and from the customer, a switch to electric vehicles and Nordic Ecolabelled cleaning processes.

Tool for analysing Coor's greenhouse gas emissions

In 2019, Coor calculated its total greenhouse gas emissions to get a complete overview of the climate impact of the company's operations, including raw material consumption. One of the insights gained from this study was that the calculations needed to be refined as well as more frequent to enable us to identify measures to reduce greenhouse gas emissions and reflect the effect of implemented measures. Coor is therefore developing a tool for calculating the climate impact of greenhouse gas emissions (CO_2e). In addition to Scopes 1 and 2, Coor will initially focus on three main service areas which account for the largest share of emissions in developing the climate impact tool: food & beverages, property services and cleaning. To assist this effort, Coor has forged partnerships with leading experts in lifecycle analysis and climate impact calculation. The ultimate aim is to carry out a thorough measurement of the greenhouse gas emissions from the company's operations and consumption of raw materials, including the development of an analysis tool that will support decision-makers in making more data-driven decisions when it comes to reducing Coor's climate impact.

The method for calculating emissions from food and beverages is based on supplier data supplemented with climate scores from a climate database for food, which in turn is based on lifecycle analyses of more than 750 food categories and more than 1,500 climate scores. The approach and method of calculating emissions from our delivery of cleaning and property services differ from the calculation of the carbon footprint of food. The goods consist of consumables, capital goods and leased products, and the fact that the goods consist of many different components and materials and that there are currently no databases containing climate data for these types of products and services makes the calculations more complex. The purpose of calculating emissions from cleaning and property services is to learn more about the biggest drivers of emissions and what Coor can do to reduce them. In the vast majority of cases, a collaboration with our business partners is required to reduce CO_2 emissions from our service delivery in cleaning and property services. An initial version of the climate analysis tool is expected to be ready in 2022.

Energy consumption within the organisation, kWh	2021	2020	2019
Fuel consumption (non-renewable)	21,593	n/a	n/a
Electricity	3,272,354	3,759,795	4,206,987
Heating	3,279,215	5,769,747	7,064,876
Cooling	314,023	130,592	149,011
Total energy consumption	**6,887,184**	**9,660,133**	**11,420,874**

[1] Coor reports in accordance with the Greenhouse Gas Protocol and reports energy consumption for buildings where Coor has operational control over energy consumption. Energy consumption for 2020 and 2021 is based on actual consumption where possible. In buildings where collecting data on actual energy consumption was not possible, the figure has been estimated based on energy consumption for an equivalent operation in Coor in the same national market, on a per square metre basis.

Greenhouse gas emissions, tCO_2e	2021	2020	2019
Scope 1 [1]	**3,243**	**3,037**	**3,093**
Mobile combustion	3,237	3,037	3,093
Stationary combustion	6	0	0
Scope 2 [2]	**445**	**637**	**873**
Electricity (market-based)	318	469	667
Electricity (location-based)	128	146	160
District heating	126	168	206
District cooling	1	0	0
Scope 3 [3]	**89,553**	**86,735**	**131,719**
Purchased goods and services	77,046	74,576	115,242
Cleaning	25,737	22,381	24,374
Property services	17,758	16,935	19,696
Food & beverages	19,646	20,273	54,186
Workplace services – materials	4,447	5,096	5,951
Workplace services – food	266	326	478
Other services	9,095	9,496	10,439
Water use	96	70	118
Capital goods	N/A	N/A	N/A
Fuel- and energy-related activities (not included in Scope 1 or 2)	1,122	1,132	1,300
Upstream transportation and distribution	5,207	4,892	6,462
Waste generated in operations	5	7	21
Business travel	378	503	1,565
Employee commuting	5,795	5,626	7,129
Upstream leased assets	N/A	N/A	N/A
Downstream transportation and distribution	N/A	N/A	N/A
Processing of sold products	N/A	N/A	N/A
Use of sold products	N/A	N/A	N/A
End-of-life treatment of sold products	N/A	N/A	N/A
Downstream leased assets	N/A	N/A	N/A
Franchises	N/A	N/A	N/A
Investments	N/A	N/A	N/A
Other (upstream)	*N/A*	*N/A*	*N/A*
Other (downstream)	*N/A*	*N/A*	*N/A*
Total	**93,241**	**90,409**	**135,684**
Biogenic emissions (not included in Scopes 1, 2 and 3)	278	44	45

[1] The base year for Coor's climate calculations is 2018. In 2018, Scope 1 emissions totalled 2,678 tCO_2e. Scope 1 emissions are calculated based on purchased volume of fuel and fuel type and are multiplied by emission factors for each fuel type. The consolidation method is operational control.
[2] The base year for Coor's climate calculations is 2018. In 2018, Scope 2 emissions totalled 772 tCO_2e (market-based) and 350 tCO_2e (location-based). The consolidation method is operational control.
[3] The base year for Coor's climate calculations is 2018. In 2018, Scope 3 emissions totalled 123,596 tCO_2e Coor calculates its carbon emissions in accordance with the Greenhouse Gas Protocol. Emission factors have been taken from the RISE Food Climate Database and emission factors based on spend have been developed in collaboration with climate experts.

Water use

Water use is significant. Coor consumes water in its own offices but water is also used in our service delivery in the form of laundries in cleaning services and irrigation of outdoor environments. However, that water use is often under the operational control of our customers and is therefore included in their reports. In 2022, Coor will evaluate methods for measuring and monitoring water use both in our own premises and in cases where we are able to influence water use in our service delivery.

Food ingredients

Of Coor's emissions calculated in the base year 2018, 7 per cent of greenhouse gases came directly from our operations (Scopes 1 and 2). The vast majority of Coor's greenhouse gas emissions are indirect Scope 3 emissions, arising from purchased goods and services linked to our service delivery to the customer. In addition to reducing our direct emissions, we also want to reduce those indirect emissions that we can influence. Coor's greatest opportunity to help address the global climate challenge right now is to reduce our footprint in food and beverages. Coor provides restaurant and café services across the Nordic region and serves patient meals under the Signatur by Coor brand. This makes Coor a major buyer of food. The goal is to reduce greenhouse gas emissions from purchased food by 30 per cent by 2025 compared with 2018. One issue that is close to our hearts is how to create new eating habits, such as increasing the intake of plant-based foods. Coor is addressing this issue in different ways. The company has, for example, hired change leaders who are working on sustainability in food & beverages. We are also working with chefs, suppliers and influencers to increase knowledge about and encourage greater interest in plant-based foods among diners and staff.

For several years, Coor has been working actively to increase the share of organic and locally produced ingredients, but the company has also sought to make greater use of the ingredients, using parts that have not traditionally been used. Another initiative is aimed at improving animal welfare and minimising the number of animal transports. During the year, Coor Norway continued working on Matfloken, an initiative aimed at promoting better and more sustainable eating habits in Norway. Coor is also participating in the Food (R)evolution and Food Alliance projects. The latter project is now being promoted by the UN Global Compact with the aim of establishing guidelines for best practices for sustainable food distribution and consumption. Together with several universities, Coor supports the PAN Sweden research centre in its work to study the entire chain from food production to human health and well-being and to improve our understanding of plant-based proteins and build a scientific foundation for developing good and healthy foods that consumers want to eat.

Chemicals management

With chemicals management remaining a key focus area, Coor has continued its efforts to replace chemicals with greener options in all countries. Each country uses chemicals management systems that provide guidance on different products' environmental impact, safety data sheets and risk assessments.

Coor has improved its monitoring of chemicals to reduce the environmental and health impacts. Coor identifies the number of chemicals containing substances included in Coor's list of chemical substances that are prohibited for health and environmental reasons. The previous KPI for number of chemicals has been removed and replaced with proportion of eco-labelled chemicals used in cleaning based on spend.

Chemicals management, %	2021	2020	2019
Proportion of eco-labelled chemicals used in cleaning	64	51	N/A

[1] The indicator is new for 2021 and includes the entire Group. The figure for 2020 is based on data from Coor's Norwegian business.

Waste management

Waste management is ultimately governed by Coor's sustainability policy and is thus part of Coor's sustainability management. Coor has been sorting waste at its main offices for a number of years, and a large portion of all waste is recycled. Computers that are no longer used are handed to specialists, who ensure that they are reused or recycled in a responsible manner. For Coor, it also goes without saying that we should reduce the use of plastic products and replace single-use products with more eco-friendly options in our delivery. Hazardous waste is handled locally in the various deliveries, where responsibility rests with the contract manager, with support from HSEQ coordinators.

For several years, Coor has been working actively to reduce food waste in both the preparation and serving stages, with good results. Targets for food waste are set and followed up on a quarterly basis. There is a high level of commitment and interest from both employees and guests in how we can work together reduce food waste. In 2021, Coor updated its definition of food waste in accordance with the global Food Loss and Waste Accounting and Reporting Standard. Historical data for all countries is available from January 2020, which means that comparisons with consolidated results from before 2020 are not possible. Thanks to a strong focus on reducing food waste through measures such as refined work processes, Coor reduced its food waste by 13.2 per cent in 2021 compared with 2020.

Waste management, g/guest	2021	2020	2019
Food waste	42.7	49.2	N/A

THE TAXONOMY REGULATION

In 2019, the European Commission presented a new growth strategy called the European Green Deal, which is aimed at reducing net greenhouse gas emissions to zero by 2050 and supporting economic growth through efficient and sustainable use of natural resources. Regulation (EU) 2020/852 of the European Parliament and of the Council ("the Taxonomy Regulation") was introduced in order to establish a common classification system for sustainable economic activity. The purpose is to scale up sustainable investments and redirect capital flows towards technologies and companies that are considered sustainable.

Coor has conducted dialogues with several experts in the field to ensure that the right economic activities are included in its reporting. Assessments have been made based on available information as at 31 January 2022. The Taxonomy Regulation is still under development and it is important to note that the current legislation only covers a small part of Coor's operations. This means that sales, investments made (CapEx) and costs incurred (OpEx) for the purpose of reducing the climate impact in food & beverages, for example, are not included in the reported figures, even though the company is engaged in extensive initiatives and several research and development projects in that field. In its annual report, Coor provides comprehensive information on the Group's sustainability performance, including details on greenhouse gas emissions and climate impact that go beyond the legal requirements for the Taxonomy Regulation.

Accounting principles

One of the goals of the Taxonomy Regulation is to prevent greenwashing. Coor naturally respects this and has adopted a conservative approach when reporting the activities described in the Taxonomy delegated acts and therefore does not include activities that are not specifically mentioned in the regulation or that are not clearly distinguishable in the reporting. For the 2021 financial year, a relief provision has been introduced under which the reported KPIs are only based on whether an economic activity is described in the Taxonomy, regardless of whether the economic activity meets some or all of the technical criteria described in the Taxonomy delegated acts.

Activities covered by the Taxonomy Regulation

Together with experts in the field, Coor has evaluated the Group's economic activities and established that the following distinguishable economic activities that generated external sales are covered by the Taxonomy Regulation:

- 7.3. Installation, maintenance and repair of energy-efficient equipment.
- 7.4. Installation, maintenance and repair of charging equipment for electric vehicles in buildings (and parking spaces adjacent to buildings).

Sales

Total sales include the net sales reported in the income statement.

The majority of Coor's operations are currently not covered by the Taxonomy. Sales covered comprise the external sales generated from the economic activities which Coor has identified as being covered by the Taxonomy. These activities consist of sales of installation projects for electric vehicle charging equipment and installation of energy-efficient lighting fixtures. Sales covered by the Taxonomy represent 0.2 per cent of total sales.

Investments (CapEx)

Total CapEx includes acquisitions of property, plant and equipment and intangible assets, excluding goodwill, carried out in the 2021 financial year as well as new right-of-use assets for the year. See *Note 11 Intangible assets, Note 12 Property, plant and equipment, and Note 13 Leases.* Assets identified as part of a business combination (excluding goodwill) are also included in the amount of total investments. If assets identified in a business combination are excluded, total investments would amount to SEK 122 million, of which SEK 51 million refers to new leases for the year.

CapEx covered consists of investments in the 2021 financial year in property, plant and equipment, intangible assets and right-of-use assets used in the economic activities considered to be covered as well as investments linked to an activity that is expected to generate sales in activities that are expected to be covered within the next five years. For 2021, none of the Group's investments are linked to the activities covered by the Taxonomy. Nor has Coor made any significant purchases from suppliers that are aligned with the Taxonomy.

Costs (OpEx)

The total costs (OpEx) included in the Taxonomy definition consist of costs for research and development, costs for service, repair and maintenance of the Group's fixed assets and costs for short-term leases (as defined in IFRS 16). The Group's fixed assets consist primarily of leases, small machines with low service, repair and maintenance costs, and IT solutions. Research and development largely consist of dedicated development resources. In development and innovation, Coor's strategy is to establish partnerships with other players engaged in developing innovative solutions where Coor provides the areas of application and contributes to concept development. The Group's total OpEx covered by the Taxonomy definition is very limited and consists essentially of research and development costs.

2021	Total, SEK million	Proportion of economic activities covered by the Taxonomy (%)	Proportion of economic activities not covered by the Taxonomy (%)
Sales	10,104	0.2	99.8
Investments (CapEx)	386	0.0	100.0
Costs (OpEx)	14	17.7	82.3

SUSTAINABLE SUPPLIER MANAGEMENT

Coor's main purchases consist of services and products in property services, cleaning, and food & beverages. The company's efforts to promote a sustainable chain of suppliers centre on ensuring compliance with the Code of Conduct and the applicable contract terms. We have a long-term approach to building sustainable supplier relationships. To ensure our requirements, Coor has developed contract templates that support Coor's long-term ambitions to become truly sustainable. This includes setting clear requirements for Coor's supply chain with regard to the Code of Conduct, sustainability and information security. The supplier must be able to demonstrate sound sustainability practices for design, manufacture and delivery. Negative social and environmental consequences throughout the lifecycle must be reduced and factors such as energy consumption, material use and final disposal must be taken into account. Coor has joined the Science Based Targets initiative, which will require activities at the supplier level as well. This work was initiated at the end of 2021 and progress will be reported annually.

Supplier Code of Conduct

Since 2014, Coor has been working actively on a Supplier Code of Conduct, which suppliers are required to accept before a contract is signed. A breach of the Code is treated as a breach of contract and can lead to the termination of Coor's relationship with the supplier. Among other requirements, the Code requires that all Coor's suppliers comply with the principles of the UN Global Compact (UNGC), the UN international human rights framework, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Anti-Bribery Convention. Coor takes a systematic approach to risk management and applies a model for assessing risk in different purchasing categories. The categories are classified based on a risk perspective in which the commercial risk is weighed up together with the risks identified in the Code of Conduct: human rights, labour standards, working conditions, environment and anti-corruption. The higher the risk posed by a category, the more stringent the controls that are required before a contract is signed and during the contract term.

A new supplier is required to meet our sustainability and information security requirements, sign our Supplier Code of Conduct and accept our general terms of purchase before being approved to deliver products or services to Coor. 82 per cent of Coor's purchases are made under contracts with suppliers awarded through a bidding process. Coor's Supplier Code of Conduct is available to all business partners on Coor's website.

Monitoring process

Coor actively monitors compliance with the company's Code of Conduct in the chain of suppliers. Every year, a plan for supplier monitoring is formulated based on the risk assessment for our supply chain, which states which suppliers need to be evaluated and audited.

In a supplier evaluation, suppliers answer questions regarding compliance with Coor's Code of Conduct, quality, environment, working environment, and health and safety. In 2021, 110 evaluations were performed. The supplier audits are carried out either on site at the supplier's premises or digitally. The auditors monitor compliance by interviewing staff, reviewing documents and, where possible, inspecting the work environment. In 2021, we conducted most audits digitally as the pandemic put an end to travel and personal meetings. During the year, Coor conducted 39 audits with the support of the company's internal auditors or a third party.

Supplier monitoring	2021
Number of suppliers for which actual or potential risks regarding social aspects have been identified	63
Number of suppliers that have been audited for social compliance	149
– of which, percentage where deviations were identified	12%
– of which, percentage of contracts terminated as a result of the audit	0%
Contractual loyalty in respect of purchases, annual average, % [1]	82

[1] Percentage of purchases from central and local framework suppliers.

Focus on sustainable supplier partnerships

In collaboration with Coor Analytics, the purchasing functions in all Nordic countries have developed a new dashboard over the past year. The solution was developed in QlikSense and supports purchasing staff in their monitoring and analysis of suppliers' performance.

To continuously improve our delivery to our customers, we need to be able to address performance in the supply chain.

All KPIs that were previously shared between different systems, as well as e-mail, Excel files, etc. are now available in the supplier performance dashboard. Data is collected and stored to illustrate results over time, and the dashboards in QlikSense are available for data analysis. Various data sources have been integrated into Qlik to improve the analysis and Coor's collaboration with its suppliers.

"The purchasing function has developed a method of measuring suppliers' performance. We have developed a dashboard in QlikSense that helps us monitor suppliers and in our improvement work. The solution enables Coor to be more proactive and solve problems before it is too late. The instrument panel allows us to monitor our suppliers' performance over time and improve our relationships with suppliers, which leads to increased customer satisfaction," says Magnus Krona, Chief Procurement Officer at Coor.

Measurable supplier performance in connection with delivery

In order to monitor supplier performance at all facilities where Coor operates, the company has developed an app for evaluating supplier performance that supports the company's data management. The app will enable site managers to evaluate suppliers' performance in connection with Coor's delivery based on predetermined criteria.

The process is integrated into our internal evaluations and is clearly linked to the requirements for the ISO standards.

Based on the results of the evaluation of supplier performance, we then select suppliers for review or evaluation. This is handled by the purchasing department in collaboration with HSEQ.

> *To continuously improve our customer delivery, we need to be able to address performance in the supply chain.*

"The ability to monitor supplier performance over time leads to better relationships with our suppliers and more satisfied customers. We look forward to starting to use our new dashboard and exploring the opportunities that arise. We will now be able to devote more time to sustainable supplier relationships that create value for Coor and our customers," Magnus Krona says.

The auditor's opinion on the statutory sustainability report

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

Engagement and division of responsibility

Responsibility for the Sustainability Report for 2021 and for ensuring that it has been prepared in compliance with the Swedish Annual Accounts Act rests with the Board of Directors. The Sustainability Report comprises pages 10–40, 55, 76–77 and 120–140 of this document.

Scope and focus of review

Our review has been conducted in accordance with Recommendation RevR 12 *The Auditor's Opinion on the Statutory Sustainability Report* issued by FAR, the professional institute for accountants in Sweden. Our review of the Sustainability Report has a different focus and significantly narrower scope than a full audit conducted in accordance with the International Standards on Auditing and generally accepted auditing standards in Sweden. We believe this review gives us a sufficient basis for our opinion.

Opinion

A sustainability report has been prepared.

Stockholm, 31 March 2022
Öhrlings PricewaterhouseCoopers AB

NIKLAS RENSTRÖM
Authorised Public Accountant

GRI index 2021

Coor's Sustainability Report for the 2021 calendar year follows the GRI Standards 2016: Core option. The Sustainability Report has been prepared to meet the requirements for a statutory sustainability report in the Swedish Annual Accounts Act.

GENERAL STANDARD DISCLOSURES

GRI STANDARDS	DISCLOSURE	DESCRIPTION	REFERENCE	COMMENT AND/OR BOUNDARY
GRI 102: GENERAL DISCLOSURES (2016)				
Organisational profile				
	102-1	Name of the organisation	Inside cover	
	102-2	Activities, brands, products and services	11, 18, 20–22	
	102-3	Location of headquarters	Back of the cover	
	102-4	Location of operations	69	
	102-5	Ownership and legal form	52	
	102-6	Markets served	18, 20, 41, 69	
	102-7	Scale of the organisation	2	
	102-8	Information on employees and other workers	128	
	102-9	Supply chain	122, 135–136	
	102-10	Significant changes to the organisation and its supply chain	4–5, 69, 108	
	102-11	Precautionary Principle or approach	12, 76–77	The Precautionary Principle together with continuous risk assessment is the basis for how Coors work has been designed.
	102-12	External initiatives	121	
	102-13	Membership of associations	121	
Strategy and analysis				
	102-14	Statement from senior decision-maker	6–7, 51	
Ethics and integrity				
	102-16	Values, principles, standards, and norms of behaviour	3, 12–14, 18	
Governance				
	102-18	Governance structure	52, 120	
Stakeholder engagement				
	102-40	List of stakeholder groups	122	
	102-41	Percentage of workforce covered by collective bargaining agreements	127	
	102-42	Identifying and selecting stakeholders	121	
	102-43	Approach to stakeholder engagement	122	
	102-44	Key topics and concerns raised	122	
Reporting practice				
	102-45	Entities included in the consolidated financial statements	121	
	102-46	Defining report content and topic Boundaries	123	
	102-47	List of material topics	123	
	102-48	Restatements of information	No significant changes	
	102-49	Changes in reporting	No significant changes	
	102-50	Reporting period	121	
	102-51	Date of most recent report	March 2021	
	102-52	Reporting cycle	121	
	102-53	Contact point for questions regarding the report	Maria Ekman, Head of Group Sustainability, maria.ekman@coor.com	
	102-54	Claims of reporting in accordance with the GRI Standards	121	
	102-55	GRI content index	138–140	
	102-56	External assurance	137	

SPECIFIC DISCLOSURES

GRI STANDARDS	DISCLOSURE	DESCRIPTION	REFERENCE	COMMENT AND/OR BOUNDARY
GRI 200: Economic disclosures				
Anti-corruption (2016)				
	103-1, 103-2, 103-3	Explanation of the material topic, its Boundary and management approach	55, 120, 124–125	
	205-2	Communication and training about anti-corruption policies and procedures	55, 124–125	
Competition (2016)				
	103-1, 103-2, 103-3	Explanation of the material topic, its Boundary and management approach	120, 125	
	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	125	
Tax (2019)				
	103-1, 103-2, 103-3	Explanation of the material topic, its Boundary and management approach	93–95	
	207-1	Approach to tax	93–95	
	207-2	Tax governance, control, and risk management	71, 93–95	
	207-3	Stakeholder engagement and management of concerns related to tax	93–95	
	207-4	Reporting by country	69–70, 83–85, 93–95, 110–111	
GRI 300: Environmental Disclosures				
Energy (2016)				
	103-1, 103-2, 103-3	Explanation of the material topic, its Boundary and management approach	120, 131–132	
	302-1	Energy consumption within the organisation	132	
Emissions (2016)				
	103-1, 103-2, 103-3	Explanation of the material topic, its Boundary and management approach	14, 26–28, 120–123, 132	
	305-1	Direct (Scope 1) GHG emissions	17, 133	
	305-2	Energy indirect (Scope 2) GHG emissions	17, 133	
	305-3	Energy indirect (Scope 3) GHG emissions	133	
Waste (2020)				
	103-1, 103-2, 103-3	Explanation of the material topic, its Boundary and management approach	14, 26, 120–123, 134	
	Company-specific	Food waste	134	
Environmental Compliance (2016)				
	103-1, 103-2, 103-3	Explanation of the material topic, its Boundary and management approach	120, 123, 132	
	307-1	Non-compliance with environmental laws and regulations	No deviations	
Supplier Environmental Assessment (2016)				
	103-1, 103-2, 103-3	Explanation of the material topic, its Boundary and management approach	120, 135–136	
	308-1	New suppliers that were screened using environmental criteria	135	

GRI STANDARDS	DISCLOSURE	DESCRIPTION	REFERENCE	COMMENT AND/OR BOUNDARY
GRI 400: Social Disclosures				
Employment (2016)				
	103-1, 103-2, 103-3	Explanation of the material topic, its Boundary and management approach	14, 34–35, 120, 126–130	
	401-1	New employee hires and employee turnover	128–129	
Occupational Health and Safety (2018)				
	103-1, 103-2, 103-3	Explanation of the material topic, its Boundary and management approach	14, 129–131	
	403-1	Occupational health and safety management system	129–131	
	403-2	Hazard identification, risk assessment and incident investigation	129–131	
	403-3	Occupational health services	131	
	403-4	Worker participation, consultation, and communication on occupational health and safety	129–130	
	403-5	Worker training on occupational health and safety	130–131	
	403-6	Promotion of worker health	131	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	129–131	
	403-9	Work-related injuries	131	
Training and Education (2016)				
	103-1, 103-2, 103-3	Explanation of the material topic, its Boundary and management approach	120, 126–128	
	404-1	Average hours of training per year per employee	126	
	404-2	Programmes for upgrading employee skills and transition assistance programs	127	
	404-3	Percentage of employees receiving regular performance and career development reviews	126	
Diversity and Equal Opportunity (2016)				
	103-1, 103-2, 103-3	Explanation of the material topic, its Boundary and management approach	14, 34, 120, 127–128	
	405-1	Diversity of governance bodies and employees	128	
Non-discrimination (2016)				
	103-1, 103-2, 103-3	Explanation of the material topic, its Boundary and management approach	120, 124, 127–128	
	406-1	Incidents of discrimination and corrective actions taken	128	
Security Practices (2016)				
	103-1, 103-2, 103-3	Explanation of the material topic, its Boundary and management approach	120, 135	
	410-1	Security personnel trained in human rights policies or procedures	100% of security staff employed by Coor.	
Supplier Social Assessment (2016)				
	103-1, 103-2, 103-3	Explanation of the material topic, its Boundary and management approach	120, 135–136	
	414-1	New suppliers that were screened using social criteria	135	
	414-2	Negative social impacts in the supply chain and actions taken	135	
Customer Privacy (2016)				
	103-1, 103-2, 103-3	Explanation of the material topic, its Boundary and management approach	120, 124–125	
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	We have not identified any complaints regarding breaches of customer privacy or loss of customer data.	

Five-year summary, selected key performance indicators

SEK million	2021	2020	2019	2018	2017
Net sales					
Net sales	10,104	9,591	10,313	9,489	7,722
Net sales growth, %	*5.3*	*–7.0*	*8.7*	*22.9*	*6.2*
of which organic growth, %	*3.3*	*–6.8*	*5.3*	*10.2*	*5.6*
of which acquired growth, %	*2.5*	*2.0*	*2.4*	*9.9*	*0.0*
of which FX effect, %	*–0.4*	*–2.2*	*1.0*	*2.8*	*0.6*
Earnings and margins					
Operating profit (EBIT)	403	318	299	219	268
EBIT margin, %	*4.0*	*3.3*	*2.9*	*2.3*	*3.5*
EBITA	593	511	484	394	438
EBITA margin, %	*5.9*	*5.3*	*4.7*	*4.2*	*5.7*
Adjusted EBITA	631	556	549	490	468
Adjusted EBITA margin, %	*6.2*	*5.8*	*5.3*	*5.2*	*6.1*
Adjusted EBITDA	829	756	749	558	517
Adjusted EBITDA margin, %	*8.2*	*7.9*	*7.3*	*5.9*	*6.7*
Profit before tax	343	252	228	157	244
Profit after tax	265	191	169	104	188
Adjusted net profit	455	384	355	280	358
Cash flow					
Cash conversion, %	*98*	*108*	*104*	*80*	*103*
Capital structure					
Net working capital	–940	–881	–774	–626	–630
Net working capital/Net sales, %	*–9.3*	*–9.2*	*–7.5*	*–6.6*	*–8.2*
Net debt	1,663	1,207	1,741	1,318	699
Leverage, times	2.0	1.6	2.3	2.4	1.4
Equity/assets ratio, %	*28*	*34*	*29*	*33*	*40*
Dividend, SEK	4.80[1]	4.40	0.00	4.00	4.00
Other					
Number of employees (FTE) at year-end	10,075	9,029	9,296	9,082	6,695

[1] Proposed dividend that is subject to adoption at the AGM on 29 April 2022.

Purpose of the selected key performance indicators

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

GROWTH

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

EARNINGS AND PROFITABILITY

To reflect the performance and profitability of the underlying business more accurately, the Group has defined key performance indicators in which earnings have been adjusted for items affecting comparability and for amortisation and impairment of goodwill, customer contracts and trademarks. The Group considers that adjusted EBITA is the measure of operating profit which most clearly reflects the underlying profitability. It is also based on this measure of earnings that the Group's segments are followed up and evaluated internally.

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

CASH FLOW AND WORKING CAPITAL

Coor always works proactively to safeguard its cash flow, from a working capital as well as an investment perspective. Coor focuses on analysing cash conversion, which is defined as the ratio of a simplified operating cash flow to adjusted EBITDA.

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

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

NET DEBT AND LEVERAGE

To ensure that the Group has an appropriate funding structure at all times and is able to fulfil its financial obligations under its loan agreement, it is relevant to analyse net debt and leverage (defined as net debt divided by adjusted EBITDA). The Group's objective is to maintain a leverage of less than 3.0 times.

Reconciliation of selected key performance indicators, SEK million	2021	2020	2019	2018	2017
Operating profit (EBIT)	**403**	**318**	**299**	**219**	**268**
Amortisation and impairment of customer contracts and trademarks (Note 11)	190	193	186	176	170
EBITA	**593**	**511**	**484**	**394**	**438**
Items affecting comparability (Note 5)	38	46	65	95	29
Adjusted EBITA	**631**	**556**	**549**	**490**	**468**
Depreciation and amortisation	198	199	199	68	50
Adjusted EBITDA	**829**	**756**	**749**	**558**	**517**
Profit for the period, continuing operations	**265**	**191**	**169**	**104**	**188**
Amortisation and impairment of customer contracts and trademarks	190	193	186	176	170
Adjusted net profit	**455**	**384**	**355**	**280**	**358**
Specification of working capital					
Inventories	18	15	16	14	12
Accounts receivable	1,346	1,144	1,310	1,343	1,159
Other receivables	24	32	21	123	18
Prepaid expenses and accrued income	345	210	401	352	374
Accounts payable	–788	–607	–978	–1,023	–944
Other liabilities	–294	–249	–242	–249	–189
Accrued expenses and deferred income	–1,592	–1,424	–1,303	–1,185	–1,059
Less interest-bearing receivables/liabilities	1	–1	0	–1	–1
Net working capital	**–940**	**–881**	**–774**	**–626**	**–630**
Specification of net debt					
Long-term borrowings	1,997	1,273	1,856	1,744	1,399
Short-term borrowings	–	–	12	4	3
Lease liabilities	299	330	381	0	0
Provisions for pensions	22	18	20	20	19
Cash and cash equivalents	–628	–396	–497	–435	–709
Interest-bearing financial assets	–26	–18	–31	–14	–12
Current interest-bearing receivables	–1	–1	–1	–1	–1
Net debt	**1,663**	**1,207**	**1,741**	**1,318**	**699**
Cash conversion					
Adjusted EBITDA	829	756	749	558	517
Change in net working capital	49	133	101	–27	89
Net investments	–67	–65	–63	–83	–74
Other	–1	–5	–5	–1	–2
Cash flow for calculation of cash conversion	**809**	**818**	**781**	**447**	**531**
Cash conversion, %	**98**	**108**	**104**	**80**	**103**

Definitions

Definitions

Cost of services sold
Costs which are directly related to the performance of the invoiced services, depreciation and impairment of machinery and equipment, and amortisation and impairment of goodwill, customer contracts and trademarks.

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

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

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

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

Adjusted net profit
Profit after tax excluding amortisation and impairment of goodwill, customer contracts and trademarks.

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

Equal opportunities
Gender distribution between men and women in managerial positions.

Employee Motivation index (EMI)
Each year, Coor conducts a comprehensive employee survey with the help of an external research firm.

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

Scopes 1–3
Scope 1 encompasses all direct greenhouse gas emissions. For Coor, this includes emissions from the combustion of fossil fuels from vehicles and machinery.

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

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

Calculation of key performance indicators

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

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

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

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

EBITA margin
EBITA as a percentage of net sales.

Adjusted EBITA margin
Adjusted EBITA as a percentage of net sales.

Adjusted EBITDA margin
Adjusted EBITDA as a percentage of net sales.

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

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

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

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

Net debt
Non-current and current interest-bearing assets less non-current and current interest-bearing liabilities at the end of the period.

Leverage
Net debt at the end of the period divided by adjusted EBITDA for the last 12-month period.

Equity/assets ratio
Consolidated equity and reserves attributable to shareholders of the parent company, as a percentage of total assets at the end of the year.

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

Scope 1 CO_2 emissions
Emissions of CO_2 equivalents from purchased fuel for owned and leased machinery and vehicles per SEK in sales (tCO_2e/SEK million).

Scope 2 CO_2 emissions
Emissions of CO_2 equivalents from electricity, heating and cooling in the premises where Coor has operational control over its energy use per SEK in sales (tCO_2e/SEK million).

General concepts

Workplace services
Can be divided into cleaning, food & beverages, security, etc. Examples of such services include the operation of staff restaurants, security guards and support services (including plant care and conference support).

Contractual loyalty (purchases)
Percentage of purchases from central and local framework suppliers.

The company
When Coor uses “the company,” this refers to Coor Service Management Holding AB and all companies in the Group, including subsidiaries.

Property services
Both interior and exterior property services, such as maintenance, repairs and work on properties.

FM and the FM market
Services in and around a property, such as property maintenance, cleaning, food & beverages and security.

Full-time equivalents
Full-time employee equivalents, or FTE for short. The number of employees on a full-time equivalent basis.

HSEQ
Short for health, safety, environment and quality.

IFM
Integrated facility management, also called TFM (total facility management) and IFS (integrated facility services). Coordinated management and control of two or more facility management services.

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

Service management
Service management is defined as coordinated control and management of a number of services. The idea is to manage one or several services in a more structured and coordinated way, and to deliver what has been agreed more efficiently using established processes, and at the agreed cost and quality.

SME
Small and medium-sized enterprises.

Triple bottom line
Monitoring the operations in three dimensions: financially, socially and environmentally.

Specific shareholder information

2022 AGM

Participation in the AGM

Coor's AGM will be held on 29 April 2022. Due to COVID-19, the Board has decided that the AGM will be held without the physical presence of shareholders, proxies and third parties, and that shareholders will be able to exercise their voting rights only by post prior to the meeting. Shareholders wishing to attend the AGM by postal vote must register by 28 April 2022 by casting their postal vote. Information about how to register is provided in the notice of the AGM.

Issue of notice and registration

The notice of the AGM was published on 21 March 2022. The deadline to register for the AGM is 28 April 2022.

Record date

The record date for participation in the AGM is 21 April 2022.

FINANCIAL CALENDAR

29 April 2022	Interim report January–March 2022
29 April 2022	2022 AGM
15 July 2022	Interim report January–June 2022
27 October 2022	Interim report January–September 2022
9 February 2023	Year-end report January–December 2022

A continuously updated calendar is available at coor.com/investors.

Distribution policy

All financial reports are available in English and Swedish, and are published on Coor's website under the tab coor.com/investors.

A printed version of Coor's annual report is distributed to investors who specifically request a copy by e-mail: ir@coor.com

Contact

E-mail address, investor inquiries: ir@coor.com
E-mail address, general inquiries: info@coor.com
Telephone: +46 10 559 50 00
Contact persons are presented on the company's website, coor.com

Text and production:
Coor Service Management and Narva

Photographers: Aisha Irma Ramadanovic, Jezzica Sunmo, Karl Nordlund, Magnus Glans, Peter Knutson, Vesa Laitinen

Illustration: Tomas Lindell

FSC www.fsc.org MIX Paper from responsible sources FSC® C011209

NORDIC SWAN ECOLABEL Printed matter 3041 0242

Coor operates throughout the Nordic region.
Find your nearest Coor office at www.coor.com.

The address to the head office is:
Coor
Knarrarnäsgatan 7, 164 99 Kista, Sweden

Telephone: +46 10 559 50 00
www.coor.com