ANNUAL REPORT 2015

INCLUDING SUSTAINABILITY REPORT

Coor Service Management Holding AB

CONTENTS

The annual report for Coor Service Management Holding AB,
Corporate Identity Number 556742-0806.

SERVICE *with* IQ

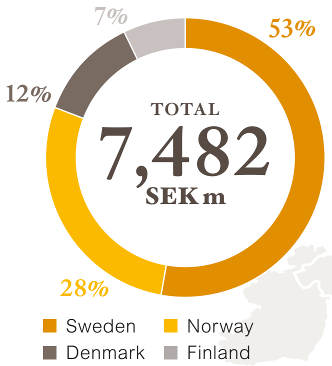
Coor is a service company that coordinates, executes and develops various services in and around a property. Coor has specialist skills in over 100 services which are offered to both large and small customers, primarily in the Nordic countries. The ambition is to deliver the market's smartest and most developed service solutions.

COOR IN BRIEF

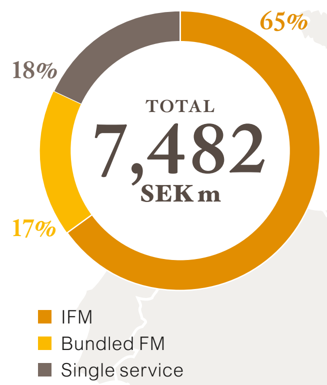
Coor Service Management is one of the Nordic region's leading facility management providers, with specialist skills in workplace services, property services and strategic consulting. By combining services in these areas, Coor is able to offer flexible, efficient and smart solutions that generate value for the company's customers – Service with IQ.

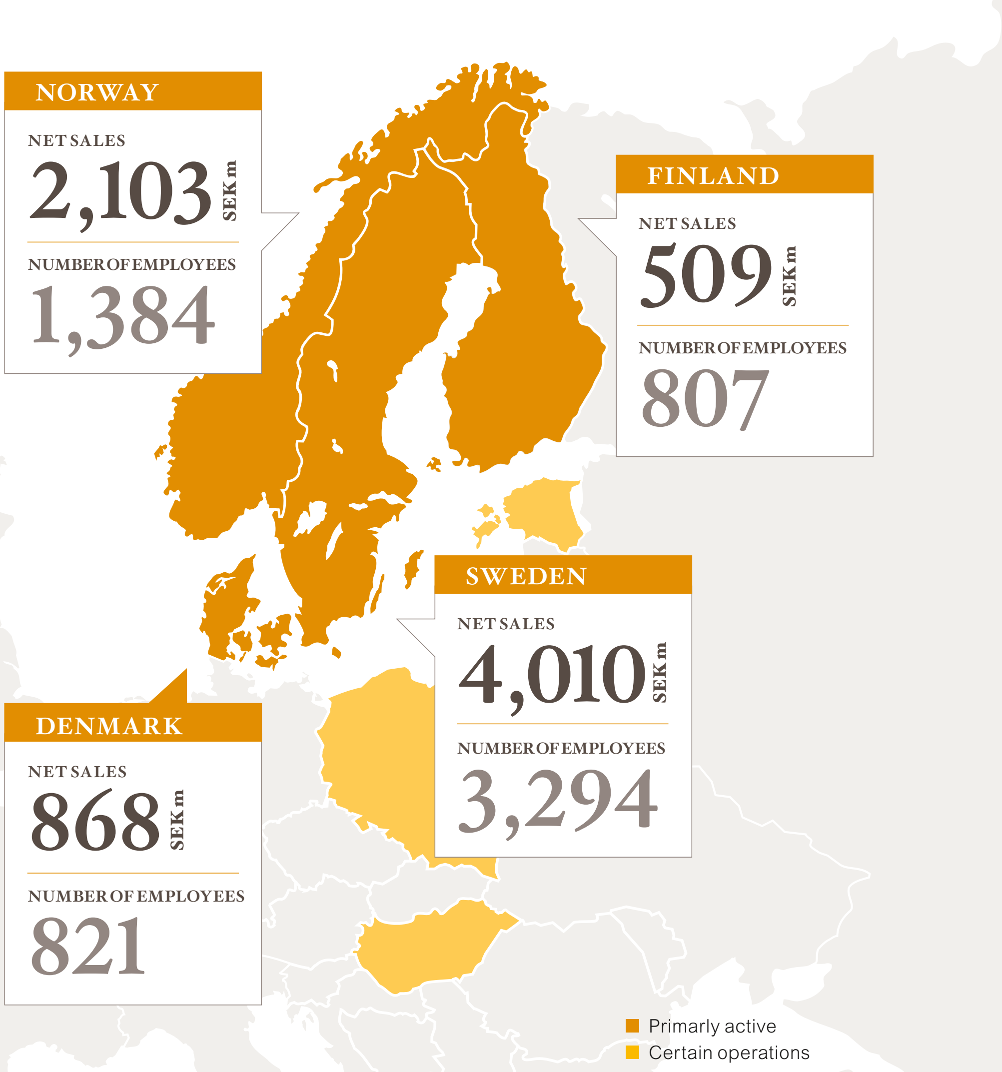
Coor is the market leading facility management provider when it comes to complex integrated FM assignments (IFM), but Coor also offers single FM services or a few bundled FM services.

NET SALES BY COUNTRY



NET SALES BY TYPE OF CONTRACT





Coor's operations are organized into the four Nordic countries where Coor is primarily active. Coor has opted to expand its deliveries to a number of major customers outside of the Nordic region, which from an organizational standpoint are positioned under the country where Coor has the largest delivery to the customer in question. The Swedish business therefore includes certain operations in Belgium, Hungary and Poland, and the Finnish business includes a minor operation in Estonia.

HISTORY

1998	Construction Group Skanska launches FM operations
1998	Start-up in Sweden
2001	Expansion into Denmark
2002	Expansion into Finland
2004	Change of ownership to the investment company 3i and name change to Coor Service Management
2004	Expansion into Norway
2007	Change of ownership to the investment company Cinven
2015	Listing on Nasdaq Stockholm

2015 – A STRONG YEAR

- Net sales increased by 9 per cent during the year, to SEK 7,482 (6,844) million. Organic growth amounted to 10 per cent.
- Operating profit (adjusted EBITA) improved by SEK 20 million to SEK 374 (354) million. Excluding currency fluctuations, operating profit increased by SEK 24 million.
- Operating margin (adjusted EBITA-margin) was 5.0 (5.2) per cent.
- Operating cash flow was unchanged compared with the previous year and amounted to SEK 274 (274) million. Excluding the outflows related to the listing, operating cash flow was SEK 411 (274) million.
- Net debt at year-end was SEK 947 (2,673) million. Leverage was 2.2 (6.6).
- Number of employees at the end of the year (FTE) 6 381 (6 087).
- The Board of Directors proposes a dividend for 2015 of SEK 2.00 per share.

GROUP FINANCIAL SUMMARY	2015	2014
Net sales, SEK m	7,482	6,844
Organic growth, %	10	6
Adjusted EBITA, SEK m	374	354
Adjusted EBITA-margin %	5.0	5.2
EBIT, SEK m	82	–82
Income for the period, SEK m	201	–311
Operating cash flow, SEK m	274	274
Earnings per share, SEK	–3.6	–34.2
Adjusted earnings per share, SEK	2.7	–3.2
Number of employees at the end of the year (FTE)	6,381	6,087
Dividend, SEK	2.00	–

For definitions and calculation methods for key performance indicators, see Note 1.26, pages 69–70.

COOR DRIVES DIGITALIZATION

Adding value can be more than giving customers a welcoming reception and good service. In 2015, Coor presented several new solutions based on new technology. Learn more about how Coor is driving innovation and utilizing the Internet of Things on pages 26–28.

COOR TO THE STOCK EXCHANGE

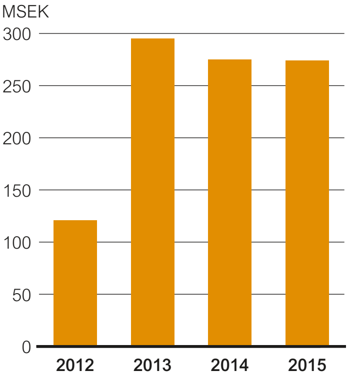
On 16 June 2015, Coor was listed on the Nasdaq OMX Stockholm Mid Cap exchange. The share was inroduced at SEK 38 and by the end of the year the share had gone up by 4 per cent. Read more on the Coor share on pages 112–114.

RETENTION RATE 90%

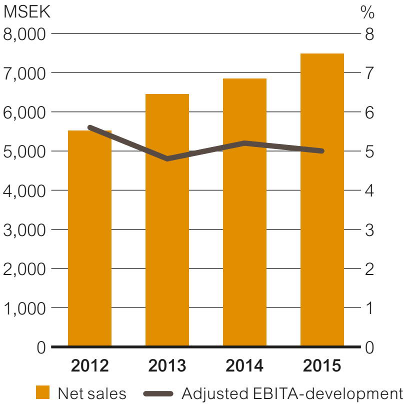
SEVERAL NEW AND EXTENDED ASSIGNMENTS

2015 saw the renegotiation of much of Coor's contracted volume, and an impressive 90 per cent of renegotiated contract volumes were extended. Major customers who have chosen to continue working with Coor include Ericsson, the Danish Police, AB Volvo, Volvo Cars, Saab AB, Borealis and Vasakronan. Major new customers include Statoil offshore and Frontica Business Solutions/Aker Solutions.

OPERATING CASH FLOW



NET SALES AND ADJUSTED EBITA-DEVELOPMENT



A HIGHLY EVENTFUL AND SUCCESSFUL YEAR

2015 was a highly eventful and successful year for Coor. We consolidated the business, sold off our industrial services unit and are now a dedicated facility management company. During the year, we renegotiated a large part of our contract portfolio and extended 90 per cent of all renegotiated contracts. At the same time, we continued to fine tune and develop our business and deliveries, which spawned several new innovative service solutions and internal improvements. In June, the company was listed on Nasdaq Stockholm. In 2015, we delivered strong organic growth, a stable operating profit and a very robust cash flow.

GENERATING VALUE IN A CHANGING WORLD

Coor's vision is to be the preferred choice in the service sector for customers, employees and owners. This means that we must deliver value in three dimensions; we must offer the best and most advanced service solutions, be an attractive employer and deliver good growth, stable earnings and strong cash flows.

In order to achieve our ambitious goals, we must always be responsive and understand the drivers that generate value for our stakeholders. It is not enough to make things right, you also have to do the right things. Today, progress is rapid, and one of our most important tasks is to interpret and understand new circumstances and needs, and to swiftly adapt our business to suit them.

A ROBUST IMPROVEMENT AND INNOVATION CULTURE

In times of change, great opportunities arise for companies that can, and dare, to think differently. New ideas and innovations flourish in conducive and open systems. Companies that are looking to grow and develop must pursue a structure and culture that is inclusive and that encourages collaboration and new ideas. I am convinced that Coor's dynamic culture of improvement and expansive innovation efforts are absolutely crucial to our continued development as a leading service company in the Nordic region.

Service with IQ

Coor's ambition is to offer the market's smartest and most value-generating service solutions. This helps us to attract new customers and is also essential for our existing customers to show us continued confidence.

When it comes to innovation in facility management, the bulk of our work is based on understanding the value our customers can enjoy from the new technology, and how we can adapt our service to increasingly connected and mobile people, and to the organization. Here, we work closely with customers, such as Ericsson, Microsoft and Telia Sonera and with suppliers like Intel and Ricoh. Together, we continuously develop and test new innovative service solutions. Solutions that we see generate value for several customers are packaged and launched successively. In recent years, we have launched a large number of digital service solutions, such as a smart ID card management system (Coor SmartID), digital archiving solutions (Coor SmartArchive), a virtual receptionist (Coor SmartReception) and sensor-based applications for the "Internet of Things" (Coor SmartUtilization).

Internal improvements

We also work routinely on improving and developing our own business and our processes in order to increase productivity, improve quality and reduce our environmental impact.

In 2015, we concentrated our internal improvement process on a couple of priority areas: digital solutions for improved mobility and more automated work flows. Both will contribute to enhanced customer experiences and improved efficiency. Over the past year, we also worked actively on increasing the proportion of women in executive positions, improving risk awareness among our employees and on reducing carbon emissions from transportation. It is gratifying to note that in all these areas we see positive results, and we will continue working on goal-oriented internal improvements over the course of 2016.

2015 – A HIGHLY EVENTFUL YEAR WITH IMPRESSIVE RESULTS

2015 was a milestone in the history of Coor. The company went public in June and in connection with its listing, our industrial service activities were sold off making Coor a purely FM company. In conjunction with this, we also renegotiated a contract volume of almost SEK 3 billion, of which 90 per cent was extended. Major customers that have chosen to continue and, in some cases, expand their collaboration with Coor include Ericsson, the Danish Police, AB Volvo, Volvo Cars, Saab AB, Borealis and Vasakronan.

> *I am convinced that Coor's dynamic culture of improvement and expansive innovation efforts are absolutely crucial to our continued development as a leading service company in the Nordic region.*

Strong organic growth

Sales grew organically by 10 per cent to SEK 7,482 million in 2015. This is significantly more than is exhibited by the market as a whole, and is well in excess of our target of 4–5 per cent organic growth per year. Among the customers with whom we initiated new collaborations were Statoil's offshore operations to supply five oil platforms to the North Sea, as well as Frontica Business Solutions and Aker Solutions in Norway.

Stable profitability

Operating profit for 2015 was SEK 374 million, which is an increase of 6 per cent. The operating margin for the full year was 5.0 per cent. This is slightly lower compared to the previous year, but given the large amount of new and renegotiated contracts that we processed in 2015, I believe it is a positive result. When we start or renegotiate a contract with new conditions, it always takes some time before we reach full profitability. The underlying profitability of our contracts remains stable.

Strong cash conversion

Cash flow was also strong in 2015. Working capital decreased by SEK 69 million, resulting in a cash conversion of 104 per cent for the full year. Stable cash flows are key to us at Coor, and also form the basis for stable dividends over time.

GOOD PROSPECTS IN TROUBLED TIMES

When we look at the outside world, I can state that we find ourselves in troubled and tumultuous times. At the same time, the world is becoming more integrated and connected, and cheaper technologies are opening up entirely new opportunities.

In the Nordic region where we operate, the situation in 2015 remained relatively stable. The underlying GDP growth is positive in all countries apart from Finland. We also perceive that demand in the FM market is generally good in Sweden, Denmark and Norway, mainly in terms of integrated FM solutions but also when it comes to bundled FM assignments and single services. Activity is particularly notable in the oil and gas industry in Norway and in the public sector in the Nordic region.

As we look ahead, we do so with confidence. By understanding the factors that generate value for our key stakeholders and by continuously adapting our business, we ensure good prospects for continued positive development – as a service provider, an employer and as an investment opportunity.

Finally, I would like to thank our customers and shareholders for the confidence you have shown in us. I would also like to warmly thank all the staff at Coor for all their fantastic efforts over the past year. Your involvement is crucial for Coor's continued success!

Stockholm, March 2016.

MIKAEL STÖHR
President and CEO
Coor Service Management

A STABLE MARKET WITH POTENTIAL

The Nordic FM market is relatively unaffected by the general economic climate and boasts good growth potential.

THIS IS FACILITY MANAGEMENT

Facility Management (FM) services are services undertaken both in and around a property. Optimally designed FM operations contribute to creating attractive, cost-effective, secure and sustainable workplaces, increasing the satisfaction and productivity of those situated there.

FM services are often categorized as either hard FM (property services such as maintenance, repairs and operations) or soft FM (workplace-related services). Workplace-related services can be classified into four further main categories: cleaning, food & beverages, security and other office services.

From outsourcing of single services to IFM

FM services can either be managed in-house or be outsourced. Today there exists a broad variety of FM suppliers with diverse backgrounds and focus areas.

When the market for outsourced services first evolved, many customers chose to outsource single services to different suppliers specializing in particular services or service groups. One reason for managing FM services separately is that this allows for the negotiation of larger volumes, which can result in certain advantages of scale.

The market has since developed such that customers combine a number of services (bundled services) with one supplier, or assign one supplier the responsibility for executing and developing a larger number of integrated FM services (IFM assignments). An IFM assignment also includes the management, governance and development of the services, allowing the customers to focus on the strategic issues for their company while the supplier is responsible for the operations. The major advantage of IFM services is that this allows for the full benefit to be gained from the considerable local synergies between the various services at a workplace or property and, in this manner, efficiency is achieved.

MARKET SIZE AND MARKET GROWTH

In 2014, Coor engaged an international strategic consultancy firm to compile a report on the market. This report estimated the total value of the FM market in the Nordics at around SEK 380 billion, of which approximately SEK 200 billion was outsourced to third parties. During the period 2012-2014, annual growth in the total outsourced market was around 2.3 per cent, while future annual growth was estimated at around 2.7 per cent, mainly driven by an increased transition rate from in-house to outsourced solutions.

Growth in the IFM segment, in which Coor is market leader, has been higher than growth in the FM market as a whole. During the period 2012–2014, the IFM market in the Nordics grew by 5.9 per cent annually, amounting to around SEK 11.1 billion in 2014. Expected annual growth within the IFM segment is 6.0 per cent until 2017.

COMMON SERVICE CATEGORIES

HARD FM
- Property services

SOFT FM
- Cleaning
- Food & beverages
- Security
- Other workplace services

Source: International strategic consultancy firm, 2014.

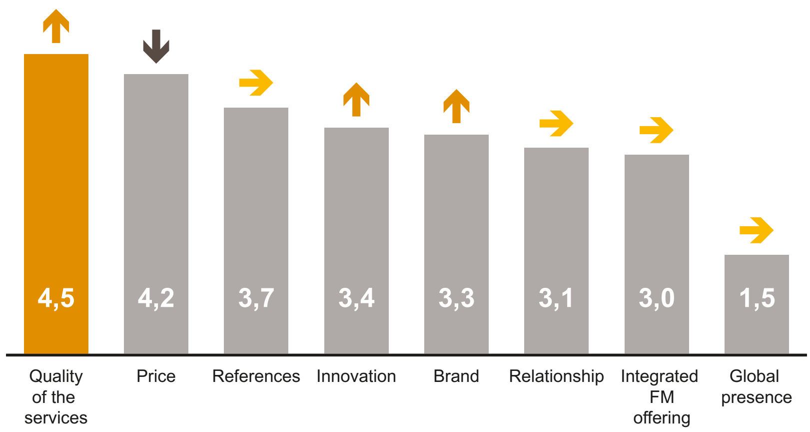
Historic growth in the IFM market was driven by suppliers and their individual, high-profile outsourcing contracts. Future growth in the IFM segment is expected to be driven by the increased number of customers, in both the private and public sectors, realizing the benefits of one point of contact for all FM services, significant cost savings achieved through local service synergies, decreased complexity and improved quality.

COOR'S MARKET POSITION

Since beginning its operations in 1998, Coor has specialized in providing IFM solutions to larger customers with complex requirements, in both the private and public sectors, while also fulfilling smaller assignments and single services.

The outsourced Nordic FM market is fragmented, with the 10 largest FM suppliers accounting for 30 per cent of the market. Competition in the Nordic IFM segment is limited to a small number of suppliers. Coor has a market-leading position, with a market share of approximately 36 per cent. There are significantly more operators active in the market for single services, and Coor's market share is just 3 per cent, implying positive growth potential.

CUSTOMER KEY PURCHASING CRITERIA



A comparison of the market survey results for the years 2010 and 2014 indicate that quality, innovation capacity and brand have taken on greater significance.
Source: International strategic consultancy firm, 2014.

DEVELOPMENT DURING 2015

2015 saw continued high levels of activity on the Nordic FM market. The trend among customers in the Norwegian oil and gas industry, of procurements increasingly transitioning towards IFM solutions, continued. Customers from other sectors in Norway also chose to increase the scope of outsourcing assignments. In Sweden, Volvo Cars added security services and food & beverages to its IFM assignment, the Swedish Armed Forces bundled cleaning and food & beverages, while the Danish company DSB bundled, among others, train cleaning and property services.

In general, there was significant interest in outsourcing in the public sector, and some large procurements, among them PostNord, DSB and the Swedish Armed Forces, were for IFM solutions. In contrast to procurements by private companies, public procurements are still characterized by an overriding focus on price. In Finland, customer procurements of single services remained at the level as in the past.

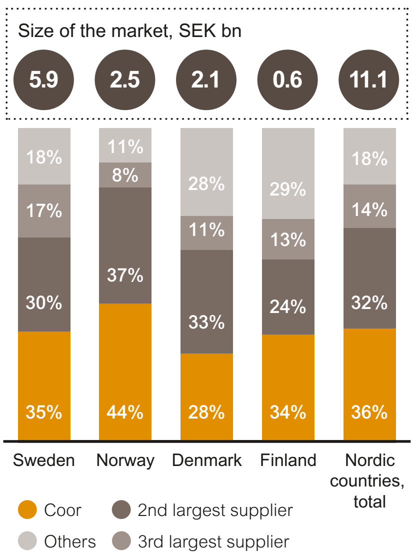
The pace of development of FM services has been significant throughout the Nordics, not least with regard to technology-driven solutions. Numerous new, innovative solutions were launched on the market. One such example is new applicable areas for the Internet of Things (IoT), where sensors transmit real-time information, improving quality and reducing costs. Another trend in focus during 2015 was activity-based offices, which are becoming more and more common.

Another development noted during the year was new forms of contracts involving common incentives between supplier and customer for value creation and risk management, for example so called "vested outsourcing". This can be interpreted as meaning that both customers and suppliers are interested in the further development of the FM market towards broader value creation and more deep-rooted collaborations.

QUALITY, INNOVATION AND BRAND ARE BECOMING EVER MORE IMPORTANT

In the aforementioned market survey, customers' purchasing criteria were also examined, and a comparison of the results for 2010 and 2014 indicates that factors such as the quality of the services, innovation capacity and brand have taken on greater significance. The price is still an important aspect, but is not as decisive as was previously the case. References, relationships, the capacity to handle integrated solutions and global market presence are all more or less equally important as before.

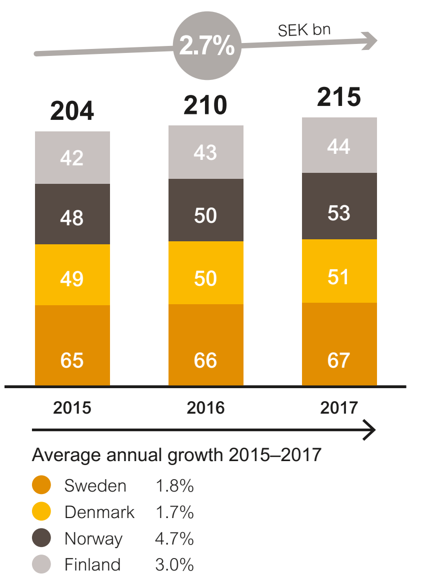
IFM COMPETITIVE LANDSCAPE[1)]



There are three major operators on the Nordic IFM market, Coor being the largest with a market share of approximately 36 per cent.

[1)] IFM segment size and IFM segment shares represent estimated figures 2014 based on company revenues.
Source: International strategic consultancy firm, 2014.

OUTSOURCED NORDIC FM-MARKET DEVELOPMENT BY COUNTRY



Historic growth within the Nordic FM market and forecast outcome until 2017.
Source: International strategic consultancy firm, 2014.

BUSINESS CONCEPT

Coor will take over, manage and develop service functions in offices, production facilities, properties and the public sector.

VISION

Coor's vision is to be the leading supplier of facility management in the Nordics. Coor will be the customers', employees' and investors' first choice when selecting a supplier, employer or making an investment within the service sector.

OVERALL TARGETS

Coor has formulated *comprehensive, long-term sustainability targets*, which articulate Coor's ambitions as a responsible actor in society from a business, social and environmental dimension.

The *comprehensive financial targets* are intended to be achieved in the medium to long term.

The *short-term, operational internal targets*, indicate the issues which the company is to focus on during the financial year.

STRATEGIES

Coor has defined five comprehensive strategies through which growth and profitability will be generated. Coor will:

- Leverage strong existing IFM platform through a focus on value adding development and innovation.
- Growth within selected single service segments and bundled service deliveries.
- Increase share of selfdelivery.
- Focus on operational efficiency.
- Geographic focus on the Nordics, but continue to follow large customers into Europe.

LONG-TERM, SUSTAINABLE VALUE CREATION

Coor's strategic platform is built on a clear vision, comprehensive targets and unambiguous business strategies which, from a holistic perspective, describe what Coor wants to achieve in the long term. The starting point for the strategic platform is an integrated approach, where the company's capacity to create value for its customers and shareholders is combined with social and environmental aspects.

BUSINESS CONCEPT

Coor will take over, manage and develop service functions in offices, production facilities, properties and the public sector.

The ambition is for the operations to be run in a manner which is efficient and sustainable, and which creates value for Coor's major stakeholders (customers, employees and owners), but also for society and the environment from a broader perspective.

VISION

Coor's vision is to be the leading supplier of facility management in the Nordics. Coor will be the customers', employees' and investors' first choice when selecting a supplier, employer or making an investment within the service sector.

VALUE CREATION FOR COOR'S CUSTOMERS

In order to ensure the company's position as customers' first choice, Coor's ambition is to continuously improve and develop the services offered. The objective is to deliver the market's best and most well-developed service solutions, which are always tailored to the customers' shifting requirements – "Service with IQ".

Coor's intelligent solutions for workplaces and properties creates value for customers through contributing to increased productivity, efficiency and sustainability. The engine driving Coor's development work is a strong culture of improvement and structured innovation work. More information can be found on page 26.

VALUE CREATION FOR COOR'S EMPLOYEES

Coor's goal is to be employees' first choice, which it aims to achieve by standing out as a stimulating employer offering a good, secure and non-discriminatory working environment. To meet this aim, Coor has implemented a structure for development work, a shared platform for work environment and health as well as attracting the market's best managers and employees. Read more on this under the "Employees" section on pages 23–25.

VALUE CREATION FOR COOR'S INVESTORS

Coor strives to be the first choice for investors by combining a high dividend yield with a relatively low risk. Coor's efforts to secure the first choice standing involve working to maintain the company's strong position on a market with good growth, which is relatively unaffected by the general economic climate, to deliver stable profits and to keep capital tied up at a minimum, in tandem with a generous dividend policy. In order to sustain this work in the long term, certain other important components are required, including well-functioning corporate governance, transparent communication and the application of sound business practices. These are described in the Corporate Governance section, see pages 97–106.

COMPREHENSIVE TARGETS

LONG-TERM SUSTAINABILITY TARGETS

Coor's ambition is to operate with responsibility and long-term sustainability. The company's customers, employees, owners and other stakeholders should trust that the company's business is run professionally, profitably, securely and sustainably – both today and in the future. To earn this trust the company focuses on creating not just financial value, but also on environmental and social value. Coor's work within these sustainability areas is reported in the Sustainability section on pages 37–49.

Business sustainability

Coor will achieve long-term business sustainability through a stable, profitable financial performance, while upholding strong business ethics. A stable growth will be achieved by the company's professional, value adding service delivery which results in a high level of customer satisfaction and long customer partnerships. In addition, Coor finds it essential that the company keeps a sharp focus on financial performance, while maintaining compliance with all applicable laws and regulations as well as implementing sound business practices.

Corporate Social Responsibility

Coor contributes to the betterment of society by acting as a responsible and evolving employer which actively encourages its subcontractors to follow suit. Coor offers all employees a good, safe, just and non-discriminatory working environment in line with ILO Declaration on Fundamental Principles and Rights at Work (1998). Coor also works in a structured way with the working environment, health and safety, and has an active engagement in the development of managers and employees.

Environmental sustainability

Coor contributes to an improved environment through continuous measures to reduce the environmental impact created by the company, and also by assuming responsibility for how Coor's services impact customers' operations. The environmental area in which Coor has the greatest potential to impact the environment is energy. In order to improve both the company's and the customers' environmental impact, Coor has developed its own environmental tool, Coor Green Services, which is used to identify methods to improve the environmental impact.

SHORT-TERM, OPERATIONAL TARGETS

In order to effectively govern the operations and to allocate the company's resources in an optimal manner, Coor's management also established operational targets each year, stipulating the organization's short-term focus areas. The operational targets are established within the three dimensions of sustainability.

The operational targets are established on the basis of an overall assessment of the company's dialogue with stakeholders and assessments made by the company's auditor, combined with the company's own assessment of its requirements for specific activities. The operational targets serve as important governing instruments for Coor. They are established for the group, as a whole, and channelled through the entire organization, being broken down by country, business unit, contract/region and working group. Action plans for achieving the broken down targets are initiated locally and are followed up at Group Management level three times per year. By doing so, all employees can feel a sense of participation in the development of the group.

Operational targets for 2015 and 2016

In 2015, the majority of Coor's operational targets were accomplished. Prior to 2016, it was decided that the operational areas for the year would be unchanged compared with 2015 (with minor adjustments to target values).

Operational targets 2015

Business targets

- Customer satisfaction
- Sales growth
- Margin
- Cash flow

Social targets

- Employee satisfaction
- Workplace accidents
- Share of women in senior positions

Environmental targets

- CO_2 emissions from transports

FINANCIAL TARGETS

Coor's quantitative financial targets express the company's intended financial performance designated in the medium to long-term.

FINANCIAL TARGETS AND OUTCOME 2014–2015

Target	Description	OUTCOME 2015	OUTCOME 2014
ORGANIC GROWTH OF 4–5 %	Coor will grow by 4–5% organically each year over a business cycle. The growth rate may vary from year to year depending on changes in the contract portfolio. The organic growth can also be supplemented with acquisitions, which can be motivated by the need to reinforce competence or to achieve a more rapid expansion within a geographic area or customer category.	2015: 10%	2014: 6%
ADJUSTED EBITA-MARGIN OF ~5.5 %	In the medium term, Coor will deliver an adjusted EBITA-margin of around 5.5%. To do so, Coor maintains a strong focus on operational efficiency improvements and cost savings.	2015: 5.0%	2014: 5.2%
CASH CONVERSION >90%	Coor's ambition is to maintain a high cash conversion, and the medium-term target is cash conversion in excess of 90 per cent.	2015: 104%	2014: 108%
INTEREST-BEARING NET DEBT/ADJUSTED EBITDA <3.0	The medium-term target is that Coor's interest-bearing net debt will be less than 3 times adjusted EBITDA (during the last 12 months).	2015: 2.2	2014: 6.6
DIVIDEND POLICY ~50%	The target is that approximately 50% of the company's adjusted net profit for the period (before amortization and impairment of intangible assets) will be distributed to the shareholders.	2015: 52%	2014: N/A

OVERALL BUSINESS STRATEGIES

Coor has defined five comprehensive strategies which contribute to the generation of growth and profitability.

1 LEVERAGE STRONG EXISTING IFM PLATFORM THROUGH A FOCUS ON VALUE ADDING DEVELOPMENT AND INNOVATION

Coor is market-leader in integrated FM services to larger organizations with complex requirements. To defend this position and to continue expansion within the IFM segment, it is important for Coor to offer the market's best solutions. These solutions are identified by maintaining a substantial customer focus and by working continuously with improvements and innovations.

2 GROWTH WITHIN SELECTED SINGLE SERVICE SEGMENTS AND BUNDLED SERVICE DELIVERIES

Coor boasts extensive competence and leading expertise within many service areas, which Coor will leverage through expansion in selected single service areas, primarily cleaning, food & beverages and property services. In addition, Coor offers uncomplicated package solutions for a few bundled FM services to customers which do not require a tailored solution.

3 INCREASED SHARE OF SELF-DELIVERY

Coor applies a flexible delivery model, in which elements of the service delivery are undertaken in conjunction with subcontractors. However, in recent years Coor has chosen to perform ever more services itself, not least within cleaning, food & beverages and property services. This strengthening of competence has partially been made possible by the acquisition of other service companies, such as the acquisitions of LujaPalvelut (2011) and Addici (2012), companies which both mainly provided services in-house. The reason for increasing the proportion of deliveries provided with own resources is that this is proven to improve customer satisfaction while simultaneously allowing Coor to benefit from local synergies between services.

4 FOCUS ON OPERATIONAL EFFICIENCY

Over the years, Coor has focused strongly on profitability. The margin in the contracts varies, but Coor has generally succeeded in increasing margins over the tenor of contracts through implementing continuous efficiency improvements. In addition, Coor attempts to continually increase profitability by implementing more effective and appropriate processes, reducing administrative expenses and by spreading "best practice" through the organization. In 2015, the group undertook a far-reaching review of its purchasing work, which resulted in new working methods and new purchasing agreements.

5 GEOGRAPHIC FOCUS ON THE NORDICS, BUT CONTINUE TO FOLLOW LARGE CUSTOMERS INTO EUROPE

Coor's home market is the Nordics, but Coor has also chosen to follow major customers into new European markets, including Belgium, Hungary, Poland and Estonia.

KEY PERFORMANCE INDICATORS[1)]

SEK m	2015	2014	2013	2012
Net sales				
Net sales	7,482	6,844	6,454	5,526
Net sales, growth, %	*9.3*	*6.0*	*16.8*	–
whereof organic growth, %	*10.0*	*5.6*	*0.3*	–
whereof FX-effect, %	*–0.7*	*0.4*	*–1.0*	–
whereof M&A, %	*0.0*	*0.0*	*17.5*	–
Profit and margin				
Gross profit	689.3	393.1	402.6	475.1
Gross profit margin, %	*9.2*	*5.7*	*6.2*	*8.6*
Adjusted gross profit	892.6	809.3	817.4	768.5
Adjusted gross profit margin, %	*11.9*	*11.8*	*12.7*	*13.9*
EBIT	82.1	–82.4	–182.7	3.5
EBIT-margin, %	*1.1*	*–1.2*	*–2.8*	*0.1*
EBITA	259.1	248.2	185.3	213.2
EBITA-margin, %	*3.5*	*3.6*	*2.9*	*3.9*
Adjusted EBITA	373.9	354.3	312.0	307.3
Adjusted EBITA-margin, %	*5.0*	*5.2*	*4.8*	*5.6*
EBITDA	308.2	296.9	244.1	271.5
EBITDA-margin, %	*4.1*	*4.3*	*3.8*	*4.9*
Adjusted EBITDA	423.0	403.0	370.7	365.6
Adjusted EBITDA-margin, %	*5.7*	*5.9*	*5.7*	*6.6*
Profit before tax	–32.5	–354.5	–911.4	–667.3
Profit for the year	201.2	–310.8	–577.4	–562.3
Adjusted net profit	378.1	19.8	–209.4	–352.6
Selling and administrative expenses	–607.1	–475.6	–585.3	–471.6
Selling and administrative expenses/Net sales, %	*8.1*	*6.9*	*9.1*	*8.5*
Adjusted selling and administrative expenses	–518.7	–455.1	–505.5	–461.2
Adjusted selling and administrative expenses/Net sales, %	*6.9*	*6.6*	*7.8*	*8.3*
Cash flow				
Operating cash flow	274.0	274.5	294.8	120.5
Cash conversion, %	*104*	*108*	*118*	*59*
Capital structure				
Net working capital	–448.6	–391.5	–322.3	–228.4
Net working capital / Net sales, %	*–6.0*	*–5.7*	*–5.0*	*–4.1*
Net debt	947	2,673	2,611	6,322
Leverage	2.2	6.6	7.0	17.3
Equity/assets ratio, %	*44.7*	*17.9*	*24.2*	*–24.6*
Dividend, SEK	2.00	N/A	N/A	N/A
Other information				
Number of employees (FTE) at year end	6,381	6,087	5,156	5,667

[1)] Data excluding the industrial services operation, which was sold in June 2015.
Please refer to note 1.26 for definitions and calculation methods for key performance indicators.

SERVICE SOLUTIONS THAT CREATE CUSTOMER BENEFIT

Coor has the best developed offering on the market, and adds value for the customers by managing, developing and increasing efficiency in various services so that over time they are adapted to and optimally support the customer's operations.

VALUE ADDING SERVICE SOLUTIONS

Service management is defined as the coordinated control and management of a number of services. This is basically about managing one or more services in a more structured and coordinated manner, and delivering what has been agreed in an efficient way, according to established processes at the agreed quality and cost.

Of total net sales, IFM assignments represent 65 per cent. In an IFM assignment, Coor coordinates the management, development and streamlining of a large number of services into a single undertaking to the customer, often delivered at a number of different locations. The scope of the services and assignments in all other respects is tailored to the customer's needs.

Coor also offers one or more services (single or bundled assigments) to customers that do not require full integration or as advanced management as IFM assignments. In 2015, single service assignments represented 18 per cent of total net sales, and bundled service assignments represented 17 per cent.

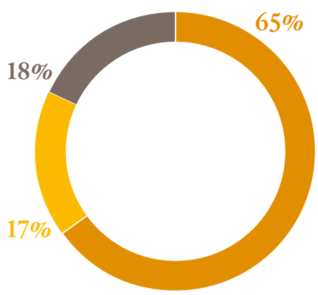
In order to achieve effective, flexible and value-adding service delivery in all its assignments, Coor works in a structured way according to a service delivery process which is described on pages 20–22. The goal is to offer innovative and intelligent services that support the customer's core business optimally, and to continuously develop and adapt these services to the customer's requirements and varying challenges.

THE BROADEST OFFERING ON THE MARKET OF TAILORED SOLUTIONS

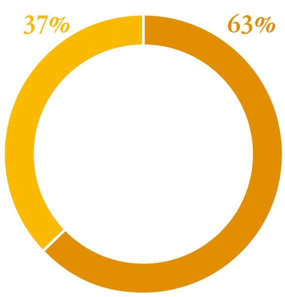
Coor has the broadest service offering on the market. The company has expertise in over 100 services divided into three service areas: workplace services, property services and strategic advisory services. A service solution is tailored to each customer by combining services from these different areas.

These services are performed primarily at the customer's premises, that is, in or around the premises that customers use for their activities.

NET SALES BY TYPE OF CONTRACT, %



NET SALES BY SERVICE CATEGORIES, %



THE BROADEST OFFERING ON THE MARKET

Coor has the broadest service offering on the market, with specialist skills in over 100 services. These services are divided into three main categories – workplace services, property services and strategic advisory services. The strategic advisory services are included in contract management and are not reported separately.

COOR HAS SPECIALIST SKILLS IN OVER 100 SERVICES

WORKPLACE SERVICES – EXAMPLES

- Reception
- Telephony
- Mail and freight
- Cleaning
- Office machinery
- Office supplies
- Conference services
- Documentation, printing/copying
- Staff restaurants
- Dispensing machines
- Security
- Interior fittings and relocation services

PROPERTY SERVICES – EXEMPLES

- Property maintenance
- Technical maintenance
- HVAC
- Electrical installations
- Technical surveillance systems
- Outdoor areas
- CAD and Documentation
- Technical management
- Administrative management
- Financial management
- Energy services
- Projects

STRATEGIC ADVISORY SERVICES – EXEMPLES

- Analysis
- Action-plans
- Change management
- Management resources
- Reporting
- Decision-support data
- Business cases
- Strategy
- Process/system design
- Innovation
- Project management
- Workshops
- Service concepts

Workplace services (soft FM)
Services within workplace services are delivered as a part of an integrated or a bundled assignment, or as a single service. In 2015, they accounted for 63 (64) per cent of total sales.

In the workplace services segment, cleaning and food & beverages are two of the largest service categories with 30 and 25 per cent of workplace net sales.

Cleaning
Cleaning is included in most IFM assignments and is often one of the biggest services in these assignments. Cleaning consists largely of daily cleaning of offices and other buildings. Coor also offers more specialised cleaning services, such as window cleaning and floor care. Coor has a group-wide cleaning concept, which means standardised cleaning methods, machinery and supplies as well as regular monitoring and control.

Food & beverage
Coor is one of the leading food & beverage suppliers on the market. Services included are restaurants, cafés, kiosks, conference catering, fruit, coffeee and vending machines. Most of the restau-

COOR CLEANING

Smart, reliable and sustainable cleaning

Coor has one of the best developed cleaning offering on the market. In 2015, a new group-wide cleaning concept was developed, which assures the high quality and professional execution of all cleaning deliveries. The concept can easily be adapted to the different requirements of customers and to the customer's preferred quality standards, such as INSTA 800. The concept is based on a common approach which Coor calls "Cleaning The Coor Way", which is based on nine critical elements in a cleaning assignment. In 2016, the concept will be complemented by a training programme, the Coor Cleaning Academy.

FOOD BY COOR

The best mealtime solution on the market delivered with passion and commitment

Food and beverages should be a source of enjoyment. That is the starting point for the approximately 120 restaurants Coor operates under its own brand – FOOD by Coor. The aim is to offer great food prepared from good produce in a pleasant environment and with a high level of service. Coor's restaurant concept is based on six cornerstones:

- Customisation
- Great food
- Excellent service
- Pleasant atmosphere
- Innovative solutions
- Sustainability

rants are operated under the brand FOOD by Coor.

Property services (hard FM)

In 2015, property sevices accounted for 37 (36) per cent of the total net sales. Most IFM assignments include property services. For customers who do not own the buildings in which they run their activities, property services are simpler and cover only the building's interior. For those customers who own their buildings, property services are more complex and also include technical systems (ventilation, heating, lifts, etc.). In such cases, supervision, maintenance and corrective maintenance of the interior/exterior and technical systems as well as energy optimisation are generally included.

In recent years, Coor has increased its capacity to provide property services autonomously through the recruitment of more skilled personnel in the form of property managers and property technicians, and also engineering personnel and specialists in energy, cooling, electricity, ventilation, joinery as well as control and regulation technology. In addition, Coor has increased the number of its project managers to be able to undertake more and bigger projects.

Strategic advisory services

Strategic advisory services are almost always part of an IFM assignment. A certain type of skill is packaged and sold separately. Within this area, Coor offers its customers FM-related advice on matters that are better handled as separate projects rather than as an ongoing service assignment. For example, it might involve a transition from a traditional office landscape to an activity-based office, a major relocation project, or the creation of a scoreboard for FM-related key ratios. The advantage for customers when they hire Coor for these tasks is that they have access to strategic expertise in combination with in-depth and extensive experience of FM and thus a connection to what is feasible. These services differentiate Coor from its competitors in the FM market.

Strategic advisory services are delivered either by specific change managers, by specialists, or by local contract or site managers. Experienced change managers at group and country level are used for targeted efforts such as analyses of specific services and/or guidance on the implementation of more far-reaching changes in the delivery of services. Specific activities that these services generate include reports and decision support, analyses, KPI analyses, action plans, project management and process and system design.

SMART SOLUTIONS FOR FUTURE WORKPLACES AND PROPERTIES

In 2014, Coor launched a new concept for innovative service solutions under the collective name of Coor Smart Solutions. Common to all these solutions is that they are based on new technologies. 2015 saw the launch of several new Smart Solution services such as Coor SmartArchive and Coor SmartReception. At the turn of the year, it was estimated that about

COOR SMART SOLUTIONS

In recent years, Coor has launched a large number of innovative solutions under the collective name Smart Solutions. Common to all these solutions is that they are based on new technologies. These innovations have attracted considerable interest among Coor's customers and even further afield, in the Nordic countries and beyond. In 2015, several newspapers reported on Coor's innovation activities and representatives of Coor were invited as speakers at several major events such as Kontor 2015 in Stockholm, Teknisk Ukeblad's Internet of Things Conference in Oslo, the European Facility Management Conference in Glasgow, and IFMA World Workplace in Denver.

Coor SmartArchive

Digital archiving for quick access to corporate documents

Coor SmartArchive is a service for the digitalization of documents with simultaneous archiving both digitally and physically. There is no need of costly investments. The archive is accessable on a twenty-four hour basis. The system is appropriate for purchasing and customer agreements, HR documents, handling of post, invoices and other correspondence –on both a large or more limited scale.

Coor SmartResponse

Simple fault reporting through QR codes

Unique QR codes are attached to various objects, such as coffee machines, copying machines or to elevators, and this makes it possible to quickly report faults when the QR codes are scanned through smart mobile telephones. As the codes contain specific information on the object, the fault case is logged directly into Coor's system, which facilitates the handling of the fault or disruption.

Coor SmartFlow

Efficient post processing system for mobile personnel

Coor SmartFlow is a post handling system where the recipient receives a notification (via sms or e-mail) that there is a package or a letter to be collected at a pre-determined collection site, instead of using a fixed post box. Coor SmartFlow is an efficient solution for activity-based offices with mobile personnel who do not work at the same location each day.

COOR SMART OFFICE

A smart office is designed to unlock the full potential of those working there. This means that the spaces, technology, activities and services are adapted to the specific activity and the people who work there. With its broad experience of different activities in different types of buildings, Coor can offer expert advice on the conversion to activity-based workplaces for example. The conversion is carried out in accordance with a model developed by Coor from a holistic life-cycle perspective.

Coor's model for developing attractive, efficient, productive and sustainable workspaces.

Coor describes its approach to tomorrow's smart offices and workplaces at www.smartoffice.coor.com.

100,000 of Coor's customers' employees had access to one or more of Coor's Smart Solutions.

In the quest for more attractive, productive, efficient and sustainable workplaces, more and more companies and the public sector in the Nordic countries are considering the move to activity-based offices, and Coor is more and more frequently being called on to provide advice in these processes. Since 2008, Coor has developed services for activity-based workplaces and now uses its own head office as a showcase and a development laboratory. Many of the solutions in the Coor Smart Solutions series are particularly well suited to the modern, activity-based office. One of the solutions in high demand is Coor SmartUtilization, which uses smart sensors to provide valuable information about how different spaces can be utilised optimally.

ENVIRONMENT-FRIENDLY SOLUTIONS

In order to help customers with high ambitions to reduce their environmental impact, Coor has developed its own eco-label for sustainable services – Coor Green Services. This eco-label is broad and covers the most common services that Coor delivers. These services are evaluated in the light of relevant environmental criteria, which are updated annually.

Coor Green Services were introduced in 2010 and have attracted great interest. The proportion of approved sites (Silver and Gold levels) has increased year on year since, showing that the eco-label is working well as an instrument for Coor to act as green advisors to its customers with excellent outcomes.

COOR GREEN SERVICES

Coor Green Services is Coor's proprietary eco-label for environment-friendly services. The eco-label covers the most common services for which Coor is responsible, and for which clear environmental criteria have been established. The label is available at two levels: Gold and Silver. Gold status requires that at least 85 per cent of the required criteria are met and for Silver at least 65 per cent. The Assessment Tool is dynamic, which means that the tool is adapted to developments over time and, therefore, stands as a true guarantee of high ambitions in environmental protection. The environmental criteria are based on relevant standards within each service area, such as the Swan eco-label for cleaning services in Sweden and Krav for many of the restaurants Coor operates.

Coor Green Services GOLD

Coor Green Services SILVER

Coor SmartID

An effective ID card processing system

Coor SmartID is an order system for authorization and access cards, supporting all of the stages from order and authorization, to production and delivery. The system can be integrated into the company's HR and access authorization system, which results in increased security, greater flexibility and decreased administration. The atomized process provides full traceability from order to delivery.

Coor SmartDisplays

Digital communication enhancing attention to the message and creating involvement

Coor can offer modern, cost-efficient digital signs for external or internal communication. The editing interface is very user-friendly and the content can be easily published from a central department by the customer's own personnel or via Coor.

Coor SmartMeetings

A further step from teleportation

Modern video conference technology supplementing the customer's existing equipment – easy to implement and simple to use. These smart virtual meeting solutions are delivered as one function, which implies that the customers do not need to invest in hardware.

Coor SmartMove

Easy moving of everthing and everyone

The moving of offices and work sites is often time and resource-intensive. Coor SmartMove is a web-based system integrating relevant information regarding employees and office spaces, which speeds up and simplifies the moving process, resulting in decreased administration.

Coor SmartUtilization

For increased optimization of workspace

Coor SmartUtilization provides real time information on the manner in which various physical spaces are utilized. Heat sensors register the extent to which conference rooms, workplaces and other office space are being used. The utilization level is summarized and presented in an analysis tool, which, in combination with extensive interviews, provides a reliable basis for decisions on workspace optimization.

LONG-LASTING AND STABLE CUSTOMER RELATIONSHIPS

Coor strives for long-lasting and stable relationships with customers operating in various industries and of different sizes. Great importance is placed on the formulation of customer contracts, which establish the framework for Coor's deliveries, and on continuous customer dialogue.

DIFFERENT TYPES OF ASSIGNMENTS

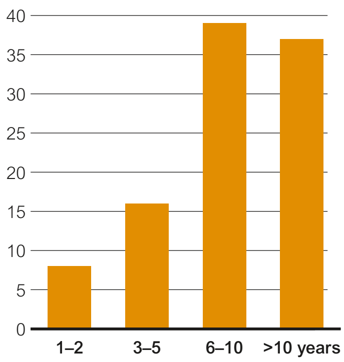
Since the company started, its focus has primarily been on large-scale IFM assignments. In recent years, Coor has also focused on single services and bundled services assignments (the coordination of several services). In 2015, IFM assignments constituted 65 (62) per cent of net sales. The corresponding figure for bundled services assignments amounted to 17 (19) per cent and for single services 18 (20) per cent.

LONG-TERM CUSTOMER RELATIONSHIPS

In the past 15 years, Coor has developed long-lasting relationships with its customers. At the turn of the year, more than 76 (75) per cent of net sales were to customers Coor has worked with for more than 6 years.

In order to maintain long-term customer relationships, Coor places great emphasis on professional, secure and good service delivery – services adapted to the diverse customer needs with deliveries that are monitored in a structured and clear way. Coor also ensures that its services are at the leading edge through continuous development and innovation activities, which create value to Coor's customers.

LONG-TERM CUSTOMER RELATIONSHIPS, %



At year-end, more than 75 per cent of the company's customers have maintained a business relationship with Coor for 6 years or longer.

In order to understand how customers experience their service deliveries, and how their demands evolve over time, Coor has a structured dialogue with its customers through various forums for different issues (strategic, tactical and operational). This assists Coor to capture and process customer feedback and ideas for changes. As an important complement to this ongoing dialogue, Coor regularly conducts customer surveys. In 2015, a group-wide comprehensive customer survey was conducted in which customer satisfaction increased.

CONTRACTS AND CONTRACT DURATION

Coor places great emphasis on contract formulation, which is fundamental to smooth collaboration with the customers. The aim is to create clear, comprehensive contracts that also provide scope for flexibility. IFM contracts generally entail a basic subscription, which means that a number of basic services are delivered at a fixed monthly price, as well as variable assignment- or project-based volumes. Parts of these assignment-based volumes are guaranteed through minimum volumes or exclusivity clauses.

IFM contracts normally run for between three and five years. Contracts for bundled and single services are usually somewhat shorter. At the beginning of the year, the average duration of contracts was approximately five years (for contracts over SEK 15 million per year), since many of the larger contracts run for more than five years.

A BROAD AND DIVERSIFIED CUSTOMER BASE

Coor's customers are a mixture of big, leading enterprise customers, public sector customers and SMEs throughout the Nordic region. Coor's customers are active in a variety of industries. For the group as a whole, the biggest customers are in the manufacturing industry, the IT & telecom sector, the public sector and the oil and gas industry. Coor's customer base in Sweden is relatively broad. The majority of customers in Coor's Norwegian operations are in the oil and gas industry. In the Danish operations, the public sector dominates, while the Finnish operations feature a large number of smaller customers.

Since Coor focuses on big IFM contracts, its customer base is relatively

concentrated, especially for larger customers. In 2015, Coor had 27 (27) customers that accounted for annual net sales in excess of SEK 50 million. For the 2015 financial year, the ten largest customers accounted for 50 (45) per cent of consolidated sales and the five largest customers accounted for 37 (32) per cent.

CHANGES IN THE CUSTOMER BASE IN 2015

A number of partnerships with new customers were initiated during the year, of which the biggest was a new contract with Statoil for the delivery of IFM to five oil platforms (Norway), and new IFM contracts with Frontica/Aker Solutions (Norway). New, smaller customers include Pembroke (Sweden) and the Health and Social Care Inspectorate (IVO) (Sweden), Klövern (Sweden), Finnish Church in Helsingfors (Finland), as well as Kockums (Sweden). These new contracts represent total annual sales of approximately SEK 800 million (including contracts with an annual sales below SEK 10 million).

The majority of all larger contracts renegotiated during the financial year were extended, among which the most important were IFM contracts with Volvo Cars (Sweden), Ericsson (Sweden), Vasakronan (Sweden), the Danish Police (Denmark), Sandvik (Sweden), Borealis (Sweden) and Saab (Sweden). Smaller contracts extended during the year included CGI (Sweden) as well as Veitvet Skole, WilService, Adecco and Eniro (Norway).

These extended contracts comprise total annual sales of approximately SEK 2,600 million. Contracts not extended during the year corresponded to a total volume of SEK 300 million in annual sales. This means that at the end of the year, Coor had a rate of contract extension of 90 per cent.

NEW AND COMPLETED CONTRACTS DURING THE PERIOD [1)]

	Number	Annual sales
New contracts during the period	10	685 SEK m
Completed contracts during the period	8	385 SEK m
Net change in the contract portfolio	2	300 SEK m

[1)] Both the retention rate and changes to the contract portfolio pertain to contracts with over SEK 10 million in contracted or assessed annual sales. For concluded contracts, sales for the last twelve month period are stated with full delivery.

RETENTION RATE 90%

A WELL-STRUCTURED OPERATION

Coor's operations can be broken down into four distinct stages which correspond to the company's business model. The provision of service in itself is executed according to a structured process supported by modern, purpose-built IT systems. This enables a safe, professional and efficient delivery of services of the right quality and at the right price.

1 WIN AND SIGN CONTRACTS

New business entered into by Coor may be formulated differently. For example, a significant difference arises in the terms of whether the FM services have previously been outsourced, and the assignment is taken over from a different supplier, or Coor assumes the responsibility directly from the customer. The scope of the services can also vary – from a full-scale IFM assignment encompassing the provision of multiple services in several countries, to a single service at just one customer facility.

The purchasing process for a FM contract varies, and can take anything from two months to a couple of years. For large, complex IFM assignments, the lead times are thus longer than for more straightforward bundled FM assignments or single services.

Success in the sales work is contingent on good awareness of ongoing procurements, and also on making the right prioritizations. A competitive, distinctive offering, well-defined contract principles and a strong sales organization are also crucial factors.

Coor has dedicated business development units at both group and local level, with clearly-defined areas or responsibility. Coor's sales organization at the group level handles sales of new, large IFM assignments, sometimes covering several countries. The sales organizations in each country handle less extensive IFM assignments and/or single and bundled service assignments in the respective country.

In 2015, Coor's focus areas included progress in sales of less extensive service assignments. These type of sales require more proactive, prospective sales work, and the eventual delivery has a lower degree of individual adaptation to the customer.

2 INTEGRATION, TRANSFORMATION AND DEVELOPMENT IN A NEW ASSIGNMENT

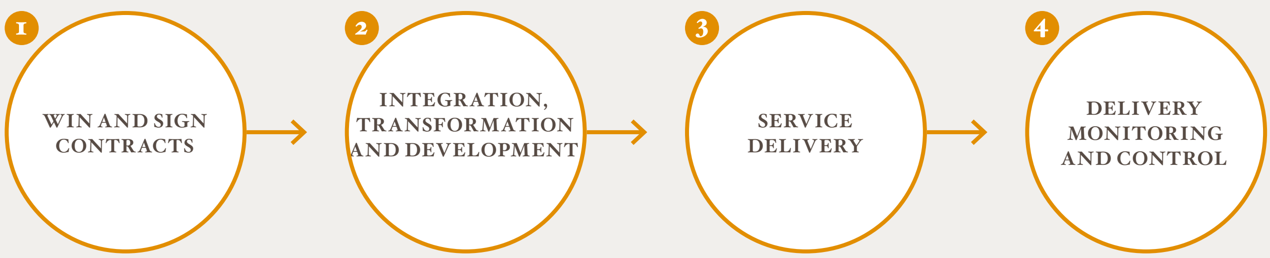
Integration work

New assignments shall be initiated quickly and securely. The work often includes new personnel being recruited by, or transferred to, Coor, the networking of IT systems and the transferral of object and service data to Coor's system. All of these activities are planned in an attachment to the FM agreement in which milestones, the division of responsibilities and deadlines are detailed.

Coor has developed a standardized process for start-up work. Larger integra-

BUSINESS MODEL

Coor has a structured model dictating how the operations are to be carried out. The business model can be summarized in four stages:



The purchasing process for a FM contract varies depending on type of contract and contract length. The starting point for Coor's sales work is a competitive and distinctive offering.

As soon as a contract is in place, structured start-up work is initiated. Larger start-ups are headed by an experienced Project Manager.

Coor's services are often rendered at the customer's place of business, either by Coor's personnel or via sub-contractors. The service delivery is supported by a purpose-built IT system.

Structured, regular monitoring and control is central to a seamless supplier-customer relationship. This is based on predetermined performance indicators, presented as preferred by the customer.

tions are managed by a separate function with specially-trained Project Managers. In most cases, a temporary integration organization is formed, bringing together the relevant functions such as IT, purchasing, HR and communication, and is mirrored by a corresponding organization on the customer's side.

Coor has considerable experience of starting up new contracts, including complex contracts involving numerous services delivered over a wide geographical range.

Transformation and development

Once an assignment has been initiated and the day-to-day service delivery is in place, transformation work is commenced, entailing the further development and standardization of the service processes in the manner agreed with the customer. At times this is specified in advance, at other times Coor is tasked with planning the transformation work, itself, once the deliveries have been started. Transformation can focus on a variety of areas, such as raising the service level or reducing costs. In the case of the former, outcome is measured using key performance indicators, while the latter may constitute an aspect of the price settlement. In smaller assignments, transformation is undertaken with the help of line specialists, while specially-trained Change Managers assist in more significant assignments.

3 SERVICE DELIVERY

For over 16 years, Coor has developed methods and working procedures that ensure a professional and cost-effective service delivery.

Delivery model

Coor's services are primarily rendered by a dedicated team (contract) on-site at the customer, comprised of either the company's personnel or with the help of a sub-contractor. Certain single and bundled services are sometimes delivered via regular customer visits in a process known as "route-based delivery".

In recent years, Coor has increased the proportion of its services delivered by internal personnel, primarily within

COOR'S SERVICE DELIVERY PROCESS

In order to assure quality and efficiency, Coor's work is based on a structured service delivery process. The process begins with the receipt, planning and preparation of a customer assignment. Following completion, feedback reports are drawn up on the assignment, which are then followed up (externally and internally) and invoiced. Coor's service delivery process is supported by purpose-built IT systems networked in a seamless flow.

cleaning, food & beverage and property services. Coor has resolved to increase the proportion of services rendered within these categories in order to ensure better control over quality, and to increase opportunities for local synergies between the various services. Nonetheless, it is beneficial for a certain portion of services to continue being delivered by sub-contractors, as this allows Coor to retain a higher degree of flexibility. Coor's work with purchasing and supplier management is described in further detail on page 29.

4 FOLLOW-UP/CONTROL

Customer contracts often define differing quality and control parameters, as well as which performance indicators are to be monitored. Examples of common performance indicators are frequency, call-out time, customer satisfaction and cost per service.

In order to maintain good relationships, a clear, formal meeting and control structure is established, regulating the cooperation with each respective customer.

Principles for following up the delivery are also established for each customer relationship, which may differ from cooperation to cooperation. The follow-up of the delivery is based on monitoring performance indicators agreed on between the parties. In 2014, Coor launched a new, digital follow-up portal, the Coor Performance Portal. This portal is integrated with various systems and gives Coor's customers the unique ability to monitor the delivery simply and clearly in real time. A major advantage is that the system makes it possible to follow information and performance indicators in different ways – by service, facility, town, country or region – facilitating comparisons of costs and other parameters. Coor Performance Portal is one of the most advanced delivery monitoring tools on the market today.

QUALITY AND ENVIRONMENTAL WORK

CERTIFIED OPERATIONS

Coor's customers rightly impose high requirements as regards the environment, quality, efficiency and security, and in order to ensure that those requirements are met, Coor has chosen to environmentally certify all of its operations in accordance with the international standard ISO 14001. In addition, the operations in Sweden, Norway and Finland are also certified according to ISO 9001. Since 2012, Coor has held a group-wide umbrella certificate for environment and quality. In 2015, the decision was made that, as of 2016, the group was to implement the new standards ISO 45000:2015.

During 2015, quality work within the group mainly revolved around the development of common working procedures. Extra focus was placed on the process for deviation reporting, primary cause analysis and corrective and preventative activities. This process is important in ensuring efficient, secure work of high quality in the services provided to Coor's customers.

In addition to these certificates, Coor's work approach is designed in such a way as to fulfil the demands of relevant authorizations for several important service and product areas, for example:

- Authorized cleaning provider according to Almega.
- C1022 Category 1 certification (Cooling).
- Environmentally certified cleaning in Sweden according to the Swan eco-label.
- Environmentally certified cleaning operations in Sweden according to the Swan eco-label.
- Quality certified telephony services in Sweden according to Kontakta's “Secure customer contact” label.
- A number of eco-labelled restaurants in Sweden according to "KRAV".

COMPETENCE, COMMITMENT AND DEVELOPMENT

The key to a Coor delivery is that all employees contribute to the performance and development of the company in the day-to-day work they carry out on behalf of the customers. Working with a common set of guiding principles, clear expectations, and a continuous development plan for all employees at Coor is therefore a major priority.

As in all service-producing companies, the input of our employees is synonymous with the brand of the company. In their professional capacities, all employees at Coor are essential representatives of Coor. In order to create a unified corporate identity, it is therefore vital to have a common culture based on a clear set of guiding principles, but also on a common set of goals, processes, procedures, regulations and systems.

All employees must feel committed to, and have confidence in Coor which is a prerequisite for the company in maintaining its course of positive development. This means that one of Coor's most important tasks is to generate the opportunities for each employee to develop within his or her field. Working on the development of the individual is important to the company's growth.

STRONG AND HEALTHY GUIDING STARS

Coor has a common set of values that are expressed as three guiding stars. The guiding stars are the root to Coor's corporate culture and are indicative of what everyone working at Coor is to strive for in dealing with customers, suppliers and each other.

The ability to adapt the significance of the guiding principles to suit any situation that may arise in the delivery and everyday work is crucial to how Coor is perceived by its envi-

COOR'S GUIDING STARS

Just like its customers, Coor operates in a number of industries, at a range of locations and in different countries. Coor works consistently and delivers the same high quality across the group. Working actively with a common corporate culture is important. The basis of Coor's corporate culture is the company's set of values, which are expressed as three guiding stars designed to steer all employees through their daily work. The guiding stars are based on Coor's perception of what distinguishes a professional service delivery.

We see further

Seeing further is all about attention and prioritization skills. We must be one step ahead and solve any problems before they actually occur. You have to think ahead.

We listen

Being responsive is about openness and communication. We must be open to views and ideas on how we can develop or improve ourselves and our work. We must ensure that we understand messages correctly. This also applies to speaking and writing in a way that others can understand.

We create success

Creating success is about the ability to take action and the will to improve. Put simply, we get things done. We are creative and identify solutions that are smarter and cheaper both for us and our customers. Thus, we both benefit.

ronment. Work on Coor's guiding principles is conducted both locally and centrally. This is an important element of the company's extensive training programs, and are highlighted in the group-wide communication work.

CLEAR EXPECTATIONS OF MANAGERS AND EMPLOYEES

There is a strong conviction at Coor that responsibility breeds commitment. Regardless of whether you are a manager and employee at Coor, you contribute to the company's development and success by, among other things, participating in the annual management by objectives process and on working towards achieving the common goals that have been set.

For Coor, it is important to define and communicate expectations and clear lines of responsibility. In 2015, Coor updated its management model that details the characteristics of a good leader. Work on updating the corresponding model for employees was launched during the year. It is these models that form the basis for the common tools, training and evaluations designed to continuously develop and improve leadership and teamwork.

TO CONTINUOUSLY DEVELOP AND IMPROVE LEADERSHIP AND EMPLOYEES

The models form the basis for the development of leaders and employees. In addition to a common ground, it is also vital that Coor has the tools, systems and processes in place to provide all managers and employees with the right conditions to flourish. It has been ensured that this support is in place for all activities in the HR process; processes and activities adapted to suit the various roles of manager and employee.

COOR'S MANAGEMENT MODEL

In simple terms, successful managers at Coor work with three general areas to generate success: motivating employees, developing profitable deliveries and expanding the business. There are further subdivisions within each area that describe in more detail what a successful manager at Coor needs to do to comply with the guiding principles and achieve the set goals.

HR PROCESS AT COOR

Examples of activities in Coor's HR process:

Recruitment

Recruiting the right employees and managers is critical to the success of Coor. In order to ensure that the most suitable type of manager is recruited, Coor has developed a ten step process based on Coor's skills profile.

Integration

Coor works systematically on integrating new employees. An example of an integration activity is the in-house training course, Coor Service School, which is compulsory for all new employees at Coor.

Monitoring

Coor has a distinct process and a system for performance appraisals. Each employee's performance is evaluated annually based on Coor's employee model and guiding principles. The evaluation includes feedback and a development plan.

Another important follow-up activity is managerial evaluation which is also conducted each year based on performance and potential.

Development

The development of employees and managers at Coor is based on the development plan, which is discussed in the appraisal through a dialogue between managers and employees, where the results could be activities such as training, job rotation and field trips. Coor also has its own courses in which employees and managers are involved.

Motivation

Employees and managers are most engaged when motivated. The annual prestigious prize the Coor Awards is an example of a group-wide motivation activity. The aim of Coor Awards is to provide role models and good practices related to the company's success factors.

More information on Coor's employees and on Coor as a responsible employer is available in the Sustainability Report on pages 37–49.

COOR AWARDS

The Coor Awards are a set of internal distinctions whereby employees who have performed well in a range of areas are given special recognition. The Coor Awards have four categories reflecting the areas important to Coor: Employee of the Year, Leader of the Year, Sale of the Year and Innovation of the Year. The awards are based on the company's guiding stars, that inform Coor's fundamental values: to understand customers' needs, to be responsive, to prioritize and to create success.

A candidate is nominated in all of the countries in which Coor operates, and the eventual winner is named at a grand ceremony at Coor's annual Management Forum. The Coor Awards are extremely important to the company's success and constitute a prestigious internal prize.

INNOVATION AND CONTINUOUS IMPROVEMENTS

Within Coor there is a strong will to continuously develop and improve both single services and the service delivery as a whole. The ambition is to remain at the forefront at all times, and to proactively develop proposals for improvements and new solutions contributing to increased customer satisfaction and more effective delivery.

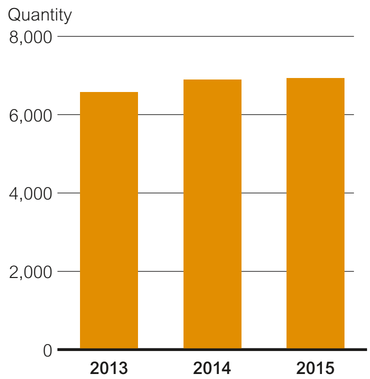
A STRONG IMPROVEMENT CULTURE

Coor's continuous improvement work is undertaken according to a defined structure at all levels in the company. All employees play a role in this work, and any proposals for improvement are logged in a special system in which the number of implemented proposals for improvement are measured and followed up on a regular basis. In 2015, a total of 10,295 proposals for improvement were logged, of which 6,936 were customer improvements that were implemented. This is an improvement compared with 2014, when 9,161 proposals for improvement were registered and 6,900 were actually implemented.

STRUCTURED INNOVATION WORK

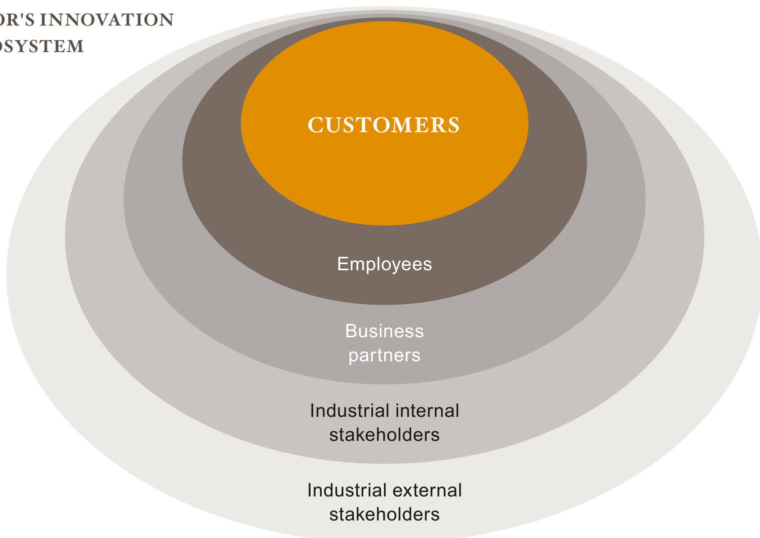
Coor also engages in structured innovation work and has launched a number of new, innovative solutions based on modern technology in recent years, Coor Smart Solutions. Innovation contributes to clear added value to the company's existing customers, and has also increased in importance as a differentiating factor in procurements. A central aspect of the innovation work is building and nurturing Coor's innovation ecosystem, encompassing customers, employees, suppliers and other stakeholders. In 2015, a large number of creative collaboration projects were undertaken with partners, including Ericsson, Intel, Microsoft, Ricoh, TeliaSonera and Yanzi Networks. All of these innovation partners contribute a high degree of competence within technology, while Coor contributes its knowledge of the manner in which FM deliveries function.

IMPLEMENTED CUSTOMER IMPROVEMENTS 2013–2015



All of Coor's employees are actively encouraged to present proposals for internal improvements or customer improvements. The system for registering such proposals was initiated two years ago, meaning that these proposals can now be distributed easily and the improvement work is simple to follow up.

COOR'S INNOVATION ECOSYSTEM



The innovation programme is led by dedicated resources at group level whose role is to build the ecosystem and coordinate innovation projects and launch new innovations.

COOR CREATES NEW POSSIBILITIES WITH NEW TECHNOLOGY

The rapid pace of technological development results in significant possibilities. Coor's ambition is to actively strive to propel the advancement of the FM industry through innovative, technology-based solutions developing the company's operations and business.

EFFECTIVE AND APPROPRIATE OPERATIONAL SUPPORT

An important prerequisite to be able to deliver high-quality services in a cost-effective and safe manner thorough processes supported by the appropriate IT applications, as well as a scalable IT platform. Coor's standardized service delivery process manages the entire flow, from the reporting of the assignments to registration, status reporting, follow-up and invoicing, as well as facilitating purchasing and maintenance planning. Coor has developed several functions in 2015, enabling various activities in the process to be automated. The main support for the process comes in the form of an assignment management application, which, together with other internal applications, simplify the day-to-day operations for both customers and Coor's employees.

Digital development is rapid, and operators have to be more open to change and to be able to act quickly. An important stage in meeting such requirements is the transition to flexible, scalable and modern delivery methods for IT services. Examples of activities Coor has carried out in 2015 in recognition of this include the increased use of cloud services and the implementation of agile methods and services for IT system development and delivery.

Another important matter is sustainability within the IT work. Activities implemented in this field during the year include the introduction of new routines for the reuse and recycling of computers.

COOR'S DIGITAL JOURNEY

Similar to all modern businesses, Coor ensures that it stays at the forefront of rapid digital development. At present, there is significant activity on the technology and systems side, where solutions have now become so smart and accessible that their application is possible within a whole range of new areas. Coor's aim is to take advantage of the possibilities presented by new technology and to apply these in a smart manner which will contribute to the development of the company's business operations. Today, these activities are concentrated in two areas:

DEVELOPING THE OFFERING AND THE SOLUTIONS PROVIDED TO CUSTOMERS

Based on the service operations comprimising Coor's business, the company aims to improve and simplify the delivered services, as well as combining new technology with the existing service operations in order to create a platform for new services benefiting Coor's customers.

IMPROVE AND ENHANCE INTERNAL PROCESSES

Coor's ambition is to harness new technology to automate and optimize flows through the entire service delivery process and between different support processes.

Important cornerstones in Coor's digital change work are the active monitoring of the relevant business spheres and the structured innovation work from a business development and operational enhancement perspective. A number of activities were initiated in 2015 to prepare for the digital transformation, such as strengthened strategies with regard to suppliers and cloud-based solutions.

ENHANCED DELIVERY AND IMPROVED OFFERING

Coor's culture is characterized by continuous improvement work and innovative capacity, with new technology playing a key role in this area. Areas of development that are of particular interest in the current climate are the Internet of Things, mobility, cloud, big data, analytics, automation and robotics. In its operations, Coor now uses a variety of modern applications within numerous service areas, such as cleaning, energy optimization, surface treatment of properties, mail and freight handling.

Improved communication with the company's stakeholders

Coor strives to ensure a positive dialogue with its major stakeholders. Various channels are used to maintain this dialogue, with diverse digital communication platforms becoming ever more important. Coor has carried out a number of projects in 2015 aimed at improving its communication with the company's major stakeholders.

Improved platform for cooperation and internal communication

In 2014, work was initiated on the modernization of Coor's internal cooperation platform, and the work continued through 2015. By using a modern, cloud-based solution, Coor's employees are now able to communicate and cooperate on a cross-operational basis in a modern, social form of interaction.

Review of customer communication tools

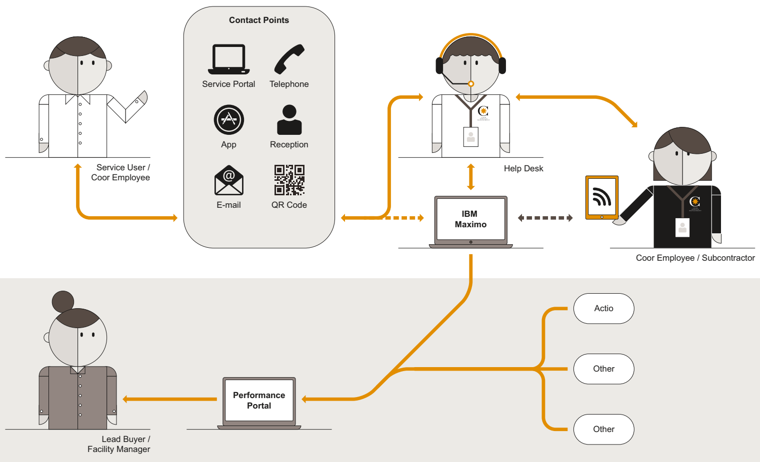
In 2015, the service portal used by many of Coor's customers was improved. The developments implemented include the option of automatic connection between the customer service portal and Coor's case management system, and new catering solution that was launched in Denmark.

Improved external communication

Towards the end of the year, work was also commenced on upgrades to the platform for the external internet, entailing that Coor will introduce a cloud-based platform during 2016, as well as overhauling the website with a responsive web design.

New technology is used in order to develop the services provided, but also to increase internal efficiency.

"COOR ONE SOLUTION" AN AUTOMATED SERVICE DELIVERY PROCESS



In 2015, Coor expanded the functionality of "Coor One Solution", which is Coor's group-wide, integrated service delivery solution. Among other things, this entailed improvements to the work flows and enhanced mobility support. "Coor One Solution" facilitates a high degree of automation in all activities through the entire service delivery – from the receipt of a case to final feedback and invoicing.

PURCHASING AND SUPPLIER MANAGEMENT

Coor is a large purchaser of services and products. Purchasing matters are, therefore, crucial for the company, along with its supplier management, as Coor is responsible for the services performed by its subcontractors.

STRUCTURED PURCHASING ACTIVITIES

Coor has central purchasing departments in each country that are responsible for strategic and tactical purchasing activities, which includes strategies and support tools and entering into central framework agreements. There is also a purchasing function at group level that coordinates purchasing activities and drives common development activities in close cooperation with the purchasing departments in each country. Coor has a group purchasing process, describing how the company's purchasing activities are to be conducted.

SUPPLIER MANAGEMENT

As purchased products and services have a central role in Coor's deliveries to the customer, it is vital that purchasing is conducted in a coordinated, professional manner based on Coor's requirements regarding price, quality, environmental impact and ethical principles.

Coor classifies all of its suppliers. This classification is then indicative of Coor's supplier management in everything from initial elimination processes to supplier monitoring.

Before a supplier contract is signed, the supplier is evaluated on the basis of its general delivery capacity, quality and economic situation, the work environment, environmental aspects, etc. The supplier must also be able to verify that its operations comply with Coor's Code of Conduct. A breach of Coor's Code of Conduct by a supplier equates with a breach of contract and may lead to the collaboration being discontinued.

During the term of the contract, Coor continuously monitors both deliveries by the supplier and the supplier itself in order to ensure, as far as possible, that the obligations under their contracts are being met. To support ongoing monitoring of suppliers, a variety of digital tools are used, where suppliers annually submit information about their activities and various sustainability aspects, such as corporate governance, the work environment, the environment and quality.

PURCHASING ACTIVITIES 2015

In 2015, an extensive group-wide purchasing project was implemented which involved Coor's purchasing resources throughout the Nordic region. This project covered a number of Nordic and local procurements for cleaning and hygiene materials, cleaning services, products and food for Coor's restaurants, and service vehicles, for example. During the project, new approaches to procurements were tested, which will be evaluated in 2016.

In the autumn of 2015, the group-wide purchasing policy and common supplier management process, including support tools, were updated.

During the financial year, there was a greater emphasis on contract loyalty which shows the per centage of purchases from central and local suppliers with contracts. These efforts resulted in an improvement compared with the previous year, from 62 to 75 per cent.

CONTRACT LOYALTY

	2015	2014
Purchasing volume, SEK m	3,481	3,247
Contract loyalty, % (annual average)	75	62

COOR IN SWEDEN

Swedish operations account for 53 per cent of the company's net sales, and are characterized by a high proportion of IFM assignments and an extensive customer base.

HISTORY AND GEOGRAPHICAL COVERAGE

Coor's operations in Sweden started in 1998. The big breakthrough came in 2000 when the partnership with Ericsson began and, since then, Coor has been the leading IFM provider in Sweden. Today, Coor conducts business all over the country, but mainly in the central and southern regions.

2015 IN BRIEF

2015 saw the renegotiation of the majority of the existing contract volume. A selection of the customers who continued to engage Coor as a FM provider are: E.ON, Ericsson, Sandvik, Saab, Vasakronan, Volvo Cars, AB Volvo and Xylem.

A conscious investment was also made during the year in cleaning and food & beverage, which resulted in several small cleaning assignments and the opening of 23 new FOOD by Coor restaurants.

During the year, cleaning operations were also certified in Sweden, according to the Nordic Swan which is an environmental standard, and several restaurants were awarded the KRAV (Organic Production Monitoring Assoc.) certification. Coor's Swedish telephony operations were awarded a first prize in two major classes in the Swedish Championships in Telephony.

An important area for Coor in Sweden is property services. During the year the organization was bolstered with project expertise in construction and installation projects (construction management). Many customers perceive that it is an advantage to engage Coor for this type of assignment in particular as the company already understands the customers' properties extremely well. Another enhancement in skills was made in the field of strategic consulting and change management. At the time of this report, demand is great, for example, for facility usage assessments, projects in activity-based offices and energy-saving projects, and skills enhancement means that Coor in Sweden can satisfy this demand while becoming a more strategic partner to its customers.

SWEDEN

NET SALES

4,010 SEK m

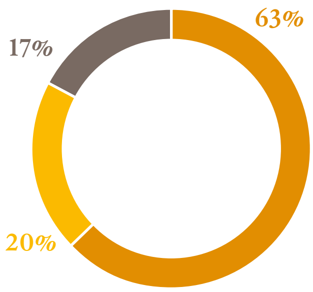
NUMBER OF EMPLOYEES

3,294

FIVE LARGEST CUSTOMERS 2015

- Ericsson
- ICA
- SAAB
- Sandvik
- Volvo Cars

NET SALES BY TYPE OF CONTRACT



- IFM
- Bundled FM
- Single service

KEY FIGURES	2015
Net sales, SEK m	4,010
Earnings, adjusted EBITA, SEK m	347
Margin, adjusted EBITA, %	8.7

At the onset of 2016, Coor in Sweden together with TeliaSonera were awarded first prize in the categories "more than 5,000 extensions" and "fewer than 2,000 extensions" in the Swedish Championships in Telephony (2015).

COOR IN NORWAY

Coor's second largest business is the Norwegian market, which accounted for 28 per cent of the company's net sales in 2015. Operations in Norway are characterized by a large proportion of customers in the oil and gas industry.

HISTORY AND GEOGRAPHICAL COVERAGE

Coor's Norwegian operations were founded in 2004. The assignment for Det Norske Veritas gave the company its first breakthrough in 2005, but the greatest increase in volume came in connection with the record-sized contract with Statoil on-shore in 2014. Today, Coor is one of the leading IFM operators in Norway, with operations throughout the country.

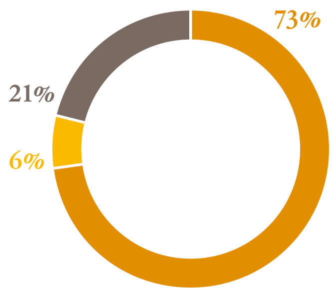
2015 IN BRIEF

In 2015 there was a strong focus on ensuring the successful start-ups of the many new contracts signed in 2014 and 2015. New contracts signed in 2015 included Statoil offshore and Frontica Business Solutions/Aker Solutions.

In the year, Norwegian operations also strengthened the organization with expertise in Coor's strategic service areas, primarily cleaning and food & beverages. As a result, Norwegian operations will also be able to appeal to customers who are not primarily looking for an IFM solution.

An important area of focus for Coor in Norway is health and safety in the work environment. In 2015, preparations have intensified on the forthcoming affiliation with the new ISO standard for working environment (ISO 45001:2015).

NET SALES BY TYPE OF CONTRACT



NORWAY

NET SALES

2,103 SEK m

NUMBER OF EMPLOYEES

1,384

FIVE LARGEST CUSTOMERS 2015

- Aibel
- DNV
- SAS
- Statoil
- Telia Sonera

KEY FIGURES	2015
Net sales, SEK m	2,103
Earnings, adjusted EBITA, SEK m	124
Margin, adjusted EBITA, %	5.9

PHOTO: OLE JÖRGEN BRATLAND/STATOIL

In 2015, Coor expanded in the Norwegian oil and gas sector. At mid-year, Coor began delivery of IFM services to five platforms in the North Sea.

COOR IN DENMARK

Coor's Danish operations accounted for 12 per cent of the company's net sales in 2015, of which some 50 per cent was represented by the public sector. This is above average in the Coor group.

HISTORY AND GEOGRAPHICAL COVERAGE

Coor's Danish operations started in 2001 and, today, account for 12 per cent of Group net sales. Coor is currently one of the four leading FM operators on the Danish market with operations throughout the country.

2015 IN BRIEF

One of Coor's largest public customers is Danish police (Politiet). The collaboration between Coor and Politiet is a well-developed partnership based on innovation and interaction. In early 2015, this unique partnership was awarded the prestigious "Driftsherreprisen", an operations master award, which was widely reported in the Danish market.

In 2015, Coor in Denmark also focused more actively on single services, mainly cleaning and food & beverages which resulted in securing several new smaller assignments. In addition to traditional FM services, Coor in Denmark also delivers special services, such as printing, a lost and found service and the operation/maintenance of vehicle fleets. Interest in Coor's proprietary smart solutions grew over the year, including Coor SmartFlow, Coor SmartResponse and Coor SmartUtilization which is pleasing. Through these solutions, Coor is able to demonstrate clear added value for its customers.

During 2015, Coor Denmark focused on strengthening the cleaning and food & beverage services.

In early 2015, Coor and Politiet were rewarded for their unique partnership, based on collaboration and innovation. As part of the prize, the parties organized a conference on cooperation to be held later that year. The conference was very well attended and appreciated.

DENMARK

NET SALES

868 SEK m

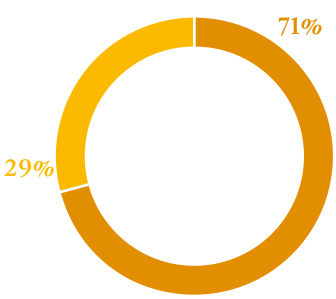
NUMBER OF EMPLOYEES

821

FIVE LARGEST CUSTOMERS 2015

- DanishPolice
- Danish Radio
- LEO Pharma
- SAS
- Velux

NET SALES BY TYPE OF CONTRACT



KEY FIGURES	2015
Net sales, SEK m	868
Earnings, adjusted EBITA, SEK m	31
Margin, adjusted EBITA, %	3.6

COOR IN FINLAND

Coor's Finnish operations enjoyed net sales of approximately 7 per cent of the company total. The business is characterized by a large number of small customers, and 43 per cent of deliveries consist of single services. This follows the pattern in the Finnish market, where the outsourcing of single services dominates.

HISTORY AND GEOGRAPHICAL COVERAGE

In 2002 Coor began operations in Finland. The business doubled in size following an acquisition in 2011. Coor in Finland currently has operations in the Helsinki region and in the major Finnish cities.

2015 IN BRIEF

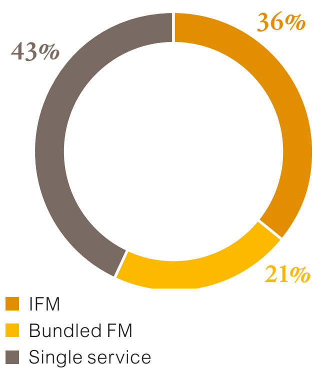
In 2015, Coor in Finland has been driving changes to streamline operations. Reorganization was implemented which saw the number of business units cut from four to three. Coor in Finland strengthened the competences within energy, especially within remote surveillance of property systems and energy administration.

KEY FIGURES	2015
Net sales, SEK m	509
Earnings, adjusted EBITA, SEK m	5
Margin, adjusted EBITA, %	0.9

In 2015, the focus increased on health and safety issues as the group's new platform had been implemented in 2014. This work focused primarily on health and safety, which is now conducted in a more structured manner. Towards the end of the year, there were also a number of investments in the sales area, mainly through additional resources and certain promotional activities.

Finnish customer and employee satisfaction rose over the year.

NET SALES BY TYPE OF CONTRACT



FINLAND

NET SALES

509 SEK m

NUMBER OF EMPLOYEES

807

FIVE LARGEST CUSTOMERS 2015

- Ericsson
- Fortum
- Sulzer
- Telia Sonera
- VR

Cleaning and property management are the two largest single services in the Finnish operations.

A LOW RISK PROFILE

Coor is exposed to a number of strategic, operational, financial and legal risks. Generally speaking, facility management is regarded as a relatively low-risk industry. Coor engages in structured risk management activities based on mapping, analysis and control.

A STRUCTURED RISK PROCESS

The objective of Coor's risk management activities is to secure the group's long-term earnings performance and ensure that Coor's businesses in its countries of operation achieve their targets. The Group's risk policy forms the basis for risk management activities in the group.

The basis for the group's risk management activities is a group-wide risk analysis that will be performed annually starting in 2016. The risk analysis consists of a review in which the key risks to which Coor is exposed are identified, as well as an assessment of the probability that the risks will materialise and of their impact on the group's ability to achieve its goals. The risk analysis also comprises an assessment of the effectiveness of the existing controls and measures in minimising the risks. The results of the general risk analysis are illustrated in a risk map, which summarises the group's risk exposure. The risk map is analysed and used for following up the group's risk management activities.

The ultimate responsibility for risk management rests with the group's Board of Directors and senior management. The group's management team drives the development of risk management activities and will from 2016 report to the Board's Audit Committee on an ongoing basis. An annual summary of risk management activities in the group will be produced by the group's management team and reviewed in the Board's Audit Committee which then presents its findings to the Board. In addition, the group's auditors perform audits of the group's internal control systems and report their findings to the Audit Committee. Any material disputes in the group are also reported to the Board on a regular basis. Additional information on how Coor manages its risks is provided in the section Corporate governance on pages 97–106.

OPERATIONAL RISKS

Coor's operations are exposed to a number of strategic, operational, financial and legal risks. The most significant risks identified by Coor that need to be managed are described below.

Strategic and operational risks

Customer concentration

A large portion of Coor's sales comes from a limited number of customers. The company's ten largest customers account for 50 (45) per cent of consolidated net sales. If a large customer were to terminate or not renew a contract, this could have a negative impact on Coor. This risk is limited by the fact that Coor's relationships with its major customers are in most cases of long duration. By expanding its customer base Coor can reduce its dependence on its largest customers.

Market

Changed market conditions in the Nordic region caused, for example, by a slowdown in economic activity, a reduced willingness to invest among the group's customers, changed political priorities, changed purchasing behaviour, new legislation or consolidation among the group's customers, can have a negative impact on Coor's revenues and margins. Coor's decentralised and strongly customer-facing organisation enables the group to observe changes in the market at an early stage. Coor's extensive provision of IFM and other subscriber services, its broad service offering and large customer base spanning many different industries mitigate the impact of the aforementioned risks.

IT

Coor's operations are dependent on access to advanced IT tools and a secure IT environment. Availability and reliability in Coor's IT environment are therefore critical to uninterrupted business activities. Effective firewalls and virus protection software, as well as regular technical upgrades of software and

redundant data centres, minimise interruptions in the operations caused by technical problems. The company also has strict procedures for upgrading IT systems, as well as an information security policy with guidelines for how the company's employees should work to maintain the highest possible level of security in relation to all stakeholders.

Employees

Coor's largest and most important asset is its employees. Qualified employees are essential to the company's ability to complete its contracts with good results and to the satisfaction of its customers. As the demand for qualified staff increases, so does the pressure on Coor to be an attractive employer. There is a risk that skilled employees will leave Coor and join a competitor or a customer or start their own business. Each year significant resources are allocated to recruitment and introduction activities. In order to retain and stimulate recruited employees, Coor provides ongoing training (mainly through the Coor Service School and Coor Business School), skills development and leadership development activities.

Another ambition is to ensure that all employees participate in annual performance reviews during which individual development plans are discussed and formulated. The employees' viewpoints are also registered in the context of ongoing dialogue and through regular employee surveys.

Contracts

Contract risks refer to risks linked to individual contracts. This may involve misjudging the costs or complexity of the services involved in a particular contract. Contracts can also give rise to disputes concerning Coor's right to payment and demands from the customer for compensation for any damage caused by Coor.

For each engagement, a service contract needs to be concluded on appropriate terms to minimise the risks and avoid disputes with the customer. In particular, the contracts should clearly define the scope of the engagement, establish that Coor will be entitled to payment upon contractual performance and ensure that the liability provisions are consistent with the insurer's requirements. Coor has an insurance scheme, including liability insurance cover, which shields the company from liability for damages in consequence of the performance of the contract. Quality assurance of the contract is performed with the help of the Group Management system Our Way of Working, which has been certified under the ISO 9001 and ISO 14001 standards.

Subcontractors

Coor frequently engages subcontractors to provide the services which Coor has undertaken to perform. In 2015 around half of Coor's net sales came from services performed by subcontractors.

Coor is dependent on its contracted subcontractors providing services at the right time, at the right quality and in accordance with Coor's service standards and Code of Conduct. A comprehensive purchasing process before the start of delivery ensures that Coor engages high-quality service providers with a professional attitude. Regular operational meetings are held during the course of a delivery to identify any issues and enable action to be taken at an early stage. Any discrepancies between Coor's undertaking to its customer and the subcontractor's undertaking to Coor are covered by existing insurance policies.

New corporate deals

Coor grows through new organic corporate deals (outsourcing), as well as through acquisitions. New deals can involve risks, for example, that a deal is based on incomplete or incorrect information, that key individuals leave the business, that the integration of the acquired business or company fails or that the expected result fails to materialise. In such cases the deal will have a negative impact on revenues and margins. These risks are minimised through a well developed process for new deals as well as an integration process in which decisions on new deals are made by the Board of Directors, the Board's project committees or the management team. Coor's management team evaluates significant corporate deals on an ongoing basis.

Financial and legal risks

Through its operations, Coor is exposed

to various types of financial and legal risks.

Coor's financial policy describes how financial risks should be handled in the group. The Board of Directors is responsible for Coor's financial policy, which specifies guidelines, goals and responsibilities for the finance function, and contains regulations for financial risk management. More information on financial risk management is provided in Note 2 on pages 70–72.

Interest rate, currency and liquidity risks
Changes in interest rates, exchange rates and the market prices of financial instruments can have an impact on Coor's income statement and balance sheet, and on cash flow. Coor has a strong balance sheet with relatively low leverage. The direct interest rate risk is therefore low. As regards currency risks, the group normally has a natural risk cover, as both sales and costs are in local currency. The group's borrowings are also spread across different currencies in the same way as operating cash flow. This partially offsets the translation risk to which the company is exposed upon translation of foreign subsidiaries' income statements and balance sheets into Swedish kronor. Thanks to good cash flows and reserves in the form of undrawn credit lines, the liquidity risk in Coor is very low.

Credit risk
Credit risk refers to the risk of incurring a loss in the event that Coor's customers fail to meet their payment obligations.

This risk is linked partly to outstanding accounts receivable and partly to contract revenue that has been earned, but not yet invoiced. Coor's contracts are invoiced on an ongoing basis as the contract is performed.

The group's credit policy sets forth requirements for credit assessments and credit monitoring and as regards the handling of reminders, demands and debt collection procedures. Normal terms of payment are net 30–60 days from the date of invoice. Accounts receivable are monitored on a weekly basis to ensure that payments, are made in accordance with the contractual payment terms. Interest is charged on late payments, and in case of non-payment the debt is passed on to a debt collection agency. Coor has historically had a very limited amount of bad debts.

Risks in respect of financial reporting
In connection with financial reporting, there is a risk that errors will occur and that reports are not prepared in accordance with the applicable laws, listing requirements and accounting standards. Through a good control environment, clear risk assessment, structured control activities, well-functioning information and communication, as well as follow-up and improvement activities, the risk for errors is minimized.

Reported outcomes are also followed up and analysed on an ongoing basis and compared with budgets and forecasts. Group Management conducts monthly reviews with the management of each country. More information is provided in the Corporate Governance Report on pages 103–105.

Disputes
Coor conducts activities in several countries and is, from time to time, subject to disputes, claims and administrative procedures as part of its day-to-day operations. The services which Coor provides exposes the company to the risks of liability for incorrect performance, human and/or technical errors as well as damage caused by third parties.

Coor's legal department handles those claims for compensation, disputes, etc. which arise in the course of operations. Historically, Coor has had only a small number of major disputes.

Environmental risks
Coor also conducts certain operations having an impact on the environment. The company holds a permit for its operations in Kotka in Finland. The permit relates to the impact on sewage water.

To minimise the risk of damage to the environment, the company operates in a structured manner, and monitors and governs its operations through its certified quality and environmental management systems. The company complies with the specified limits and applicable regulations.

Political decisions and laws
Coor's industry is governed by a wide array of regulations which are constantly changing. These changes can have a negative as well as a positive impact on the operations. Coor continuously monitors external developments and works closely with national trade associations in an effort to influence political decisions at the national, as well as international, level and to ensure that the company is prepared for the changes which take place.

SUSTAINABILITY REPORT 2015

The Sustianability Report for Coor Service Management Holding AB (corp. ID no. 556742-0806) refers to the financial year 2015.

CONTENTS

The Sustainability Report is an integral part of Coor's Annual Report for 2015, which is available at the company's website. References to other sections of the Annual Report are included.

SUSTAINABLE PROGRESS

Coor aims to conduct responsible and long-term sustainable business operations. This is accomplished by the company remaining focused on creating value not only economically, but also environmentally and socially.

Sustainable and responsible enterprise is ultimately about assuming long-term responsibility for the activities conducted and the products/services offered, and for how they affect the environment and society. The link between the benefits to business and the benefits to society is, of course, an important issue and responsibility for Coor. The goal is to pursue sound and profitable business operations with consideration and respect for people and the environment.

OPTIONS AND PRIORITIES

Coor's operations are based on the recognition that the company impacts (and is impacted by) its environment in a number of ways both economically as well as environmentally and socially. These three dimensions, "the triple bottom line", are the starting point for Coor's work on sustainability and sustainability reporting. Coor has formulated overall long-term goals and strategies within these three areas, along with specific focus areas.

FOCUS AREAS

Within each dimension of sustainability, there are a number of issues that the company perceives as vital to focus upon from a materiality perspective. The materiality analysis underlying the definition of the issues that are important to Coor is primarily based on the company's own perception of its relevance and strategic importance, but also on the studies and discussions held with its key stakeholders. Coor is scheduled to update its materiality analysis in 2016.

The sustainability issues that Coor has defined as essential include customer satisfaction, innovation, occupational health and safety, employee development, supplier management and environmental consultancy. Given that Coor is a service company with operations based primarily in the Nordic countries, there are a number of sustainability aspects that are less relevant for the company, such as child labour, fundamental human rights and freedoms, anti-corruption and freedom of association. All of these issues are regulated by law in the Nordic countries, which means that there is a well-developed regulatory framework already in place for Coor.

SUSTAINABILITY WORK DURING THE YEAR

All aspects of sustainability are important but to make a difference, prioritizations are necessary. Based on an overall assessment of the feedback from discussions with the company's stakeholders, along with assessments from the company's auditors, and its own view concerning the progress made in various matters, an annual assessment is conducted regarding the need for special endeavours within certain areas.

The sustainability issues on which Coor was particularly focused in 2015 were increased profitability, measures to

> *The starting point for the strategic platform is an integrated approach, where the company's capacity to create value for its customers and shareholders is combined with social and environmental aspects.*

SUSTAINABILITY AT COOR – AN OVERVIEW

AREA	BUSINESS RESPONSIBILITY	SOCIAL RESPONSIBILITY	ENVIRONMENTAL RESPONSIBILITY
Overall objective	To achieve long term business sustainability by striving for stable and profitable progress over time and applying good business practice.	To strive for a better society by acting as a responsible employer offering employees professional and personal development, as well as actively influencing subcontractors to do the same.	To protect the environment by actively trying to reduce Coor's own, and it's customers', environmental impact.
Strategy	Coor aims for financial stability by providing a competitive, professional and value-creating service delivery that satisfies Coor's customers. This ensures good demand for the services provided and long-lasting collaborations which are the basis for the stable progress of the revenues. A sharp focus on results is also important, as well as respecting laws and ordinances and applying good business practice.	Coor aims to be a responsible employer by providing all employees with a good, safe, fair, non-discriminatory and stimulating environment and offering employees the potential for professional and personal development in line with ILO Declaration on Fundamental Principles and Rights at Work (1998). This means focusing on occupational health and safety as well as improving management and employee development. It also includes being active within supplier management.	Coor aims for improved environmental performance by acting as a green advisor to help clients reduce their environmental impact as well as actively trying to reduce the internal energy consumption and improve other environmental performance.

FOCUS AREAS

BUSINESS RESPONSIBILITY

- Increased customer satisfaction through professional and value-adding service delivery.
- Stable and positive financial development.
- Good ethics and morals throughout the whole business
- Good comms and reporting according to accepted standards.

SOCIAL RESPONSIBILITY

- Structured work on working environment.
- Promoting good health.
- Increased employee satisfaction.
- Structured competence development for all staff.
- Equal opportunities and diversity.
- Activiely influence subcontractors to act as responsible employers.

ENVIRONMENTAL RESPONSIBILITY

- Helping clients improving environmental performance by green services.
- Work actively to reduce customers' energy consumption.
- Reduce Coor's own environmental impact.
- Conduct structured environmental work group-wide.

The image describes the issues underlying Coor's sustainability efforts. The way in which Coor works in these areas is described on pages 44–49, and a report of selected key ratios in each area is presented on pages 42–43.

STAKEHOLDERS DIALOGUE

STAKEHOLDER GROUP	MAIN AREAS OF INTEREST	COMMON TOOLS IN DISCUSSIONS
Customers	• Customer insight • Delivery monitoring • Innovation/improvements • Green advice • Energy issues • Life cycle perspective • Safety/working environment	• Ongoing customer dialogue through customary channels (established for each customer) • Operational, tactical and strategic meetings, based on a specific meeting structure • Delivery monitoring (digital or hard copy format) • Customer surveys • Other customer relationship promoting activities
Investors and analysts	• Earnings performance • Risk management • Corporate governance	• Annual General Meeting • Capital market days • Financial reports • Open analyst meetings in conjunction with quarterly reports • Meetings with analysts in smaller forums
Employees	• Employee engagement and satisfaction • Monitoring of performance • Development opportunities (new roles, succession plans and training courses) • Remuneration • Corporate culture and policies • Strategic and operational information on the company	• Ongoing employee dialogue through established channels • Regular workplace meetings • Performance appraisals • Management Review • Salary review • Employee performance appraisals • Training
Suppliers	• Supplier management • Business ethics • Innovation/improvements • Health and Safety	• Ongoing supplier dialogue • Ongoing supplier monitoring • Digital platforms • Supplier control
Trade unions	• Labour issues according to MBL (and its equivalent in other countries)	• Major trade union associations have Board representation • Meetings with larger associations through a special meeting forum (G5) • Meetings with local associations as necessary at a local level
Authorities	• Laws, regulations, and rules	• Structured monotoring • Specialist networks
Interest groups and specialist network, for example, IFMA, Vinnova, NMC	• Relevant special issues	• Active membership/Board participation

improve risk awareness, greater diversity through a higher proportion of female managers and measures to reduce emissions from transport. All these areas were included in the company's group-wide internal operational goals for 2015, which are continuously monitored in line with Coor's management by objectives process.

AN ACTIVE STAKEHOLDER DIALOGUE CONTRIBUTES TO GROWTH

In order to understand the effects of the company's influence, and to capture the views, expectations and needs of the outside world, Coor conducts active and structured dialogues with its key stakeholders. This provides valuable information to be used when prioritizing and making decisions.

The company's most important stakeholders are its customers, shareholders and employees. Other important stakeholders include suppliers, union partners, the media, interest groups and authorities.

Personal meetings are crucial for stakeholder dialogues with prioritized target groups. For increased efficiency, direct dialogue is supplemented with other channels and regular measurements, among which the largest is Coor's regular customer survey and employee survey.

Responsibility for directing dialogue and communication to a specific target group is decentralized to the manager having the best target group awareness, which is clearly defined in the company's communication policy. The communication policy states that communication work in relation to Coor's target groups should be conducted in a structured and active manner, and should be characterized by a long-term perspective, clarity, objectivity and transparency (openness and honesty). In terms of financial accounting and reporting, generally accepted principles and standards are to be applied.

In connection with the company's listing on the Nasdaq Stockholm Stock Exchange in June 2015, a new communication policy was adopted with adjustments to adhere to the disclosure rules and the requirements of the stock exchange.

BASIC DESCRIPTION OF SUSTAINABILITY MANAGEMENT AT COOR

EXECUTIVE MANAGEMENT TEAM (EMT)

SUBSTAINABILITY COMMITTEE

Substainability and Communications Manager
Operations Development Manager
HR Manager
Sourcing Specialist
HSEQ* Manager
General Counsel

HEALTH & SAFETY NETWORK ***(part of HR Network)***

HR Manager
Nordic HR Managers

ENVIRONMENT & QUALITY NETWORK

HSEQ Manager
Nordic HSEQ coordinators

*HSEQ stands for Health, Saftey, Environment and Quality.

SUSTAINABILITY MANAGEMENT

The starting point for sustainability management at Coor is clearly defined principles and a structured follow-up.

Regulatory framework and general principles

Coor's head office is located in Sweden, which means that the basis for the governance of sustainability efforts at Coor comprise of the applicable Swedish laws, rules and practices. Applicable local legislation is complied with in all countries in which Coor operates. Sustainability reporting at Coor is inspired by the international accounting standard GRI (Global Reporting Initiative), however the standard is not complied with in full.

In addition to this external regulatory framework, there is an internal framework of governing documents and principles, among which the most important is an overall sustainability policy, a common Code of Conduct and group-wide values ("guiding stars"). In 2015, the updated Code was implemented, which was adopted by the Board in late 2014. A special internal compliance control system is linked to the Code of Conduct which means that all employees can anonymously report any suspected violations to the Code (known as the "whistle-blower" system).

Work on Coor's guiding stars is conducted both locally and centrally. They are an important element of the company's extensive training programs, and are highlighted in the group-wide communication work. The company's Code of Conduct is annexed to all employment contracts and all managers must also review the contents of it in connection with their annual performance appraisal,

SUSTAINABILITY POLICY

The Coor group operates a joint sustainability policy, which describes the basic principles of Coors sustainability efforts and serves as a framework for all business operations. Coor's sustainability policy is available in its entirety on the company's website and contains the following main headings:

- Coor must conduct environmentally friendly, professional and safe operations.
- Coor must be a responsible and stimulating employer.
- Coor must develop steadily and profitably based on sound ethical and moral attitudes.
- Coor assumes responsibility for its suppliers.
- Coor must provide accurate and relevant information.

when employees also provide a written acknowledgement confirming that they have understood the contents of the Code. For more information about the company's Code of Conduct and guiding principles, please refer to pages 44 and 23.

Organization

As environmental and social issues are national and sometimes differ between countries, with varying regulations and practices, the responsibility for sustainability work lies with the respective countries. In order to ensure the necessary coordination and control, a Sustainability Committee is appointed to report directly to the Executive Management Team. The Sustainability Committee prepares proposals for policies, overall objectives and principles of sustainability governance for the entire group. The Sustainability Committee is also tasked with setting and monitoring the annual indicators and, based on a stakeholder and business intelligence perspective, propose specific measures in the area of sustainability on an annual basis.

The Committee is headed by the group's Communication and Sustainability Manager, who promotes and coordinates the company's sustainability efforts. The Sustainability Committee gathers the heads of specialist functions with the responsibility for issues having a significant impact on sustainability. The Sustainability Committee is also working with the group's network for environmental issues (Nordic Environment Network) and social issues (part of the Nordic HR network). Those responsible for these networks are the reporting officers for the respective issues on the Sustainability Committee.

The Sustainability Committee convened on two occasions in 2015. Key issues addressed included the monitoring of sustainability work in 2015, suggested areas of focus for 2016 and the position taken by the Committee on a number of standards in different areas. The Nordic Environmental Network had monthly telephone status updates and held four meetings in 2015. The Nordic HR Network had monthly telephone status updates and three physical meetings.

Each country has also dedicated HSEQ resources, responsible for coordinating and driving HSEQ efforts in the country. Company-wide initiatives and issues are driven at a group level.

Risks and risk management from a sustainability perspective

From a sustainability perspective, the FM industry in the Nordic countries is perceived as an industry with a relatively low risk profile as the legislation and regulations in the Nordic countries are relatively extensive and similar, and the nature of the work duties is for the most part, not associated with any major risks. For a description of the company's general risks, please refer to pages 34–36. At the present time, Coor only holds one environmental permit for its operations, a permit for process cooling at a smaller facility in Kotka (Finland). In other respects, Coor personnel has individual authorizations for carrying out its work in a correct and safe manner.

In order to manage operations in a controlled manner there is also a structured corporate governance system, as described on pages 34–36 of the annual report. To promote its sustainability efforts, Coor also utilises a number of control and support systems, such as the monitoring of changes to laws and regulations and for handling chemicals. In order to structure supplier monitoring, Coor uses digital monitoring tools.

REPORTING OF OUTCOME, SUSTAINABILITY INDICATORS

Coor is monitoring a number of key performance indicators within the sustainability segments and focus areas Coor has chosen to focus on, and which indicates the progress in the company's sustainability work. The outcome of these indicators generates vital input to the discussion on the company's yearly priorities.

OUTCOME, INDICATORS WITHIN BUSINESS RESPONSIBILITY*

	OUTCOME 2015	OUTCOME 2014
INCREASED CUSTOMER SATISFACTION THROUGH PROFESSIONAL AND VALUE-ADDING SERVICE DELIVERY		
Number of customers participating in the group-wide customer survey[1)]	807	n.d.
Outcome of the customer survey (CSI)[1)]	66	n.d.
Number of registered completed improvement initiative[2)]	6 936	6 900
Proportion of operations certified acc. to ISO 9001[3)]	88%	89%
STABLE AND POSITIVE FINANCIAL RESULTS		
Net sales	7 482 SEK m	6 844 SEK m
Earnings (ajusterad EBITA)[4)]	374 SEK m	354 SEK m
Salaries[5)]	3 328 SEK m	2 919 SEK m
Operative cashflow [6)]	274 SEK m	274 SEK m
GOD ETHICS AND MORALS THROUGHOUT OPERATIONS		
Shared Code of Conduct throughout operations[7)]	100%	100%
Number of reported and investigated cases of suspected breaches of Code of Conduct[8)]	5	4

*Data excluding the industrial services operations, which was sold in June 2015.

OUTCOME, INDICATORS WITHIN SOCIAL RESPONSIBILITY*

	OUTCOME 2015	OUTCOME 2014
Employee headcount[1)]	6 381	6 087
– Women (share of total amount)	53%	51%
– Men (share of total amount)	47%	49%
STRUCTURED SAFETY WORK		
Number of accidents[2)]	203	203
Number of deaths	0	0
HEALTH-PROMOTION WORK		
Absenteeism[5)]	5,9%	3,6%
INCREASED EMPLOYEE SATISFACTION		
Per centage of employees who responded in employee satisfaction survey[3)]	69%	n.d
Outcome of the employee satisfaction survey (EMI)[4)]	68	n.d
Personnel turnover, voluntary[5)]	10,5%	9,7%
STRUCTURED COMPETENCE DEVELOPMENT FOR ALL STAFF		
Yearly appraisal interviews conducted including individual competence development plans for all employees[6)]	71%	n.d.
Share of employees who are satisfied with their appraisal interviews[7)]	98%	n.d.
No. of employees that took the Coor Service School basic training program during the year	331	942
No. of managers that took the Coor Business School basic training program during the year	68	76
EQUAL OPPORTUNITIES AND EQUAL RIGHTS		
Number of employees that have experienced discrimination[8)]	3%	n.d.
Share of female managers[9)]	41%	36%
ACTIVELY INFLUENCE SUPPLIERS TO ACT AS RESPONSIBLE EMPLOYERS		
Contract loyalty, annual average[10)]	75%	62%
Apply Code of Conduct to all important suppliers[11)]	100%	100%

*Data excluding the industrial services operations, which was sold in June 2015.

OUTCOME, INDICATORS WITHIN ENVIRONMENTAL RESPONSIBILITY*

	OUTCOME 2015	OUTCOME 2014
MAINTAIN STRUCTURED ENVIRONMENTAL WORK GROUP-WIDE		
ISO 14001 certification group-wide[1)]	100%	100%
REDUCE COOR'S ENVIRONMENTAL IMPACT		
Number of registered products in our chemical management systems[2)]	2 893	2 936
Number of business trips by train or flight[3)]	10 034	12 134
CO2 emissions from business trips and service cars (CO2 / ton)[3)]	2 240,8	2 365,7
Vehicles: number of vehicles[4)]	752	777
Vehicles: average emissions from leased vehicles[5)]	160 g/km	168 g/km
Coor's national offices attaining Coor Green Services gold or silver level[6)]	2	1
CONTRIBUTING TO IMPROVED ENVIRONMENTAL PERFORMANCE BY CUSTOMERS		
Average outcome after environmental audits conducted using Coor Green Services[7)]	80,8%	81,5%
Cleaning: share of sites with less than 0.339 ml chemicals per square meter[8)]	89%	76%
WORK ACTIVELY TO REDUCE CUSTOMERS' ENERGY CONSUMPTION		
Share of major energy improvement proposals reported[9)]	35	47

*Data excluding the industrial services operations, which was sold in June 2015.

NOTES (BUSINESS RESPONSIBILITY)

1) Coor conducts regularly an extensive, group-wide customer survey among contact persons at customers who have co-operated with Coor for more than 1 year. In 2015, the respond rate was 58%.In 2014, only local customer surveys were conducted. From 2015 and on, the group-wide survey will be conducted annually.
2) Number of proposed improvements completed and registered in Coor's IT-based system Actio.
3) Coor has group-wide umbrella certification. Parts of the operations have chosen not to participate, and the per centage indicates participating operations' sales in relation to group sales at year-end.
4) For definitions, see note 1.26, pages 69-70.
5) Salaries, social security contributions, and pensions.
6) For definitions, see note 1.26, pages 69-70.
7) Coor´s Code of Conduct applies to all operations in all the countries where Coor is active.
8) Reported and investigate cases of suspected breaches via the internal whistle blower system.

NOTES (SOCIAL RESPONSIBILITY

1) Employee head count at year-end. This number includes temporary and permanent hired employees. Employees without a guaranteed number of working hours are not included. In 2015, Coor harmonized the basis for calculating the employee headcount within the group.
2) Our accident definition is a serious and sudden event that results in personal injury.
3) Coor conducts regularly an extensive employee survey of all company personnel employed by Coor for more than three months. The latest major survey was conducted in 2015. Of the 5,846 employees invited to participate in the survey, 4,021 responded, representing a response rate of 69%.
4) The result of the employee survey is reported as Employee Motivation Index, EMI, which is based on four important questions measuring satisfaction and motivation.
5) For comments on absenteeism and personnel turnover see page 47.
6) Response to the question whether the employee has had an appraisal interview in the past 12 months in the group-wide employee satisfaction survey (see note 3).
7) In the extensive employee survey, employees graded the appraisal interviews conducted on a 5 point scale.
8) Response to the question of whether the employee has experienced discrimination at any point in the group-wide employee satisfaction survey (see note 3).
9) Includes all management levels.
10) Share of purchases from central and local framework suppliers.
11) "Code of Conduct for suppliers" is part of Coors general purchase conditions, and all contracts where these conditions are included, such as contracts with the framework suppliers, therefore apply them.

NOTES (ENVIRONMENTAL RESPONSIBILITY)

1) Coor has group-wide umbrella certification. All operations more than one year old are affiliated to the certification.
2) Coor uses a chemical system (iChemistry) in Sweden and Norway. The information is intended for product registration in this system.
3) Reported train and flight trips are business related trips registered in the group's travel portal. Coor's guidelines state that all business trips should be ordered via the portal.
4) Amount of leased company and service vehicles within Coor as of 31 December 2015.
5) Average emissions for leased service vehicles is adjusted for the acquisition of the industrial service operations in June 2015.
6) In 2015, Coors head office in Kista and regional office in Gothenburg were rewarded Coor Green Services Gold and Silver. The other national officies would probably reach Silver standard, but were not reviewed in 2015. In 2016, all national officies will be reviewed.
7) Coor Green Services self-assessment should be conducted for major customers, and 86 sites were audited in the period April – September 2015.
8) Reported chemicals use in the Coor Green Services tool.
9) No. of improvement proposals designed to reduce customers' energy consumption and reported using Coor's system Actio.

BUSINESS RESPONSIBILITY

For Coor, economic sustainability means taking responsibility for stable and profitable development over time that is also ethically justifiable. For this reason, Coor is always looking to apply good business ethics and to create a competitive service offering coupled with long-term partnerships with its customers.

OVERALL OBJECTIVE AND STRATEGY

Coor has a long-term goal in the area of economic sustainability to have a stable and profitable development over time, while applying good business ethics at the same time. An important aspect in achieving this goal is establishing long-term partnerships with customers and in generating demand for the company's services through a competitive and value-added service delivery. Stable development of the company's revenue is ensured by maintaining a clear focus on earnings. This contributes to a robust social economy and allows Coor to continue driving its business forwards. It is also important to apply good business ethics and to respect laws and regulations.

To contribute to long-term sustainable economic development, Coor has focused in particular on four areas: customer satisfaction and proactive improvements, stable and good earnings performance, sound ethics and morals throughout the business as well as good communication and reporting.

INCREASED CUSTOMER SATISFACTION AND PROACTIVE IMPROVEMENTS

Customer satisfaction is a prerequisite in order to ensure stable and profitable development over time. Through regular dialogue with its customers, Coor is endeavouring to capture their views and understand their changing needs. Coor compiles information from customers in a number of ways, mainly through ongoing discussions and through customer satisfaction surveys. A number of surveys are conducted at local level as necessary, as a way of supplementing the extensive group-wide customer survey, which has been undertaken annually from 2015. The large-scale survey measures service quality, the relationship with Coor's contacts and the perception of Coor as a service provider. The results of the surveys are carefully analyzed and plans of action are formulated for the areas with weaker results.

In the 2015 major customer survey, some 800 customers participated from all countries, and the overall customer satisfaction grew compared to the survey conducted 2013. The results vary from customer to customer.

It is also crucial for Coor to work systematically and proactively to improve its service delivery. Coor is therefore pursuing a programme of proactive innovation and improvement. As part of this programme, all employees at Coor are given the opportunity to provide internal improvement proposals which are recorded in a special system. Over the full year 2015, a total of 10,295 (9,161) proposed improvements were received, of which 6,936 (6,900) were proposals for improvements that were implemented at Coor's customers. For more information on Coor's development work, please refer to page 26.

Coor is also constantly endeavouring to showcase new innovations and service solutions. Coor has collected a number of service solutions for smart offices and properties under the Coor SmartSolutions concept. In 2015, Coor also introduced Coor SmartArchive, which digitizes and streamlines document management, and Coor SmartUtilization, a tool for a better and more efficient office (see

CODE OF CONDUCT

Coor has a corporate-wide Code of Conduct, which is a summary of the principles that guide all business operations. The purpose of the Code of Conduct is to clarify and enhance the ethical approach of the organization. Coor's Code of Conduct is available in all Nordic languages and contains the following main headings:

- It is incumbent on all employees at Coor to comply with all laws and regulations, and observe Coor's requirements for sound ethics and morals.
- Coor does not accept measures that distort competition (such as bribery, price-fixing, cartels). In order to prevent conflicts of interest, all related ancillary activities or partnerships are reported.
- Coor's employees may not give or accept gifts or other benefits in their business relationships in order to influence the recipient.
- Coor promotes a safe and healthy outdoor environment and working environment.
- Coor respects freedom of association and rejects all forms of discrimination.
- Coor's employees are bound to confidentiality concerning the company and its business secrets as well as other sensitive information.

The content of the Code also applies to Coor's suppliers as far as is possible. For suppliers, there is a special version of the Code of Conduct which is part of Coor's general purchasing terms and is available on the website.

more information on Coor's smart office solutions on pages 16–17).

STABLE AND GOOD EARNINGS PERFORMANCE

The criteria for Coor's business operations are specified in the agreements which Coor enters into with its customers. The ability to sign sound agreements combined with the systematic monitoring and analysis of the company's development and, where appropriate, measures are taken to respond to any changes, is a core component of Coor's aim of ensuring stable economic development over time. Every year, Coor prepares an annual budget which is continuously monitored. Every four months, a more comprehensive analysis of the results is carried out and any revision, to the budget is implemented.

In 2015, Coor reported very high growth, good earnings and a strong cash flow. Sales grew by 9 per cent to SEK 7,482 (6,844) million and operating earnings (adjusted EBITA) rose to SEK 374 (354) million. Cash flow was SEK 274 (274) million.

As a responsible corporate citizen, Coor handles tax issues in line with applicable legislation and practices in all countries.

SOUND ETHICS AND MORALS

The Group's Code of Conduct (the Code) is one of the most important tools for Coor in its pursuance of conducting sound business without any ethical violations. The Code applies to all employees in the Coor group and describes the fundamental ethical principles guiding the decisions and actions taken by Coor employees, the management and the Board. The Code is available on the website and is also part of the employment terms and conditions at Coor. The Code is reviewed in conjunction with the mandatory annual performance appraisal which managers have with their employees. At the same time, employees must also confirm in writing that they have read, understood and agree to abide by the principles in the Code. Coor updated its Code of Conduct in 2015. The subject matter is essentially the same as before, but the wording is clearer and more instructive.

For Coor's suppliers, there is a specific code of conduct which is part of Coor's general purchasing terms. Coor's Code of Conduct for suppliers was also revised in 2015.

GOOD COMMUNICATION AND REPORTING

For Coor, transparency is a key element of business responsibility and enables an active dialogue with its stakeholders. The listing on Nasdaq Stockholm in June 2015 involved more stringent requirements for transparency, particularly regarding financial reporting. Among other things, Coor has started publishing quarterly reports and prepares an annual report that includes information on Coor's sustainability efforts, and Coor has updated its website to ensure that the relevant information is made available to its stakeholders. The listing has also meant increased scrutiny of Coor's business operations. In the summer of 2015, Swedbank Robur undertook a sustainability analysis of Coor's operations which showed that Coor has processes in place for monitoring and evaluating accidents, and has a systematic approach to occupational health and safety. In addition, the analysis also highlighted Coor's work on anti-corruption and whistle blowing systems. The review resulted in Coor being approved as a potential company to invest in Swedbank Robur's sustainability funds.

Coor's external financial reporting complies with IFRS, International Financial Reporting Standards. The external reporting is reviewed annually by the accounting firm PwC.

SOCIAL RESPONSIBILITY

For Coor, it is crucial to contribute to a better society and to influence its surroundings by acting responsibly. As an employer, Coor strives to be responsible and to offer employees a stimulating and challenging working environment.

OVERALL OBJECTIVE AND STRATEGY

Coor's long-term goal for maintaining social sustainability is to contribute to a better society by acting as a responsible and stimulating employer, and to actively influence suppliers to do likewise. To achieve this, Coor provides a positive, safe, fair, non-discriminatory and stimulating workplace in accordance with the UN Declaration on Fundamental rights and freedoms in the workplace.

Coor has opted to focus on six areas of Social responsibility: workplace safety, health, employee satisfaction, competence development, equal treatment and to encourage partners/suppliers to act responsibly.

OCCUPATIONAL HEALTH AND SAFETY

Coor is working on cultivating a good working environment for all of its employees by promoting a safe workplace where the environment is represented by good leadership that encourages participation and transparency, and dedicated employees who are given the opportunity to develop on a continuous basis.

As Coor offers a wide range of services with varying risks to customers in a number of environments, safety work needs adapting to suit local conditions. However, there is a clear zero vision relating to work-related accidents for the entire Coor organization.

In 2015, Coor continued its efforts to raise awareness among both employees and managers at a group-wide level. A number of activities have been implemented, which includes preparing local plans of action for the various activities and notifying and training managers in risk awareness in every business operation. Targeted campaigns for specific areas of risk have also been implemented, including in the restaurant operations.

Coor has also worked actively in 2015 on documenting any potential hazards, incidents and work-related accidents. This is detailed in a database that is available to all employees on the company's Intranet. Submitted notifications are carefully reviewed and analyzed to allow Coor to constantly improve safety at the workplace. In 2015, 765 notifications and 203 accidents were reported into the database. None of these accidents gave rise to any serious injuries.

In 2015, work also continued on preparing the organization for certification in 2016 to the new version of ISO 45000 (former OHSAS 18001) international standard. A GAP analysis was also undertaken for the year.

HEALTH

Coor's health work focuses on preventive health measures and on reducing absenteeism. Absenteeism is measured systematically on a global level and plans of action have been developed for each country or unit. Health promotion activities within Coor are implemented primarily at a local level. A number of different initiatives concerning Coor's range of business operations were conducted in 2015. The programs vary and are based on each business area as a way of adapting in line with its nature and the needs of employees.

Coor continued to work with its wellness program in 2015 that was initiated in the autumn of 2014, with the introduction of an Internet based application. The Internet based application was designed as a means for employees to promote positive habits in everyday life, and addressed factors such as exercise, diet, alcohol, tobacco, stress, job satisfaction and sleep. The program was rolled out across all the Nordic countries in 2015. The purpose of the group-wide initiative was to encourage employees to take more care of their own health. The wellness programme was well received in all countries and a total of 1,107 employees joined some kind of activity. Over 120,000 activities were carried out by employees up to November 2015, when the program ended.

Absenteeism is an important metric that is followed up locally by each manager. The level of absenteeism at Coor as a group is relatively low and the differences between countries and units is great. In 2015, absenteeism was 5.9 (3.6) per cent. The change was most in Sweden and Norway, which depends on the increased proportion of employees in professions with high absenteeism.

EMPLOYEE SATISFACTION

Satisfied employees are essential to ensure a good service, and Coor conducts regular employee surveys. This year's employee survey revealed an improvement in employee satisfaction among Coor's employees compared to the survey conducted in 2013. In 2015 the result was 68. The survey contains about fifty questions and covers a number of areas. The survey gives employees the opportunity to anonymously express their personal opinion on what it is like to work for Coor. Generally, Coor as an employer enjoys high ratings when it comes to the capability of employees to perform their work.

In 2015, personnel turnover increased slightly from 9.7 to 10.5 per cent. Compared with other service companies, personnel turnover is considered as relatively low, and varies between countries. In Finland and Denmark it is highest, which is explained by a high proportion of employees in professions with high turnover.

COMPETENCE DEVELOPMENT

Coor is striving to become the leading employer in the service industry. A prerequisite for this is to offer employees the opportunity to develop. Coor is therefore working with a variety of professional development initiatives and programs.

Performance appraisals are an important and mandatory activity for all employees. The appraisal will result in a development plan for each individual as the starting point for employee skill developments at Coor. Coor also has specially designed leadership programs for executives and works actively on recruiting, training and retaining the best managers on the market.

Within the framework of Coor Service School and Coor Business School, Coor offers training programs for employees and managers that consist of a mandatory basic training course and additional optional programs. The aim of the training courses is to explain basic and critical business issues pertinent to Coor. 2015 saw 331 employees complete training courses at Coor Service School and 68 managers complete training courses at Coor Business School.

EQUAL TREATMENT

For Coor, it is important that everyone is treated equally, regardless of gender, ethnicity, religion, sexual orientation, disability or age. In order to ensure equal treatment, Coor addresses a number of issues in Coor's employee survey concerning discrimination at the workplace. It provides employees with the opportunity to anonymously provide information about whether they are experiencing any discrimination at the workplace. In 2015 the result was 3 per cent, which is in line with 2014.

The aim is that the number of women in executive positions reflects the number of women working in the group. Coor is actively working to increase the proportion of female senior executives over time. In 2015, the proportion of women in senior positions increased from 36 to 41 per cent. A number of activities were carried out in 2015 which have been linked to the case. Among other things, an analysis to understand what the lack of female managers was due to, requirements for the distribution of final candidates in a recruitment context and discussions on inclusion in leadership programs were all implemented during the year.

INFLUENCING PARTNERS AND SUPPLIERS

Social responsibility extends throughout the value chain for Coor. It is consequently important to influence partners and suppliers to encourage them to act responsibly towards employees and society in general. The Code of Conduct for suppliers is an imporant supplier management tool, and lists a number of principles and core values that obliges suppliers to comply with when they enter into a contract with Coor. If a supplier violates the Code of Conduct and fails to show any interest in changing its behaviour, Coor can choose to break the relationship with the supplier. In 2015, Coor opted to end cooperation with a subcontractor after it failed to comply with the Code of Conduct. Coor's supplier management is described in more detail on page 29.

SOCIAL RESPONSIBILITY

For Coor, it is important to assume social responsibility and contribute to society at large. In 2015, Coor in Sweden has been involved in the refugee situation and has helped with logistics and resources at various fund-raisers. In Sweden, Coor has also entered into a partnership with Peritos to help disabled at work.

SAFETY ALERT SYSTEM

In 2015, Coor initiated a pilot project that aims to raise awareness internally about the prevention of accidents. The Safety Alert system includes a new procedure for the dissemination of information if an accident should occur. A description of when the accident happened and why is written into an established template along with information about what might prevent the accident from happening again. The information is subsequently sent to similar operations in the organization.

NUMBER OF EMPLOYEES, DECEMBER 31, 2015, AND PERSONNEL TURNOVER IN 2015

	COOR TOTAL	GROUP STAFF	SWEDEN	NORWAY	DENMARK	FINLAND
Number of employees (head count)	6,852 (6,604)	77 (75)	3,507 (3,598)	1,465 (1,173)	949 (747)	854 (1,011)
number of full time employees (FTE)	6,381 (6,087)	76 (74)	3,294 (3,393)	1,384 (1,090)	821 (699)	807 (830)
Personnel turnover total, %	10.5 (9.7)	6.6 (7.9)	9.0 (8.0)	6.1 (10.9)	16.3 (4.5)	17.1 (18.1)
voluntary resignation, %	9.2 (8.9)	6.6 (7.9)	7.3 (6.9)	5.6 (10.3)	14.9 (4.5)	16,1 (17.5)
retired, %	1.3 (0.8)	0 (0)	1.6 (1.1)	0.6 (0.6)	1.5 (0)	1.0 (0.6)

The increased amount of employees in 2015 was chiefly due to new contracts, primarily in Norway. The change in Denmark is partly explained by harmonized principles for calculating employee head count within Coor. Numbers in Sweden include operations in Poland, Hungary and Belgium. Numbers in Finland include the operation in Estonia.

ENVIRONMENTAL RESPONSIBILITY

Coor works actively with its responsibility for environmentally sustainable development. This work is mainly conducted by assuming responsibility for its own operations and undertaking systematic environmental management work, but also by acting as a green advisor to the company's customer base.

OVERALL OBJECTIVE AND STRATEGY

Coor's long-term objective for its environmental sustainability efforts is actively trying to reduce its own impact on the environment and by helping customers reduce their environmental impact through qualified green advisory services. This environmental work is based on Coor's sustainability policy and focuses primarily on four areas: acting as a green advisor using Coor Green Services, actively trying to reduce customers' energy consumption, mitigating the company's environmental impact and engaging in structured environmental work.

Internal environmental activities are focused on a number of environmental indicators that are regularly monitored and evaluated. All of Coor's operations are certified according to the ISO 14001 environmental standard, which is an important component and controlling mechanism in the systematic environmental work.

To help reduce the environmental impact of the customers, Coor is also endeavouring to be an active partner and provide suggestions for climate-friendly alternatives. This work is based on Coor Green Services, an evaluation tool designed to identify the environmental impact of maintenance services.

COOR GREEN SERVICES – AN ESSENTIAL COMPONENT OF COOR'S ROLE AS A GREEN ADVISOR

The eco-labelling, Coor Green Services, is appreciated by Coor's customers and facilitates for those opting for environmentally conscious and climate friendly alternatives. The evaluation tool includes all the services that Coor delivers and helps reduce the environmental impact of customers on the basis of an annual environmental audit.

Customers can attain either the silver or gold level based on the results of the annual environmental audit. To become certified, the customer's services are evaluated using a number of environmental criteria based on other environmental standards, such as the Swedish Swan eco-label. Environmental criteria are adjusted annually as a way of monitoring progress over time and ensuring that eco-labelling is a genuine guarantee of a high level of environmental ambition.

In 2015, a total of 86 customer sites were evaluated , of which 38 attained the gold level and 39 the silver level compared with 2014, where 136 sites were reviewed and 34 reached gold and 58 silver level. Since 2015, the number of evaluated customer sites has dropped due to the evaluation tool only being used in service deliveries to customers who have requested the evaluation.

Coor in Sweden also awards a prize for “Eco-Star of the Year” every year. The prize is awarded to the company’s customers who have distinguished themselves in the environmental field. In 2015 the award was presented to ICA. Previous years' winners have included NCC, Vasakronan and Skanska.

To further improve Coor Green Services, Coor has decided to update the tool in 2016, thereby, making it more customer-based and has also decided to set up a platinum level. It is hoped that this will encourage further environmental measures among Coor’s customers.

CUSTOMERS' ENERGY CONSUMPTION – A QUESTION OF PRIORITY

Contributing to reduced energy consumption on behalf of the company's customers is the single issue that can have the greatest impact on the environment for Coor. In 2015, Coor continued its efforts to systematically measure its customers’ energy consumption to analyze the results and work actively to reduce energy use. An important component of this work is the gathering of information and the transfer of knowledge that takes place through Coor’s improvement system, Actio. Energy-saving improvement proposals and solutions are particularly evident here, facilitating knowledge accumulation and information sharing among Coor's customers. In 2015, there were 35 measures reported in the improvement system, in comparison with 47 in 2014.

“I believe we won because we have a structured environment and sustainability program. The things we do together with Coor have meant that we are constantly taking steps forward to improve ourselves”, Madeleine Andersson from ICA, winner of Eco-Star of the Year in 2015.

CONTINUED EFFORTS TO REDUCE THE ENVIRONMENTAL IMPACT OF COORS

Coor has worked actively with transports in 2015. An extensive inventory program has been undertaken over the year in order to reduce carbon dioxide emissions from Coor's own fleet of vehicles and from business trips. The internal inventory program will continue in 2016 and is vital for determining Coor's long-term goals for the phasing out of fossil fuels. As part of the work with transport, Coor drafted a new vehicle policy in 2015. The policy is intended to guide the process by replacing vehicles powered by fossil fuels with sustainable alternatives.

Chemicals are another important issue for Coor and this represents part of Coor's main environmental impact. In 2015, Coor continued to focus on reducing the use of chemicals by taking better control of chemicals management and risk analysis. This work has yielded results in the form of further reductions in the amount of chemicals used in Coor's various fields of operation. A Nordic procurement project was implemented in 2015, which resulted in all of the countries now working with the same products and procedures. This has resulted in a shift to highly concentrated chemicals, but also in reduced shipments and improved performance in machinery with new environmentally friendly innovations. Over the year, cleaning operations were certified in Sweden according to the Swan eco-label, which decreased the use of additional chemicals. Other initiatives taken in 2015 to further reduce Coor's environmental impact include the introduction of new procedures for the recycling of computers.

CONDUCTING SYSTEMATIC ENVIRONMENTAL WORK

Coor's environmental work is ISO 14001 certified and is therewith regularly monitored through internal and external audits. The environmental work is audited externally by Det Norske Veritas. The entire group has been certified according to the standard since 2000. In 2013, the group started to be covered by what is known as global certification, which is a common certification for the whole group.

In 2015, an extensive inventory program was implemented to identify the environmental work internally. The internal survey was designed to ensure that Coor is also able to conduct qualitative environmental work in the future as well. Inventory work was also an important element of Coor's preparations for the 2016 re-certification process in line with the new version of ISO 14001:2015.

In 2015, internal environmental audits were conducted at Coor's local headquarters in Stockholm and Gothenburg using the Coor Green Services tool. The audit is important in ensuring that Coor operates in compliance with the guidelines developed for the customers, and to make sure impacts on the internal environment continues to decline. The result of the audit showed that the head office in Kista attained the Coor Green Services Gold standard. Efforts to audit the local offices will continue in 2016.

An important aspect in ensuring qualitative and systematic environmental work is to educate the entire organization on environmental issues. Knowledge is key to ensuring that environmental issues are taken into account and become a relevant question for everyone in the group. Among other things, it is mandatory for all new employees to take a digital environment training course about Coor's internal environmental work in their first year of employment. In 2015, this environmental training course was updated to ensure relevance and that the training was in line with the environmental work.

FOOD BY COOR

FOOD by Coor is Coor's own restaurant chain and is based on food appreciation, knowledge, and employee and customer commitment. The restaurants actively work with sustainability issues and are constantly striving to reduce their environmental impacts. In order to offer customers healthy and environmentally friendly alternatives, Coor is attempting to grow the share of organic products and offer vegetarian options. All restaurants also purchase Fair Trade beans for their coffee machines.

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS 2015

The Board of Directors and Chief Executive Officer of Coor Service Management Holding AB (Corporate Identity Number 556742-0806), hereby present the following annual report and consolidated financial statements for the financial year 1 January 2015 – 31 December 2015.

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ADMINISTRATION REPORT

All amounts in SEK million unless stated otherwise. Due to rounding, small differences may exist in aggregations.

2015 was an eventful year for Coor Service Management. The business was consolidated and listed on Nasdaq Stockholm, at the same time, a large number of customer contracts were extended. The organic growth was high, operating profits showed stable development and cash flow was strong.

THE BUSINESS IN GENERAL

Coor Service Management (Coor) is one of the leading facility management providers (FM providers) in the Nordic region. Coor is a market leader in complex, integrated FM assignments (IFM), but also offers individual FM services and a number of bundled FM services. The service areas prioritised for provision as individual FM services are cleaning, food & beverages and property services.

Coor's customers include a large number of major and minor companies and official agencies in the Nordic countries, among them AB Volvo, Aibel, Det Norske Veritas, E.ON, Ericsson, EY, NCC, the Danish Police, Saab, Sandvik, SAS, Skanska, Statoil, TeliaSonera, Vasakronan and Volvo Cars. At present, Coor has a relatively balanced mix of large and small assignments. During 2015, the company's ten largest customers represented approximately 50 (45) per cent of the group's sales, while the company's five largest customers make up 37 (32) per cent.

The company is organised into four geographical areas: Sweden, Norway, Denmark and Finland, which are also the company's primary segment divisions. Coor has some business in European countries in which the company's Nordic customers conduct business. Consequently, the Swedish operation also entails a certain amount of business in Belgium, Hungary and Poland, while the Finnish operation involves a minor undertaking in Estonia.

Coor's vision is to be the leading FM provider in the Nordic countries. Coor shall be the customers', employees' and investors' first choice when selecting a provider, employer or making an investment within the service sector. The strength of the company, and what sets Coor apart from its competition, is its capacity for the constant improvement of the business and the provision of its services. Our ambition is to offer the most developed and smartest service solutions on the market – service with IQ.

Coor Service Management began its operation in 1998 and, since June of 2015, the company has been listed on the Nasdaq Stockholm exchange. At the end of 2015, the company had 6,381 (6,087) employees (FTE), primarily located in Sweden, Denmark, Norway and Finland, and had net sales for 2015 amounted to SEK 7,482 (6,844) million.

Coor is responsible for the operation conducted in relation to customers, employees and owners, but is also responsible for the effect it has on the community and on the environment in a broader perspective. Coor's business operations are environmentally certified according to the international ISO 14001 environmental standard, and large portions of the business (the Swedish, Norwegian and Finnish operations) are also quality-certified in accordance with the ISO 9001 quality standard. Moreover, Coor has a number of local service-specific environmental and quality certifications.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Changes in the Customer Portfolio

Among the new customers worth mentioning is an expanded contract with Statoil for the provision of IFM to five oil platforms in the North Sea, as well as the provision of IFM to the Norwegian Aker Solutions and Frontica Business Solutions. Among those customers choosing to extend their contracts with Coor during 2015 are Volvo Cars, Ericsson, Vasakronan, the Danish Police, Sandvik, Borealis and Saab.

The new contracts represent an annual volume totalling SEK 685 million. The renegotiated volume represents a total annual volume of SEK 2,900 million of which 90 per cent were extended.

Listing on the Nasdaq Stockholm Stock Exchange

Coor's share began trading on Nasdaq Stockholm in June 2015. In total, the listing offer entailed 58,349,521 shares, and the transaction costs amounted to approximately SEK 140 million. The listing price was SEK 38 per share and the number of new shares amounted to 44,078,948, which provided the company with funds of SEK 1,675 million.

Consolidation of the Business Operation

In connection with the listing, the sales process of the industrial service operation in Coor that began in 2014 was terminated. In the second quarter of 2015, the Group entered into a transfer agreement with the main owner, Cinven Limited via Cinoor S.a.r.l. The purchase sum according to the contract amounted to SEK 210 million and was settled by means of the main shareholder issuing a promissory note that was paid as dividend to the main shareholder prior to the initial public offering. The net effect was therefore that Coor did not obtain any compensation for the sale of the industrial service operation.

Changes in Board of Directors and Management

In 2015, a number of changes were made to the Coor Board of Directors. On 30 March, Kristina Schauman joined, on 2 June, Monica Lindstedt joined and on 16 June, Brian Linden resigned. Toward the end of the year, changes in the company's Group Management were communicated when AnnaCarin Grandin became the new Managing Director and Klas Elmberg the Deputy Managing Director of Coor in Sweden, while Nikolai Utheim became the new Managing Director for Coor in Norway.

DEVELOPMENT DURING THE FINANCIAL YEAR

FINANCIAL SUMMARY – THE GROUP	2015	2014
Net sales	7,482	6,844
Organic growth, %	10.0	5.6
Adjusted EBITA	374	354
Adjusted EBITA-margin %	5.0	5.2
Operating profit (EBIT)	82	–82
Earnings after tax	201	–311
Operating cash flow	274	274
Number of employees at the end of the year (FTE)	6,381	6,087

Scope

Net sales for the year amounted to SEK 7,482 (6,844) million. Organic growth amounted to 10 per cent compared with the previous year (9 per cent including currency exchange effects). The increase compared to the previous year has mostly been driven by the new contracts signed in 2014 and 2015, not least the major Norwegian IFM contract with Statoil which began in April 2014 and which reached full capacity in September 2014.

Operating Profit

Operating profits (adjusted EBITA) for the entire year amounted to SEK 374 (354) million, which is an increase of 6 per cent compared with the previous year. The operating margin (adjusted EBITA-margin) amounted to 5.0 (5.2) per cent. The increase in profits has primarily been driven by increased sales in Norway in combination with improved margins in the Danish operation. This was mitigated by a lower margin in the Swedish operation, which is explained largely by a lower pension refund compared with previous years, as well as a large number of new and renegotiated contracts. During the year, a large share of the Swedish contract portfolio was renegotiated. New and renegotiated contracts normally become fully profitable during the first 6 to 18 months. EBIT for the entire year amounted to SEK 82 (–82) million. The change compared with the previous year refers primarily to the lower level of impairment of customer contracts. For more information, see Note 7.

NET SALES AND PROFITS BY COUNTRY	2015	2014
Sweden		
Net sales	4,010	3,946
Adjusted EBITA	347	364
Adjusted EBITA-margin, %	8.7	9.2
Norway		
Net sales	2,103	1,603
Adjusted EBITA	124	96
Adjusted EBITA-margin, %	5.9	6.0
Finland		
Net sales	509	526
Adjusted EBITA	5	12
Adjusted EBITA-margin, %	0.9	2.4
Denmark		
Net sales	868	783
Adjusted EBITA	31	12
Adjusted EBITA-margin, %	3.6	1.5
Group functions/Other		
Net sales	–8	–14
Adjusted EBITA	–133	–130
TOTAL		
Net sales	7,482	6,844
Adjusted EBITA	374	354
Adjusted EBITA-margin, %	5.0	5.2

Net Financial Items and Tax

In combination with the initial public offering in June, the group secured a new capital structure which entailed a substantially reduced level of leverage and lower financial costs. Net financial items for the entire year amounted to SEK –115 (–272) million. The improvement compared with previous years was primarily due to significantly reduced interest expenses, as well as the positive exchange rate differences on loans in foreign currencies. The positive effects of a lower net interest and positive exchange rate differences were mitigated by a one-off expense in connection with capitalised loan costs attributable to the previous financing structure being posted to expenses.

THE GROUP – SUMMARY NET FINANCIAL ITEMS	2015	2014
Net interest	–104	–191
Exchange rate differences	56	–46
Borrowing costs	–54	–17
Other financial revenues/ expenses	–13	–19
TOTAL FINANCIAL ITEMS	**–115**	**–272**

Tax for 2015 amounted to SEK 234 (44) million. The positive tax effect is due to the group reporting all losses carried forward attributable to the Swedish operation in income during the second quarter. See Note 33 for more information. Earnings after tax for 2015 amounted to SEK 201 (–311) million.

Cash Flow

The operating cash flow for the entire year 2015 amounted to SEK 274 (274) million. The company has maintained a strong operating cash flow at the level of the previous year in spite of the large outflows related to the costs of the initial public offering. Adjusted for the outflow related to these costs, operating cash flow for the entire year increased to SEK 411 (274) million. Operating cash flow normally fluctuates between quarters. The most important parameter to follow is, therefore, the change in net working capital during the past 12 months. During the entire year 2015, net working capital decreased by SEK 69 (63) million, which demonstrates the positive effects of the Group's structured long-term improvements of working capital.

The most important external key ratio for the cash flow is cash conversion, defined as the quotient of the operating cash flow and adjusted EBITDA. The cash conversion for the entire year was 104 (108) per cent, which exceeded the group's target of 90 per cent by a significant margin. More information about the group's cash conversion can be found in Note 40.

During 2015, the group had net investments amounting to a total of SEK –50 (–27) million in tangible and intangible non-current assets. In connection with the initial public offering in June, the group sold all its industrial service operations, which entailed a negative effect on liquid resources of SEK –57 million. Upon the initial public offering in June, the company obtained issue proceeds totalling SEK 1,675 million, and entered into a new financing contract with senior loans totalling SEK 1,400 million. The new loans, as well as the issue proceeds, were used to amortise bank loans totalling SEK 2,883 million, as well as repay to the revolving credit facility totalling SEK 120 million.

Financial Position

The group's net debt for the entire year amounted to SEK 947 (2,673) million. Leverage, defined as net debt in relation to adjusted EBITDA, at the turn of the year was 2.2 (6.6), which is well in line with the group's target of a leverage below 3.0.

Equity at the end of the year amounted to SEK 2,733 (1,178) million. The group's equity ratio amounted to 45 (18) per cent. Liquid funds at the end of the period amounted to SEK 428 (335) million. Total unutilised borrowing capacity at the end of the period amounted to SEK 294 (115) million.

NET DEBT	31/12/15	31/12/14
Liabilities to credit institutes	1,355	2,975
Leasing, net	9	16
Pensions	9	10
Other liabilities	1	8
	1,375	**3,009**
Cash and cash equivalents	–428	–335
NET DEBT	**947**	**2,673**
Leverage	2.2	6.6
Total equity	2,733	1,178
Equity/assets ratio, %	45	18

ORGANISATION AND EMPLOYEES

Coor's operative organisation is divided into the respective Nordic countries. In those cases where Coor has followed a customer and also provides services outside the Nordic region, these operations are organised under the Nordic country with the largest provision of services to the customer in question. The group's main office is located in Stockholm. As of 31 December 2015, the number of employees amounted to 6,852 (6,604) , which translated into full-time positions corresponding to 6,381 (6,087) . The change as compared with the previous year can be mostly explained by hiring in connection with new contracts.

For all service companies where the input of the employees is crucial to a good delivery, employee development is crucial. The foundation of employee development at Coor is made up of the individual performance reviews that are conducted every year with all employees and which result in individual development plans. Coor also has a structured training programme for managers and employees, and it constantly gauges employee satisfaction. The company also actively works with sourcing and development of managers. A part of this is the manager and leadership development programme, Coor Management Program, which is directed toward senior managers and specialists. During the course of 2015, Coor continued to focus on safety within the working environment. The group-wide safety platform that was established in 2014 is firmly embedded in all countries. At the same time, the company's focus on diversity has increased. A number of initiatives to increase the proportion of female senior executives have been implemented. For staff expenses and remuneration to senior executives, please refer to Notes 8 and 9.

RISKS

Coor is exposed to a number of strategic, operative, financial and legal risks. However, in general, the FM industry is one that faces relatively few risks. Coor conducts structured risk management based on mapping, analysis and control.

The operative risks in Coor's operation are, above all, attributable to the obligations set out in the customer contracts and thereby associated liability risks and credit risks. Services are provided to a large number of customers, which means that Coor is exposed to the risk of damage that may occur from any possible negligence on the part of its own staff or any of its subcontractors. The group prevents and limits these risks in connection with contract management, inter alia, through the limitation of liability in the contracts and by obtaining insurance policies. The ability to continually extend contracts with the company's customers is essential to Coor's development. The group therefore works actively on constantly improving the provision of services, adding customer value and strengthening customer relations, which has resulted in a large number of satisfied customers and a high degree of contract extensions. Coor has a balanced mix of large and small assignments; in 2015, approximately 50 (45) per cent of the group's sales came from the company's ten largest customers.

The group also runs the risk of customer losses to the extent that a customer may become insolvent. By means of clear routines for credit ratings and credit monitoring, including the processing of reminders, dunning and collection procedures, Coor actively works to minimise the risk of credit losses. Historically, Coor has had a very limited amount of credit losses. For an exhaustive description of Coor's risks and its risk management, please refer to pages 34–36. For a presentation of the financial risks, please refer to Note 2.

Environmental Risks

Within Coor, there are certain operations that affect the environment. The company holds permits with regard to the operations in Kotka, Finland. These permits pertain to the effect on drainage water. In order to minimise the risk of environmental damage, the group works in a structured manner and follows up and manages the operation via quality and environmentally certified management systems.

Ongoing Disputes

In 2013, one of the group's companies in Norway received a notice with regard to possible ground contamination from a property previously owned by a company that has since been acquired by Coor. Several ground surveys have been conducted in order to investigate the magnitude and extent of the contamination. In 2015, an agreement was made for the monitoring of the contamination over a five-year period. In April of 2015, Coor also received a demand for compensation for costs amounting to NOK 8.5 million from the Municipality of Hamar (Norway) with regard to a property adjacent to the aforementioned property. Coor has rejected this demand as the company finds that the claim is baseless.

OWNERSHIP AND SHARES

On 16 June 2015, Coor was listed on Nasdaq Stockholm. The number of shares amounts to 95,812,022. As of 31 December 2015, according to the shareholders' register, Coor had approximately 2,000 shareholders, of which 75 per cent of the share capital was owned by investors outside Sweden. The three largest owners at the turn of the year were Cinven (through the company, Cinoor S.á.r.l) with 34.5 per cent, Fidelity Management & Research Co. with 8.4 per cent, and Nordea Investment Funds with 6.7 per cent of the share capital and voting rights. The Coor share increased by 4 per cent between its listing on 16 June and 31 December 2015. The OMXSPI index fell by 2 per cent during the corresponding period.

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 administers the shares in the subsidiary. The Parent Company's earnings after tax amounted to SEK 180 (539) million. Both in 2014 and in 2015, the company obtained a dividend from the subsidiary amounting to SEK 210 (545) million. In 2015, the Parent Company's earnings were also encumbered by costs attributable to the initial public offering. The Parent Company capitalised deferred tax on losses carried forward in 2015. The Parent Company's balance sheet total as of 31 December amounted to SEK 7,830 (4,852) million. Equity in the Parent Company amounted to SEK 6,449 (4,838) million.

FUTURE PROSPECTS

The market for outsourced FM services grows through private and public enterprises choosing to focus on their core operations and, to an ever greater extent, through experiencing the benefits of having a specialist take responsibility for support services. Factors that are important in choosing a service provider are quality of service, price, references, innovations and trademarks. This means that Coor, which distinguishes itself by a strong improvement and innovation culture, has a good position for future growth. The outlook for economic growth in the Nordic economies, with the exception of Finland, remains good. The demand on the market is stable in all countries, above all within the IFM sector, but also for bundled FM services and individual services. In Finland, demand is greatest for individual services. The activity on the FM market is especially high within the oil and gas industry in Norway. In total, the prospects are good for long-term growth and profits in line with the company's goals. This means that over the course of a business cycle, Coor expects an organic growth of 4–5 per cent and an operating margin (adjusted EBITA-margin) of 5.5 per cent per year. Coor's continued positive development of the operating cash flow also offers good future possibilities for dividends.

SUBSTANTIAL EVENTS AFTER THE END OF THE FINANCIAL YEAR

- On 15 January, the Nomination Committee submitted its proposal for a new Board for the Annual General Meeting of 28 April. Bernt Magnusson, who sat on Coor's Board since 2005, has declined re-election, and Mats Granryd and Heidi Skaaret were recommended as new members. Søren Christensen, Mats Jönsson, Monica Lindstedt, Anders Narvinger, Kristina Schauman and Mikael Stöhr are recommended for re-election. Anders Narvinger is recommended for re-election as Chairman of the Board.
- On 18 January, the cooperation with the Gjensidige insurance company was extended and expanded within the group's Norwegian damage service operation. The new contract runs three years.
- On 26 February, the Group's largest shareholder, Cinven (through the company Cinoor S.á.r.l), sold 21 million shares, equivalent to 21.9 per cent of the shares in the company, in the form of a private placement. Following the sale, Swedbank Robur increased its stake to 7.8 per cent and the Second Swedish National Pension Fund increased its stake to 5.4 per cent. In addition, a number of other significant shareholders increased their participations. Following the sale, Cinven owns approximately 12 million shares, equivalent to 12.6 per cent of the total shares in Coor. These shares are subject to a 90 day lock-up period, in accordance with market practice.
- On 9 March, the Group strengthened its management team with two new members, Åsvor Brynnel, Head of Communication and Sustainability and Erik Strümpel, General Counsel.

PROPOSED DIVIDENDS

The Board suggests a dividend of SEK 2.00 for 2015. The dividend consists of an ordinary dividend of SEK 1.40 and an extra dividend of SEK 0.60. The extra dividend corresponds to the positive net effects of a number of non-recurring items, primarily tax effects and transaction costs.

PROPOSED RECORD DAY FOR DIVIDENDS

The Board recommends 2 May 2016 as the record day. If the Annual General Meeting decides to follow this recommendation, the dividend is expected to be paid to shareholders on 6 May 2016.

PROPOSED APPROPRIATION OF RETAINED EARNINGS

The Parent Company and consolidated income statements and balance sheets will be submitted for adoption at the Annual General Meeting on 28 April 2016.

The Annual General Meeting will decide on the appropriation of the following retained earnings in the Parent Company:

	SEK
Retained earnings including share premium reserve	5,885,275,411
Net profit for the year	180,194,771
TOTAL	**6,065,470,182**
The Board of Directors proposes that the above amount be appropriated as follows:	
Dividend of SEK 2.00 per share to the shareholders	191,624,044
Carried forward	5,873,846,138
TOTAL	**6,065,470,182**

THE BOARD OF DIRECTORS' STATEMENT ON THE PROPOSED DIVIDEND

In reference to the Board of Directors' proposed dividend presented above, the Board hereby makes the following statement pursuant to Ch. 18 § 4 of the Swedish Companies Act:

The Annual General Meeting will be asked to adopt a resolution on the appropriation of retained earnings in the amount of SEK 6,065,470,182 as at 31 December 2015. Provided that the AGM adopts the Board's proposed appropriation of retained earnings, SEK 191,624,044 will be distributed to the shareholders and SEK 5,873,846,138 will be carried forward.

The Board has established that the company will have full coverage of its restricted equity after the proposed dividend. The Board also considers that the proposed dividend is defensible in view of the parameters defined in Ch. 17 § 3 second and third paragraphs of the Companies Act. The Board of Directors has considered the Parent Company's and group's consolidation requirements and liquidity through a comprehensive assessment of the Parent Company's and group's financial position and short- and long-term ability to fulfil their obligations and undertake the necessary investments. The Board has also taken into account other known circumstances which may be of significance to the financial position of the Parent Company and group.

The proposed dividend will reduce the Parent Company's equity/assets ratio from 82 to 80 per cent and the consolidated equity/assets ratio from 45 to 43 per cent as at 31 December 2015. The Board considers that these ratios are adequate and deems that the Parent Company and consolidated equity after the proposed dividend will be sufficient in view of the nature, scope and risks of the operations. In the opinion of the Board, the proposed dividend will not affect the Parent Company's and group's ability to continue to operate and fulfil their short- and long-term obligations. The parent company and group are well prepared to handle changes in respect of liquidity, as well as unexpected events.

For further information on the Parent Company's and group's results and financial position, refer to the following income statements, statements of comprehensive income, balance sheets, cash flow statements and Notes to the accounts.

FINANCIAL STATEMENTS

GROUP

CONSOLIDATED INCOME STATEMENT

	NOTE	01/01/15 – 31/12/15	01/01/14 – 31/12/14
Net sales	4, 11	7,482	6,844
Cost of services sold	6, 7, 8, 10	–6,792	–6,451
Gross profit		**689**	**393**
Selling expenses	6, 7, 8, 9	–82	–90
Administrative expenses	6, 7, 8, 9, 12	–525	–386
Operating profit	4, 13	**82**	**–82**
Financial income	14	60	11
Financial costs	14	–175	–283
Finance costs – net		**–115**	**–272**
Profit before income tax		**–33**	**–354**
Income tax expense	15	234	44
Profit for the year from continuing operations		**201**	**–311**
Discontinued operations			
Profit for the year from discontinued operations	5	–16	–147
PROFIT FOR THE YEAR		**186**	**–458**
Profit attributable to:			
Owners of the Parent Company		186	–458
Non-controlling interests		0	0
		186	**–458**

TOTAL COMPREHENSIVE INCOME

	NOTE	01/01/15 – 31/12/15	01/01/14 – 31/12/14
PROFIT FOR THE YEAR		**186**	**–458**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of provision for pensions	15, 34	1	0
Total		**1**	**0**
Items that may be subsequently reclassified to profit or loss			
Net investment hedge	15	–1	2
Cash flow hedges	15	3	–1
Currency translation differences	15	–64	7
Total		**–62**	**8**
Other comprehensive income for the year, net of tax		**–61**	**8**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**125**	**–450**
Total comprehensive income attributable to:			
Owners of the Parent Company		125	–450
Non-controlling interests		0	0

The notes on pages 64–91 constitute an integral part of the consolidated financial statements.

GROUP

CONSOLIDATED BALANCE SHEET

	NOTE	31/12/15	31/12/14
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	17	2,727	2,778
Customer contracts	18	1,059	1,250
Trademarks	19	40	40
Other intangible assets	20	41	36
Tangible assets			
Land and buildings	21	1	3
Machinery and equipment	22	70	75
Financial assets			
Deferred tax assets	33	266	0
Other financial assets	24	0	0
Other long-term receivables	23, 24	15	13
Total non-current assets		**4,219**	**4,195**
Current assets			
Inventories	25	17	17
Receivables service assignments in progress	26	66	17
Accounts receivables	24, 27	1,069	1,155
Current tax receivables		0	0
Other receivables	24, 28	15	21
Prepaid expenses and accrued income	29	302	410
Cash and cash equivalents	24, 30	428	335
Total		**1,898**	**1,955**
Assets at the disposal of the group, classified as held for sale	5	0	412
Total current assets		**1,898**	**2,366**
TOTAL ASSETS		**6,117**	**6,561**

CONSOLIDATED BALANCE SHEET

	NOTE	31/12/15	31/12/14
EQUITY AND LIABILITIES			
Equity	31		
Share capital		383	302
Other contributed capital		6,670	5,237
Other reserves		–78	–18
Retained earnings, including profit for the period		–4,242	–4,343
Total equity		**2,733**	**1,178**
Liabilities			
Non-current liabilities			
Borrowings	24, 32	1,367	2,805
Derivatives	24	0	4
Deferred tax liabilities	33	31	43
Provisions for pensions and similar liabilities	34	18	10
Other long-term provisions	35	2	7
Total non-current liabilities		**1,419**	**2,868**
Current liabilities			
Borrowings	24, 32	14	220
Accounts payable	24	835	893
Current tax liabilities		28	3
Other short-term liabilities	37	182	209
Liabilities service assignments in progress	36	28	46
Accrued expenses and deferred income	38	865	861
Other short term provisions	35	14	12
Total		**1,965**	**2,244**
Liabilities of disposal group classified as held for sale	5	0	272
Total current liabilities		**1,965**	**2,516**
Total liabilities		**3,383**	**5,384**
TOTAL EQUITY AND LIABILITIES		**6,117**	**6,561**

Refer to Notes 41 and 42 for pledged assets and contingent liabilities.

The Notes on pages 64–91 constitute an integral part of the consolidated financial statements.

GROUP

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	SHARE CAPITAL	OTHER CONTRIBUTED CAPITAL	OTHER RESERVES	RETAINED EARNINGS INCL. PROFIT OR LOSS	TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY	NON-CONTROLLING INTERESTS	TOTAL EQUITY
OPENING BALANCE, 1 JANUARY 2014	**302**	**5,237**	**–26**	**–3,885**	**1,628**	**2**	**1,630**
Comprehensive income							
Profit for the year	0	0	0	–458	–458	0	–457
Total other comprehensive income for the year	0	0	8	0	8	0	0
Transactions with shareholders							
Purchase of interest in non-controlling interest	0	0	0	0	0	–2	–2
CLOSING BALANCE, 31 DECEMBER 2014	**302**	**5,237**	**–18**	**–4,343**	**1,178**	**0**	**1,178**
OPENING BALANCE, 1 JANUARY 2015	**302**	**5,237**	**–18**	**–4,343**	**1,178**	**0**	**1,178**
Comprehensive income							
Profit for the year	0	0	0	186	186	0	186
Total other comprehensive income for the year	0	0	–61	0	–61	0	–61
Transactions with shareholders							
Bonus issue	8	0	0	–8	0	0	0
New share issue	207	1,468	0	0	1,675	0	1,675
Issue costs after tax (Note 7)	0	–39	0	0	–39	0	–39
Reduction of share capital	–134	0	0	134	0	0	0
Redemption of convertible bonds	0	4	0	0	4	0	4
Dividend	0	0	0	–210	–210	0	–210
CLOSING BALANCE, 31 DECEMBER 2015	**383**	**6,670**	**–78**	**–4,242**	**2,733**	**0**	**2,733**

GROUP

CONSOLIDATED STATEMENT OF CASH FLOWS*

(INDIRECT METHOD)	NOTE	01/01/15 – 31/12/15	01/01/14 – 31/12/14
Cash flow from operating activities			
Operating profit		82	–82
Operating profit from discontinued operations		–19	–145
Operating profit, total		**63**	**–228**
Adjustment for items not affecting cash flow			
Depreciation and amortization		234	512
Other items	39	–8	–61
IPO-related expenses recognised in equity	7	–49	0
Interest received		3	4
Interest paid		–106	–166
Other financial expenses paid		–41	–19
Income tax paid		–5	–11
Cash flow from operating activities before change in working capital		**91**	**31**
Increase/decrease inventories		1	0
Increase/decrease accounts receivables		78	–136
Increase/decrease current receivables		–13	–98
Increase/decrease accounts payable		–81	126
Increase/decrease other operating liabilities		79	152
Cash flow from operating activities	5, 40	**155**	**75**

(INDIRECT METHOD)	NOTE	01/01/15 – 31/12/15	01/01/14 – 31/12/14
Cash flow from investing activities			
Purchases of intangible fixed assets	17, 18, 19, 20	–22	–8
Proceeds from sale of intangible assets	21, 22	–35	–35
Purchases of tangible fixed assets	21, 22	4	12
Acquisition of subsidiary, net of cash acquired	44	0	–23
Proceeds from sale of subsidiaries	44	–57	0
Cash flow from investing activities	5	**–110**	**–54**
Cash flow from financing activities			
New share issue		1,675	0
Proceeds from borrowings		1,400	4
Repayments of borrowings		–2,883	–80
Change in bank overdraft facilities		–120	120
Repayments of leasing liabilities		–19	–24
Repayments of leasing receivables		12	12
Cash flow from financing activities	5	**65**	**33**
Cash flow for the year		**110**	**53**
Cash and cash equivalents at the beginning of the period		335	288
Exchange gains on cash and cash equivalents		–17	–6
Cash and cash equivalents at end of the period		**428**	**335**

* The consolidated cash flow statement includes continuing and discontinued operations. See Note 5 for a specification of cash flow from discontinued operations.

OPERATING CASH FLOW

CONSOLIDATED – CONTINUING OPERATIONS	NOTE	01/01/15 – 31/12/15	01/01/14 – 31/12/14
EBIT		82	–82
IPO-related expenses recognised in equity	7	–49	0
Depreciation, amortization and impairment		226	379
Net investments tangible and intangible assets		–50	–27
Change in net working capital		69	63
Non-cash items		–4	–58
Total operating cash flow		**274**	**274**

PARENT COMPANY

INCOME STATEMENT

	NOTE	01/01/15 – 31/12/15	01/01/14 – 31/12/14
Net sales	43	6	4
Net sales		**6**	**4**
Administrative expenses	43, 46, 47, 48	–73	–11
Operating profit		**–67**	**–6**
Result from participations in group companies	49	210	545
Financial income	43, 50	33	0
Financial costs	43, 50	–19	0
Finance costs – net		**224**	**545**
Profit before tax		**157**	**539**
Income tax expense	51	23	0
PROFIT FOR THE YEAR		**180**	**539**

TOTAL COMPREHENSIVE INCOME

	NOTE	01/01/15 – 31/12/15	01/01/14 – 31/12/14
Profit for the year		**180**	**539**
Other comprehensive income			
Other comprehensive income for the period		0	0
TOTAL COMPREHENSIVE INCOME		**180**	**539**

PARENT COMPANY

BALANCE SHEET

	NOTE	31/12/15	31/12/14
ASSETS			
Non-current assets			
Financial assets			
Participations in group companies	52	7,789	4,839
Deferred tax asset	51	34	0
Other financial assets		1	0
Total non-current assets		**7,824**	**4,839**
Current assets			
Current receivables			
Other receivables		5	0
Prepaid expenses and accrued income		1	1
Total current receivables		**6**	**2**
Cash and cash equivalents*		0	12
Total current assets		**6**	**13**
TOTAL ASSETS		**7,830**	**4,852**

BALANCE SHEET

	NOTE	31/12/15	31/12/14
EQUITY AND LIABILITIES			
Equity			
Restricted equity	**31**		
Share capital, 95 812 022 no. shares		383	302
Total restricted equity		**383**	**302**
Unrestricted equity			
Share premium reserve		6,670	5,237
Retained earnings		–785	–1,239
Profit/loss for the year		180	539
Total unrestricted equity		**6,065**	**4,536**
Total equity		**6,449**	**4,838**
Liabilities			
Non-current liabilities			
Borrowings	43, 53	1,355	6
Provisions for pensions		2	0
Total non-current liabilities		**1,357**	**6**
Current liabilities			
Accounts payable		2	4
Liabilities to group companies*	43	15	1
Other current liabilities		1	1
Accrued expenses and deferred income	54	7	2
Total current liabilities		**24**	**8**
Total liabilities		**1,381**	**14**
TOTAL EQUITY AND LIABILITIES		**7,830**	**4,852**
Pledged assets		**None**	**None**
Contingent liabilities		**None**	**None**

* Since June 2015, the company is part of the group wide cash pool with the subsidiary Coor Service Management Group AB as master account holder. The balance in the group cash pool is accounted for as a current receivable or liability to group companies.

PARENT COMPANY

STATEMENT OF CHANGES IN EQUITY

	SHARE CAPITAL	SHARE PREMIUM RESERVE	RETAINED EARNINGS	PROFIT/LOSS FOR THE YEAR	TOTAL EQUITY
OPENING BALANCE, AT JANUARY 1 2014	**302**	**5,237**	**–48**	**–1,192**	**4,299**
Transfer of profit/loss from previous year	0	0	–1,192	1 192	0
Profit/loss for the year	0	0	0	539	539
CLOSING BALANCE AS AT DECEMBER 31 2014	**302**	**5,237**	**–1,239**	**539**	**4,838**
OPENING BALANCE, AT JANUARY 1 2015	**302**	**5,237**	**–1,239**	**539**	**4,838**
Transfer of profit/loss from previous year	0	0	539	–539	0
Profit/loss for the year	0	0		180	180
Transactions with shareholders					
Bonus issue	8	0	–8	0	0
New share issue	207	1,468	0	0	1,675
Issue costs after tax	0	–39	0	0	–39
Reduction of share capital	–134	0	134	0	0
Redemption of convertible bonds	0	4	0	0	4
Dividend	0	0	–210	0	–210
CLOSING BALANCE, AT DECEMBER 31 2015	**383**	**6,670**	**–785**	**180**	**6,449**

PARENT COMPANY

STATEMENT OF CASH FLOWS

INDIRECT METHOD	01/01/15 – 31/12/15	01/01/14 – 31/12/14
Cash flow from operating activities		
Operating profit	–67	–6
Other items	0	0
IPO-related expenses recognised in equity	–49	0
Interest received	0	0
Interest and other financial expenses paid	–30	0
Cash flow from operating activities before change in working capital	**–146**	**–6**
Increase (+)/decrease (–) net working capital	–7	-48
Cash flow from operating activities	**–153**	**–54**
Cash flow from investing activities		
Shareholder contributions paid	–2,950	0
Cash flow from investing activities	**–2,950**	**0**
Cash flow from financing activities		
Dividend received	0	545
Group contributions paid	0	–485
New share issue	1,675	0
Proceeds from borrowings	1,400	4
Repayments of borrowings	–2	0
Change cash pool balance	19	0
Cash flow from financing activities	**3,092**	**64**
Cash flow for the year	**–11**	**9**
Cash and cash equivalents at the beginning of the period	12	2
Exchange gains on cash and cash equivalents	0	0
Cash and cash equivalents at end of the period	**0**	**12**

NOTES GROUP

NOTE 1 | SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Significant accounting principles applied in preparing these consolidated financial statements are described below. Unless otherwise indicated, these principles have been applied consistently for all the years presented.

1.1 Basis of preparation of the financial statements

The consolidated financial statements for the Coor Service Management Holding AB Group have been prepared in accordance with the Swedish Annual Accounts Act, the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary accounting rules for groups, International Financial Reporting Standards (IFRS) and the interpretation statements of the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the EU.

The Parent Company applies the same accounting principles as the group, with any exceptions described below in the section "Parent Company accounting principles".

Assessments and estimates in the financial statements

Preparing financial statements in compliance with IFRS requires the use of important accounting estimates. Management is also required to make certain judgments in applying the group's accounting principles. Areas which involve a high degree of judgement, are complex or where assumptions and estimates have a material impact on the consolidated financial statements are described in Note 3.

Valuation principles applied in preparing the financial statements

Coor applies the cost method in measuring assets and liabilities, except for available-for-sale financial assets and financial assets and liabilities (including derivatives) at fair value through profit or loss.

Functional currency and presentation currency

The Parent Company's functional currency is the Swedish krona, which is also the presentation currency for the Parent Company and group. The financial statements are thus presented in the Swedish krona.

Unless otherwise indicated, all figures are rounded to the nearest million, SEK m. Information in parentheses refers to the previous year. Differences may arise in sum totals due to the rounding off of figures.

Changes to accounting principles and disclosures

a) New and amended standards applied by the group

Those standards which the group applies for the first time for the financial year beginning on 1 January 2015 are indicated below:

- Annual improvements of IFRS standards, improvements cycle 2011–2013

The annual IFRS improvements cycle 2011-2013 includes changes to IFRS 1 First-time Adoption of IFRS, IFRS 3 Business Combinations, IFRS 13 Fair Value Measurement and IAS 40 Investment Property. The implementation of these changes has had no impact on the group's accounting principles or disclosures for either the financial year addressed in these financial statements or the preceding financial year, and is not expected to have any impact on coming periods.

(b) New standards and interpretations which have not yet been applied by the group

A number of new standards and interpretations will become effective for financial years beginning on or after 1 January 2015 and have not been applied in preparing these financial statements. These new standards and interpretations are expected to have the following effects on the consolidated financial statements:

- **IFRS 15 "Revenue from Contracts with Customers"**: IFRS 15 is based on the core principle that income is to be recognized when the customer assumes control over the sold item or service – replacing the previous principle that income is to be recognized when the risks and benefits have been transferred to the purchaser. The new recommendation also includes extended disclosure requirements entailing that information regarding type of income, date of payment, uncertainties related to the revenue recognition and cash flows attributable to the entity's contracts with customers are to be presented. The new recommendation is effective from 1 January 2018.
  – The group will undertake a detailed evaluation of the effects of the new recommendation during the coming year.

- **IFRS 16 "Leases"**: In January 2016, IASB published a new leasing standard which will supersede IAS 17 Leases and the associated interpretations IFRIC 4, SIC-15 and SIC-27. The standard requires that assets and liabilities attributable to all leases are, with few exceptions, to be recognized in the balance sheet. This recognition is based on the understanding that the lessee is granted the right to use an asset during a specified period and is simultaneously liable to pay for this right. The recognition for the lessor will remain unchanged, in all material aspects. The standard is effective for financial years beginning on or after 1 January 2019. Early adoption is permitted. The EU is yet to adopt the standard.
  – The group has not yet evaluated the effects of IFRS 16.

Other standards, amendments and interpretations which become effective for financial years beginning on or after 1 January 2015 are not expected to have any material impact on the consolidated financial statements.

1.2 Consolidated Financial Statements

Subsidiaries

The consolidated financial statements encompass Coor Service Management Holding AB and all subsidiaries in Sweden and abroad.

All companies in which the group has a controlling interest are classified as subsidiaries. The group controls a company when it is exposed to or has the right to a variable return on its interest in the company and is able to influence the return through its interest in the company. Subsidiaries are included in the consolidated financial statements from the date on which control is transferred to the group. They are excluded from the accounts from the date on which control is relinquished.

The group treats transactions with non-controlling interests as transactions with the group's shareholders. In the case of acquisitions from non-controlling interests, the difference between the consideration paid and the acquired portion of the carrying amount of the subsidiary's net assets is recognized in equity. Gains and losses on sales to non-controlling interests are also recognized in equity.

The purchase method is applied in accounting for the group's business combinations. The consideration paid for the acquisition of a subsidiary comprises the fair value of the transferred assets, liabilities and any shares issued by the group. Any subsequent additional consideration is classified as a liability, which is then remeasured through the income statement. The consideration also includes the fair value of all assets or liabilities that are a consequence of a contingent consideration arrangement. Identifiable assets acquired and liabilities assumed in a business combination are initially measured at fair value at the acquisition date. For each acquisition, i.e. on an acquisition by acquisition basis, the group determines whether to recognize a non-controlling interest in the acquired entity at fair value or at the interest's proportional share of the acquired entity's identifiable net assets.

The amount by which the consideration, any non-controlling interest and the fair value of previous shareholdings at the acquisition date exceed the fair value of the group's share of acquired identifiable net assets is recognized as goodwill. If the amount is less than the fair value of the acquired subsidiary's assets, the difference is recognized directly in the income statement.

All acquisition-related expenses are charged to expenses as incurred. These costs are recognized in administrative expenses in the consolidated income statement.

If the business combination is undertaken in stages, the previously held equity interest in the acquired entity is remeasured at its fair value at the acquisition date. Any resulting gain or loss is recognized in profit or loss.

Intra-group transactions and balances, as well as unrealized gains and losses on transactions between group companies, are eliminated. Where applicable, the accounting principles for subsidiaries have been amended to guarantee a consistent application of the group's principles.

1.3 Translation of foreign currencies

Items included in the financial statements for the various entities in the group are valued in the currency used in the economic environment in which each company primarily operates (functional currency). In the consolidated financial statements, the Swedish krona (SEK) are used, which is the functional and presentation currency of the Parent Company.

Transactions in foreign currency are translated to the functional currency at the exchange rate prevailing on the transaction date. Foreign exchange gains and losses arising from such transactions and upon translation of monetary assets and liabilities in foreign currency at closing rates are recognized in the income statement. The exception is when the transactions constitute hedges and meet the criteria for hedge accounting of cash flows or net investments arising upon the acquisition of a foreign operation, in which case any gains and losses are recognized in other comprehensive income.

Assets and liabilities in group companies with a functional currency other than that of the Parent Company are translated at the closing rate. Income and expenses in group companies with a functional currency other than that of the Parent Company are translated at the average rate. The translation difference arising in conjunction with the translation of currency is recognized in other comprehensive income. When a foreign operation is divested, such foreign exchange differences in the income statement are recognized as part of the capital gain or loss.

1.4 Segment reporting

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

1.5 Revenue recognition

The group's income mainly consists of sales of services.

Income comprises the fair value of goods and services sold excluding value-added tax and discounts, and after elimination of intra-group sales.

The group recognizes income when the amount can be reliably measured, it is probable that future economic benefits will accrue to the company and specific criteria have been met for each of the group's businesses, as described below. The amount is not deemed to be reliably measurable until all obligations relating to the sale have been fulfilled or expired. The group bases these assessments on historical outcomes, taking into account the type of customer, type of transaction and any specific circumstances applying in each individual case.

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

Income is recognized as follows:

Income from subscription contracts

Income from subscription contracts (service contracts) is recognized as the service is provided. If the content or volumes of the subscription contracts change over time, the recognition of revenue is affected accordingly.

Income from fixed-price projects

Income from fixed-price projects is recognized based on the degree of completion of the projects. The degree of completion is determined based on services provided at the balance sheet date in proportion to the total undertaking. In the event that the outcome of a project cannot be reliably estimated, income is reported only to the extent that it corresponds to expenses which have arisen in the course of the project and which are likely to be reimbursed by the client. Any anticipated losses on a project are reported as expenses on an ongoing basis.

Income from time and materials contracts

Remuneration relating to shorter-duration contracts is recognized as income upon delivery of the service in accordance with the contract, or on a monthly basis in accordance with what has been delivered.

Income from the sale of goods

Income from the sale of goods is recognized upon the sale of a product to a customer by the group. Sales of goods usually coincide with the delivery of a service.

1.6 Financial income and expenses

Financial income and expenses consists primarily of interest income on bank balances and receivables, interest expenses on borrowings, borrowing costs and foreign exchange differences on borrowings.

Interest income on receivables and interest expenses on liabilities are calculated using the effective interest method. The effective interest is the interest which renders the present value of all estimated future incoming and outgoing payments during the fixed interest term equal to the carrying amount of the receivable or liability. The interest component in finance lease payments is recognized in the income statement through the application of the effective interest method.

Borrowing costs impact the profit reported for the period to which they refer. Expenses arising in conjunction with the raising of borrowings are distributed over the term of the loan.

1.7 Current and deferred income tax

The group's tax expense comprises current and deferred tax. Tax is recognized in the income statement, with the exception of items which are recognized in other comprehensive income or directly in equity. For such items, the associated tax is also recognized in other comprehensive income or equity.

The current tax expense is calculated based on the tax rules which have been enacted at the balance sheet date or which have been announced and are highly likely to be adopted in those countries in which the Parent Company and its subsidiaries operate and generate taxable income. Management regularly evaluates claims made in tax returns which relate to situations where the applicable tax rules are subject to interpretation and, where this is deemed appropriate, makes provisions for amounts which will probably be payable to the tax authority.

Reported income tax includes tax to be paid or received regarding the current year, adjustments concerning previous years' current taxes and changes in deferred tax.

Deferred tax is accounted for by applying the balance sheet method on all temporary differences between the carrying amounts and tax bases of assets and liabilities in the consolidated financial statements. Deferred tax is not recognized if it is incurred as a result of a transaction that constitutes the initial recognition of an asset or liability which is not a business combination and which, at the time of the transaction, affects neither the reported profit nor the fiscal profit. Deferred tax is calculated by applying tax rates (and laws) which have been enacted or announced at the balance sheet date and which are expected to apply when the deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be offset.

Deferred tax is calculated for temporary differences on interests in subsidiaries, except when the time at which the temporary difference is reversed can be decided by the group and it is probable that the temporary difference will not be reversed in the foreseeable future.

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

1.8 Intangible assets

Goodwill

Goodwill is the amount by which the cost exceeds the fair value of the group's share of the identifiable net assets, including contingent liabilities, of the acquired entity at the time of acquisition and the fair value of any non-controlling interests. Goodwill from the acquisition of subsidiaries is recognized as an intangible asset.

Goodwill is not amortized but is tested annually for impairment and stated at cost less accumulated impairment losses. Impairment of goodwill is recognized as an expense in the income statement immediately and is not reversed. A gain or loss from the sale of an entity includes the remaining carrying amount of goodwill relating to the divested entity.

When testing for impairment, goodwill is allocated to cash-generating units defined in accordance with the group's operating segments. These cash-generating units together constitute the group's business units, in which operations are conducted. Goodwill is thereby allocated to those cash-generating units or groups of cash-generating units which are expected to benefit from the business combination giving rise to the goodwill item. This allocation constitutes the basis for the annual impairment test.

Any impairment loss on goodwill is recognized in the income statement in Cost of services sold.

Customer relationships/customer contracts

Contractual customer relationships/customer contracts which have been identified as intangible assets in connection with a business combination are recognized at fair value at the acquisition date by discounting the expected future cash flow after-tax. Subscription and additional sales are taken into account. In connection with a business combination, management makes a judgment of the likely number of contract renewals, in addition to an estimate of future cash flows.

The customer contracts have a definite useful life covering the remaining term of the contract and estimated contract renewal periods. The contracts are recognized at cost less accumulated amortization and are amortized on a straight-line basis so that the cost for the contracts is distributed over their estimated useful lives.

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

Trademarks

Trademarks which have been identified as intangible assets in connection with a business combination are recognized at fair value at the acquisition date. Trademarks are deemed to have indefinite useful lives and are therefore not subject to scheduled amortization. Trademarks are tested annually for impairment.

Software and licenses

Development expenditure directly attributable to the development and testing of identifiable and unique software products which are controlled by the group is accounted for as an intangible asset when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use
- It is the company's intention to complete and use the software
- There is reason to expect that the company will be able to use the software
- It can be demonstrated that the software will generate probable future economic benefits
- Expenditure attributable to the development of the software can be reliably measured

Other development expenditure which does not meet the above criteria is expensed as incurred.

Development expenditure for software which is recognized as an asset is amortized over its estimated useful life, which does not exceed five years.

Acquired software licenses are capitalized on the basis of the costs incurred to acquire the software in question and prepare it for use. These capitalized expenses are amortized over the estimated useful life, which ranges from three to five years.

1.9 Property, plant and equipment

Property, plant and equipment comprises buildings, machinery, technical facilities and equipment. These assets are recognized at cost less depreciation and any impairment losses. The cost includes expenditure that is directly attributable to the acquisition of the asset.

Any additional expenditure is added to the carrying amount of the asset or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the asset will accrue to the group and the cost can be reliably measured. The carrying amount of the replaced portion is removed from the balance sheet. All other forms of repairs and maintenance are recognized as expenses in the income statement in the periods in which they are incurred.

Property, plant and equipment is depreciated systematically over the asset's estimated useful life, down to the estimated residual value. All types of tangible assets are depreciated on a straight-line basis. The group applies component depreciation for forklifts. The following periods of depreciation are applied:

Buildings	25–50 years
Forklifts	5–15 years
Machinery and other technical equipment	3–10 years
Equipment, tools, fixtures and fittings	5–10 years

The residual values and useful lives of assets are tested at the end of each reporting period and adjusted where required.

An asset's carrying amount is written down to the recoverable amount immediately if the carrying amount exceeds the estimated recoverable amount (Note 1.10).

Gains and losses from the sale of assets are determined by comparing the sale proceeds and the carrying amount.

1.10 Impairment of non-financial assets

Assets with indefinite useful lives, such as goodwill, are not amortized but are tested annually for impairment. Assets which are amortized are tested for impairment when an event or change of circumstance indicates that the carrying amount may no longer be recoverable. The amount of impairment corresponds to the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the fair value of the asset less selling expenses and value in use.

In testing for impairment, assets are grouped to the lowest levels at which there are separate identifiable cash flows (cash-generating units), defined in accordance with the group's operating segments.

Recoverable amount

The recoverable amount is the higher of fair value less selling expenses and value in use.

Fair value refers to the most probable price in a sale in a normally functioning market, after deduction of selling expenses.

Value in use refers to the present value of the estimated future cash flows which are expected from the use of the asset and the estimated residual value at the end of the useful life. In assessing value in use, the estimated future cash flows are discounted using a discount rate which reflects the risk-free rate and the risk associated with the asset. For an asset which does not generate cash flows that are essentially independent from other assets, the recoverable amount is calculated for the cash-generating unit to which the asset belongs.

Reversal of impairment losses

A previous impairment loss is reversed if the recoverable amount is deemed to exceed the carrying amount. However, the new carrying amount resulting from the reversal may not exceed the carrying amount that would have resulted if no impairment loss had been recognized in previous periods. Impairment losses on goodwill are not reversed.

1.11 Operations held for sale

Disposal groups which are held for sale are classified as assets and liabilities held for sale when the carrying amount will essentially be recovered through a sale transaction and a sale is deemed highly probable. They are stated at the lower of the carrying amount and fair value less selling expenses.

1.12 Leasing

Leases in which a significant share of the risks and benefits of ownership are retained by the lessor are classified as operating leases. Payments made during the lease term are charged to the income statement on a straight-line basis over the term of the lease.

Leases in which the economic risks and benefits associated with ownership have essentially been transferred to the lessee are classified as finance leases. At the beginning of its term, a finance lease is recognized in the balance sheet at the lower of the fair value of the leased asset and the present value of the minimum lease payments

The group has concluded both finance and operating leases in the capacity of lessor as well as lessee. For each contract, a judgment is made of whether the contract should be classified as an operating or finance lease.

Lessee

Each payment under a finance lease is divided into repayment of the liability and financial cost so as to obtain a fixed rate of interest for the recognized liability. The corresponding payment liabilities, less financial cost, are included in Borrowings (short-term or long-term). The interest portion of the financial cost is recognized in the income statement and distributed over the term of the lease so that an amount corresponding to a fixed interest rate for the liability recognized in each accounting period is charged to the income statement in each period.

Non-current assets held under finance leases are depreciated over their estimated useful lives.

In cases where a lease is deemed to constitute an operating lease, the payments are charged to expense in the income statement on a straight-line basis over the term of the lease.

Lessor

When assets are leased to another party under a finance lease, the present value of the lease payments is recognized as a receivable. The difference between the gross receivable and the present value of the receivable is recognized as unearned financial income.

Each customer payment under a finance lease is divided into repayment of the receivable and financial income so as to obtain a fixed rate of interest for the recognized receivable. The corresponding payment liabilities, less financial income, are included in Other non-current receivables and Other receivables (current portion), respectively. The interest portion of the financial income is recognized in the income statement and distributed over the term of the lease so that an amount corresponding to a fixed interest rate for the receivable recognized in each accounting period is charged to the income statement in each period.

Operating lease payments are distributed over the term of the lease on a straight-line basis.

1.13 Financial assets

The group classifies its financial assets into the following categories: derivatives used for hedging purposes, available-for-sale financial assets, and loans and receivables. The classification depends on the purpose for which the instruments were acquired. Management decides on the classification upon initial recognition of the instruments and reviews its decision in connection with each subsequent financial report.

Financial assets recognized in the balance sheet include cash and cash equivalents, financial receivables, derivatives and accounts receivable.

(a) Derivatives used for hedging purposes

Derivatives used for hedging purposes are financial assets or liabilities which have been identified as hedging instruments.

(b) Loans and receivables

Loans and receivables are financial assets which are not derivatives, have fixed or determinable payments, and are not listed on an active market. They arise when the group provides money, goods or services directly to a customer without an intention to trade the receivable arising in conjunction with the transaction. They are reported as current assets, with the exception of items maturing more than 12 months after the balance sheet date, which are classified as non-current assets. The group's loans and receivables comprise Accounts receivable and Other receivables, as well as cash and cash equivalents in the balance sheet.

Loans and receivables are recognized at amortized cost applying the effective interest method. However, accounts receivable are, in most cases, recognized at cost, as they fall due in the near future.

(c) Available-for-sale financial assets

Available-for-sale financial assets are assets which are not derivatives and which have either been attributed to this category or not classified in any of the other categories. They are included in non-current assets unless management intends to sell the asset within 12 months of the balance sheet date.

Impairment

At each balance sheet date, the group assesses whether there is objective evidence of impairment. To determine whether there is evidence of impairment, the group analyses factors such as future cash flows for the customer, changes in unwillingness to pay and financial difficulties.

Recognition and measurement

Purchases and sales of financial instruments are recognized at the transaction date, which is the date on which the group undertakes to buy or sell the asset.

Financial instruments are initially recognized at cost, as defined by the fair value of the instrument including transaction costs (applies to all financial instruments which are not measured at fair value through profit or loss). Financial assets are removed from the balance sheet when the risk, and the right to receive cash flows from the instrument, have expired or when these have otherwise been transferred to another counterparty.

After acquisition, available-for-sale financial assets and financial assets measured at fair value through profit or loss are stated at fair value. After acquisition, loans and receivables are recognized at amortized cost applying the effective interest method.

1.14 Derivatives and hedging

Derivatives are recognized in the balance sheet at the contract date and measured at fair value, both initially and on subsequent remeasurement. The method of accounting for the gain or loss arising on remeasurement depends on whether the derivative has been identified as a hedging instrument and, if so, on the nature of the hedged item. The group identifies its derivatives as either:

(a) a hedge of a specific risk linked to a recognized asset or liability or a highly probable forecast transaction (cash flow hedge), or
(b) a hedge of a net investment in a foreign operation (net investment hedge).

When the transaction is concluded, the group documents the relationship between the hedging instrument and hedged item, as well as the group's risk management goal and risk management strategy for the hedge. The group also documents its judgments, both when the hedge transaction is concluded and continuously, of whether the derivatives used in hedge transactions are effective in offsetting changes in fair value or cash flows attributable to the hedged items.

Changes in the hedging reserve are shown in other comprehensive income and in equity. The full fair value of a derivative used as a hedging instrument is classified as a non-current asset or non-current liability if the remaining maturity of the hedged item exceeds 12 months, and as a current asset or a current liability if the remaining term of the hedged item is less than 12 months.

(a) Cash flow hedges

The effective portion of changes in the fair value of a derivative which has been identified as a cash flow hedge and which meets the criteria for hedge accounting is recognized in other comprehensive income. Gains or losses attributable to any ineffective portion are recognized immediately in the income statement.

Cumulative gains and losses in equity are reclassified to the income statement in those periods when the hedged item affects profit. The gain or loss attributable to the effective portion of an interest rate swap that is used to hedge variable-rate debt is recognized in Financial income/expenses in the income statement. The gain or loss attributable to the ineffective portion is recognized in Other gains/losses – net in the income statement.

(b) Net investment hedges

Hedges of net investments in foreign operations are accounted for in a similar manner to cash flow hedges. The portion of the gain or loss on a hedging instrument that is deemed to constitute an effective hedge is recognized in other comprehensive income. Gains or losses attributable to any ineffective portion are recognized immediately in the income statement. Cumulative gains and losses in equity are recognized in the income statement when the foreign operation is wholly or partially divested.

1.15 Inventories

Inventories are stated at the lower of cost and net realizable value at the balance sheet date. Cost is calculated using the first in, first out method (FIFO). Net realizable value is the estimated selling price in the company's operating activities less any applicable variable selling expenses. Inventories consist mainly of finished goods.

1.16 Accounts receivable

Accounts receivable are amounts due from customers for goods sold or services provided as part of the operating activities. If payment is expected within one year, accounts receivable are classified as current assets. If not, they are recognized as non-current assets.

Accounts receivable are initially stated at cost and subsequently at amortized cost by applying the effective interest method, less any provisions for impairment. However, accounts receivable are, in most cases, recognized at cost, as they fall due in the near future. A provision for impairment of accounts receivable is made when there is objective evidence that the group will not be able to recover all overdue amounts in accordance with the original terms and conditions for the receivables. The size of the provision is the difference between the carrying amount of the asset and the present value of estimated future cash flows, discounted using the effective interest rate. The provision is recognized in the income statement.

1.17 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, and other short-term investments maturing within three months of the acquisition date.

1.18 Equity

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

1.19 Provisions

Provisions are recognized when the group has a legal or informal obligation as a result of an event which has occurred, it is more probable than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably calculated. Provisions for restructuring measures are recognized when a detailed formal plan for the measure exists and a well-founded expectation among those affected has been engendered. No provisions are made for future operating losses.

If a number of similar obligations exist, the probability that an outflow of resources will be required is determined for the settlement of the group of obligations as a whole. A provision is also recognized when there is a low probability of an outflow of resources in respect of a particular item in this group of obligations.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market ¬assessments of the time value of money and the risks associated with the provision. The increase in the provision due to passage of time is recognized as interest expense.

1.20 Borrowings

Borrowings are initially stated at fair value, net of transaction costs. Borrowings are subsequently stated at amortized cost and any difference between the amount received (net of transaction costs) and the amount repayable is recognized in the income statement over the term of the loan by applying the effective interest method.

Expenses arising in connection with the raising of new loans are capitalized as borrowing costs and allocated over the term of the loan.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer payment of the liability for at least 12 months after the balance sheet date. Bank overdraft facilities are recognized as borrowings in Current liabilities in the balance sheet. The group's borrowings are classified as financial liabilities measured at amortized cost.

1.21 Accounts payable

Accounts payable are obligations to pay for goods or services purchased from suppliers as part of the operating activities. Accounts payable are classified as current liabilities if they fall due within one year. If not, they are recognized as non-current liabilities.

Accounts payable are initially stated at cost and subsequently at amortized cost by applying the effective interest method.

1.22 Statement of Cash Flows

The statement of cash flows has been prepared using the indirect method. The recognized cash flow includes only those transactions that have resulted in receipts or payments.

Cash and cash equivalents include, in addition to cash and bank balances, short-term financial investments that are exposed to insignificant risk of fluctuations in value, are traded on an open market for known amounts and have a remaining maturity of less than three months from the acquisition date.

1.23 Employee benefits

Pension plans

The group companies have different pension plans. The pension plans are funded through payments to insurance companies or managed funds. The payments are determined using periodic actuarial calculations. The group has both defined benefit and defined contribution pension plans.

- Defined contribution pension plans are post-employment benefit plans under which the group pays fixed contributions into a separate legal entity. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.
- Defined benefit pension plans are post-employment benefit plans other than defined contribution plans. The defining characteristic of a defined benefit plan is that it specifies an amount for the retirement benefit which an employee will receive upon retirement, normally based on one or several factors, such as age, length of service or salary. Only a small number of employees within the group are covered by a defined benefit plan, for which the group recognizes a provision in the balance sheet.

Both pensions secured through insurance with Alecta in Sweden and pensions secured according to the new AFP plan in Norway are, by definition, defined benefit plans. However, sufficient information is not available to enable the reporting of these plans as defined benefit. Refer to Note 34 Pensions for further information.

Defined contribution plans

Liabilities relating to contributions to defined contribution plans are recognized as an expense in the income statement as they arise.

In a defined benefit pension plan, the group pays contributions to publicly or privately managed pension schemes on a mandatory, contractual or voluntary basis. Once the contributions have been paid, the group has no further payment obligations. The contributions are recognized directly in the income statement as employee benefit expenses when they fall due. Prepaid contributions are recognized as an asset to the extent that cash repayments or reductions of future payments may accrue to the benefit of the group.

Defined benefit plans

The group's net obligation relating to defined benefit plans is calculated separately for each plan by estimating the future remuneration earned by the employees through their employment during the current and previous periods.

The liability that is recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of the plan assets, adjusted for unrecognized past service costs. The defined benefit pension obligation is calculated annually by independent actuaries. The present value of the defined benefit obligation is determined by discounting estimated future cash flows using the yield on first-class corporate bonds issued in the same currency as that in which the payments will be made and with maturities comparable to that of the pension obligation in question.

Actuarial gains and losses arising from experience-based adjustments and changes to actuarial assumptions are recognized in other comprehensive income in the period in which they arise. Past service costs are recognized directly in the income statement.

Special payroll tax (corresponding contributions) is calculated on the difference between the retirement benefit cost determined in accordance with IAS 19 and the retirement benefit cost determined in accordance with the rules applied in the legal entity. The payroll tax is recognized as an expense in the income statement.

Termination benefits

Termination benefits (severance pay) are payable when an employee's service has been terminated by the group before the normal retirement age or when an employee accepts voluntary redundancy in exchange for such compensation. The group recognizes severance pay when it is demonstrably obliged either to give notice to employees under a detailed formal plan without possibility of retraction or to provide compensation upon termination as a result of an offer to encourage voluntary redundancy. Benefits due more than 12 months after the balance sheet date are discounted to present value.

Bonus plans

The group recognizes a liability and a cost for employee bonuses based on the applicable contracts.

1.24 Contingent liabilities

A contingent liability is recognized when there is a possible obligation arising from past events and whose existence is confirmed only by the occurrence or non-occurrence of one or more uncertain future events, which are not fully within the control of Coor. A contingent liability may also be an obligation arising from past events, but which is not recognized as a liability or provision because it is unlikely that the obligation will be settled or the size of the obligation cannot be calculated with sufficient accuracy.

1.25 Parent Company accounting principles

The Parent Company has prepared its annual report in accordance with the Swedish Annual Accounts Act and RFR 2 Accounting for legal entities. 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's and Parent Company's accounting principles are described below.

The following accounting principles for the Parent Company have been applied consistently for all periods presented in the Parent Company's financial statements.

Income

Dividend income is recognized when the right to receive payment is deemed to be secure.

Group contribution

Group contributions paid and received are accounted for as appropriations through the income statement.

Shareholders' contribution

Shareholders' contributions are recorded directly against equity in the recipient and are capitalized in shares and participations at the provider, to the extent that impairment is not called for.

Related party disclosures

The Parent Company has related party relationships which include a controlling interest in its subsidiaries, see Note 43. Normal transactions between the Parent Company and subsidiaries are not disclosed in the annual report. All transactions with related parties have been made on market terms.

1.26 Glossary and definitions of key performance indicators

Glossary

Cost of services sold

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

Non-recurring items

Non-recurring items mainly include expenses for the integration of contracts and acquisitions as well as more extensive restructuring programmes. Expenses related to the listing have also been included during the most recent two years. The non-recurring items are reported under the items cost of services sold and selling and administrative expenses respectively.

Adjusted gross profit :

Gross profit before amortization and impairment of goodwill and customer contracts, excluding non-recurring items.

EBITA:

Operating profit before amortization and impairment of goodwill and customer contracts.

Adjusted EBITA:

Operating profit before amortization and impairment of goodwill and customer contracts, excluding non-recurring items.

EBITDA

Operating profit before depreciation and amortization of all tangible and intangible assets.

Adjusted EBITDA:

Operating profit before depreciation and amortization of all tangible and intangible assets, excluding non-recurring items.

Adjusted net profit:
Profit for the year excluding amortization and impairment of goodwill and customer contracts.

Adjusted selling expenses and administrative expenses:
Selling expenses and administrative expenses, excluding non-recurring items.

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

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

Calculation of key performance indicators
Net sales growth
Change in net sales for the period as a per centage of net sales for the prior period.

Organic growth
Growth, excluding acquisitions and currency effects.

Gross margin
Gross profit as a per centage of net sales.

Adjusted gross margin
Adjusted gross profit as a per centage of net sales.

Operating margin (EBIT-margin)
Operating profit as a per centage of net sales.

EBITA-margin
EBITA-margin as a per centage of net sales.

Adjusted EBITA-margin
Adjusted EBITA as a per centage of net sales.

EBITDA-margin
EBITDA as a per centage of net sales.

Adjusted EBITDA-margin
Adjusted EBITDA as a per centage of net sales.

Working capital/net sales
Working capital at balance sheet date as per centage of net sales (rolling 12 months).

Earnings per share
Profit for the period attributable to shareholders in the Parent Company, adjusted for interest expenses associated with preference shares, in relation to average number of ordinary shares.

Cash conversion
Adjusted EBITDA less net investment and adjusted for changes in working capital as a per centage of adjusted EBITDA.

Net debt
Interest-bearing current and non-current assets less interest-bearing current and non-current liabilities.

Debt/equity ratio (leverage)
Net debt divided by adjusted EBITDA (rolling 12 months).

Equity/assets ratio
The group's equity and reserves attributable to shareholders in the Parent Company, as a per centage of total assets.

NOTE 2 | RISK MANAGEMENT

Coor is exposed to a number of strategic, operational, financial and legal risks. However, the FM industry is generally considered a relatively low-risk industry. Coor engages in structured risk work based on mapping, analysis and control.

The section below includes descriptions of the group's financial risks. Descriptions of the operational risks can be found on page 34–36.

2.1 Financial risk management

The group's financial policy, which has been adopted by the Board of Directors, is the basis for the management of financial activities, the division of responsibilities and financial risks. The financial policy focuses on the unpredictability of financial markets and strives to minimize potential adverse effects on the group's financial performance.

The group is exposed to a number of financial risks, mainly related to market risks (currency risk and interest rate risk), credit risk and liquidity risk. These risks are described in the following section.

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

The group presents its financial statements in SEK but operates in Norway, Finland, Denmark, Belgium, Hungary, Poland and Estonia. The group is thus exposed to five different currencies, in addition to its presentation currency, SEK. Currency risk can be divided into two risks: transaction risk and translation risk.

Transaction risk refers to a negative impact on net profit and cash flows due to changes in the value of operating flows in foreign currency caused by fluctuations in exchange rates. As the group's subsidiaries operate almost exclusively in local currency, the transaction risk in the commercial flow is low, given that both income and expenses are denominated in the local currency of the respective countries. For currency exposures in accounts receivable at 31 December 2015, see Note 27.

Of operating profit, EBITA, for 2015, 50 (19) per cent originates from operations with a different functional currency than the Swedish krona. NOK 35 (9) per cent, EUR 1 (6) per cent, DKK 13 (3) per cent, HUF and PLN 1 (1) per cent.

Translation risk refers to the risk to which Coor is exposed upon translation of the foreign subsidiaries' income statements and balance sheets to the Swedish krona. In order to counteract the translation risk, the group has borrowings denominated in SEK, NOK and EUR which are approximately equivalent to the group's operating cash flow in the respective currencies. The need for currency hedges of the group's net assets outside Sweden is reviewed on an ongoing basis.

External loans in foreign currency totalled NOK 331 (404) million and EUR 11 (89) million at year-end 2015.

The translation difference in equity for the year was SEK –64 (7) million. Translation differences in the income statement refer to the operations while translation differences in equity refer to the translation of the net investment in the foreign subsidiaries.

In 2015, a weakening of the Swedish krona by 10 per cent against the currencies listed below would have had the following impact on consolidated profit after tax and on equity for 2015:

TRANSLATION EXPOSURE	PROFIT AFTER TAX, +/– 2015	EQUITY, +/– 2015
DKK	2	12
EUR	–2	–17
NOK	4	40
HUF and PLN	0	0
Total	**5**	**35**

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 the net profit and cash flow. For fixed-rate assets and liabilities the impact is on fair value.

The group's debt situation entails an exposure to interest rate risk, as the borrowings incur variable interest. In conjunction with the listing on Nasdaq Stockholm in June 2015, the group implemented a new financing structure with a relatively low level of debt, thereby limiting interest rate risk. Under the new financing agreement, the group has chosen not to enter into any interest rate swap arrangements at present, although this choice is reviewed on an ongoing basis.

At 31 December 2015, the group is primarily exposed to interest rate risk through bank loans of SEK 1,367 (2,907) million and utilized revolving credit facilities of 106 (235). Both bank loans and revolving credit facilities incur variable interest. The utilized revolving credit facilities at 31 December 2015 comprise liquid funds of 0 (120) and, primarily, performance bonds of 106 (115).

The group analyses its exposure to interest rate risk by simulating the impact on profit and cash flow from a specified change in interest rates. Based on the loan liabilities and fixed-rate terms applying at year-end, a change of 1 per centage point in the market interest rate would have an impact of SEK +/– 14 million on the group's interest expenses.

Refer to Note 32 for further information on the group's borrowings.

b) Credit risk
Credit risk is the risk that a counterparty to a transaction will be unable to fulfil its contractual financial obligations, resulting in a negative impact on the group's financial position and performance. The majority of the group's credit risk refers to receivables from customers, comprised of accounts receivable and assignments which have been partially or fully completed but not yet invoiced.

Credit risk is managed through an active credit assessment of each customer's creditworthiness in connection with the conclusion of new customer contracts and through careful monitoring of overdue accounts receivable, with clear routines for the management of reminders, demands and collection procedures. While services are sold to a large number of customers, a small number of established customers account for a large portion of total sales. In 2015, the group's 10 largest customers accounted for 50 (45) per cent of the group's total sales. Historically, the group has had a low level of bad debts relative to sales.

At 31 December 2015, the maximum credit exposure in accounts receivable was SEK 1,072 (1,160) million. The concentration of credit risk based on the situation at 31 December 2015 is shown below. The indicated figures are based on the size of the group's exposure to each customer at the balance sheet date.

CONCENTRATION OF CREDIT RISK	SHARE OF TOTAL ACCOUNTS RECEIVABLE	PER CENT OF PORTFOLIO
At 31 December 2015		
Exposure < SEK15m	686	64%
Exposure SEK 15–50m	242	23%
Exposure > SEK 50m	143	13%
Total	**1,072**	**100%**

The provision for doubtful debts at 31 December 2015 were SEK 3 (4) million, accounting for 0.2 (0.4) per cent of total accounts receivable. For further information on the provision for doubtful debts, refer to Note 27.

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

To ensure adequate short-term liquidity, management analyses the group's liquidity requirements by continuously monitoring the liquidity reserve (unutilized revolving credit facilities, and cash and bank balances). Liquidity forecasts are drawn up on an ongoing basis to ensure that the group has sufficient cash assets to meet its operational requirements.

Longer-term, the group ensures that adequate liquidity is maintained by forecasting future cash flows and following up these forecasts on an ongoing basis. The liquidity requirement is met through existing credit facilities.

d) Financing and financing risk
Financing risk is the risk that external financing will not be available when required and that refinancing of maturing loans will prove difficult or costly. In order to reduce its financing risk, the group strives to establish business relationships with at least two different financial players with good creditworthiness.

In conjunction with the listing of the group on Nasdaq Stockholm in June 2015, all borrowings raised under the previous financing agreement were repaid, and a new financing agreement was entered into with a consortium of three different credit institutions. The new financing agreement has a total credit limit of SEK 1,800 million, of which SEK 1,400 million is comprised of senior loans and SEK 400 million comprises a revolving credit facility.

The financing agreement includes customary clauses and stipulates standard terms and conditions for financial covenants. The covenants reported to the credit institutes under the new financing agreement are leverage (ratio of interest-bearing net debt and adjusted EBITDA) and interest coverage ratio (ratio between adjusted EBITDA and net interest income)

The borrowings have a margin above IBOR and follow an interest rate tier based on the company's recorded debt. The long-term borrowings raised under the new financing agreement fall due for repayment in June 2020.

The group has fulfilled all covenants stipulated in the loan agreements during the current financial year.

Maturity analysis:
The maturity analysis shows a breakdown of the group's financial liabilities by contractual maturity date. The amounts indicated in the table are the undiscounted cash flows.

GROUP AT 31 DEC 2015	WITHIN 1 YEAR	BETWEEN 1–2 YEARS	BETWEEN 2–5 YEARS	MORE THAN 5 YEARS
Accounts payable	835	0	0	0
Finance lease liabilities	14	7	4	0
Borrowing	0	0	1,367	0
Interest, borrowing	26	26	64	0
Total	**875**	**32**	**1,435**	**0**

GROUP AT 31 DEC 2014	WITHIN 1 YEAR	BETWEEN 1–2 YEARS	BETWEEN 2–5 YEARS	MORE THAN 5 YEARS
Accounts payable	893	0	0	0
Finance lease liabilities	20	14	10	1
Borrowing	80	1,474	1,353	0
Revolving credit facility	120	0	0	0
Interest, derivatives	2	0	0	0
Interest, borrowing*	134	99	141	0
Total	**1,250**	**1,588**	**1,504**	**1**

* For year 2014, interest that will be capitalised on the mezzanine loan until the loan maturity date is included in the interest row.

2.2 Capital risk management

Capital structure

The group strives to maintain an efficient capital structure that facilitates long-term growth, enabling the group to continue to generate returns for its shareholders and benefits for other stakeholders while ensuring a low cost of capital. The target is that the ratio between interest-bearing net debt and adjusted EBITDA is to be below 3.0.

The table below shows the group's capitalization and net debt at year-end:

SPECIFICATION OF NET DEBT	2015	2014
Liabilities to credit institutions	1,355	2,975
Leasing, net	9	16
Pensions	9	10
Other liabilities	1	8
Total liabilities	**1,375**	**3,009**
Cash and cash equivalents	–428	–335
Net debt	**947**	**2,673**
Total equity	**2,733**	**1,178**
Leverage	**2,2**	**6,6**
Equity/assets ratio	**45%**	**18%**

Dividend policy

According to the dividend policy adopted by the Board of Directors, during a given economic cycle, approximately 50 per cent of the group's adjusted net profit for the period (before amortization and impairment of goodwill and client contracts), is to be distributed. The distribution level is to consider the group's goals for its capital structure. Furthermore, the Board of Director's decision regarding the distribution level is to take into consideration a number of factors, including the group's expected future profits, its investment requirements, liquidity, development opportunities, overall financial prospects and the forecast for the group.

For 2015, the Board of Directors has proposed a dividend of SEK 2.00 per ordinary share, divided into a standard dividend of SEK 1.40 and a bonus dividend of SEK 0.60. For the company's total number of shares amounting to 95,812,022, this implies a total dividend of SEK 192 million. The total value of the proposed dividend is not recognized as a liability at 31 December 2015. The dividend is expected to be paid on 6 May 2016.

Financial targets

Organic sales growth 4–5%

Coor's goal is, during a given economic cycle, to achieve organic growth of 4-5 per cent. Coor intends to grow in line with the Nordic FM market through defending its market share within the IFM segment and, at the same time, improving its market share within single and bundled FM services. The growth rate can vary between individual years if the group wins or loses individual, large contracts. In addition to organic growth, Coor intends to also grow through selected supplementary acquisitions.

Adjusted EBITA-margin ~5.5%

Coor's goal is, in the medium to long term, to achieve an adjusted EBITA-margin of approximately 5.5 per cent. Coor will continue to focus on overall operational efficiency improvements and cost savings. Furthermore, the company deems that, in pace with certain specific contracts maturing, margins can be further improved through continued efficiency improvements. The addition of new, larger contracts could, however, temporarily deteriorate margins during specific years due to start-up costs.

Cash conversion >90%

Coor's goal is to, in the medium to long term, achieve an annual cash conversion in excess of 90 per cent. The company defines cash conversion as the ratio of operating cash flow (adjusted EBITDA less investments and adjusted for changes in working capital) in relation to adjusted EBITDA. Historically, the company's investment level (excluding acquisitions) has been approximately 0.5 per cent of net sales, a level Coor believes also reflects future requirements. Furthermore, Coor expects to be able to continue to undertake the operations with negative and decreased working capital. In the short term, deviations can, however, result in lower cash conversion during certain quarters.

Risks in assumptions regarding financial targets

The company's financial targets stated above comprise future-oriented information with an inherent large degree of uncertainty. The financial targets are based on a number of assumptions regarding, amongst other things, the development of the company's industry, operations, operational results and financial position. The outcome can differ significantly from these assumptions. The company's capacity to achieve its financial targets involves, therefore, uncertainty and eventualities, certain of which are outside the company's sphere of control.

NOTE 3 | SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of financial statements and the application of different accounting standards are often based on management's judgments or on assumptions and estimates which are deemed reasonable under the prevailing circumstances. Estimates and assumptions are reviewed continuously and are based on historical experience and other factors, including expectations of future events that are deemed reasonable under the prevailing circumstances.

The group makes estimates and assumptions about the future. The accounting estimates resulting from these will, by definition, rarely agree with actual outcomes.

Those assumptions and estimates which Coor deems to have the biggest impact on the company's financial performance and/or on assets and liabilities as at 31 December 2015 are described in Notes 3.1–3.6.

3.1 Impairment testing of goodwill

Pursuant to the stipulations in IAS 38, the group performs annual impairment tests of goodwill, as the useful life of the asset is not predetermined. Consolidated goodwill is allocated to the cash-generating units, which comprise those countries in which Coor operates. Through annual impairment tests, the carrying amount is compared with the estimated recoverable amount. The recoverable amount is defined as the higher of net realizable value and value in use. This means that the group, in practice, uses value in use, as quoted prices for estimating the net realizable value are not normally available.

The calculation of value in use is based on the group's existing business plan, which in itself includes assumptions and estimates. The most significant assumptions used as a basis for the calculation are the weighted average cost of capital (WACC) for those markets in which the group operates as well as assumptions on sales growth and future operating margins.

WACC is calculated based on a debt structure comprising 20 per cent loans and 80 per cent equity. The impairment test for the year, including the completed sensitivity analysis, did not show indications of impairment requirements.

At 31 December 2015, the group had goodwill of SEK 2.7 (2.8) billion. For further information on goodwill, including material assumptions, see Note 17.

3.2 Valuation of customer contracts

In conjunction with the acquisition of certain subsidiaries, intangible assets relating to customer contracts have been identified in connection with preparing the purchase price allocation.

The measurement of identifiable assets and liabilities in connection with an acquisition requires a valuation at fair value of the items in the target company's balance sheet, as well as of items which have not been accounted for in the target's balance sheet, such as customer contracts.

Normally, no quoted prices are available for the assets and liabilities to be measured, which requires the use of various measurement techniques based on multiple assumptions. The most significant assumptions used as a basis for the valuation of customer contracts are the current WACC, the expected number of contract renewals and expected future margins for the contract.

Customer contract values are amortized on a straight-line basis over their estimated useful life. Impairment tests are performed when there are indications of impairment. No customer contract has been subject to impairment during 2015.

The carrying amount of the group's customer contracts at 31 December 2015 was SEK 1.1 (1.2) billion.

3.3 Taxes

The reporting of income tax, value-added tax and other taxes is based on the applicable rules, including practice, instructions and legislation, in those countries where the group operates. Due to the overall complexity of these issues, the application, and thus also the financial reporting, is in some cases based on interpretations, and estimates and judgments of possible outcomes. On complex issues, the group engages the assistance of external experts to assess possible outcomes based on current practice and interpretations of applicable regulations. At 31 December 2015, the reported current tax expense for continuing operations was SEK 32 (6) million and the reported current tax liability was SEK 28 (3) million.

Deferred tax is calculated on estimated temporary differences between the carrying amounts and tax bases of assets and liabilities. The group has substantial deductible tax losses, primarily in Finland and Sweden. In Finland, these tax losses carried forward have only been recognized to the extent that they can be offset against the deferred tax liability. All deductible tax losses in Sweden were capitalized in conjunction with the IPO in June. Refer to Note 33 on deferred tax.

3.4 Accounts receivable

Total accounts receivable at 31 December 2015 were SEK 1,069 (1,155) million. Accounts receivable, as included in the balance sheet, have been stated at amortized cost, net of provisions for anticipated and established bad debts of SEK 3 million. The assessment of bad debts, in cases where these have not been confirmed, is a critical estimate. Further information on credit risk in accounts receivable is provided in Note 2.

3.5 Covenants

Through its current funding solution, Coor has concluded agreements which are subject to certain covenants. If Coor were to breach any of these covenants, this could entail increased expenses, as well as a risk that the current funding agreement would be terminated. At 31 December 2015, Coor fulfilled all covenants.

3.6 Ongoing disputes and measurement of contingent liabilities

Companies in the group are involved in a number of disputes or legal proceedings as well as tax cases that have arisen in the course of their operations. The accounting of these items is based on assumptions on final outcomes which, in turn, are based on judgements, including judgements made with the help of external legal experts.
For more information, refer to Note 42 Contingent liabilities.

NOTE 4 | SEGMENT INFORMATION

Group Management has defined the group's operating segments based on the information that is discussed in the executive management team (EMT) and that is used for making strategic decisions.

The group operates in Sweden, Norway, Finland and Denmark (and has smaller operations in Belgium, Hungary, Poland and Estonia). The management team mainly monitors the operations on a country by country basis. The operations in Belgium, Hungary, and Poland are treated in organizational terms as a part of Sweden, and the operations in Estonia are similarly treated as a part of Finland.

The group's operations comprise a range of workplace and property services as well as related strategic advice. The services are provided under customer contracts of three main types: IFM (integrated facility management, i.e. contracts covering a broad range of services with a strong element of strategic advice), Bundled FM (customer contracts covering two or more services with a limited element of strategic advice) and Single Services (delivery of individual FM services). The priority single service FM segments are cleaning, food & beverages and property services.

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

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

Expenses for group support functions, such as operational development, business development, group finance and legal functions, as well as adjustments for adapting local reporting rules to IFRS, are accounted for in group functions/other below.

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

The segment information, relating to segments for which disclosures are required, provided to the group's executive management team in respect of operations in 2015, is the following:

	SWEDEN	NORWAY	FINLAND	DENMARK	GROUP FUNC-TIONS/OTHER	TOTAL
Segments' revenue	4,105	2,116	509	868	82	7,679
Internal sales	–95	–12	0	0	–90	–197
Revenue from external customers	**4,010**	**2,103**	**509**	**868**	**–8**	**7,482**
Adjusted EBITA	347	124	5	31	–133	**374**
Adjusted EBITA-margin	8.7%	5.9%	0.9%	3.6%	–	**5.0%**
Depreciation/amortisation in adjusted EBITA	–14	–11	–7	–1	–17	**–49**
Adjusted EBITA is reconciled to profit before tax as follows:						
Adjusted EBITA for segments for which disclosures are required						**374**
Amortisation and impairment of goodwill and customer contracts						–177
Non-recurring items (note 7)						–115
Finance costs – net						–115
Profit before tax						**–33**
Other information						
Investments non-current assets	–18	–10	–1	–2	–20	**–52**
Non-current assets	3,037	536	159	163	43	**3,937**
Change in working capital	106	–25	–3	5	–14	**69**

The segment information, relating to segments for which disclosures are required, provided to the group's executive management team in respect of operations in 2014, is the following:

	SWEDEN	NORWAY	FINLAND	DENMARK	GROUP FUNC-TIONS/OTHER	TOTAL
Segments' revenue	4,027	1,623	526	784	72	7,033
Internal sales	–81	–21	0	–1	–86	–189
Revenue from external customers	**3,946**	**1,603**	**526**	**783**	**–14**	**6,844**
Adjusted EBITA	364	96	12	12	–130	**354**
Adjusted EBITA-margin	9.2%	6.0%	2.4%	1.5%	–	**5.2%**
Depreciation/amortisation in adjusted EBITA	–12	–11	–7	–1	–18	**–49**
Adjusted EBITA is reconciled to profit before tax as follows:						
Adjusted EBITA for segments for which disclosures are required						**354**
Amortisation and impairment of goodwill and customer contracts						–331
Non-recurring items (note 7)						–106
Finance costs – net						–272
Profit before tax						**–354**
Other information						
Investments non-current assets	–15	–9	–2	0	–7	**–33**
Non-current assets	3,175	608	185	175	40	**4,182**
Change in working capital	–21	69	3	29	–17	**63**

Sales by type of contract

NET SALES	01/01/15 – 31/12/15	01/01/14 – 31/12/14
IFM	4 884	4 255
Bundled FM	1 331	1 308
Single service	1 335	1 340
Other*	–68	–60
Total	**7 482**	**6 844**

* Other relates mainly to internal sales between the different segments.

The group has one customer which accounts for more than 10 per cent of the group's total sales. Sales to this customer in 2015 were 1,117 (689).

Coor has its registered office in Sweden. Income from external customers in Sweden and the breakdown for other countries are described in the segment information above.

NOTE 5 | OPERATIONS HELD FOR SALE

Assets and liabilities attributable to the group's previous Industrial Service operating segment have been accounted for as held for sale following approval from the Board of Directors' Project Committee in September 2014. The sale was completed in June 2015.

ASSETS IN OPERATIONS HELD-FOR-SALE	31/12/15	31/12/14
Tangible assets	0	51
Other intangible assets	0	12
Other non-current assets	0	0
Inventories	0	29
Other current assets	0	319
Total	**0**	**412**

LIABILITIES IN OPERATIONS HELD FOR SALE	31/12/15	31/12/14
Current liabilities	0	260
Deferred tax	0	3
Provisions	0	9
Total	**0**	**272**

In accordance with IFRS 5, assets and liabilities held for sale have been written down to fair value. This is a non-recurring fair value measurement that has been calculated using a benchmark analysis of market multiples for similar operations. The measurement there belongs to Level 2 of the fair value hierarchy.

The analysis of results from operations held for sale and the reported profit on remeasurements of assets and liabilities in operations held for sale is as follows:

ANALYSIS OF EARNINGS FOR OPERATIONS HELD FOR SALE	01/01/15 – 31/12/15	01/01/14 – 31/12/14
Revenue	479	1 187
Operating expenses	–484	–1,222
Finance costs – net	–2	–4
Income tax	1	3
Total	**–6**	**–37**
Profit on remeasurement of assets and liabilities in operations held for sale – before tax	–10	–110
Income tax	0	0
Profit on remeasurement of assets and liabilities in operations held for sale – after tax	–10	–110
Profit for the year from operations held for sale	**–16**	**–147**

Cash flow from operations held for sale

CASH FLOWS FROM OPERATIONS HELD FOR SALE	01/01/15 – 31/12/15	01/01/14 – 31/12/14
Cash flow from operating activities	–22	–40
Cash flow from investing activities	–4	–4
Cash flow from financing activities	0	–1
Net cash flow from operations held for sale	**–26**	**–45**

NOTE 6 | COSTS BY NATURE OF EXPENSE

GROUP	01/01/15 – 31/12/15	01/01/14 – 31/12/14
External services	3,304	2,942
Payroll costs	3,352	2,989
Depreciation, amortisation and impairment	226	379
IT costs	96	105
Premises expenses	105	106
Other operating expenses	316	404
Total	**7,400**	**6,926**

NOTE 7 | NON-RECURRING ITEMS

Non-recurring items and amortization and impairment of customer contracts and goodwill are excluded from operating profit, adjusted EBITA, which the company believes to be the most relevant measure to follow as this most fairly reflects the underlying operations.

Non-recurring items for 2015 mainly comprise expenses related to the initial public offering on Nasdaq Stockholm and integration costs. Integration costs are comprised of external, non-recurring expenses arising in connection with acquisitions or taking on new contract, such as IT-expenses and costs for re-profiling.

GROUP	01/01/15 – 31/12/15	01/01/14 – 31/12/14
Adjusted EBITA is reconciled to EBIT as follows		
Adjusted EBITA	374	354
Amortisation and impairment of customer contracts	–177	–331
Non-recurring items	–115	–106
EBIT	**82**	**–82**
Non-recurring items		
IPO-related expenses [1]	–79	–12
Integration	–25	–76
Restructuring	–6	–11
Monitoring fee Cinven	–2	–4
Other	–3	–3
Total	**–115**	**–106**
[1] Specification of IPO-related expenses		
Total IPO-related expenses	–128	–12
Of which recognised in equity	49	0
Total accounted for in income statement	**–79**	**–12**

The non-recurring items specified above are recognized in the income statement in the items Cost of services sold 26 (86), Administrative and selling expenses 88 (20).

NOTE 8 | EMPLOYEES AND EMPLOYEE BENEFIT EXPENSES

Employee benefit expenses

GROUP	01/01/15 – 31/12/15	01/01/14 – 31/12/14
Salaries including restructuring costs and other termination benefits*	2,491	2,520
Social-security contributions, excl. retirement benefit costs	636	695
Retirement benefit costs, defined contribution plans	200	207
Retirement benefit costs, defined benefit plans	1	0
Total	**3,328**	**3,423**
Less costs for operations held for sale	0	–504
Total	**3,328**	**2,919**

*) Salaries and termination benefits totalled 10 (20). Of this amount, 3 (0) refers to severance pay to the CEO and other senior executives. The CEO and other senior executives refer to the CEO in any of the Group's companies and members of the group's management team.

Salaries, other remuneration and social security contributions by country

GROUP	01/01/15 – 31/12/15	01/01/14 – 31/12/14
Sweden	1,797	2,190
Norway	764	554
Finland	281	271
Denmark	475	394
Other countries	12	13
Total	**3,328**	**3,423**
Less costs for operations held for sale	0	–504
Total	**3,328**	**2,919**

Salaries, other remuneration and social security contributions

	01/01/15 – 31/12/15				01/01/14 – 31/12/14			
GROUP	SALARIES AND REMUNERATION	OF WHICH BONUSES	SOCIAL-SECURITY CONTRI-BUTIONS	OF WHICH RETIREMENT BENEFIT COSTS	SALARIES AND REMUNERATION	OF WHICH BONUSES	SOCIAL-SECURITY CONTRI-BUTIONS	OF WHICH RETIREMENT BENEFIT COSTS
Board of Directors and CEO	28	6	11	4	21	3	9	4
Other senior executives	11	3	6	2	10	1	5	2
Other employees	2,452	24	821	196	2,488	14	889	203
Total Group	**2,491**	**33**	**837**	**201**	**2,520**	**18**	**903**	**208**
Of which operations held for sale	0	0	0	0	–346	0	–158	–29
Total continuing operations	**2,491**	**33**	**837**	**201**	**2,174**	**18**	**745**	**179**

The group Board of Directors and CEO includes remuneration to the Board of Coor Service Management Holding AB and remuneration to the group's CEO, as well as remuneration to the Presidents of all of the group's subsidiaries. The group senior executives referred to above is a part of the group's executive management team, excluding those individuals who are Presidents for the respective subsidiaries.

Average number of employees

	01/01/15 – 31/12/15		01/01/14 – 31/12/14	
GROUP	AVERAGE NO. OF EMPLOYEES	OF WHICH MEN	AVERAGE NO. OF EMPLOYEES	OF WHICH MEN
Sweden	3,146	1,546	4,242	2,468
Norway	1,268	620	1,063	536
Finland	833	308	839	307
Denmark	814	414	659	409
Belgium	75	54	63	46
Hungary	29	15	24	17
Poland	20	6	16	5
Estonia	11	9	10	9
Total	**6,195**	**2,971**	**6,916**	**3,797**
Of which operations held for sale	0	0	–844	–743
Total	**6,195**	**2,971**	**6,072**	**3,054**

Gender distribution in the Parent Company as regards Board Members and in the group as regards CEO and other senior executives

	31/12/15		31/12/14	
GROUP	NO. AT BALANCE SHEET DATE	OF WHICH MEN	NO. AT BALANCE SHEET DATE	OF WHICH MEN
Board of Directors	9	7	9	9
CEO and senior executives	9	9	10	10
Total	**18**	**16**	**19**	**19**

NOTE 9 | REMUNERATION TO SENIOR EXECUTIVES

Senior executives have received the following remuneration

	01/01/15 – 31/12/15	01/01/14 – 31/12/14
Salaries and short term remuneration	34.2	31.4
Termination benefits	3.0	0.0
Pension expenses	5.1	5.2
Total	**42.3**	**36.6**
Of which operations held for sale	0.0	–2.6
Total remuneration, senior executives continuing operations	**42.3**	**33.9**

In addition to the remuneration detailed above, the group's largest shareholder Cinven has purchased convertible bonds and shares from senior executives in conjunction with the IPO amounting to a total of SEK 55 million.

Remuneration to the Board of Directors – Guidelines
The Chairman and other members of the Board of Directors receive board fees in accordance with the resolutions adopted by the Annual General Meeting. As of 2015, a separate fee is also paid for committee work.

	DIRECTORS' FEES	FEE FOR COMMITTEE WORK	TOTAL
Remuneration of the Board			
Anders Narvinger	0,7	0,1	0,8
Bernt Magnusson *	0,3	0,1	0,3
Kristina Schauman *	0,2	0,1	0,3
Monica Lindstedt *	0,1	0,0	0,1
Søren Christensen	0,2	0,1	0,3
Mats Jönsson	0,4	0,0	0,5
Other Directors	0,0	0,0	0,0
Total	**1,8**	**0,4**	**2,3**

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

	DIRECTORS' FEES	FEE FOR COMMITTEE WORK	TOTAL
Remuneration of the Board			
Anders Narvinger	0,8	0,0	0,8
Bernt Magnusson *	0,3	0,0	0,3
Mats Jönsson	0,5	0,0	0,5
Other Directors	0,0	0,0	0,0
Total	**1,6**	**0,0**	**1,6**

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

Remuneration to the CEO and Group Management – Guidelines:
The Annual General Meeting 2015 adopted the following guidelines for remuneration to senior executives, applicable until the Annual General Meeting 2016. The group of executives to which the guidelines apply are the CEO and other members of Group Management.

The remuneration paid to Group Management is to consist of a basic salary, potential variable remuneration, pension and other benefits. Total remuneration is to be market-based and competitive, and is to be proportionate to the executive's performance and responsibilities plus, as regards any long-term variable remuneration, to positive development of the Coor share accruing to the shareholders.

The variable remuneration may consist of annual variable cash salary and long-term variable remuneration in the form of cash, shares and/or share-based instruments in Coor Service Management Holding AB. Variable cash remuneration is based on meeting defined, measurable targets and is capped at 50 per cent of the basic annual salary. The terms and conditions applying to variable remuneration are to be designed such that the Board of Directors, under exceptional financial circumstances, are entitled to limit or waive the payment of variable remuneration when such actions are deemed reasonable.

Under special circumstances, agreements may be reached regarding non-recurring remuneration, on the condition that such remuneration does not exceed an amount equivalent to the individual's fixed annual salary and maximum variable cash salary, and is not granted more than one time per year and individual.

Retirement benefits are to be defined contribution.

Severance pay may be payable in case of termination by the company. Members of Group Management usually have a notice period of a maximum six (6) months, in combination with severance pay equivalent to a maximum eighteen (18) months' fixed salary. No severance pay is payable in case of termination by the employee.

The Bord of Directors is entitled to bypass the guidelines adopted by the Annual General Meeting if specific reasons justify doing so, on a case by case basis.

Remuneration to CEO and Group Management 2015

2015	BASIC SALARY	VARIABLE REMUNERATION	OTHER BENEFITS	PENSION COST	SEVERANCE PAY	OTHER REMUNERATION	TOTAL
*Remuneration to the CEO**							
Mikael Stöhr	5.5	1.8	0.1	1.7	0.0	0.0	9.1
Remuneration of rest of management team							
Rest of management team, 8 persons	17.2	6.6	0.8	3.4	3.0	0.0	31.0
Total	**22.7**	**8.4**	**0.9**	**5.1**	**3.0**	**0.0**	**40.0**

Remuneration to CEO and Group Management 2014

2014	BASIC SALARY	VARIABLE REMUNERATION	OTHER BENEFITS	PENSION COST	SEVERANCE PAY	OTHER REMUNERATION	TOTAL
*Remuneration to the CEO**							
Mikael Stöhr	5.6	1.3	0.1	1.5	0.0	0.4	8.9
Remuneration to other management team members							
Rest of management team, 9 persons	18.4	2.5	0.5	3.7	0.0	1.0	26.1
Total	**24.0**	**3.8**	**0.6**	**5.2**	**0.0**	**1.4**	**35.0**
Of which operations held for sale	–1.8	0.0	0.0	–0.8	0.0	0.0	–2.6
Total continuing operations	**22.2**	**3.8**	**0.6**	**4.4**	**0.0**	**1.4**	**32.4**

The CEO and all senior executives are covered by an ITP supplementary pension plan solution (or an equivalent solution in other countries). In addition to this, the CEO has the right to pension contributions of 30 per cent for that part of his salary which exceeds 30 base amounts. Two senior executives are entitled to pension contributions of 20 per cent for those parts of their salaries which exceed 30 base amounts, in addition to the normal ITP solution.

There is no contractual retirement age for the CEO or other senior executives, with the retirement age, instead, being determined pursuant to the local regulations applicable for the respective countries.

* The table above details the basic salary charged to expenses, which also includes e.g. changes in holiday pay liability. The group CEO's contractual basic salary is 5.5 (5.3).

NOTE 10 | LEASES, LESSEE'S ACCOUNTING

Leases in which a significant share of the risks and benefits of ownership are retained by the lessor are classified as operating leases. Payments made during the lease term are charged to the income statement on a straight-line basis over the term of the lease.

Leases in which the economic risks and benefits associated with ownership have essentially been transferred to the lessee are classified as finance leases. At the beginning of its term, a finance lease is recognized in the balance sheet at the lower of the fair value of the leased asset and the present value of the minimum lease payments Each payment under a finance lease is divided into repayment of the liability and financial cost so as to obtain a fixed rate of interest for the recognized liability.

The group has concluded both finance and operating leases in the capacity of lessee. For each contract, a judgment is made of whether the contract should be classified as an operating or finance lease.

Finance leases:

The group has mainly concluded finance leases for machinery, such as forklifts and trailers. The majority of these have been leased to customers as a part of the group's operating activities. There are no undertakings obliging the group to acquire the assets which are funded through finance leases.

The breakdown by nominal value of future minimum lease payments is as follows:

GROUP	2015	2014
Finance lease liabilities		
Within one year	14	20
Between one and five years	11	24
After five years	0	1
Total	**26**	**45**
Future financial costs for finance leases	–2	–3
Present value of future minimum lease payments	**24**	**41**

The present value of future minimum lease payments is as follows:

GROUP	2015	2014
Within one year	14	20
Between one and five years	10	21
After five years	0	0
Total	**24**	**41**

Operating leases
The group has concluded operating leases for forklifts, trailers, cars, coffee makers, office equipment and other assets. The majority of this equipment constitutes part of the service delivery to the customer.

The variable payments are determined based on a financial portion, which in most cases is linked to an interest rate set by the lessor, and a functional portion, which in most cases is linked to an index. There are no undertakings obliging the group to acquire the assets which are funded through operating leases. Nor are there any restrictions or obligations linked to the assets funded through operating leases.

The distribution of future minimum lease payments attributable to non-cancellable operating leases for continuing operations is as follows:

GROUP	2015	2014
Maturing within one year	81	86
Maturing later than one year but within five years	113	117
Maturing after five years	2	1
Total	**196**	**203**

Lease payments for the year under operating leases for continuing operations were 87 (98).

NOTE 11 | LEASES, LESSOR'S ACCOUNTING

The group has concluded both finance and operating leases in the capacity of lessor. For each contract, a judgment is made of whether the contract should be classified as an operating or finance lease.

The group mainly leases out machinery such as forklifts and trailers.

Finance leases
The group has mainly concluded finance leases for machinery, such as forklifts and trailers.

The breakdown by nominal value of future minimum lease payments is as follows:

Finance lease receivables

GROUP	2015	2014
Within one year	9	13
Between one and five years	7	15
After five years	0	0
Total	**16**	**28**
Unearned financial income from finance leases	–1	–2
Net investments in finance leases	**15**	**25**

The present values of finance lease receivables are distributed as follows:

GROUP	2015	2014
Within one year	9	13
Between one and five years	6	13
After five years	0	0
Total	**15**	**25**

Operating leases:
The group has mainly concluded finance leases as lessor for machinery, such as forklifts and trailers.

The distribution of future minimum lease payments attributable to non-cancellable operating leases for continuing operations is as follows:

GROUP	2015	2014
Maturing within one year	21	19
Maturing later than one year but within five years	41	37
Maturing after five years	0	1
Total	**63**	**57**

Lease income under operating leases for the year was 31 (29).

NOTE 12 | AUDIT FEES

GROUP	2015	2014
PwC		
Audit engagement	7	6
Audit services in addition to audit engagement	10	0
Tax advisory services	2	0
Other services	0	0
Total	**19**	**6**

Audit engagement refers to the audit of the annual report and accounting records, as well as the Board of Directors' and Chief Executive Officer's management, other duties incumbent on the company's auditors and advice or other assistance occasioned by observations made in the course of the engagement or the performance of such other duties. All other services are referred to as Other services. In 2015, audit activities not covered by the audit engagement largely consisted of Services rendered in connection to the company's listing on Nasdaq Stockholm.

The paid audit fees indicated above include audit fees in operations held for sale of SEK 0.6 million during 2014.

NOTE 13 FOREIGN EXCHANGE DIFFERENCES IN OPERATING PROFIT

Operating profit includes foreign exchange differences of 0 (0).

NOTE 14 FINANCE NET

GROUP	01/01/15 – 31/12/15	01/01/14 – 31/12/14
Financial income		
Interest income	2	5
Interest income, leases	1	2
Currency translation differences	56	4
Other financial income	0	0
Total	**60**	**11**
Financial expenses		
Interest expense	–105	–195
Interest expenses, leases	–2	–3
Currency translation differences	0	–50
Other financial costs	–68	–36
Total	**–175**	**–283**
Finance net	**–115**	**–272**

Interest expenses refer mainly to interest on bank loans. Currency transaction differences refer principally to the result of remeasurements of foreign currency loans. Other financial expenses refer primarily to the result of capitalized borrowing costs and fees to the banking syndicate.

NOTE 15 INCOME TAX

GROUP	01/01/15 – 31/12/15	01/01/14 – 31/12/14
Current tax	–32	–6
Deferred tax	266	49
Total	**234**	**44**

Difference between reported tax expense and tax expense based on the applicable tax rate

The income tax on the consolidated profit before tax differs from the theoretical amount that would have resulted from the use of a weighted average tax rate for the results of the consolidated companies as follows:

GROUP	01/01/15 – 31/12/15	%	01/01/14 – 31/12/14	%
Reported profit before tax	***–33***		***–354***	
Tax at applicable tax rate	5	15.4	82	23.2
Unrecognised deferred tax on tax losses	–5	–14.3	–41	–11.5
Use of previously unrecognised tax losses	229	704.6	2	0.7
Tax effect of non-deductible expenses	–1	–3.8	–1	–0.2
Tax effect of non-taxable income	3	8.0	1	0.2
Other	3	8.1	0	–0.1
Tax expense	**234**	**718.0**	**44**	**12.3**

The weighted average tax rate was 15 (23) per cent and the effective tax rate 718 (12) per cent.

Excluding the effect of the capitalization of tax losses attributable to previous years in 2015, amounting to SEK 229 million, effective tax was 13 per cent. The reason for the effective tax being so low is that the group only recognizes deferred tax on losses carried forward in the Finnish operations to the extent that these can be offset against a deferred tax liability.

The amount of tax attributable to components in other comprehensive income was SEK –1 (0) million.

NOTE 16 | EARNINGS PER SHARE

GROUP	01/01/15 – 31/12/15	01/01/14 – 31/12/14
No. of shares at end of year	95,812,022	50,326,435
No. of ordinary shares (weighted average)	67,990,312	34,739,974
Earnings per share, SEK		
Continuing operations	–3.58	–34.23
Discontinued operations	–0.23	–4.23
Total	**–3.81**	**–38.46**
Shareholders' equity per share, SEK	**28.53**	**23.40**

There was no dilutive effect in any of the periods.

Number of shares and earnings per share for historical periods have been restated to take account of the reverse stock split and bonus issue that were completed in the second quarter of 2015. For information on changes to the number of shares, please refer to Note 31.

Pro forma earnings per share

To enable the presentation of key performance indicators that are meaningful and comparable with future periods, earnings per share have been restated in the following table. Compared with the calculated KPI above, the following key performance indicator – pro forma earnings per share – has been adjusted to take account of the interest rate used in calculating the value of the previous preference shares, the high IPO-related non-recurring expenses and the number of outstanding shares.

PRO FORMA EARNINGS PER SHARE	01/01/15 – 31/12/15	01/01/14 – 31/12/14
Profit attributable to owners of the parent (continuing operations)	201	–311
IPO-related expenses	79	12
Tax	–17	–3
Net adjustment of profit	**61**	**9**
Adjusted profit for the period	**263**	**–302**
Number of shares at 31 December 2015	95,812,022	95,812,022
Pro forma earnings per share, SEK	**2.74**	**–3.15**

NOTE 17 | GOODWILL

Goodwill refers to acquisitions of assets and liabilities and of shares in subsidiaries.

GROUP	2015	2014
Opening cost	3,180	3,150
Sales of subsidiary	–110	0
Translation difference	–63	30
Closing cost	**3,007**	**3,180**
Opening accumulated impairment	–402	–274
Sales of subsidiary	110	0
Impairment *	0	–110
Translation difference	12	–18
Closing accumulated impairment	**–280**	**–402**
Closing carrying amount	**2,727**	**2,778**

* The impairment loss for year 2014 relates to the remeasurement of assets and liabilities linked to the operations which is held for sale.

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

GROUP	2015	2014
Sweden	2,073	2,073
Norway	411	452
Finland	112	117
Denmark	131	137
Total	**2,727**	**2,778**

Impairment tests for cash-generating units with goodwill

The recoverable amount for a cash-generating unit is determined based on calculations of value in use. These calculations are made on the basis of estimated future cash flows based on three-year financial budgets and forecasts adopted by management. Cash flows beyond the three-year period are extrapolated based on the business plan.

The calculation of value in use is based on the group's existing business plan, which in itself includes assumptions and estimates. The most significant assumptions used as a basis for the calculation are the weighted average cost of capital (WACC) for those markets in which the group operates, as well as assumptions on sales growth and future operating margins.

WACC is calculated based on a debt structure comprising 20 per cent loans and 80 per cent equity. The impairment test for the year, including the completed sensitivity analysis, did not show indications of impairment requirements.

Sales growth

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

EBITDA-margin

The most significant cost components in the group's operations comprise employee benefits and the cost of engaging subcontractors. Estimates for these cost components therefore have a material impact on the group's margin. To achieve and maintain a satisfactory EBITDA-margin, the group is dependent on being able to implement continuous operational efficiencies with the aim of offsetting increases in expenses.

Estimates of future margins are based on historical experience of ongoing operational efficiency enhancements.

Discount rate

The discount factor, based on general market conditions coupled with the specific circumstances of each unit, is 8.2 (8.6) per cent after tax in all units. The group has not deemed that the risks differ materially across the Nordics and has, therefore, applied the same WACC in calculating value in use.

For assumptions beyond the budget period a perpetual growth rate of 2 per cent has been applied.

Sensitivity analysis

The following sensitivity analyses have been undertaken of the calculation of value in use in conjunction with impairment assessments, assumption by assumption:

- General decline of 1% in the operating margin
- General increase of 1% in WACC
- General decline of 1% in the growth rate after the forecast period

The completed sensitivity analyses give the conclusion that a decline in both the operating margin and growth rate after the forecast period would give rise to an impairment requirement for Finland. In addition, the sensitivity analyses indicated that none of the adjustments generated an impairment requirement for any cash-generating unit.

NOTE 18 | CUSTOMER CONTRACTS

GROUP	2015	2014
Opening cost	3,488	3,569
Reclassification assets held for sale	0	–97
Translation difference for the year	–46	15
Closing cost	**3,441**	**3,488**
Opening accumulated amortisation and impairment	–2,238	–1,972
Amortisation charges for the year	–177	–219
of which assets held for sale	0	–11
Impairment losses	0	–123
Reclassification assets held for sale	0	86
Translation difference for the year	32	–10
Closing accumulated amortisation and impairment	**–2,383**	**–2,238**
Closing carrying amount	**1,059**	**1,250**

Amortization and impairment of customer contracts are included in the item Cost of services sold.

The assessment of value in use for customer contracts is strongly influenced by renegotiations with customers, which take place on an ongoing basis. In its initial valuation of the customer contracts, the group has based its estimate on the assumption that a certain number of contracts will be renewed at a certain volume and margin. The group's customer contracts are renegotiated at a weighted average interval of five years. In the assessment made as at 31 December 2015, management has factored in the risk of changes to volumes or reduced margins in the most imminent renegotiations.

There is also a risk that a customer contract will be lost to a competitor in connection with a renegotiation. As at the closing date, management does not believe there is any evident risk that the group will lose any of those customer contracts for which a carrying amount has been recognized in the balance sheet.

As at the closing date, management does not believe there is any impairment requirement in those customer contracts for which a carrying amount has been recognized in the balance sheet.

NOTE 19 | TRADEMARKS

GROUP	2015	2014
Opening and closing cost	40	40

The impairment tests are based on the same principles as for goodwill. The impairment test carried out did not show any indication of impairment. The trademark refers to the Sweden segment and is not subject to scheduled amortization.

NOTE 20 | OTHER INTANGIBLE ASSETS

GROUP	2015	2014
Opening cost	109	108
Investments	22	8
Sales and disposals	–9	0
Reclassification assets held for sale	0	–8
Translation difference	–1	1
Closing cost	**121**	**109**
Opening accumulated amortisation	–72	–64
Amortisation charges for the year	–17	–15
Sales and disposals	9	0
Reclassifications	0	0
Reclassification assets held for sale	0	7
Translation difference	1	–1
Closing accumulated amortisation	**–79**	**–72**
Closing carrying amount	**41**	**36**

Amortization and impairment are included in profit or loss in the following amounts:

GROUP	01/01/15 – 31/12/15	01/01/14 – 31/12/14
Cost of services sold	–16	–14
Administrative expenses	–1	–1
Total amortisation	**–17**	**–15**
Less amortisation in respect of operations held for sale	0	1
Total amortisation continuing operations	**–17**	**–14**

During the year, management has updated its assessment of the useful life for the group's support system for the service delivery process. The useful life of the system has been extended by two years in conjunction with the implemented upgrades to the software.

The item other intangible assets includes leased assets held by the group under finance leases in the following amounts.

GROUP	2015	2014
Cost – capitalised finance leases	43	43
Accumulated amortisation	–34	–26
Carrying amount	**10**	**17**

NOTE 21 | LAND AND BUILDINGS

GROUP	2015	2014
Opening cost	6	5
Translation difference	0	0
Closing cost	**5**	**6**
Opening accumulated depreciation	–3	–2
Depreciation and impairment charges for the year	–1	0
Translation difference	0	0
Closing accumulated depreciation and impairment	**–4**	**–3**
Closing carrying amount	**1**	**3**

Depreciation of land and buildings is included in the item Cost of services sold.

NOTE 22 | MACHINERY AND EQUIPMENT

GROUP	2015	2014
Opening cost	487	605
Investments	30	35
Investments through finance leases	0	6
Sales and disposals	–42	–38
Reclassifications	–1	0
Reclassification assets held for sale	0	–124
Translation difference	–9	3
Closing cost	**465**	**487**
Opening accumulated depreciation	–412	–468
Sales and disposals	40	31
Depreciation charges for the year	–31	–45
Reclassifications assets held for sale	0	72
Translation difference	7	–3
Closing accumulated depreciation	**–396**	**–412**
Closing carrying amount	**70**	**75**

Depreciation and impairment of machinery and equipment are included in the income statement as follows:

GROUP	01/01/15 – 31/12/15	01/01/14 – 31/12/14
Cost of services sold	–29	–43
Administrative expenses	–2	–2
Selling expenses	0	0
Total depreciation	**–31**	**–45**
Less depreciation related to operations held for sale	0	11
Total depreciation continuing operations	**–31**	**–34**

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

GROUP	2015	2014
Cost – capitalised finance leases	135	148
Accumulated depreciation	–127	–134
Carrying amount	**8**	**14**

Refer also to Notes 10 and 11 for information on the group's lease obligations.

NOTE 23 | OTHER NON-CURRENT RECEIVABLES

GROUP	2015	2014
Lease receivables	6	13
Receivables endowment insurances	9	0
Total	**15**	**13**

GROUP	2015	2014
Opening non-current receivables	13	22
Increase receivables	11	3
Decrease receivables	–8	–11
Closing carrying amount non-current receivables	**15**	**13**

For more information on lease receivables, see Note 11 Leases, lessor's accounting.

The increase in non-current receivables refers primarily to increased receivables attributable to endowment insurance for pensions. The decrease refers mainly to repayments related to lease receivables.

Fair value is deemed to be essentially equivalent to the carrying amount.

NOTE 24 FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

The accounting principles for financial instruments have been applied for the following items:

31/12/2015	LOANS AND RECEIVABLES	AVAILABLE-FOR-SALE FINANCIAL ASSETS	CARRYING AMOUNT	FAIR VALUE
Financial assets according to balance sheet				
Other non-current receivables	15	0	15	15
Accounts receivable	1,069	0	1,069	1,069
Current receivables relating to finance leases	9	0	9	9
Cash and cash equivalents	428	0	428	428
Total	**1,522**	**0**	**1,522**	**1,522**

31/12/2015	DERIVATIVES USED FOR HEDGING PURPOSES	FINANCIAL LIABILITIES AT AMORTISED COST	CARRYING AMOUNT	FAIR VALUE
Financial liabilities according to balance sheet				
Borrowing	0	1,357	1,357	1,357
Finance lease liabilities	0	24	24	24
Accounts payable	0	835	835	835
Total	**0**	**2,215**	**2,215**	**2,215**

31/12/2014	LOANS AND RECEIVABLES	AVAILABLE-FOR-SALE FINANCIAL ASSETS	CARRYING AMOUNT	FAIR VALUE
Financial assets according to balance sheet				
Other non-current receivables	13	0	13	13
Accounts receivable	1,155	0	1,155	1,155
Current receivables relating to finance leases	13	0	13	13
Cash and cash equivalents	335	0	335	335
Total	**1,516**	**0**	**1,516**	**1,516**

31/12/2014	DERIVATIVES USED FOR HEDGING PURPOSES	FINANCIAL LIABILITIES AT AMORTISED COST	CARRYING AMOUNT	FAIR VALUE
Financial liabilities according to balance sheet				
Borrowing	0	2,983	2,983	2,983
Finance lease liabilities	0	41	41	41
Derivatives	4	0	4	4
Accounts payable	0	893	893	893
Total	**4**	**3,917**	**3,921**	**3,921**

Calculation of fair value

Financial instruments at fair value are classified using a fair value hierarchy.

The different levels of the hierarchy are defined as follows:

- Quoted prices in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included in Level 1 that are observable for the asset or liability (Level 2).
- Inputs for the asset or liability that are not based on observable market inputs (Level 3).

At the previous year's closing date, the Group held derivatives used for hedging purposes. The derivative was a financial instrument measured at fair value. The value at 31 December 2014 was –4. The Group deemed that the derivative should be classified to Level 2.

NOTE 25 | INVENTORIES

Inventories in the group consist mainly of finished goods. The cost for inventories that has been charged to expenses is included in the item Cost of services sold and was 26 (21).

During the year, impairment, including obsolescence, of 1 (1) was charged to cost of services sold.

NOTE 26 | RECEIVABLES RELATED TO SERVICE ASSIGNMENTS IN PROGRESS

GROUP	2015	2014
Costs paid including margin	262	247
Invoiced instalments	–196	–230
Total	**66**	**17**

NOTE 27 | ACCOUNTS RECEIVABLE

GROUP	2015	2014
Accounts receivable	1,072	1,159
Provision for impairment of accounts receivable	–3	–4
Total	**1,069**	**1,155**

The fair value of accounts receivable is judged to be essentially equivalent to the carrying amount.

Maturity analysis of overdue accounts receivable for which no provisions have been made:
The group's policy is to reserve 30 per cent of accounts receivable overdue by between 3–6 months and 70 per cent of accounts receivable overdue by more than 6 months. In the event that this provision is deemed to be insufficient due to individual circumstances such as bankruptcy, known insolvency or similar, the provision is increased to cover the estimated losses.

At 31 December 2015, overdue accounts receivable for which no provisions had been made amounted to 135 (190). The maturity analysis for these accounts receivable is as follows:

GROUP	2015	2014
0–3 months	129	182
>3 months	6	8
Total	**135**	**190**

Maturity analysis of overdue accounts receivable for which provisions have been made for all or part of the receivable:
At 31 December 2015, the total share of accounts receivable for which provisions have been made for all or part of the receivable was 3 (4). The provision for doubtful debts was 3 (4). The maturity analysis for this portion of accounts receivable is as follows:

GROUP	2015	2014
0–3 months	1	0
>3 months	2	4
Total	**3**	**4**

Analysis of the change in the group's provision for doubtful debts:

GROUP	2015	2014
Provision at beginning of period	–4	–4
Provision for impairment	1	–2
Established losses	0	2
Reclassification to non-current assets held for sale	0	1
Translation differences	0	0
Total	**–3**	**–4**

At the balance sheet date, the item Accounts receivable included foreign currency receivables, translated to SEK at the closing rate, in the following amounts:

GROUP	2015	2014
SEK	625	747
NOK	241	226
DKK	103	89
EUR	97	92
Other	5	4
Total	**1,072**	**1,159**

NOTE 28 | OTHER RECEIVABLES

GROUP	2015	2014
Lease receivables, interest-bearing	9	13
Other interest bearing receivables	0	1
Other receivables	6	7
Total	**15**	**21**

For more information on lease receivables, see Note 11.

NOTE 29 | PREPAID EXPENSES AND ACCRUED INCOME

GROUP	2015	2014
Accrued income	141	233
Accrued interest	0	1
Prepaid expenses	160	176
Total	**302**	**410**

NOTE 30 | CASH AND CASH EQUIVALENTS

GROUP	2015	2014
Cash and bank balances	428	335
Total	**428**	**335**

NOTE 31 | EQUITY

Prior to the listing on the Nasdaq Stockholm, the company had 301,958,610 shares, of which 101,958,610 were preference shares. A reverse stock split and conversion of preference shares into ordinary shares, as well as a bonus issue, quotient value issue and offering of new shares were carried out in connection with the IPO. At 31 December 2015, the share capital was divided among 95,812,022 ordinary shares. The quotient value of the shares at 31 December 2015 was SEK 4.0 (1.0). All shares registered at the closing date were fully paid-up.

CHANGE IN NUMBER OF SHARES	ORDINARY	ORDINARY A	ORDINARY B	PREFERENCE SHARES	TOTAL NO. OF SHARES
No. of shares at 1 January 2015	**–**	**188,832,009**	**11,167,991**	**101,958,610**	**301,958,610**
Reverse stock split	–	–157,360,008	–9,306,660	–84,965,509	–251,632,177
Conversion into ordinary shares	50,326,433	–31,472,001	–1,861,331	–16,993,101	–
Bonus issue	1,406,641	–	–	–	1,406,641
Quotient value issue	15,368,875	–	–	–	15,368,875
New share issue	28,710,073	–	–	–	28,710,073
No. of shares at 31 December 2015	**95,812,022**	**–**	**–**	**–**	**95,812,022**

The terms attached for the previous preference shares can be found in the annual report for 2014.

A specification of changes in equity is found in the Statements of Changes in Equity for the group and the Parent Company, respectively, which are presented immediately after the balance sheets.

The item Other reserves refers to translation differences arising on translation of foreign subsidiaries, items recognized in other comprehensive income from the application of hedge accounting and actuarial effects upon remeasurement of the net pension obligation, see the statement of other comprehensive income and the statement of changes in equity.

Translation differences for 2015 amounted to a total of SEK –64 million. The translation difference attributable to DKK and NOK was negative, while the translation difference attributable to EUR was positive.

NOTE 32 | BORROWINGS

GROUP	2015	2014
Non-current		
Finance lease liabilities	10	22
Liabilities to credit institutions	1,367	2,827
Capitalised borrowing costs	–11	–53
Other non-current liabilities	1	8
Total	**1,367**	**2,805**
Current		
Finance lease liabilities	14	20
Revolving credit facility	0	120
Liabilities to credit institutions	0	80
Total	**14**	**220**
Total borrowing	**1,381**	**3,024**

Liabilities to credit institutions at 31 December 2015 refers to a number of loans with a banking syndicate. The loans incur interest defined as IBOR (depending on the original currency of the loan) + 1.65 per centage points according to the current interest rate tier.

The group's loans are denominated in the Swedish krona, the Norwegian krone and the Euro.

CURRENCY	NOMINAL AMOUNT (SEK) 31/12/15	NOMINAL AMOUNT (SEK) 31/12/14
SEK	950	1,638
NOK	316	426
EURO	100	843
Total	**1,367**	**2,907**

The granted revolving credit facility at 31 December 2015 is 400 (350) for the group, of which 106 (235) had been utilized. Utilized revolving credit facilities at 31 December 2015 primarily comprise performance bonds.

Fair values at the balance sheet date were as follows:

	Carrying amount		Fair value	
GROUP	31/12/15	31/12/14	31/12/15	31/12/14
Finance lease liabilities	24	41	24	41
Liabilities to credit institutions	1,355	2,855	1,355	2,855
Revolving credit facility	0	120	0	120
Other non-current liabilities	1	8	1	8
Total	**1,381**	**3,024**	**1,381**	**3,024**

In June 2015, the group entered into a new financing agreement. The current credit margin is therefore deemed to be consistent with market terms. The group deems that the valuation is made in accordance with Level 2 of the fair value hierarchy, based on observable inputs.

The group has not provided collateral to credit institutions for any borrowings.

NOTE 33 | DEFERRED TAX

A specification of deferred tax assets and deferred tax liabilities is presented below. Deferred tax assets and tax liabilities within the same tax jurisdiction have been offset.

DEFERRED TAX BY COUNTRY, NET	2015	2014
Deferred tax asset		
Sweden	266	0
Total deferred tax asset, net	**266**	**0**
Deferred tax liability		
Sweden	0	0
Norway	26	38
Denmark	4	4
Finland	0	1
Total deferred tax liability, net	**31**	**43**
Deferred tax, net	**235**	**–43**

GROUP	2015	2014
To be recovered within 12 months	–32	–32
To be recovered after more than 12 months	267	–11
Total	**235**	**–43**

Specification of changes in deferred tax liabilities/deferred tax assets

2015

GROUP	GOODWILL ARISING FROM PURCHASE OF NET ASSETS	TAX LOSSES	CASH FLOW HEDGE	CUSTOMER RELATIONS AND BRAND	OTHER	TOTAL
At 1 January 2015	**35**	**205**	**1**	**–290**	**7**	**–43**
Recognised in the income statement	–7	225	0	42	6	266
Recognised in Other comprehensive income	0	0	–1	0	0	–1
Recognised in equity	0	11	0	0	0	11
Translation differences	0	0	0	3	–1	2
At 31 December 2015	**27**	**441**	**0**	**–245**	**12**	**235**

2014

GROUP	GOODWILL ARISING FROM PURCHASE OF NET ASSETS	TAX LOSSES	CASH FLOW HEDGE	CUSTOMER RELATIONS AND BRAND	OTHER	TOTAL
At 1 January 2014	**42**	**224**	**1**	**–372**	**8**	**–98**
Recognised in the income statement	–8	–19	0	80	–2	52
Recognised in Other comprehensive income	0	0	0	0	0	0
Reclassified to non-current assets held for sale	0	–1	0	2	0	2
Translation differences	–	1	–	–1	1	0
At 31 December 2014	**35**	**205**	**1**	**–290**	**7**	**–43**

The group has total tax losses of SEK 472 million, of which SEK 441 million is recognized in the balance sheet. Of the total value of the group's tax losses, 432 is in Sweden, 39 in Finland and 1 in Norway. In Sweden and Norway there are no time limitations on how long the tax losses can be carried forward. In Finland, tax losses must be used within a ten-year period from when they arise.

Previously, deferred tax assets related to tax losses carried forward in Sweden and Finland have only been recognized in the balance sheet to the extent that they are offset by a deferred tax liability. In connection with the IPO, the Group obtained a much lower level of debt, which means that the Group's financial expenses will be significantly lower in future. This entails that the Group will be reporting tax profits in Sweden, enabling it to make use of the existing deductible tax losses over coming years. In view of this the Group capitalized all deductible tax losses attributable to Sweden in the second quarter of 2015. Deductible tax losses for 2015 in Finland have only been capitalized to the extent that these are offset by a deferred tax liability.

In 2015, SKAT, the Danish Customs and Tax Administration, began a tax audit of the Group's danish subsidiary, specifically focusing on the pricing of cross-border transactions. SKAT is yet to announce its final opinion on the matter. The Group deems the risk of a negative outcome to be low.

NOTE 34 | PENSIONS

Retirement and family pension obligations for salaried professionals in Sweden are secured through an insurance policy with Alecta. According to a statement from the Emerging Issues Committee of the Swedish Financial Accounting Standards Council, UFR 3, this is a defined benefit plan covering several employers. For the financial years 2014 and 2015, the group has not had access to information that would allow it to account for this plan as a defined benefit plan. The ITP pension plan secured through an insurance policy with Alecta is therefore accounted for as a defined contribution plan. The year's fees for pension insurance policies provided by Alecta amount to SEK 57 (68) million. Alecta's surplus can be distributed to the policyholders and/or insured parties. At the end of 2015 Alecta's surplus, in the form of the collective funding ratio, was 153 (143) per cent. The collective funding ratio is defined as the market value of Alecta's assets as a per centage of its commitments to policyholders calculated using Alecta's actuarial assumptions, which are not consistent with IAS 19.

The group's Norwegian company has previously had some defined benefit pension plans, but when the old AFP plans were closed in 2010 in response to changes in legislation, the majority of employees were transferred to the new AFP plan. The new AFP plan is a funded plan covering several employers. The new AFP plan is regarded as a defined benefit pension plan, but is currently accounted for as a defined contribution plan in accordance with IAS 19. It is not yet possible to obtain reliable information concerning each company's share of the retirement benefit cost, pension obligation and plan assets, and it is therefore not possible to account for the plan as a provision in the balance sheet. Contributions to pension schemes for the year under the new AFP plan amount to SEK 25 (14) million.

GROUP	2015	2014
Obligations in balance sheet for:		
Endowment policies	11	0
Retirement benefits defined benefit plans	7	10
Total	**18**	**10**

GROUP	2015	2014
Recognition in the income statement for:		
Retirement benefits defined benefit plans	1	0
Retirement benefits defined contribution plans	200	207
Total	**201**	**208**
Less retirement benefit costs for operations held for sale	0	–29
Total	**201**	**179**

The amounts recognized in the balance sheet for defined benefit plans have been calculated as follows:

GROUP	2015	2014
Present value of funded obligations	10	3
Fair value of plan assets	–7	–2
Total	**2**	**1**
Present value of unfunded obligations	5	9
Net liability in balance sheet	**7**	**10**

The changes in the defined benefit obligation and the plan assets, respectively, during the year are as follows:

GROUP	2015	2014
The change in the defined benefit obligation during the year is as follows		
At beginning of year	12	15
Redemption pension contribution to Alecta	0	–2
Pension payments made	–1	–1
Actuarial gains / losses	–2	0
Liabilities assumed on new customer contracts	9	0
Translation differences	–1	0
Other changes during the year	–2	0
Total defined benefit obligation at end of year	**15**	**12**
The change in the fair value of plan assets during the year is as follows:		
At beginning of year	2	2
Actuarial gains / losses	–1	0
Plan assets assumed on new customer contracts	7	0
Translation differences	–1	0
Other changes during the year	–1	0
Total fair value of plan assets at end of year	**7**	**2**
Net defined pension obligation at end of year	**7**	**10**

The expense for the year for defined benefit pension plans amounts to a total of 1 (0), of which –1 (0) is recognized in the income statement and 2 (0) is recognized in other comprehensive income.

Expected contributions to post-employment benefit plans for the financial year 2016 are 0 for defined benefit pension plans, SEK 59 million for pension plans with Alecta, SEK 27 million for the new AFP plan in Norway and SEK 120 million for other defined contribution pension plans.

NOTE 35 | OTHER PROVISIONS

GROUP	RESTRUC-TURING	OTHER PROVISIONS	TOTAL
At 1 January 2015	**14**	**5**	**19**
Recognised in the income statement			
– additional provisions	10	0	10
– unused amounts reversed	–2	0	–2
Used during year	–14	0	–14
Reclassified to non-current assets held for sale	5	0	5
Translation difference	0	0	–1
At 31 December 2015	**12**	**4**	**16**

GROUP	RESTRUC-TURING	OTHER PROVISIONS	TOTAL
At 1 January 2014	**56**	**35**	**91**
Recognised in the income statement			
– additional provisions	16	13	28
– unused amounts reversed	–3	0	–3
Used during year	–48	–40	–89
Reclassified to non-current assets held for sale	–7	–3	–9
Translation difference	0	0	0
At 31 December 2014	**14**	**5**	**19**

The breakdown between the non-current and current portions of other provisions is as follows:

GROUP	2015	2014
Long-term	2	7
Short-term	14	12
Total	**16**	**19**

Restructuring
The provision for adopted restructuring measures refers primarily to management changes and a number of different integration projects.

Other provisions
Other provisions refer principally to remaining purchase consideration for the buying out of a previous minority.

NOTE 36 | LIABILITY RELATED TO SERVICE ASSIGNMENTS IN PROGRESS

GROUP	2015	2014
Costs paid including margin	–237	–110
Invoiced instalments	265	156
Total	**28**	**46**

NOTE 37 | OTHER LIABILITIES

GROUP	2015	2014
VAT liability	110	125
Employee withholding tax	59	54
Other short term liabilities	13	30
Total	**182**	**209**

NOTE 38 | ACCRUED EXPENSES AND DEFERRED INCOME

GROUP	2015	2014
Social-security contributions	114	106
Vacation salary	278	269
Other personnel related liabilities	97	82
Interest costs	0	14
Prepaid income	189	172
Other	188	219
Total	**865**	**861**

NOTE 39 | SPECIFICATION OF OTHER ITEMS (STATEMENT OF CASH FLOWS)

GROUP	2015	2014
Change in provisions	–8	–55
Net result on disposal of fixed assets	–1	–5
Other	1	–2
Total	**–8**	**–61**

NOTE 40 | CASH CONVERSION

The group's goal is to achieve, in the medium-term, an annual cash conversion of at least 90 per cent. Short-term deviations between quarters can result in temporary negative cash conversion, but Coor expects to be able to continue to undertake its operations with negative or declining working capital. Annual investments in intangible assets and property, plant and equipment are expected over time to reach approximately 0.5 per cent of net sales.

Coor defines cash conversion as the ratio of operating cash flow (adjusted EBITDA less investments and capital gains/losses on the disposal of non-current assets adjusted for changes in working capital) in relation to adjusted EBITDA.

GROUP	2015	2014
EBIT	82	–82
Amortisation and impairment of customer contracts	177	331
Non-recurring items	115	106
Adjusted EBITA	**374**	**354**
Depreciation and amortisation of intangible and tangible fixed assets	49	49
Adjusted EBITDA	**423**	**403**

GROUP	2015	2014
Changes in working capital	69	63
Net investments	–50	–27
Capital gains/losses on the sale of fixed assets	–1	–5
Operating cash flow – basis for calculation	**442**	**434**
Cash conversion, %	**104**	**108**

NOTE 41 | PLEDGED ASSETS

For own provisions and liabilities

GROUP	2015	2014
Shares in subsidiaries	0	1,087
Bank guarantees	130	176
Total	**130**	**1,263**

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

NOTE 42 | CONTINGENT LIABILITIES

For own provisions and liabilities

GROUP	2015	2014
Parent Company guarantees	242	265
Other guarantees	0	0
Total	**242**	**265**

Companies in the group have issued performance bonds to external counterparties to ensure that the company fulfils its commitments.

Certain companies in the group are involved in a number of tax audits or other legal proceedings that have arisen in the course of their operations. Any liability for damages in connection with such legal proceedings is not deemed to materially affect the group's operations or financial position. For more information, refer to Note 33 Deferred tax.

Information on the group's lease obligations is found in Note 10.

NOTE 43 | RELATED-PARTY TRANSACTIONS (GROUP AND PARENT COMPANY)

Ownership structure

Coor was listed on the Nasdaq Stockholm Stock Exchange on 16 June 2015. The share capital is divided between 95,812,022 shares. As of 31 December 2015, the share register indicates that Coor has approximately 2,000 shareholders, with around 75 per cent of the share capital being owned by investors outside Sweden. The three largest shareholders at year-end were Cinven (through the company Cinoor S.á.r.l) with 34.5 per cent, Fidelity Management & Research Co. with 8.4 per cent and Nordea Investment Funds with 6.7 per cent of the share capital and the votes.

The following related party transactions have taken place:

- The Parent Company, Coor Service Management Holding AB, has received invoices during the year from Cinven, relating to monitoring fees. These invoices were in a total amount of 2 (4). The Parent Company has re-invoiced services to group companies in an amount of SEK 6 (4) million. At the closing date, receivables from group companies amounted to 0 (0) and liabilities to group companies amounted to 15 (1).
- In June 2015, Coor Service Management Group AB concluded an agreement with the majority shareholder Cinven Limited, acting through Cinoor S.a.r.l., on the transfer of the Industrial Services business. The purchase consideration specified in the agreement was SEK 210 million, which was settled through the issuance by the majority shareholder of a promissory note, which was then distributed to the majority shareholder prior to the IPO. The net effect was thus that Coor received no payment for the sale of the Industrial Services segment.
- The group's CEO previously had an equity loan with a nominal value of SEK 2 million, for which the repayment terms were dependent on the value assigned to the group in the event of a sale. This loan was repaid in conjunction with the IPO in an amount of SEK 4.3 million.
- Following the sale of the Industrial Services business, the group has sold services to Industrial Services in an amount of SEK 18 million and purchased services totalling SEK 14 million. At 31 December 2015, the group had a net receivable from Industrial Services amounting to SEK 5 million.

Refer to Note 9 for remuneration to senior executives.

NOTE 44 | BUSINESS COMBINATIONS AND SALES OF COMPANIES

- In 2015, the group's operations in the Industrial Services segment was sold to the majority shareholder Cinven Limited, through Cinoor S.a.r.l. The purchase consideration specified in the agreement was SEK 210 million, which was settled through the issuance by the majority shareholder of a promissory note, which was then distributed to the majority shareholder before the IPO. The net effect was thus that Coor received no payment for the sale of the Industrial Services segment. Cash in the Industrial Services companies on the sale date amounted to SEK 57 million, for which reason the sale resulted in a negative impact on the group's cash and cash equivalents. Since September 2014, the group's operations in the Industrial Services segment have been accounted for as held for sale in accordance with IFRS 5. Refer to Note 5 for further information.
- In 2014, a pair of non-controlling interests were bought out for a total purchase consideration of SEK 23 million.

NOTE 45 | EVENTS AFTER THE BALANCE SHEET DATE

- On 15 January, the Nomination Committee presented its proposed new Board of Directors, to be put to the Annual General Meeting held on 28 April. Bernt Magnusson, who has been on the Board of Directors at Coor since 2005, has declined re-election, and Mats Granryd and Heidi Skaaret are put forward as new Members. Søren Christensen, Mats Jönsson, Monica Lindstedt, Anders Narvinger, Kristina Schauman and Mikael Stöhr are proposed for re-election. The Nomination Committee also proposes the re-election of Anders Narvinger as the Chairman of the Board.
- On 18 January, the collaboration with the insurance company Gjensidige was extended and expanded within the group's Norwegian damage services operations. A new contract was signed between Gjensidige and Skadegruppen (in which Coor is included) with a tenor of three years.
- The Board of Directors has chosen to merge the subsidiary Venoor Invco 2 AB with its Parent Company Coor Service Management Holding AB during 2016.
- On 26 February, the group's largest shareholder Cinven (through the company Cinoor S.á.r.l), sold 21 million shares, equivalent to 21.9 per cent of the shares in the company, in the form of a private placement. Following the sale, Swedbank Robur increased its stake to 7.8 per cent and the Second Swedish National Pension Fund increased its to 5.4 per cent. In addition, a number of other significant shareholders increased their participations. Following the sale, Cinven owns approximately 12 million shares, equivalent to 12.6 per cent of the shares in Coor. These shares are subject to a 90 day lock-up period, in accordance with market practice.
- On 9 March, the group strengthened its management team with two new members; Åsvor Brynnel, Head of Communications & Sustainability, and Erik Strümpel, General Counsel.

NOTES FOR THE PARENT COMPANY

NOTE 46 | COSTS BY NATURE OF EXPENSE

PARENT COMPANY	01/01/15 – 31/12/15	01/01/14 – 31/12/14
External services	60	6
Payroll costs	12	5
Other operating expenses	0	0
Total	**73**	**11**

NOTE 47 | EMPLOYEES AND EMPLOYEE BENEFIT EXPENSES

Salaries, other remuneration and social security contributions

	01/01/15 – 31/12/15				01/01/14 – 31/12/14			
PARENT COMPANY	SALARIES AND REMUNERATION	OF WHICH BONUSES	SOCIAL-SECURITY CONTRI-BUTIONS	OF WHICH RETIREMENT BENEFIT COSTS	SALARIES AND REMUNERATION	OF WHICH BONUSES	SOCIAL-SECURITY CONTRI-BUTIONS	OF WHICH RETIREMENT BENEFIT COSTS
Board of Directors and CEO *	6	1	3	1	1	0	0	0
Other employees	4	2	2	0	3	0	1	0
Total	**10**	**2**	**5**	**1**	**4**	**0**	**2**	**0**

* Until June 2015, the company's CEO was employed by the subsidiary Coor Service Management Group AB. The disclosures above therefore include only the salary expenses for the CEO at this point in time.

Average number of employees

The company has had 2 (1) employees during the year, of which 2 (1) are men.

The Parent Company's Board of Directors, excluding Employee Representatives, consisted of 7 (6) Members at the closing date of which 5 (6) are men. The Board of Directors also includes 2 (3) Employee Representatives.

NOTE 48 | AUDIT FEES

PARENT COMPANY	01/01/15 – 31/12/15	01/01/14 – 31/12/14
PwC		
Audit engagement	1	1
Audit services in addition to audit engagement	10	0
Tax advisory services	1	0
Other services	0	0
Total	**12**	**1**

Audit engagement refers to the audit of the annual report and accounting records, as well as the Board of Directors' and Chief Executive Officer's management, other duties incumbent on the company's auditors and advice or other assistance occasioned by observations made in the course of the engagement or the performance of such other duties. All other services are referred to as Other services. In 2015, audit activities not covered by the audit engagement largely consisted of Services rendered in connection to the company's listing on Nasdaq Stockholm.

NOTE 49 | PROFIT FROM INTERESTS IN GROUP COMPANIES

PARENT COMPANY	01/01/15 – 31/12/15	01/01/14 – 31/12/14
Dividend from subsidiaries	210	545
Total	**210**	**545**

NOTE 50 | FINANCIAL INCOME AND EXPENSES

PARENT COMPANY	01/01/15 – 31/12/15	01/01/14 – 31/12/14
Financial income		
Interest income, group companies	0	0
Interest income, other	0	0
Currency translation differences	33	0
Total	**33**	**0**
Financial expenses		
Interest expenses	–15	0
Other financial expenses	–4	0
Total	**–19**	**0**
Total financial income and expenses	**14**	**0**

NOTE 51 | INCOME TAX

PARENT COMPANY	01/01/15 – 31/12/15	01/01/14 – 31/12/14
Current tax	0	0
Deferred tax	23	0
Total	**23**	**0**

PARENT COMPANY	01/01/15 – 31/12/15	01/01/14 – 31/12/14
Opening balance	0	0
Deferred tax attributable to temporary differences on pensions	0	0
Deferred tax attributable to issue costs recognized in equity	11	0
Deferred tax on losses carried forward	23	0
Closing balance	**34**	**0**

PARENT COMPANY	2015	%	2014	%
Reported profit before tax	***157***		***539***	
Tax at applicable tax rate	–35	22.0	–118	22.0
Unrecognised deferred tax on tax losses	0	0.0	–1	0.3
Use of previously unrecognised tax losses	11	–7.2	0	0.0
Tax effect of non-deductible expenses	0	0.0	0	0.0
Tax effect of non-taxable income	46	–29.4	120	–22.3
Other	0	–0.2	0	0.0
Tax expense	**23**	**–14.8**	**0**	**0.0**

NOTE 52 | PARTICIPATING INTERESTS IN GROUP COMPANIES, 2015

PARENT COMPANY	CORP.ID.NO.	REGISTERED OFFICE	SHARE OF EQUITY	SHARE OF VOTES	CARRYING AMOUNT
Direct					
Venoor InvCo 2 AB	556740-8785	Stockholm	100%	100%	7,789
Indirect					
Coor Service Management Group AB	556739-7665	Stockholm	100%	100%	
Coor Service Management Invest AB	556662-7427	Stockholm	100%	100%	
Coor Service Management AB	556084-6783	Stockholm	100%	100%	
Coor Service Management Nuclear AB	556049-4675	Väröbacka	100%	100%	
Coor Service Management APS AB	556764-1328	Stockholm	100%	100%	
Addici Security AB	556555-5314	Stockholm	100%	100%	
Coor Service Management CTS AB	556912-0156	Stockholm	100%	100%	
Coor Service Management LB 3 AB	556994-4506	Stockholm	100%	100%	
Coor Service Management LB 4 AB	556994-4498	Stockholm	100%	100%	
Coor Service Management A/S	10 68 35 48	Denmark	100%	100%	
Coor Service Management AS	983 219 721	Norway	100%	100%	
Coor Service Management Cleaning & Catering AS	912 523 918	Norway	100%	100%	
Coor Offshore AS	814 493 962	Norway	100%	100%	
Coor Service Management Skadeservice Holding AS	990 610 983	Norway	100%	100%	
Coor Service Management Bergen AS	943 578 524	Norway	100%	100%	
Coor Service Management Alta AS	986 926 658	Norway	100%	100%	
Coor Service Management Øst AS	815 367 952	Norway	100%	100%	
Coor Service Management OY	1597866-9	Finland	100%	100%	
Coor Service Management LP Oy	1963712-4	Finland	100%	100%	
Coor Service Management NV	0480-088-929	Belgium	100%	100%	
Coor Service Management SEC NV	0559-876-971	Belgium	100%	100%	
Coor Service Management Kft	01-09-931476	Hungary	100%	100%	
Coor Service Management sp. z.o.o	0000350979	Poland	100%	100%	
Coor Service Management OÜ	12169810	Estonia	100%	100%	

PARENT COMPANY	2015	2014
Opening acquisition value	5,539	5,539
Shareholder contribution	2,950	0
Closing acquisition value	**8,489**	**5,539**
Opening accumulated impairment	–700	–700
Impairment loss for the year	0	0
Closing accumulated impairment	**–700**	**–700**
Closing carrying amount	**7,789**	**4,839**

The subsidiaries listed below were sold during 2015 and are, therefore, no longer a part of the Coor Group:

SOLD SUBSIDIARIES	CORP.ID.NO.	REGISTERED OFFICE	SHARE OF EQUITY, %
Coor Industrial Services Group AB			
Coor Service Management GR AB	556461-5952	Hofors	100
Coor Service Management Dibeco AB	556308-7781	Ludvika	100
Coor Service Management Industriservice AB	556392-7564	Finspång	100
Coor Service Management EM AB	556232-0134	Skövde	100
Coor Service Management AIH AB	556695-7642	Stockholm	100
Coor Service Management AIFM AB	556555-7179	Stockholm	100
Coor Service Management AI AB	556292-5353	Stockholm	100

NOTE 53 | BORROWINGS

PARENT COMPANY	2015	2014
Liabilities to credit institutions	1,367	0
Capitalised borrowing costs	–11	0
Other non-current liabilities	0	6
Total	**1,355**	**6**

All borrowings fall due for repayment in June 2020.

NOTE 54 | ACCRUED EXPENSES AND DEFERRED INCOME

PARENT COMPANY	2015	2014
Social-security contributions	2	1
Vacation salary	1	0
Other personnel related liabilities	2	0
Other items	2	0
Total	**7**	**2**

DECLARATION OF THE BOARD OF DIRECTORS

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

The Consolidated Statement of Comprehensive Income and Consolidated Balance Sheet, as well as the Parent Company Statement of Comprehensive Income and Balance Sheet, will be presented for adoption at the Annual General Meeting held on 28 April 2016.

Stockholm, 24 March 2016

ANDERS NARVINGER
Chairman

SØREN CHRISTENSEN

MATS JÖNSSON

MONICA LINDSTEDT

BERNT MAGNUSSON

KRISTINA SCHAUMAN

GLENN EVANS
Employee Representative

GÖRAN KARLSSON
Employee Representative

MIKAEL STÖHR
Chief Executive Officer

Our audit report was submitted on 29 March 2016

Öhrlings PricewaterhouseCoopers AB

MAGNUS BRÄNDSTRÖM
Authorized Public Accountant
Auditor-in-Charge

AUDITOR'S REPORT

TO THE ANNUAL MEETING OF THE SHAREHOLDERS OF COOR SERVICE MANAGEMENT HOLDING AB (PUBL), CORPORATE IDENTITY NUMBER 556742-0806

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of Coor Service Management Holding AB (publ) for the year 2015. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 50–95.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts

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

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

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

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2015 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2015 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of Coor Service Management Holding AB (publ) for the year 2015.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions

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

Stockholm 29 March 2016

Öhrlings PricewaterhouseCoopers AB

MAGNUS BRÄNDSTRÖM
Authorized Public Accountant
Auditor-in-Charge

CORPORATE GOVERNANCE REPORT 2015

The corporate governance report for Coor Service Management Holding AB (corp. ID no. 556742-0806) refers to the financial year 2015.

CONTENTS

The Corporate Governance Report is an integral part of Coor’s Annual Report for 2015 which is available from the company’s website. References to other sections of the annual report are included.

EFFECTIVE GOVERNANCE THROUGH THE ALLOCATION OF RESPONSIBILITIES AND MANAGEMENT OF RISKS

Corporate governance within Coor encompasses the system through which the group is governed and controlled, comprising principles, guidelines, structures and processes. The purpose of this system is to ensure that decisions made throughout the group are effective and create value, by means of a clear division of roles and responsibilities between shareholders, the Board of Directors and Group Management.

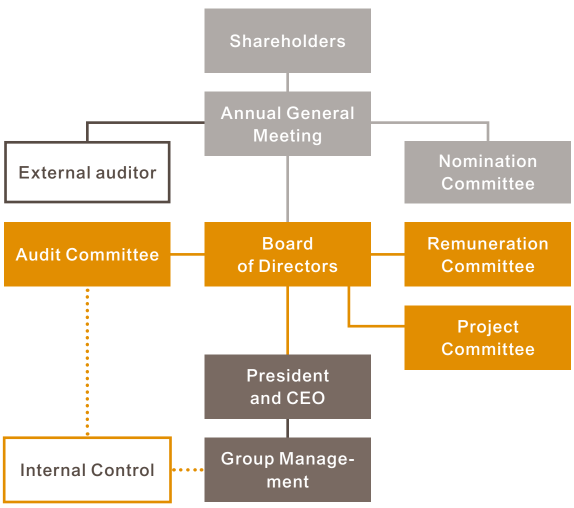
This Corporate Governance Report has been prepared by the Coor Group's Board of Directors and provides a description of corporate governance in Coor during the financial year 2015. The report has been reviewed by Coor's auditors, from whom a statement is provided at the end of the document.

GENERAL INFORMATION ON CORPORATE GOVERNANCE IN COOR

Coor is a limited liability company with its registered offices in Stockholm, whose shares are listed for trade on the Nasdaq Stockholm stock exchange. This entails that the corporate governance in Coor is based on Swedish laws and ordinances, primarily the Swedish Companies Act and Annual Accounts Act, as well as Nasdaq Stockholm's Rules for Issuers. Applicable local legislation is complied within all countries in which Coor engages in operations. Coor is also required to follow generally accepted principles in the securities market, and thus the group applies, among other regulatory frameworks, the Swedish Corporate Governance Code ("the Code"), which is available at http://www.corporategovernanceboard.se. From the IPO in June 2015, Coor applied the Code as applicable, with no deviations from any of its provisions. As of 1 November, Coor applies the revised Code.

In addition to this external regulatory framework, the group has implemented its own internal regulatory framework and governing principles, the most important of which are the Articles of Association as adopted by the Annual General Meeting of shareholders, the Rules of Procedure for the Board of Directors and Board Committees and the terms of reference to the CEO issued by the Board of Directors. A large number of internal policies, instructions and delegations are also in place which clarify responsibilities and authorities within various areas, such as information security, insider issues and risk management. These represent essential governing documents for the entire group. Coor also has a group-wide Code of Conduct and shared values (guiding stars). Coor's Code of Conduct advises on the group's ethical principles which all employees are expected to uphold in their actions, as regards both the group's interests and society in general. Coor has also established a whistle-blower system, whereby Coor's employees are able to anonymously report suspected breaches of the Code of Conduct. For more information on Coor's Code of Conduct, please refer to pages 23 and 44. Coor's most important governing documents are compiled in the company's management system, Our Way of Working, which also provides descriptions of the company's major processes and common working methods. The management system is available on the

COOR'S CORPORATE GOVERNANCE STRUCTURE:



IMPORTANT EXTERNAL AND INTERNAL GOVERNING DOCUMENTS

External regulations

- Swedish laws and ordinances (primarily the Companies Act and the Annual Accounts Act)
- Laws and ordinances in other countries in which Coor engages in operations
- Nasdaq Stockholm's Rules for Issuers
- Swedish Corporate Governance Code
- International Financial Reporting Standards (IFRS)

Internal regulations

- Code of Conduct
- Insider policy
- Finance policy
- Communication policy
- Acquisition policy
- Risk management-policy
- Purchasing policy
- Sustainability policy
- IT policy
- Information security policy
- Framework for internal control
- Finance manual
- Payment and authorization instructions

company's intranet. The company's framework for internal control and risk management with regard to financial reporting is described in detail below.

THE SHARE AND OWNERSHIP STRUCTURE

Coor's shares were listed on the Nasdaq Stockholm stock exchange on 16 June 2015. At year-end, Coor's share capital amounted to SEK 383,248,088 divided among 95,812,022 shares. Each share entitles the holder to one vote at a General Meeting of shareholders. Coor's shareholder register as per 31 December 2015 listed approximately 2 000 shareholders, and, of the total share capital, approximately 75 per cent was owned by investors outside Sweden. The three largest shareholders at year-end were Cinven (through the company Cinoor S.á.r.l) with approximately 34.5 per cent, Fidelity Management & Research Co with 8.4 per cent and Nordea Investment Funds with 6.7 per cent of the share capital and the votes. For further information on Coor's share and ownership structure, please refer to page 112–114.

ANNUAL GENERAL MEETING OF SHAREHOLDERS

Pursuant to the Swedish Companies Act, the General Meeting is the company's supreme decision-making body. Once per year, no later than six months after the end of the financial year, an Annual General Meeting is held at which all shareholders have the opportunity to participate and exercise their voting rights. Participation requires that the shareholder is registered in the shareholder register and has notified Coor of their intention to attend the meeting within the time frame stipulated in the notice of the meeting. Shareholders can also be represented by a proxy at the meeting. Notices convening General Meetings are issued on Coor's website and through announcement in the Swedish National Gazette. An announcement to the effect that a notice convening a General Meeting has been issued is made in Svenska Dagbladet.

Shareholders in attendance at the meeting vote on such matters as the annual report, distributions of profits, the election of Board Members, Board fees, audit fees, adoption of guidelines for remuneration to senior executives and the appointment of external auditors (when required), as well as all other matters prescribed in the Companies Act, the Articles of Association and, when required, the Code. Resolutions adopted as a result of votes made at a General Meeting are made public in a press release following the meeting, and the minutes from the meeting are published on the company's website under About Coor/ Corporate governance.

The Annual General Meeting for 2015 was held on 28 April 2015, before Coor was listed. In addition to the election of Board Members and other recurring items on the agenda, the meeting voted, among other things, to adopt new Rules of Procedure for the Nomination Committee, new guidelines for remuneration to senior executives and new Articles of Association, implying that the company was to re-categorise from a private to a public company. The Annual General Meeting for 2016 will be held on 28 April 2016. For further information, please refer to page 116 or the About Coor/Corporate governance section of Coor's website.

NOMINATION COMMITTEE

The Nomination Committee is a preparatory body responsible for proposals to the Annual General Meeting in respect of matters such as the election of Board Members and the Chairman of the Board of Directors, the election of auditors (when necessary) and fees. The Annual General Meeting voted to adopt new Rules of Procedure for the Nomination Committee, including stipulations on its composition, which are to apply until such time as a General Meeting resolves to implement any subsequent amendments. The Rules of Procedure state that the Nomination Committee is to consist of representatives of the four largest shareholders, in terms of voting rights, as of the final working bank day of August, together with the Chairman of the Board of Directors, who is also responsible for convening Committee meetings. If earlier than two months prior to the Annual General Meeting, one or more of the shareholders having appointed representatives to the Nomination Committee are no longer among the four largest shareholders, representatives appointed by these shareholders are to vacate their positions and the shareholder or shareholders who then number among the four largest shareholders may appoint their representatives.

Composition of the Nomination Committee

The Nomination Committee for the Annual General Meeting for 2016 consists of Pontus Pettersson, Chairman (Cinven), Jan Särlvik (Nordea Fonder), Ulrika Danielson (Second Swedish National Pension Fund), Henrik Didner (Didner & Gerge Fonder) and Anders Narvinger (Chairman of the Board of Directors for Coor).

Work of the Nomination Committee prior to the Annual General Meeting for 2016

The Nomination Committee have convened on six occasions prior to the Annual General Meeting. The Chairman of the Board of Directors has furnished the Nomination Committee with information on the company's operations, development and circumstances in general. The Nomination Committee has discussed the primary requirements which should be implemented on Board Members with regard to the necessity of independent members, and has reviewed the number of Board assignments that the respective members have in other companies. In addition, the Nomination Committee has placed a significant emphasis on ensuring an even gender distribution, diversity and breadth to the Board of Directors. The Nomination Committee has also interviewed individual Members of the Board and the Chairman of the company's Audit Committee.

Shareholders have been invited to submit proposals and viewpoints to the Nomination Committee. Neither the Chairman nor other members of the Nomination Committee have received any remuneration for their work in the committee.

THE BOARD OF DIRECTORS

Assignment of responsibilities and organization of the Board of Directors

The Board of Directors is ultimately responsible for the company's organization and the management off its affairs, and continuously assesses the company's and the group's financial situation. The

Board of Directors also appoints the company's Chief Executive Officer (CEO), and is responsible for ensuring that the organization of the company is designed such that reporting, financing and financial conditions in general can be controlled to a satisfactory degree.

Each year, the Board of Directors establishes rules of procedure, in writing, in which the assignment of responsibilities between the Board of Directors and the CEO is detailed.

The Board of Directors is to focus primarily on overarching, long-term matters and issues of substantial significance for the company. Among other things, this means that the Board of Directors has resolved on a number of comprehensive policies applying to the company's operations. These include the company's Code of Conduct, financial policy, insider policy and communication policy. The Board of Directors has elected to establish three committees to handle matters requiring particular consideration: a Remuneration Committee, an Audit Committee and a Project Committee.

Coor's Board of Directors holds an initial organization meeting immediately after the Annual General Meeting. The Board of Directors is to hold a minimum of six meetings per calendar year, excluding this initial organization meeting. Matters addressed at the Board meetings include the financial reporting, a review of the day-to-day business activities and follow-up of the performance trend, as well as the goals and strategies for the operations, acquisitions and significant investments. On occasions, senior executives participate at the meetings to present business plans and matters specific to their areas of responsibility.

Composition and independence of the Board of Directors

Coor's Board of Directors consists of seven Members elected by the Annual General Meeting. Swedish law stipulates that the trade unions are entitled to representation on the Board. The unions have appointed two Members and three Deputy Members.

During the financial year and prior to the listing, changes were made in Coor's Board of Directors. As of the listing of the company's shares on 16 June and for such time as until the conclusion of the following Annual General Meeting, the Board of Directors consists of Søren Christensen, Mats Jönsson, Monica Lindstedt, Bernt Magnusson, Anders Narvinger (Chairman), Kristina Schauman and Mikael Stöhr (President and CEO). The trade unions are represented by Glenn Evans and Göran Karlsson as elected Members and Robert Halén, Pierre Karlevall and Rolf Hammarstedt as Deputy Members. The Board of Directors has appointed Coor's General Counsel Erik Strümpel to record the minutes of Board meetings.

For further information on the various members of the Board of Directors' assignments outside the group, shareholdings in Coor and independence, please refer to pages 108–109.

The work of the Board in 2015

The Board of Directors convened on 13 occasions during 2015. The Board of Directors regularly addresses strategic issues and matters related to new business, customers and personnel. Significant matters that Coor's Board of Directors has handled during the financial year include matters related to the sale of

ANNUAL CALENDAR 2016

JANUARY | FEBRUARY | MARCH | APRIL | MAY | JUNE

BOARD OF DIRECTORS

FEBRUARY
- Review of external auditors's report.
- Approval of corporate governance report.
- Decision on proposal for allocation of profits.
- Remuneration committee's evaluation regarding remuneration for senior management.
- Board's CEO assessment.
- Approval of CEO remuneration and other terms of employment.
- Approval of Q4 interim report.
- Preparation for Annual General Meeting.

MARCH MEETING
- Approval of annual accounts.

APRIL
- Approval of Q1 interim report.
- Annual General Meeting.
- Inaugural board meeting.

AUDIT COMMITTEE

FEBRUARY, Q4 MEETING
- Q4 interim report and full-year report.
- Corporate governance report final.
- External auditor report.

APRIL, Q1 MEETING
- Q1 interim report.
- Audit plan and fees.
- Self-assessment plan.
- Impairment test follow-up.

REMUNERATION COMMITTEE

MEETING IN FEBRUARY PRIOR TO THE FIRST BOARD MEETING OF THE YEAR
- Evaluation by the remuneration committee.
- Approval of remuneration to Group Management excl. CEO.
- Proposal for remuneration and other terms of employment to the CEO.

MARCH MEETING (IF NECESSARY)
- Preparation of Board's proposals to the shareholders.

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS:

	Board	Remuneration Committee	Project Committee	Audit Committee	Independent of the company	Independent of major shareholders	Approved remuneration and Committee fees, kSEK
Total meetings	13	3	2	4			
Current elected Members							
Søren Christensen	13	3	2	3	Yes	No	450
Mats Jönsson	12		2		No	Yes	300
Monica Lindstedt [1]	2				Yes	Yes	250
Bernt Magnusson	12			4	Yes	Yes	350
Anders Narvinger, chairman	13	3	2		Yes	Yes	800
Kristina Schauman [2]	11			3	Yes	Yes	400
Mikael Stöhr	13		2		No	Yes	–
Current Employee Representatives							
Glenn Evans	11				No	Yes	–
Robert Halén [3]	3				No	Yes	–
Rolf Hammarstedt	1				No	Yes	–
Pierre Karlevall	10				No	Yes	–
Göran Karlsson [4]	2				No	Yes	–
Former elected Members and Employee Representatives							
Hans Berg [5]	2				No	Yes	–
Brian Linden [6]	7				Yes	No	–
Anders Svensson [7]	8				No	Yes	–
Per Granström [8]	11				No	Yes	–

1) Board Member since 16 June 2015.
2) Board Member since 30 March 2015.
3) Employee Representative on the Board (Deputy) since 9 September 2015.
4) Employee Representative on the Board since 9 September 2015.
5) Employee Representative on the Board (Deputy) until 24 August 2015.
6) Board Member until 2 June 2015.
7) Employee Representative on the Board until 24 August 2015.
8) Employee Representative on the Board until 14 October 2015.
* The remuneration and fees specified above for Committee work represent amounts approved by the Annual General Meeting held on 28 April 2015, and are the amounts applicable until the conclusion of the next Annual General Meeting, to be held on 28 April 2016. For information on the remuneration impacting profit/loss for 2015, please refer to Note 9 of the group's annual report.

JULY
- Approval of Q2 interim report.

AUGUST
- Review and approval of key policies.
- Board's self-assessment.

SEPTEMBER
- Approval of strategy.

NOVEMBER
- Assessment of matters presented by the Audit Committee and reports from auditors.
- Approval of Q3 interim report

DECEMBER
- Approval of budget and business plans for 2017.

JULY | AUGUST | SEPTEMBER | OKTOBER | NOVEMBER | DECEMBER

JULY
- Q2 interim report.

NOVEMBER, Q3 MEETING
- Q3 interim report.
- Finance function review.
- External auditor assessment.

DECEMBER
- Internal Control Review and Plan.
- Corporate Governance report draft.
- Annual Closing matters.
- Internal Audit review and decision.
- Annual report process.
- Finance policy review.

DECEMBER
- Principles for remuneration etc. to senior management.
- Succession plan for senior management.

Coor's industrial service operations and matters related to the listing on the stock exchange. The Remuneration, Audit and Project Committees report to the Board of Directors following their respective meetings.

Attendance at Board meetings during the year has been good. Board Members' participation in Board meetings and in the Committees is specified in the table on previous pages.

Board committees

The Board of Directors has three committees: the Audit Committee, the Remuneration Committee and the Project Committee. The Committees' duties and rules of procedure are determined by the Board in written instructions. The Committees' primary duty is to prepare matters to be presented for resolution to the Board of Directors.

Audit Committee

The Audit Committee shall ensure the Board of Directors' fulfilment of its supervisory responsibilities with regard to internal control, audit, internal audit, risk management, accounting and financial reporting, and shall also prepare certain accounting and auditing matters to be addressed by the Board. The Audit Committee shall supervise the company's financial reporting, monitor the efficiency of the company's internal control, internal audit and risk management, and shall keep itself informed regarding the process of the audit of the annual report and the consolidated financial statements. Furthermore, the Committee shall review and supervise the auditor's impartiality and independence and, as a part of this duty, note whether the auditor provides services other than auditing to the company. The Committee shall also assist in preparing proposals on the appointment of auditors for the Annual General Meeting and shall ensure that the group's interim report for the third quarter is reviewed by the group's auditor.

The Audit Committee convened on four occasions during 2015. Coor's external auditor and company management representative participated in all four meetings. The Audit Committee shall be appointed by the company's Board of Directors and is to consist of at least three appointed members. During 2015, the Audit Committee consisted of Kristina Schauman (Chairman), Bernt Magnusson and Søren Christensen.

Remuneration Committee

The Remuneration Committee shall assist the Board by preparing proposals on remuneration and is to continuously monitor and evaluate remuneration structures and levels for the CEO and other members of Group Management. The Remuneration Committee's principal duties are to prepare the Board's decisions on issues concerning remuneration principles, remuneration and other terms of employment for senior executives, to continuously monitor and evaluate variable remuneration programs for senior executives, both on-going and those that have ended during the year, to monitor and evaluate the application of the guidelines for remuneration to senior executives that the Annual General Meeting is legally obliged to adopt, and to monitor and evaluate the current remuneration structures and levels in the company. The Remuneration Committee convened on three occasions during 2015. The Remuneration Committee shall be appointed by the company's Board of Directors and is to consist of at least two members. During 2015, the Remuneration Committee consisted of Anders Narvinger (Chairman) and Søren Christensen.

Project Committee

As Coor participates in numerous large, complex procurements and contract negotiations, the Board of Directors has established a separate Project Committee. The Project Committee shall assist the Board by preparing proposals and certain decisions in relation to large customer contracts, acquisitions, and other important agreements. The Project Committee convened on two occasions during 2015. The Project Committee shall be appointed by the company's Board of Directors and is to consist of at least two members. During 2015, the members of the Project Committee were Anders Narvinger (Chairman), Søren Christensen and Mats Jönsson.

AUDITORS

Öhrlings PricewaterhouseCoopers AB.
Magnus Brändström, Auditor in Charge.
Born in 1962.
Other audit engagements: Dometic, Scandic, Tobii, Troax, Addnode.
Number of Coor shares: 0.

AUDIT FEES

SEK m	2015	2014	2013
PwC			
Audit engagement	7	6	4
Audit services in addition to audit engagement	10	0	0
Tax advisory services	2	0	1
Other services	0	0	0
Total fees, PwC	**19**	**6**	**5**
Audit engagement other audit firms	0	0	0
Total	**19**	**6**	**5**

EXTERNAL AUDITORS

The Annual General Meeting 2015 re-elected Öhrlings PricewaterhouseCoopers AB (PwC) to serve as the company's external auditor until the Annual General Meeting 2016. Magnus Brändström is the Auditor-in-Charge for the audit of Coor. PwC has been Coor's auditor since 2004, and Magnus Brändström has been the Auditor-in-Charge since 2015.

The external audit of the financial statements of Coor and the majority of its subsidiaries is undertaken in accordance with the Companies Act, International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. The audit engagement entails the statutory review of the annual financial statements, the annual report and consolidated financial statements, and the management of the company and the group by the Board of Directors and Group Management. The auditors also perform a comprehensive review of the interim report in September.

The auditors shall inform the Board of Directors of the planning, scope and content of the annual audit, and shall inform of any services performed in addition to the audit engagement, the remuneration for such services and any other circumstances which may be of significance for the auditor's independence. In order to meet the Board of Directors' information requirements and to ensure that all areas are approached in a structured manner, Coor's auditors participate in the Audit Committee's meetings and attend at least one Board meeting per year. On at least one occasion during the year, the auditors meet the Board of

Directors without the presence of company management.

The Annual General Meeting resolves on PwC's remuneration for its audit.

Environment and Quality auditors

Coor's operations are also certified according to the international environmental and quality standards ISO 9001 and 14001, respectively, under which the operations are inspected every year by an independent party from an environmental and quality perspective. Det Norske Veritas is responsible for both the environmental audit and for the quality audit. In 2015, Henrik Bäckman was the Chief Environmental and Quality Auditor for Coor but, from 2016, Patrik Frykman will be Auditor-in-Charge at Det Norske Veritas. The results of these audits are reported to Group Management. More information on these inspections can be found in the Sustainability Report on pages 37–49.

CHIEF EXECUTIVE OFFICER AND GROUP MANAGEMENT

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

The various members of Group Management are appointed by the CEO and are, together with the CEO, responsible for the day-to-day operations. Group Management are tasked with establishing goals for the operational activities, distributing resources and following up the operations' performance. Group Management also prepares proposals for investments, acquisitions and divestitures in accordance with the Board of Directors' written directives.

The CEO chairs meetings of Group Management and makes resolutions after consultation with other members of management. Group Management holds telephone meetings each week and usually convenes once per month to review the previous month's financial performance, update forecasts and plans, discuss the current market situation, on-going deals, group-wide projects, recruitment and other matters at hand. Group Management convened on eleven occasions in 2015.

Coor's Group Management was comprised of nine members during the year. These were the Group President, together with the four operative Country Managers and four Group Function Managers, responsible for business development, operational development (including IT, purchasing and quality & environment), finance (including legal) and HR (including communication and sustainability). As of year-end, the Deputy CEO for the Swedish operations has also been added to Group Management. For further information on the member of Group Management, their experience and competence, please refer to pages 110–111.

The group also has an extended management forum, Top Management Team, comprised of each country's respective management organization together with all Group Function Managers, which met twice during 2015. The group brings together its approximately 130 senior managers at its annual Management Days forum, where these individuals can create contacts, exchange experiences, gain inspiration and discuss common issues.

REMUNERATION PRINCIPLES FOR THE BOARD OF DIRECTORS AND SENIOR EXECUTIVES

The fees paid to members of the Board of Directors are voted on at the Annual General Meeting pursuant to a proposal tabled by the Nomination Committee. The Chairmen and elected members of the Committees are entitled to a supplementary fee.

The Annual General Meeting also determines the principles for remuneration to senior executives in the group. These guidelines stipulate that the total remuneration is to be market-based and competitive, and should reflect the individual's performance and responsibilities. Matters related to remuneration to senior executives are prepared by the Board's Remuneration Committee, which also maintains a continuous overview of and evaluates remuneration structures and reward levels.

For a full analysis of all resolutions pertaining to remuneration guidelines, please refer to Note 9.

EVALUATION OF THE BOARD OF DIRECTORS AND THE CEO

Coor's shares were listed in June 2015, and a full evaluation of the work of the Board of Directors will be executed after the company has been listed for one complete financial year.

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

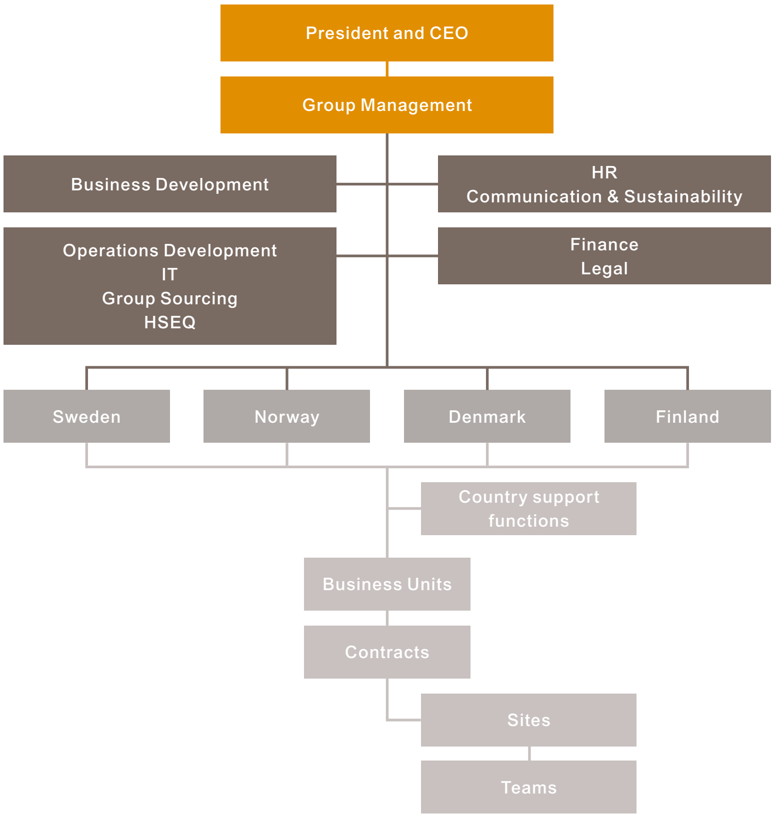
INTERNAL CONTROLS AND RISK MANAGEMENT IN RELATION TO FINANCIAL REPORTING

Coor's framework for internal control is intended to make internal control an integral part of the day-to-day operations to the greatest extent possible. On the basis of a group-wide risk assessment, key risks are identified and controls to manage these are defined, and supporting documents in the form of policies and guidelines are drawn up. A central aspect of Coor's internal control is the on-going financial monitoring and analytical controls which are a key element of risk management at all levels in the organization.

The Board of Directors' responsibilities with regard to internal control are detailed in the Companies Act, the Annual Accounts Act and the Code. Coor's internal control framework has been designed to ensure accurate, reliable financial reporting in accordance with IFRS, applicable laws and rules, and other requirements incumbent on companies listed on the Nasdaq Stockholm Stock Exchange.

Coor has categorized the various aspects of internal control relation to financial reporting into the components designated by COSO (Committee of Sponsoring Organizations of the Treadway Commission): Control environment, Risk assessment, Control activities, Monitoring and Information and communication. These five components are integrated and work collectively to prevent and identify material errors in the financial reporting, thereby facilitating the possibility of ensuring reliable financial reporting. Coor has defined six significant financial processes and has, for each of these processes, identified the inherent risks, designed control activities and produced a model for monitoring. In additional to the six financial processes, IT is also considered a significant process, with the potential to materially impact reliability within the financial processes.

COOR'S CORPORATE GOVERNANCE STRUCTURE



Control environment

The control environment forms the basis for internal control with regard to the financial reporting. The control environment is defined in governing documents in the form of policies, routines and manuals, and is upheld through clearly-defined and communicated decision-making channels, authorities and areas of responsibility within the organization. A central element of the control environment is structured, well-functioning financial monitoring, reflecting financial responsibilities. Coor has a well-defined monitoring structure, from site level up to group level, encompassing contract, business area and country. One feature of the financial monitoring is standardized analytical controls, i.e. deviation analyses and reasonability assessments of larger items in the income statement, balance sheet and cash flow statement.

Coor's Board of Directors bears the overall responsibility for establishing an effective internal control system. The Board has determined a number of fundamental instructions and governing documents which are intended to clarify the allocation of roles and responsibilities among the CEO, the Board of Directors and the Committees. The Board of Directors has established an Audit Committee among its members responsible for monitoring all matters concerning internal control in relation to financial reporting, pursuant to the Committee's rules of procedure.

The group's Finance Function is responsible for the development, improvement and assurance of the internal control in relation to financial reporting. These responsibilities are fulfilled proactively through regular analysis and updating of the group's internal control framework and reviewing the effectiveness of the internal controls. A key component of the follow-up of internal control is the self-assessment, which will be performed yearly.

Risk assessment

Group Management undertakes an annual comprehensive risk assessment in the form of an updating of the group's risk map, which summarizes risk exposure. Each individual risk is assessed in terms of its probability and potential

GROUP-WIDE CONTROLS

Objective: Accurate and reliable financial reporting.

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

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

MANUAL CONTROLS

Objective: Accurate and reliable financial reporting.

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

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

GENERAL IT CONTROLS

Objective: Ensure the effective use of IT.

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

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

impact on the group's ability to reach its targets, as well as in terms of the effectiveness of existing controls and risk-mitigation measures. The risk map is combined with a risk register, which provides additional details and constitutes supporting documentation for the follow-up of risk management. The group's CFO is responsible for updating the risk assessment. The risk map, together with an annual summary report of risk management in the group, is reviewed by the Board's Audit Committee and subsequently reported to the Board.

This comprehensive risk assessment forms the basis for a detailed assessment of risks related to the financial reporting, the purpose of which is to identify and evaluate the material risks in the financial processes, as well as the risk of impropriety and fraud. The assessment of risks related to the financial reporting takes the income statement and balance sheet as its starting point and considers matters such as materiality, complexity and risk of fraud in various income statement and balance sheet items, as well as in underlying processes. The risk assessment results in bank of basic data which informs how risks are to be managed and controlled, as well as how control activities are to be designed such that they support the fundamental requirements on the external financial reporting (completeness, accuracy, valuation and reporting). Risk assessment, including the management of identified risks, is undertaken by means of a collaboration between the process owners in the respective country and Coor's Finance Function at group level.

For more information regarding the group's risks and risk management, please refer to pages 34–36 and Note 2.

Control activities

Based on the risks identified as applying to the financial reporting, control activities are designed to ensure that all material risks are managed and, thereby, that the group is able to achieve its goals. Control activities are undertaken at all levels within the organization, within all business processes and within IT to guarantee a secure IT environment for key applications. Well-designed control activities limit identified risks and contribute both to accurate and reliable financial reporting and efficient processes. Control activities include both comprehensive and detailed controls and are intended to prevent, identify and remedy faults and deviations. Coor has defined six significant financial processes and, within each process, has defined a number of key controls which are to be applied by all large companies within the group. In additional to the six financial processes, IT is also considered a significant process, with the potential to materially impact reliability within the financial processes.

Coor has three distinct types of controls; *group-wide controls, manual controls* and *general IT controls*. An example is provided on page 104 illustrating how risk and targets are associated with a control activity for each respective type of control.

FINANCIAL PROCESSES

Information and communication

In order for all employees within the organization to be able to assume their responsibilities for internal governance and control, it is crucial that they are aware of and have access to significant internal governance instruments. The group's finance policy, payment instructions and financial handbook are accessible to all employees on the group's intranet. Amendments and updates to these documents are communicated regularly to all relevant employees. In the coming year, the group's internal control framework, including process mapping and descriptions of controls, will be made available on the group's intranet in the form of an internal control handbook. For the current year, requirements and guidelines regarding financial processes have been communicated directly to the employees involved in the respective process/control activity.

For communication with external parties, a communication and IR policy is in place which stipulates guidelines for how such communication is to take place and ensures compliance with the group's requirements as regards the information disseminated to the financial markets.

Monitoring – follow-up and improvement

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

The group's financial situation and financial strategies and targets are addressed at each Board meeting. Between meetings, the Board also receives detailed monthly reports regarding financial performance.

The Board of Directors has tasked the Audit Committee with ensuring that the company's internal control in relation to financial reporting is monitored and followed up. The Audit Committee is to follow up the quality of the group's internal control and is responsible for ensuring that any deficiencies and proposed actions brought to light in the external audit are addressed. Each year, the group's external auditors review the internal control and report their observations in a report provided to management and the Audit Committee. The Audit Committee reports to the Board of Directors at the following Board meeting.

The group has commenced work on implementing a process for the monitoring and testing of the group's internal control framework. This process entails that an annual self-assessment is to be undertaken at various levels within the group in order to ensure that all risks are observed and managed in an effective manner. Monitoring should be undertaken at both a comprehensive level for the whole group and at a more detailed level for respective lands and processes. The purpose of this monitoring is to ensure that all control activities are satisfactorily completed, as well as to identify potential areas of improvement within the framework. Coor's Group Finance Function has the ultimate responsibility for the execution of this monitoring/evaluation and reports conclusions and proposals for improvement to the group's Audit Committee. The test results are also provided to the Group's external auditors, who then assess the dependability of the work undertaken in the context of their audit.

INTERNAL AUDITING

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

SUSTAINABLE BUSINESS

All companies have a substantial responsibility for the operations they conduct, and for the operations' environmental and social impact from a wider perspective – in both the short and long term. Coor works with a long-term, structured perspective on the sustainability aspects that are deemed to have the largest impact on the company's local environment, from three dimensions: business, social and environmental. The purpose of Coor's sustainability work is to ensure the company's stable and profitable development with the application of sound business ethics and minimal environmental impact, while concurrently having a positive impact on the development of society in general. For more information on the sustainability aspects on which Coor actively works and for a description of how the sustainability work is managed, please refer to the Sustainability section on pages 37–49.

AUDITOR'S REPORT ON THE CORPORATE GOVERNANCE STATEMENT

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

It is the Board of Directors who is responsible for the Corporate Governance Statement for the year 2015 on pages 97–106 and that it has been prepared in accordance with the Annual Accounts Act.

We have read the Corporate Governance Statement and based on that reading and our knowledge of the company and the group we believe that we have a sufficient basis for our opinions. This means that our statutory examination of the Corporate Governance Statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

In our opinion, the Corporate Governance Statement has been prepared and its statutory content is consistent with the annual accounts and the consolidated accounts.

Stockholm, 29 March 2016

Öhrlings PricewaterhouseCoopers AB

Magnus Brändström
Authorized Public Accountant

BOARD OF DIRECTORS

ANDERS NARVINGER

Chairman of the Board of Directors since 2008

BORN: 1948.
Chairman of the Board's Project Committee and Remuneration Committee.

EDUCATION: MSc. in Electrical Engineering, Institute of Technology, Lund. BSc. in Economics, Uppsala University.

WORK EXPERIENCE: Positions at ABB, including President and CEO of ABB Sweden and CEO of Teknikföretagen.

OTHER CURRENT APPOINTMENTS: Chairman of the Board of Alfa Laval AB, ÅF AB and Capio Holding AB. Member of the Board of JM AB and Pernod Ricard S.A.

SHARE OWNERSHIP: 55,701 shares.[1)]

SØREN CHRISTENSEN

Board Member since 2011

BORN: 1971.
Member of the Board's Audit Committee, Project Committee and Remuneration Committee.

EDUCATION: BSc. in Economics & Mathematics and MSc. in Finance and Accounting, Copenhagen Business School.

WORK EXPERIENCE: Partner at Cinven. Previously worked within the Leveraged Acquisition Finance Group at Citigroup.

OTHER CURRENT APPOINTMENTS: –

SHARE OWNERSHIP: –

MATS JÖNSSON

Board Member since 2000

BORN: 1957.
Member of the Board's Project Committee.

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

WORK EXPERIENCE: President and CEO Coor Service Management. Various positions at Skanska including President and CEO Skanska Services. CEO, Imtech Nordic AB.

OTHER CURRENT APPOINTMENTS: Chairman of the Board of Logent Holding AB. Member of the Board of Infratek AS and MT Højgaard A/S.

SHARE OWNERSHIP: 565,155 shares.

MONICA LINDSTEDT

Board Member since 2015

BORN: 1953.

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

WORK EXPERIENCE: CEO and founder of Hemfrid i Sverige AB and co-founder of Tidnings AB Metro. CEO Tidningen Folket Eskilstuna, Bonniers Fackpressförlag, Eductus AB and Previa AB.

OTHER CURRENT APPOINTMENTS: Chairman of the Board of Directors of Företagarna and Hemfrid i Sverige AB. Member of the Board of Svenska Hus AB, Sveriges Television AB, Uniflex AB and UNICEF Sverige.

SHARE OWNERSHIP: 10,000 shares.

EMPLOYEE REPRESENTATIVES

GLENN EVANS

Board Member since 2013

BORN: 1959.
Employee representative.

GÖRAN KARLSSON

Board Member since 2013

BORN: 1954.
Employee representative.

BERNT MAGNUSSON

Board Member since 2005

BORN: 1941.
Member of the Board's Audit Committee.

EDUCATION: MSc. (Political Science), Uppsala University.

WORK EXPERIENCE: President and CEO, Nordstjernan AB. President and CEO, NCC AB. Chairman of Nobel Industrier, Assi Domän, Skandia and Swedish Match.

OTHER CURRENT APPOINTMENTS: Chairman of the Board of Bernt Magnusson Invest AB and Sumala AB. Member of the Board of Kancera AB and STC Interfinans AB.

SHARE OWNERSHIP: 77,420 shares.

KRISTINA SCHAUMAN

Board Member since 2015

BORN: 1965.
Chairman of the Board's Audit Committee.

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

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

OTHER CURRENT APPOINTMENTS: CEO and Member of the Board of Calea AB. Member of the Board of BillerudKorsnäs AB (publ), ÅF AB, Apoteket AB, Orexo AB Livförsäkringsbolaget Skandia ömsesidigt and Ellos Group Holding AB.

SHARE OWNERSHIP: 10,000 shares.

MIKAEL STÖHR

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

BORN: 1970.

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

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

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

SHARE OWNERSHIP: 78,947 shares.

DEPUTY EMPLOYEE REPRESENTATIVES

ROBERT HALEN

Deputy Member of the Board of Directors since 2015

BORN: 1958.
Employee representative.

ROLF HAMMARSTEDT

Deputy Member of the Board of Directors since 2008

BORN: 1956.
Employee representative.

PIERRE KARLEVALL

Deputy Member of the Board of Directors since 2012

BORN: 1954.
Employee representative.

GROUP MANAGEMENT

MIKAEL STÖHR

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

BORN: 1970.

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

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

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

SHARE OWNERSHIP: 78,947 shares.

ANDERS ASPLUND

Human Resources Manager since 2000

BORN: 1955.

EDUCATION: BSc. in Sociology, Stockholm University.

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

OTHER CURRENT APPOINTMENTS: –

SHARE OWNERSHIP: 52,398 shares.

THOMAS BACKTEMAN

*IR Manager since 2015**

BORN: 1965.

EDUCATION: MSc. in Business Administration with a major in Economics and Statistics, Stockholm University.

WORK EXPERIENCE: Executive Vice President Corporate affairs, Swedbank AB.

OTHER CURRENT APPOINTMENTS: Member of the Board of Scalatore AB. Partner, Hallvarsson & Halvarsson.

SHARE OWNERSHIP: –

* Co-opted to the Executive Management Team.

KLAS ELMBERG

President of Coor Norway until 31 March 2016, then Vice President of Coor Sweden

BORN: 1974.

EDUCATION: MSc. in International Business, University of Gothenburg.

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

OTHER CURRENT APPOINTMENTS: –

SHARE OWNERSHIP: 20,268 shares.

ANNACARIN GRANDIN

*President, Sweden since 1 January 2016**

BORN: 1967.

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

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

OTHER CURRENT APPOINTMENTS: –

SHARE OWNERSHIP: 34,704 shares.

* AnnaCarin Grandin was appointed as of 1 January 2016, succeeding Ulf Wretskog, President of Coor Sweden in 2015.

NIKOLAI KNUDSMOEN UTHEIM

President, Norway from 1st April 2016

BORN: 1975.

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

WORK EXPERIENCE: PwC, Statoil Norge AS (Consultant, Deputy CFO).

OTHER CURRENT APPOINTMENTS: –

SHARE OWNERSHIP: 8,000 shares.

JOHAN MILD

President, Finland since 2011

BORN: 1974.

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

WORK EXPERIENCE: CEO, Luja-Palvelut Oy. Director, ISS Palvelut Oy.

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

SHARE OWNERSHIP: 16,537 shares.

JENS EBBE RASMUSSEN

Senior Vice President, Business Development since 2009

BORN: 1968.

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

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

OTHER CURRENT ASSIGNMENTS: –

SHARE OWNERSHIP: 73,213 shares.

OLOF STÅLNACKE

CFO since 2009

BORN: 1965.

EDUCATION: MSc. in Financial Economics and International Business, Stockholm School of Economics.

WORK EXPERIENCE: CFO, The Absolut Company, V&S Group. Various CFO positions and Management Consultant, McKinsey & Company.

OTHER CURRENT APPOINTMENTS: Board member and Treasurer, Ericastiftelsen.

SHARE OWNERSHIP: 82,929 shares.

JØRGEN UTZON

President, Denmark since 2001

BORN: 1961.

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

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

OTHER CURRENT APPOINTMENTS: Member of the Board of Servicebranchens Arbejdsgiverforening (SBA) and DI Service (Dansk Industri). Member of the Advisory Board for Service Management, Copenhagen Business School.

SHARE OWNERSHIP: 78,373 shares.

RIKARD WANNERHOLT

Senior Vice President, Operations Development since 2013

BORN: 1962.

EDUCATION: BSc. in Business Administration, Lund University. Advanced Management Programme, Stockholm School of Economics. International Executive Programme, IESE Business School, Navarra, Barcelona.

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

OTHER CURRENT APPOINTMENTS: –

SHARE OWNERSHIP: 22,746 shares.

COOR SHARE

An investment in Coor is an investment in a leading service company with stable growth, good profitability, healthy cash generation and a high dividend yield.

Throughout the company's history, Coor has demonstrated stable growth that exceeds GDP growth in the Nordic countries in which the company operates. The company's development is driven by growth that surpasses GDP growth in the integrated facility management segment which accounts for 2/3rds of Coor's business, as well as growth that is in line with GDP in the individual and bundled services segment, which constitutes the remaining part of the company's operations.

The company's services are in demand regardless of the business cycle and as Coor offers its customers significant potential savings in the delivered services, this makes us an important partner in times of weak economic growth.

With modest investment needs and a favourable payment structure, Coor enjoys robust cash generation.

This cash can be used to make small add-on acquisitions, repay debt (Coor's net debt is already in line with the target of below 3 times adjusted EBITDA), or pay dividend. Over time, Coor will be able to provide a high and stable yield to its owners. The Board and management's goal is not to accumulate cash in the company but to distribute any surplus to the owners.

COOR SHARE

The Coor share was listed on 16 June 2015 and is included in NASDAQ Stockholm Mid Cap. Within Mid Cap, the companies have a market capitalization of between EUR 150 million and EUR 1 billion. The share is traded under the COOR ticker with ISIN code SE0007158829I.

SIZE CLASSES*

SIZE CLASSES AT 30 DEC 2015	NUMBER OF SHAREHOLDERS	TOTAL NUMBER OF SHARES	PARTICIPATING INTEREST, %	VOTES, %	MARKET VALUE (KSEK)
1 – 500	1,184	299,119	0.31	0.31	11,785
501 – 1,000	185	156,228	0.16	0.16	6,155
1,001 – 5,000	445	837,872	0.87	0.87	33,012
5,001 – 10,000	44	353,954	0.37	0.37	13,946
10,001 – 15,000	18	236,812	0.25	0.25	9,330
15,001 – 20,000	11	198,841	0.21	0.21	7,834
20,001 –	130	93,729,196	97.83	97.83	3,692,930
TOTAL	**2,017**	**95,812,022**	**100**	**100**	**3,774,994**

OWNER CATEGORIES*

OWNER CATEGORIES AT 30 DEC 2015	VOTES, %	NUMBER OF SHAREHOLDERS	NUMBER OF SHAREHOLDERS, %
Private individuals	3.32	1,676	83.09
Of which resident in Sweden	3.31	1,667	82.65
Legal entities	96.68	341	16.91
Of which domiciled in Sweden	21.77	195	9.67
TOTAL	**100.0**	**2,017**	**100.0**
Of which resident/domiciled in Sweden	25.1	1,862	92.3

FIFTEEN LARGEST OWNERS*

15 LARGEST SHAREHOLDERS	VOTES, %	PARTICIPATING INTEREST, %	TOTAL NUMBER OF SHARES
Cinven Group Ltd.**	34.53	34.53	33,083,842
Fidelity Management & Research Co.	8.37	8.37	8,023,702
Nordea Investment Funds	6.7	6.7	6,415,238
Second Swedish National Pension Fund	4.15	4.15	3,975,494
SEB STIFTELSEN, SKAND ENSKILDA	3.18	3.18	3,050,000
Handelsbanken Fonder	3.08	3.08	2,953,333
Didner & Gerge Fonder Aktiebolag	1.63	1.63	1,557,500
SEB Investment Management	1.55	1.55	1,481,279
Swedbank Robur Fonder	1.3	1.3	1,241,183
Aktie-Ansvar fonder	1.25	1.25	1,200,000
Afa Försäkring	1.24	1.24	1,188,122
Catella Fondförvaltning	1.08	1.08	1,038,793
Danske Capital Sverige AB	0.99	0.99	950,000
Aviva Investors Global Services Ltd.	0.78	0.78	940,217
Schroder Investment Management Ltd.	0.5	0.5	750,000
15 largest shareholders, total	70.33	70.33	67,848,703
Other shareholders	29.67	29.67	27,963,319
TOTAL	**100**	**100**	**95,812,022**

* Source: Euroclear

**On 16 February 2016, Cinven sold 21 million shares, corresponding to 21.9 per cent. Following the sale, Cinven owns the equivalent of 12.6 per cent of the shares. For more information, refer to Note 45, page 91.

OWNERS

Coor had 2,017 shareholders as at 31 December 2015. Of the shareholders, 341 were financial and institutional investors and 1,676 were private individuals. Financial and institutional investors held 96.68 per cent of the votes and capital. The number of foreign shareholders was 155, accounting for 74.9 per cent of the votes and capital. The fifteen largest shareholders accounted for 70.33 per cent of the votes and capital.

Cinven was Coor's largest shareholder, via Cinoor S.a.r.l. as at 31 December 2015 with a holding of 34.53 per cent of the votes and share capital in the company. The second largest shareholder was Fidelity Management & Research Co. with 8.37 per cent of the votes and capital and the third largest shareholder was Nordea Investment Funds with 6.70 per cent of the votes and capital.

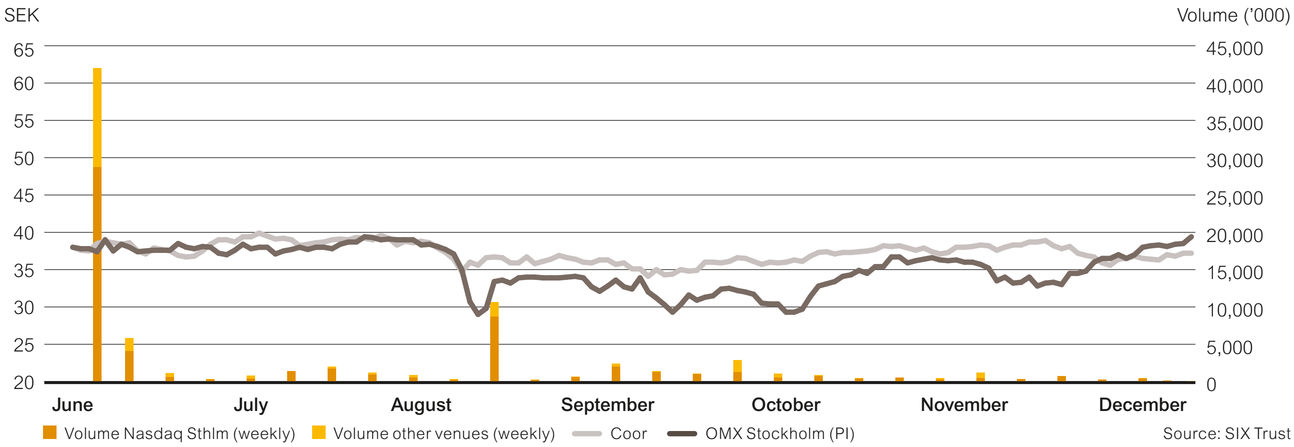
TURNOVER AND SHARE PRICE TREND

Over the period from 16 June to 31 December 2015, a total of 81,659,259 Coor shares were traded at a total value of SEK 2.94 billion. The majority, about 70 per cent of trading in 2015 took place on the Nasdaq Stockholm. In addition to trading on the Stockholm Stock Exchange, 19 per cent of trading was on the BATS OTC market place, 4 per cent of BOAT OTC and 3 per cent on Posit Dark. The highest closing price over the period from 16 June to 31 December 2015 was SEK 39.40 on 6 August and 30 December and the lowest was SEK 29.00 on 26 August. On 30 December 2015 the closing price was SEK 39.40. During the period from 16 June to 31 December 31 2015, Coor's share rose by 3.68 per cent. OMX Stockholm PI Index dropped by 2.19 per cent.

SHARE CAPITAL AND CAPITAL STRUCTURE

The share capital of Coor at 31 December 2015 was SEK 383 million. The number of shares is 95,812,022, corresponding to a

COOR SHARE, JUNE 15 – DECEMBER 15 2015



Source: SIX Trust

Q1

- Coor was awarded an additional IFM contract with Statoil for five oil platforms in the North Sea.
- The contracts with Volvo Cars and AB Volvo was extended and expanded.
- Kristina Schauman was elected as Board Member at an extraordinary general meeting held on 30 March.

Q2

- Ericsson, one of the company's largest customers, extended its IFM contract with Coor.
- In June, Coor announced a new contract with Frontica.
- Monica Lindstedt was elected as Board Member on 2 June.
- On 16 June, the Coor share was listed on the Nasdaq Stockholm Stock Exchange. The industrial services operations were divested at the same time.

Q3

- On 9 September, the property company Vasakronan extended its contracts with Coor.
- On 28 September, the Danish Police elected to exercise their contract extension option.

Q4

- On 8 October, a new contract was signed with Aker Solutions.
- In December, the contract with Borealis was extended.
- In December, the contract with Saab AB was extended and expanded.

nominal value per share of SEK 4. According to the Articles of Association, the share capital must not be less than SEK 200 million and not exceed SEK 800 million, allocated to a minimum of 50,000,000 shares and a maximum of 200,000,000 shares. The proportion of shares available for trading (free float) at year end was 65.47 per cent.

DIVIDENDS

The Board of Directors proposes a dividend for 2015 of SEK 2.00. The dividend comprises an ordinary dividend of SEK 1.40 and a bonus dividend of SEK 0.60. The extra dividend corresponds to the net positive effect of a number of non-recurring items, mainly tax effects and transaction costs.

IR WORK

IR activities in 2015 focused on the establishment of Coor on the capital market. Following the Initial Public Offering, management has participated in a series of conferences, and has been available for questions while attending a large number of meetings on both the sales and purchase side to ensure that there is extensive knowledge of the company on the market. In addition to the very extensive calendar of meetings in connection with the Initial Public Offering where representatives from management visited Stockholm, Gothenburg, Oslo, Copenhagen, Helsinki, Frankfurt, London and New York, Coor has also visited Boston, and revisited London, New York and Helsinki in connection with the quarterly reports. After the second quarterly report, Coor initiated a collaboration with SME Direkt to ensure an independent consensus estimate. The first estimate was published on the company's website in connection with the interim report for the third quarter of 2015, and has since been updated on a quarterly basis.

NUMBER OF ANALYSTS WHO FOLLOW COOR

ANALYSTS	COMPANY
Karl-Johan Bonnevier	DNB
Henrik Nilsson	Nordea
Stefan Andersson	SEB
David Hallden	UBS

Contact details are provided at **coor.com/investors**

SHAREHOLDERS BY COUNTRY

SHAREHOLDERS BY COUNTRY AT 30 DEC 2015	NUMBER OF SHAREHOLDERS	NUMBER OF SHARES	PARTICIPATING INTEREST, %	VOTES, %	MARKET VALUE (KSEK)
Luxembourg	13	37,939,426	39.60	39.60	1,494,813
Sweden	1,862	24,027,749	25.08	25.08	946,693
UK	35	18,186,037	18.98	18.98	716,530
USA	16	8,921,176	9.31	9.31	351,494
Finland	18	4,512,943	4.71	4.71	177,810
Other countries	73	2,224,691	2.32	2.32	87,654
TOTAL	**2,017**	**95,812,022**	**100.0**	**100.0**	**3,774,994**

*Source: Euroclear

SHARE DATA

Marketplace	Nasdaq Stockholm	Currency	SEK
Listed since	16 June 2015	Shares	95,812,022
Segment	Mid cap	Highest price 2015	SEK 39.40 (30 Dec)
Sector	Industrial Gods & Services	Lowest price 2015	SEK 29.00 (26 Aug)
Short name	COOR	Closing price 2015	SEK 39.40
ISIN code	SE0007158829	Share price development 2015	+3.68%

DEFINITIONS

ANALYTICS
Analytics or analysis is, in this context, about the capacity to analyze large amounts of digitally stored information taken from various sources and to convert this information into knowledge to be utilized to increase the effectivity, productivity, sustainability and client satisfaction.

AUTOMATION
Automation refers to a machine or technology executing given work activities. Automation involves some form of management and control system and, consequently, does not require humans to monitor the use of the system. An example of automation is self-propelled surface cleaning machines where the machine, itself, vacuums or washes a specific pre-programmed floor area.

BIG DATA
Big data is comprised of digitally stored information of such a volume that it is difficult to process via traditional data base methods. The term Big Data saw its breakthrough in 2009.

BUNDLED SERVICES
Two or a number of services delivered to the same customer but which do not require qualified management.

CLOUD
Cloud or also called, cloud services or the cloud, refers to IT services provided via the internet and, in particular, to functions that have been traditionally provided through the company's own computers but where the cloud is managed by another entity. This can, for example, refer to application programs, server programs and the storing of data.

FM AND THE FM MARKET
Services for and associated with a building, for example, property management, maintenance and cleaning, catering, security.

FULLTIME SERVICES
Fulltime services or the equivalent to fulltime services, also usually referred to as FTE. This indicates the number of personnel calculated in terms of fulltime employees.

"HARD" FM
Property management, both interiors and exteriors. Examples of services include maintenance, repairs and work on the buildings.

HSEQ
HSEQ is an abbreviation that stands for Health, Safety, Environment, & Quality.

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

INNOVATION ECOSYSTEM
Coor's network of innovation partners comprised of selected clients, personnel, suppliers and other interested parties.

IOT, INTERNET OF THINGS
Internet of Things (IoT) refers to the network of physical objects (such as vehicles, buildings, machinery and other objects) equipped with electronics, software, sensors and network connections making it possible for these objects to collect and exchange data. IoT implies that objects can be read and remote controlled in real time. These real time measurements are integrated into a computer based system, providing better effectiveness, care and economic advantages.

MOBILITY (IT)
Mobility or mobile computer applications refers to the interaction between a person and a mobile unit (for example, mobile telephones or portable computers).

NORDIC REGION
Denmark, Finland, Norway and Sweden (Iceland excluded).

OWN DELIVERED SERVICES
Services that are executed by the company's own personnel, instead by sub-suppliers.

ROBOTICS
Robotics or robotic is the field of robots and the science of mechanically atomized activities.

In recent years, robotics has assumed an increasing significance within many industries and robots have begun to be tested and used within certain service professions, for example, within premises maintenance, guarding, security services, and client service.

SERVICE MANAGEMENT
Service management is defined as the coordinated control and management of a number of services. The basic concept is the provision of one or a number of services in a more coordinated manner and the delivery of the services agreed upon in an effective manner on the basis of established processes and with the agreed upon quality and cost.

"SOFT" FM
Work site services. Soft FM can be divided into premises maintenance, catering, security and other soft FM services. Examples of such services are the operating of personnel restaurants, staffing of security services and support services (amongst other things, as regards the care of indoor plants and conference support).

SUPPLIER LOYALTY RATIO (PURCHASES)
The portion of total purchases undertaken from central and local suppliers with whom suppliers' agreements have been established.

VESTED OUTSOURCING
A qualified form of cooperation in which the customer and service supplier, together, focus on common values and goals shared by both parties.

SHAREHOLDERS INFORMATION

ANNUAL GENERAL MEETING 2016

PARTICIPATION AT THE ANNUAL GENERAL MEETING

Coor's Annual General Meeting will take place on 28 April at 3 p.m. (15:00) at the Kista Entré conference facility, located at Knarrarnäsgatan 7, Kista. Shareholders wishing to participate at the Annual General Meeting are required to register their attendance in advance. Details on the registration procedure are provided in the notice of the meeting.

PROPOSALS OR INQUIRIES IN THE NOTICE OF THE MEETING

Shareholders who wish to have a specific inquiry or proposal included in the notice of the meeting are able to do so, on condition that such inquiries or proposals are provided in good time before the notice is distributed. The final date for proposals to reach Coor is stated on the company's website, in accordance with the stipulations of the Code.

DISTRIBUTION OF NOTICE AND REGISTRATION INFORMATION

The notice was published on 24 March 2016. The final date to register for participation at the Annual General Meeting is 22 April 2016.

RECORD DATE

2 May 2016.

FINANCIAL CALENDAR 2016

28 April 2016	Interim Report January – March 2016
28 April 2016	Annual General Meeting 2016
19 July 2016	Interim Report January – June 2016
10 November 2016	Interim Report January – September 2016
February 2017	Year-End Report January – December 2016

An up-to-date financial calendar is available at coor.se/Investors.

DISTRIBUTION POLICY

All reports are available in English and Swedish and can be downloaded from coor.com/Investors. A printed version of Coor's annual report is distributed only to shareholders requesting a copy, and can also be ordered via email: ir@coor.com.

CONTACT

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COOR
SERVICE
MANAGEMENT

Coor Service Management is active throughout the Nordic region.
Visit www.coor.com to find your nearest Coor office.
The address of the head office is:

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Knarrarnäsgatan 7, SE-164 99 Kista, Sweden

Phone: +46 (0)10 559 50 00
www.coor.com