Interim Report
January–June 2020

Second quarter of 2020

- Net sales in the second quarter amounted to SEK **2,265** (2,556) million. Organic growth was -11 per cent and growth from acquisitions 2 per cent, while exchange rate effects accounted for -2 per cent.
- Adjusted EBITA amounted to SEK **141** (140) million and the operating margin was **6.2** (5.5) per cent.
- EBIT was SEK **86** (78) million. Profit after tax was SEK **52** (44) million.
- Earnings per share were SEK **0.5** (0.5).
- Operating cash flow was SEK **-11** (38) million. There was a negative impact during the quarter from a strong drop in cash payments from restaurant guests. Cash conversion for the most recent 12-month period amounted to **107** (100) per cent.
- Leverage in relation to adjusted EBITDA was **2.2** (2.7).

First half of 2020

- Net sales in the first half of the year amounted to SEK **4,806** (5,091) million. Organic growth was -7 per cent and growth from acquisitions 2 per cent, while exchange rate effects accounted for -1 per cent.
- Adjusted EBITA amounted to SEK **263** (271) million and the operating margin was **5.5** (5.3) per cent.
- EBIT was SEK **147** (154) million. Profit after tax was SEK **83** (87) million.
- Earnings per share were SEK **0.9** (0.9).
- Operating cash flow was SEK **173** (162) million.
- The first half of the year was marked by the spread of COVID-19 in the Nordic region, which had a negative impact on the company. For a summary of the impact of and Coor's actions linked to COVID-19, refer to page 3.

> ***"Coor's customer-centric business model has once again stood strong through turbulent times***
>
> ***Mikael Stöhr, President and CEO, Coor***

GROUP EARNINGS SUMMARY	Apr - Jun		Jan - Jun		Rolling	Full year
(SEK m)	2020	2019	2020	2019	12 mth.	2019
Net sales	2,265	2,556	4,806	5,091	10,028	10,313
Organic growth, %	*-11*	*5*	*-7*	*7*	*-2*	*5*
Acquired growth, %	*2*	*2*	*2*	*4*	*2*	*2*
FX-effects, %	*-2*	*1*	*-1*	*2*	*0*	*1*
Adjusted EBITA	141	140	263	271	542	549
Adjusted EBITA-margin, %	6.2	5.5	5.5	5.3	5.4	5.3
EBIT	86	78	147	154	291	299
Income for the period	52	44	83	87	165	169
Operating cash flow	-11	38	173	162	602	591
Earnings per share, SEK	0.5	0.5	0.9	0.9	1.7	1.8

See page 24 for definitions and calculations of key performance indicators. Items affecting comparability are presented in Note 3.

CEO's comments

Coor's customer-centric business model has once again stood strong through turbulent times

The second quarter of 2020 was largely marked by the handling of the outbreak of COVID-19. Coor's main priority is the health and safety of our employees and our customers' employees. This priority always applies to Coor, especially in these times. As regards financial earnings, Coor's second-quarter sales totalled SEK 2,265 (2,556) million, delivering an operating profit of SEK 141 (140) million, corresponding to an operating margin of 6.2 (5.5) per cent. Coor's cash flow and balance sheet are strong, with a cash conversion of 107 per cent over the past twelve months and a leverage of 2.2 times adjusted EBITDA.

Partnership and engagement build a stronger Coor

During the second quarter, the Nordic countries were largely closed down by their governments and authorities, and our customers followed suit at different speeds and to various extents. The effects of the spread of infection had a negative effect on Coor's net sales, primarily in terms of variable contract volumes and mainly within food and beverages.

In June, however, when many companies began to return to their workplaces, we saw a clearly positive development in variable volumes of cleaning and advisory services relating to ways in which work can be safely conducted in the workplace while the spread of infection continues.

We have worked closely with our customers to prevent the spread of infection and manage the effects of the pandemic. Coor's customer-centric business model has once again stood strong through turbulent times. Our ability to see each customer and address their specific challenges in close partnership builds strong customer relationships for the future. We have succeeded in this as a result of impressive contributions by all of our employees. In these uncertain times, Coor's employees have shown a future-oriented spirit and commitment that makes me incredibly grateful and proud.

We have also conducted vigorous internal savings programmes. As an example, at the end of the quarter, approximately 1,500 employees throughout the Nordic region remain on short-term furlough. We also minimised purchases of goods and services as well as development initiatives that are not business-critical over the short term.

All these measures are intended to keep Coor and our customers strong through the pandemic. After the most acute phase, Coor is needed as a partner to the business and public sectors in the Nordic region. Many will choose to improve the efficiency of their operations, finding new smart, digital and automated service solutions. Coor's "Service with IQ" customer offering will point the way to the facility management of the future in the Nordic region.

Strong cash flow and stable balance sheet point the way to the future

Coor's operations are characterised by a low level of tied-up capital. The cash conversion for the last twelve months was 107 per cent. The balance sheet was strengthened during the quarter, driven both by increased operating profit, but also by the fact that the Annual General Meeting resolved not to pay a dividend this year. With a leverage of 2.2 (2.7) times adjusted EBITDA, Coor has good flexibility and financial capacity to seek new business opportunities and company acquisitions.

2020 marked by pandemic, but strong long-term prospects remain

2020 will be a year marked by the global pandemic. It remains difficult to foresee the consequences of the COVID-19 pandemic and the decisions being made in society to limit the effects on both health and the economy.

Structurally, however, we see that nothing has changed in either our customers' needs for efficient service solutions or in Coor's underlying business model. We are seeing strong interest and favourable demand in the market as well as attractive business opportunities throughout the Nordic region. We believe our prospects to achieve growth, profitability and cash flow in line with our targets over time are good.

New internally recruited CEO demonstrates breadth of leadership in Coor

I will soon leave Coor after more than seven years as CEO and it feels fantastic to hand over the reins to AnnaCarin Grandin who will become the new CEO on 1 August 2020. With nearly 20 years in various senior positions at the company, she has been a key person in building today's Coor. I cannot imagine any people better suited for the continued generation of business opportunities in facility management in the Nordic region than AnnaCarin and the entire Coor team. I wish you all the best of luck!

Stockholm, 17 July 2020

Mikael Stöhr
President and CEO, Coor

COVID-19, second-quarter summary

During the second quarter of 2020, the spread of COVID-19 continued in the Nordic region. Already in the first quarter, Coor initiated the Group's continuity plan via the crisis teams of the national organisations and the Group. Coor's main priority is the health and safety of our employees and our customers' employees. This is always the case and especially in these times that are dominated by COVID-19. Immediate measures were initiated to minimise the financial effects by reducing the company's costs and safeguarding the company's cash flow. By providing our services, Coor has also enabled crucial societal functions to be maintained – especially in healthcare, infrastructure and the police.

- Coor's efforts to promote the reduced spread of infection follow the recommendations of the authorities in the respective countries and were initially led by the crisis teams of the national organisations. The Group's crisis team coordinated the Group-wide efforts and ensured the sharing of know-how across national boundaries. During the second quarter, the crisis management organisation for COVID-19 was disbanded and the subsequent management of COVID-19 and its effects are now the full responsibility of the ordinary management structure.

- COVID-19 is impacting the company's sales and operating profit negatively, especially regarding the variable volumes, primarily in food and beverages. In 2019, food and beverages accounted for approximately 15 per cent of Coor's sales. The effects from expanded cleaning services, which had only a limited positive impact in the first quarter, were significantly larger in the second quarter. This pertains mainly to Sweden and Denmark and, in particular, for customers in the public sector.

- Coor's subscription volumes in other services are not automatically impacted by reductions in customers' operations as a result of government decisions. In the standard contract with Coor, a pandemic is not regarded as a *force majeure* event. Our operations are primarily conducted at our customers' locations. This means that Coor's operations are adjusted in close dialogue with our customers. We partner with our customers to find both short- and long-term sustainable solutions.

- To minimise the financial effects, Coor has implemented cost reductions – primarily through short-term furloughs based on the regulations and support in the respective countries, but also through lay-offs. At the end of the first quarter, this comprised approximately 2,300 persons (corresponding to just over 20 per cent of all employees at the end of the quarter) spread across all countries and Group-wide staff. As countries and businesses begin to open up, the number of people encompassed by these measures has declined. At the end of the second quarter, approximately 1,500 people (corresponding to approximately 13 per cent of all employees) were affected by temporary lay-off solutions. The company is also minimising purchases of goods and services as well as development initiatives that are not business-critical over the short term.

- The company is working proactively to safeguard its cash flow from the perspective of both working capital and investment. Customer payments are monitored on a daily basis at a detailed level. We currently see no significant changes in the customers' payment patterns, except for cash payments from restaurant guests in the area of food and beverages. During the second quarter, Coor was able to benefit from the possibilities to defer to the second half of the year payments of certain taxes and fees free of charge in Denmark and Norway.

- During the second quarter, Coor's Annual General Meeting resolved not to pay a dividend or to increase the Directors' fee, which was in line with the revised recommendations of the Board and the Nomination Committee. Coor's Board of Directors also decided to withdraw its proposal for a new long-term incentive programme for the management of Coor for 2020.

- Coor has a strong financial position and healthy margins in relation to the bank covenants of 3.75x (interest-bearing net debt at the balance sheet date divided by adjusted EBITDA, rolling 12 months). Coor's bank financing of SEK 1,500 million runs through 2024, including optional extensions. Additionally, the company has a senior unsecured bond loan totalling SEK 1,000 million. The bond has a maturity of five years (from March 2019). During the second quarter, Coor was able to reduce its use of bank financing and at the end of the quarter, the unutilised lines of credit amounted to approximately SEK 1,050 million, compared with approximately SEK 750 million at the end of the first quarter.

- Coor notes that it remains difficult to foresee the consequences over the longer term of the pandemic and the decisions being made in society to limit the effects on both health and the economy.

Group performance

Net sales and operating profit

CONSOLIDATED (SEK m)	Apr - Jun 2020	Apr - Jun 2019	Jan - Jun 2020	Jan - Jun 2019
Net sales	2,265	2,556	4,806	5,091
Organic growth, %	*-11*	*5*	*-7*	*7*
Acquired growth, %	*2*	*2*	*2*	*4*
FX effects, %	*-2*	*1*	*-1*	*2*
Adjusted EBITA	141	140	263	271
Adjusted EBITA-margin, %	6.2	5.5	5.5	5.3
EBIT	86	78	147	154
EBIT-margin, %	3.8	3.0	3.1	3.0
Number of employees (FTE)	9,124	8,918	9,124	8,918

Second quarter (April–June)

Net sales declined 11 per cent compared with the year-earlier period. The acquisition of Norrlands Miljövård contributed 2 per cent to growth, but organic growth was negative and amounted to -11 per cent. The negative organic growth derived from the effects of COVID-19 in the form of lower variable volumes in all countries, primarily in food and beverages. The completed contracts with extremely low margins in Finland also negatively impacted growth, whereas the new and expanded business in primarily Sweden and Denmark made positive contributions. COVID-19 also generated increased assignment volumes, mainly in Sweden and Denmark and particularly in the public sector. Acquired growth for the quarter was entirely attributable to Sweden.

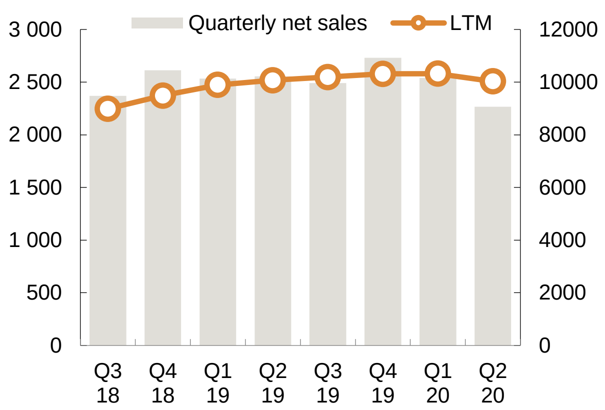
Operating profit (adjusted EBITA) amounted to SEK 141 (140) million. The operating margin for the quarter was 6.2 (5.5) per cent. The improvement was driven by cost reductions, efficiency improvements and profitability-enhancing measures across the entire organisation.

EBIT was SEK 86 (78) million. In addition to the increase in adjusted EBITA, items affecting comparability were significantly lower year-on-year.

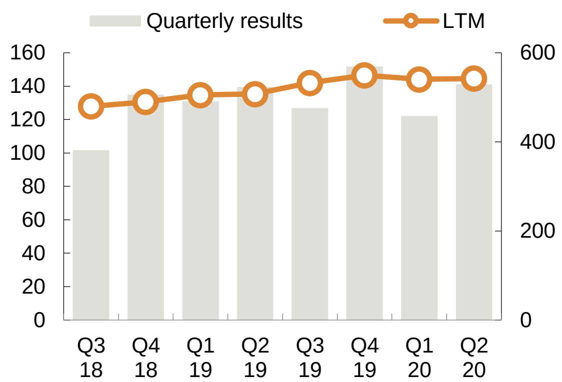
First half-year (January–June)

During the first half of the year, net sales declined by a total of 6 per cent. Organic growth was negative and amounted to -7 per cent and growth from acquisitions was 2 per cent. Operating profit (adjusted EBITA) amounted to SEK 263 (271) million and the margin increased to 5.5 (5.3) per cent.

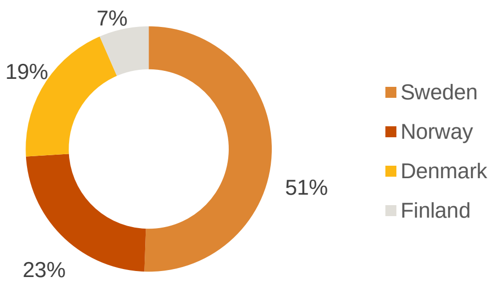
NET SALES (SEK m)



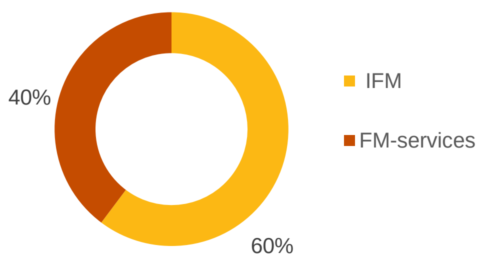
ADJUSTED EBITA (SEK m)



NET SALES BY COUNTRY, LTM, Q2 2020



NET SALES BY TYPE OF CONTRACT, LTM, Q2 2020



Financial net and profit after tax

FINANCIAL NET (SEK m)	Jan - Jun 2020	2019
Net interest, excl leasing	-23	-21
Net interest, leasing	-5	-5
Borrowing costs	-2	-2
Other	-2	-4
Total excl exchange rate differences	**-32**	**-32**
Exchange rate differences	-1	-6
Total	**-34**	**-38**

Net financial items for the first half of the year improved by SEK 4 million compared with the year-earlier period, primarily attributable to the exchange rate differences that arose in the first quarter of 2019 when the loans under the previous financing agreement were repaid.

Tax for the period was SEK -30 (-30) million, corresponding to 26 (25) per cent of profit before tax. Profit after tax was SEK 83 (87) million.

Cash flow

Operating cash flow for the second quarter amounted to SEK -11 (38) million. There was a double negative effect from food and beverages during the quarter. Cash flow was impacted by a strong decrease in cash payments from restaurant guests and by supplier payments in food and beverages that were partly attributable to purchases from the first quarter.

Operating cash flow varies from one quarter to the next. The key parameter to follow is therefore the rolling 12-month change in working capital. In the past 12 months, working capital declined by SEK 130 million, which is an improvement year-on-year. The strong cash flow was mainly attributable to focused working capital management across the whole organisation and a certain positive effect from the possibility to delay some of the quarter's tax payments, free of charge, to the second half of the year.

The most important external key performance indicator for cash flow is cash conversion, which is defined as the ratio of a simplified operating cash flow to adjusted EBITDA. Cash conversion for the most recent 12-month period amounted to 107 (100) per cent.

CASH CONVERSION (SEK m)	LTM Q2 2020	LTM Q2 2019	Full year 2019
Adjusted EBITDA	746	638	749
Change in net working capital	130	70	101
Net investments	-78	-69	-68
Cash flow for calculation of cash conversion	**797**	**639**	**781**
Cash conversion, %	**107**	**100**	**104**

Financial position

NET DEBT (SEK m)	Jun 30 2020	Jun 30 2019	Dec 31 2019
Liabilities to credit institutions	441	889	791
Corporate bond	1,000	1,000	1,000
Leasing, net	350	321	379
Other	34	72	68
	1,825	**2,282**	**2,238**
Cash and cash equivalents	-203	-391	-497
Net debt	**1,621**	**1,891**	**1,741**
Leverage	2.2	2.7	2.3
Equity	2,008	1,929	1,980
Equity/assets ratio, %	33	29	29

1) Calculated pro forma as if IFRS 16 had been applied for the full 12-month period ending 30 June 2019.

Consolidated net debt at the end of the period was SEK 1,621 (1,891) million.

The company's leverage, defined as net debt to adjusted EBITDA, was 2.2 (2.7) at the end of the period, which is well in line with the Group's target of a leverage below 3.0.

Equity at the end of the period was SEK 2,008 (1,929) million, and the equity/assets ratio was 33 (29) per cent.

Cash and cash equivalents amounted to SEK 203 (391) million at the end of the period. At the end of the period, the Group had undrawn credit lines totalling SEK 1,050 (600) million.

Significant events during the second quarter

- On 7 April 2020, Coor announced that the Board of Directors had decided to withdraw its revised proposal for a dividend of SEK 2.20 per share, proposing instead that the Annual General Meeting pass a resolution on not proposing any dividend. Additionally, the Board of Directors of Coor also decided to withdraw its proposal for a new long-term incentive programme for the management of Coor for 2020. In conjunction with this, Coor's Nomination Committee has announced that they intend to propose unchanged Directors' fees for 2020, a change from the previous proposal. The Annual General Meeting on 28 April 2020 resolved in accordance with the proposal by the Board and the Nomination Committee.
- On 3 May 2020, Coor announced that Mikael Stöhr will leave the role of President and CEO for a new position outside the company. On 22 June 2020, it was subsequently announced that AnnaCarin Grandin will assume the position of President and CEO on 1 August 2020. AnnaCarin Grandin was most recently President of Coor's Swedish business.
- On 24 June 2020, it was announced that Coor would extend its IFM contract with Telia Company in Sweden and Norway. Coor has worked with Telia Company in the Nordic region for more than ten years and the extended contract is a so-called vested-outsourcing contract and has a duration of five years at a value of more than SEK 100 million annually.

Significant events after the end of the period

- On 7 July 2020, Coor announced that Magnus Wikström will assume the position of Acting President of Coor Sweden on 1 August 2020 and will become a member of executive management. Magnus Wikström has most recently served as Business Unit President at Coor Sweden.

Contract portfolio

The net change in the contract portfolio for the first half of the year was SEK +55 million. The largest new contracts are with OP Group in Finland and Olav Thon Gruppen in Norway.

CHANGES IN THE CONTRACT PORTFOLIO

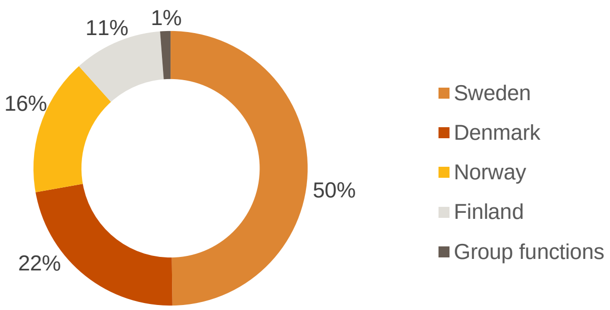
	Jan - Jun 2020		Jan - Jun 2019	
	Number of contracts	Annual sales	Number of contracts	Annual sales
New contracts during the period	6	100	7	350
Completed contracts during the period	-4	-45	-3	-40
Net change in the portfolio	**2**	**55**	**4**	**310**

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

Organisation and employees

At the end of the period, the number of employees was 11,359 (11,129), or 9,124 (8,918) on a full-time equivalent basis. At the end of the quarter, approximately 1,500 employees were affected by the cost reductions implemented, primarily in the form of short-term furloughs.

NUMBER OF EMPLOYEES (FTE), 30 JUNE 2020



Operations by country

Sweden

SWEDEN (SEK m)	Apr - Jun 2020	Apr - Jun 2019	Jan - Jun 2020	Jan - Jun 2019
Net sales	1,174	1,272	2,471	2,538
Organic growth, %	*-12*	*6*	*-7*	*7*
Acquired growth, %	*5*	*0*	*5*	*0*
FX-effects, %	*0*	*0*	*0*	*0*
Adjusted EBITA	120	119	244	233
Adjusted EBITA-margin, %	10.2	9.4	9.9	9.2
Number of employees (FTE)	4,542	4,101	4,542	4,101

Second quarter (April–June)

During the second quarter, sales in the Swedish operations declined by 8 per cent. The acquisition of Norrlands Miljövård contributed 5 per cent to growth, but organic growth was negative and amounted to -12 per cent. Variable volumes decreased compared with the year-earlier period due to the negative effects of COVID-19, primarily in food and beverages. Growth from new business (e.g. ICA) and increased assignment volumes for cleaning and security, driven by COVID-19, partly offset this.

Operating profit (adjusted EBITA) for the quarter amounted to SEK 120 (119) million. The operating margin was 10.2 (9.4) per cent. Although the operating profit was affected by the negative volume effects from COVID-19, the operating profit and operating margin improved. This was attributable to the successful integration of Norrlands Miljövård, intense cost focus and continued efficiency work.

During the second quarter, a new cleaning contract was signed with Västra Götaland region, among others, in addition to contract extensions with Ellevio and Coop.

First half-year (January–June)

During the first half of the year, sales in the Swedish operations declined by 3 per cent. The acquisition of Norrlands Miljövård contributed 5 per cent to growth, while organic growth was negative and amounted to -7 per cent.

Operating profit (adjusted EBITA) increased by 5 per cent to SEK 244 (233) million. The operating margin was 9.9 (9.2) per cent.

Norway

NORWAY (SEK m)	Apr - Jun 2020	Apr - Jun 2019	Jan - Jun 2020	Jan - Jun 2019
Net sales	461	627	1,059	1,252
Organic growth, %	*-17*	*4*	*-8*	*6*
Acquired growth, %	*0*	*7*	*0*	*7*
FX-effects, %	*-10*	*1*	*-7*	*2*
Adjusted EBITA	25	41	58	77
Adjusted EBITA-margin, %	5.5	6.5	5.4	6.2
Number of employees (FTE)	1,473	1,511	1,473	1,511

Second quarter (April–June)

During the second quarter, sales in the Norwegian business decreased by -27 per cent owing to negative growth, which amounted to -17 per cent, and to negative exchange rate effects amounting to -10 per cent. The negative organic growth was caused by the effects of COVID-19 and its impact on variable volumes, mainly in food and beverages, as well as the challenging situation in the Norwegian oil and gas industry.

Operating profit (adjusted EBITA) for the quarter amounted to SEK 25 (41) million. The operating margin was 5.5 (6.5) per cent. The negative development of the operating profit and operating margin is related to the effects of COVID-19 and a great deal of caution in the Norwegian oil and gas industry.

The ongoing efficiency work is expected to make a positive contribution to the operating margin during the second half of the year.

First half-year (January–June)

During the first half of the year, sales in the Norwegian business declined by 15 per cent due to negative organic growth of -8 per cent and negative exchange rate effects of -7 per cent.

Operating profit (adjusted EBITA) amounted to SEK 58 (77) million. The operating margin was 5.4 (6.2) per cent.

Denmark

DENMARK	Apr - Jun		Jan - Jun	
(SEK m)	2020	2019	2020	2019
Net sales	473	473	956	929
Organic growth, %	*-1*	*3*	*1*	*10*
Acquired growth, %	*0*	*0*	*0*	*15*
FX effects, %	*1*	*3*	*1*	*4*
Adjusted EBITA	29	17	39	35
Adjusted EBITA-margin, %	6.2	3.5	4.1	3.8
Number of employees (FTE)	2,045	2,140	2,045	2,140

Second quarter (April–June)

During the second quarter, sales in the Danish business were essentially unchanged compared with the year-earlier period. The expanded contract with the Danish Police, the Prison and Probation Service and the Public Prosecution Agency, and high assignment volumes in cleaning, driven by COVID-19, made a positive contribution to sales. At the same time, COVID-19 is generating negative effects on other variable volumes, mainly in food and beverages.

Operating profit (adjusted EBITA) for the quarter amounted to SEK 29 (17) million. The operating margin was 6.2 (3.5) per cent. A major focus on costs and efficiency improvements, together with the successful integration of the expanded contract with the Danish Police, the Prison and Probation Service and the Public Prosecution Agency, contributed to improved operating profit and operating margin.

First half-year (January–June)

During the first half of the year, sales in the Danish operation increased by 3 per cent through a combination of positive organic growth and positive exchange rate effects.

Operating profit (adjusted EBITA) amounted to SEK 39 (35) million. The operating margin was 4.1 (3.8) per cent.

Finland

FINLAND	Apr - Jun		Jan - Jun	
(SEK m)	2020	2019	2020	2019
Net sales	158	184	321	372
Organic growth, %	*-15*	*8*	*-15*	*10*
Acquired growth, %	*0*	*0*	*0*	*0*
FX effects, %	*0*	*3*	*1*	*4*
Adjusted EBITA	5	1	6	3
Adjusted EBITA-margin, %	3.0	0.7	1.9	0.7
Number of employees (FTE)	952	1,055	952	1,055

Second quarter (April–June)

Sales in Finland in the second quarter declined by -15 per cent, driven by deliveries completed during the fourth quarter and the effects of the previously announced termination of contracts with very low margins. COVID-19 had some negative impact on the Finnish business during the second quarter, but this was offset by the new contract with OP Group, which started in May.

Operating profit (adjusted EBITA) improved compared with the preceding year and amounted to SEK 5 (1) million. The operating margin was 3.0 (0.7) per cent. Lower overheads, efficiency enhancements and the termination of low-margin contracts made a positive contribution to operating profit and the operating margin.

First half-year (January–June)

Organic growth was negative during the first half of the year and amounted to -15 per cent.

Operating profit (adjusted EBITA) improved compared with the preceding year and amounted to SEK 6 (3) million. The operating margin was 1.9 (0.7) per cent.

Significant risks and uncertainties

The Group's significant risks and uncertainties consist of **strategic risks** related to changes in market and economic conditions as well as sustainability and **operational risks** related to customer contracts. The Group is also exposed to various kinds of **financial risks**, such as currency, interest and liquidity risks. A detailed description of the Group's risks is provided in the Annual Report, which is available on the company's website. The spread of COVID-19 in the Nordic region has escalated since the publication of the Annual Report, creating uncertainty that impacts the market, Coor as a company and Coor's customers. Coor has summarised the measures taken owing to COVID-19 on page 3.

Acquisitions and sales

No significant acquisitions or sales were implemented during the quarter.

Parent Company

The Group's Parent Company, Coor Service Management Holding AB, provides management services to its wholly owned subsidiary Coor Service Management Group AB. The Parent Company also manages shares in subsidiaries.

Loss after tax in the Parent Company was SEK -41 (-47) million. Total assets in the Parent Company at the end of the period were SEK 7,844 (7,846) million. Equity in the Parent Company was SEK 5,468 (4,874) million.

Related party transactions

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

Ownership structure

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

COOR'S FIFTEEN LARGEST SHAREHOLDERS JUNE 30, 2020 [1)]

Shareholder	Number of shares and votes	Shares and votes, %
Nordea Fonder	7,214,515	7.5
Didner & Gerge Fonder	6,169,171	6.4
Andra AP-Fonden	5,918,313	6.2
Första AP-fonden	5,590,748	5.8
AMF Försäkring & Fonder	4,821,966	5.0
Capital Group	4,690,795	4.9
SEB-Stiftelsen	4,000,000	4.2
Swedbank Robur Fonder	3,964,823	4.1
Crux Asset Management Ltd	3,500,574	3.7
Spiltan Fonder	3,408,943	3.6
Taiga Fund Management AS	3,158,035	3.3
Wipunen varainhallinta Oy	2,821,770	2.9
BMO Global Asset Management	2,645,325	2.8
Heikantorppa Oy	2,000,000	2.1
Danske Invest (Lux)	1,630,000	1.7
Total 15 largest shareholders	**61,534,978**	**64.2**
Other shareholders	34,277,044	35.8
Total	**95,812,022**	**100.0**

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

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Declaration

The Board of Directors and Chief Executive Officer affirm and declare that this interim report gives a true and fair view of the Group's operations, sales, results and financial position, and that it describes significant risks and uncertainties faced by the Parent Company and the companies in the Group. The information provided is accurate and nothing of material significance has been omitted that could affect the presentation of the Group and Parent Company in the financial statements.

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

Stockholm, 17 July 2020

Mats Granryd
Chairman

Anders Ehrling

Mats Jönsson

Monica Lindstedt

Kristina Schauman

Heidi Skaaret

Glenn Evans
Employee Representative

Linus Johansson
Employee Representative

Rikard Milde
Employee Representative

Mikael Stöhr
President and CEO

For further information

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

For questions concerning the operations or the company in general, please contact Mikael Stöhr, President and CEO (+46 10 559 59 35) or Magdalena Öhrn, Director of Communications (+46 10 559 55 19).

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

Invitation to a press and analyst presentation

On 17 July 2020, at 10:00 a.m. CEST, the company's President and CFO will give a presentation on developments in the second quarter in a webcast. To participate in the webcast, please register in advance using the following link:

https://onlinexperiences.com/Launch/QReg/ShowUUID=8B5002B6-8F64-4D8E-BD8C-A608A2D7CF6A

To listen to the presentation by telephone, dial +46850558356 (Sweden), +4723963938 (Norway), +4578150108 (Denmark), +358931583775 (Finland) or +443333009261 (UK).

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

Financial calendar

Interim Report January–September 2020	4 November 2020
Interim Report January–December 2020	11 February 2021
Interim Report January–March 2021	26 April 2021
Interim Report January–June 2021	15 July 2021

This constitutes information which Coor Service Management Holding AB is required to publish under the EU's Market Abuse Regulation. The information was submitted for publication through the above contact person on 17 July 2020, at 7:30 a.m. CEST.

Coor is a leading provider of facility management services in the Nordic countries, focusing on integrated and complex service undertakings (IFM). Coor offers specialist expertise in workplace services (soft FM), property services (hard FM) and strategic advisory services for development of customers' service activities. Coor creates value by executing, leading, developing and streamlining its customers' service activities, ensuring that they provide optimal support to the core business over time. This may include, for example, property services, cleaning services, restaurant, and mail and reception services. Coor's customer base includes many large and small companies and public-sector organisations across the Nordic region, including ABB, Aibel, Det Norske Veritas, E.ON, Equinor, Ericsson, ICA, NCC, Politiet (Danish police), Saab, Sandvik, SAS, Telia Company, the Swedish Transport Administration, Vasakronan, Volvo Cars and Volvo Group.

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

CONSOLIDATED INCOME STATEMENT	Apr - Jun		Jan - Jun		Rolling	Full year
(SEK m)	2020	2019	2020	2019	12 mth.	2019
Net sales	2,265	2,556	4,806	5,091	10,028	10,313
Cost of services sold	-2,015	-2,307	-4,307	-4,595	-9,038	-9,326
Gross income	**250**	**248**	**499**	**496**	**990**	**987**
Selling and administrative expenses	-164	-171	-352	-342	-699	-689
Operating profit	**86**	**78**	**147**	**154**	**291**	**299**
Net financial income/expense	-16	-16	-34	-38	-67	-71
Profit before tax	**69**	**61**	**113**	**117**	**224**	**228**
Income tax expense	-17	-17	-30	-30	-59	-59
Income for the period	**52**	**44**	**83**	**87**	**165**	**169**
Operating profit	**86**	**78**	**147**	**154**	**291**	**299**
Amortisation and impairment of goodwill, customer contracts and trademarks	48	46	97	91	192	186
Items affecting comparability *(note 3)*	7	16	19	25	59	65
Adjusted EBITA	**141**	**140**	**263**	**271**	**542**	**549**
Earnings per share, SEK, before and after dilution	**0.5**	**0.5**	**0.9**	**0.9**	**1.7**	**1.8**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	Apr - Jun		Jan - Jun		Rolling	Full year
(SEK m)	2020	2019	2020	2019	12 mth.	2019
Income for the period	**52**	**44**	**83**	**87**	**165**	**169**
Items that may be subsequently reclassified to profit or loss						
Currency translation differences	-50	21	-64	67	-95	35
Cash flow hedges	-4	0	-10	0	1	12
Other comprehensive income for the period	**-54**	**21**	**-74**	**67**	**-94**	**47**
Total comprehensive income for the period	**-2**	**66**	**9**	**154**	**71**	**216**

The interim information on pages 12–24 is an integral part of this financial report.

CONSOLIDATED BALANCE SHEET	Jun 30		Dec 31
(SEK m)	2020	2019	2019
Assets			
Intangible assets			
Goodwill	3,148	3,080	3,191
Customer contracts	490	616	591
Other intangible assets	178	162	173
Property, plant and equipment			
Right-of use assets held via leases	356	331	387
Other property, plant and equipment	86	91	85
Financial assets			
Deferred tax receivable	159	197	161
Other financial assets	18	15	31
Total non-current assets	**4,434**	**4,493**	**4,619**
Current assets			
Accounts receivable	1,220	1,277	1,310
Other current assets, interest-bearing	1	1	1
Other current assets, non-interest-bearing	306	476	438
Cash and cash equivalents	203	391	497
Total current assets	**1,730**	**2,145**	**2,246**
Total assets	**6,164**	**6,638**	**6,864**

	Jun 30		Dec 31
	2020	2019	2019
Equity and liabilities			
Equity	**2,008**	**1,929**	**1,980**
Liabilities			
Non-current liabilities			
Borrowings *(Note 2)*	1,472	1,955	1,856
Lease liabilities *(Note 2)*	250	235	276
Deferred tax liability	29	42	35
Provisions for pensions	20	20	20
Other non-interest bearing liabilities	0	1	0
Total non-current liabilities	**1,771**	**2,253**	**2,188**
Current liabilities			
Borrowings *(Note 2)*	0	0	12
Lease liabilities *(Note 2)*	101	89	105
Current tax liabilities	46	32	42
Accounts payable	510	915	978
Other current liabilities	1,721	1,412	1,545
Short-term provisions	8	7	15
Total current liabilities	**2,386**	**2,456**	**2,697**
Total equity and liabilities	**6,164**	**6,638**	**6,864**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	Jan - Jun		Full year
(SEK m)	2020	2019	2019
Opening balance at beginning of period	**1,980**	**2,164**	**2,164**
Income for the period	83	87	169
Other comprehensive income for the period	-74	67	47
Long-term incentive programs	3	3	8
Share swap for hedging of long-term incentive programme [1]	15	0	0
Acquisition of own shares [2]	0	-12	-28
Dividend	0	-380	-380
Closing balance at end of period	**2,008**	**1,929**	**1,980**

[1] Coor undertook share swaps to secure the LTIP 2018 incentive programme, which was resolved on by the 2018 Annual General Meeting. At 30 June 2020, the number of guaranteed shares amounted to 500,000, with an average cost of SEK 58.9.

[2] Coor repurchased its own shares to secure the LTIP 2019 incentive programme, as resolved by the 2019 Annual General Meeting. At 30 June 2020, the number of treasury shares was 340,000, which were repurchased at an average cost of SEK 82.50.

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

CONSOLIDATED CASH FLOW STATEMENT	Apr - Jun		Jan - Jun		Rolling	Full year
(SEK m)	2020	2019	2020	2019	12 mth.	2019
Operating profit	**86**	**78**	**147**	**154**	**291**	**299**
Adjustment for non-cash items	91	95	188	185	398	395
Finance net	-15	-17	-31	-42	-63	-74
Income tax paid	-4	-15	-22	-30	-36	-45
Cash flow before changes in working capital	**157**	**141**	**281**	**266**	**590**	**575**
Change in working capital	-140	-82	-54	-83	130	101
Cash flow from operating activities	**17**	**59**	**227**	**183**	**720**	**676**
Net investments	-15	-20	-40	-31	-73	-63
Acquisition of subsidiaries	0	0	-12	0	-164	-152
Cash flow from investing activities	**-15**	**-20**	**-53**	**-31**	**-237**	**-215**
Change in borrowings	-300	400	-350	209	-450	109
Dividend	0	-380	0	-380	0	-380
Net lease commitments	-29	-30	-62	-58	-132	-128
Other	-20	2	-20	2	-36	-15
Cash flow from financing activities	**-349**	**-9**	**-431**	**-228**	**-618**	**-415**
Total cash flow for the period	**-347**	**30**	**-257**	**-76**	**-135**	**46**
Cash and cash equivalents at beginning of period	578	351	497	435	391	435
Exchange gains on cash and cash equivalents	-27	9	-37	32	-53	16
Cash and cash equivalents at end of period	**203**	**391**	**203**	**391**	**203**	**497**

CONSOLIDATED OPERATING CASH FLOW	Apr - Jun		Jan - Jun		Rolling	Full year
(SEK m)	2020	2019	2020	2019	12 mth.	2019
EBIT	86	78	147	154	291	299
Depreciation and amortisation	96	93	195	185	395	385
Net investments	-15	-20	-40	-31	-73	-63
Change in working capital	-140	-82	-54	-83	130	101
Adjustment for lease payments [1)]	-32	-32	-67	-64	-144	-140
Adjustment for non-cash items	-6	2	-8	0	2	10
Operating cash flow	**-11**	**38**	**173**	**162**	**602**	**591**
Adjustment for items affecting comparability	7	16	19	25	59	65
Adjustment for lease payments [1)]	32	32	67	64	144	140
Other	5	-3	4	-3	-8	-15
Cash flow for calculation of cash conversion	**33**	**84**	**264**	**248**	**797**	**781**
Cash conversion, %	**17**	**45**	**73**	**68**	**107**	**104**

[1)] Refers to payments linked to the leases that Coor reports in accordance with IFRS 16 in the balance sheet.

GEOGRAPHICAL SEGMENTS	Apr - Jun		Jan - Jun		Rolling	Full year
(SEK m)	2020	2019	2020	2019	12 mth.	2019
Net sales						
Sweden	**1,174**	**1,272**	**2,471**	**2,538**	**5,072**	**5,138**
Total sales	*1,217*	*1,307*	*2,554*	*2,604*	*5,230*	*5,279*
Internal sales	*-43*	*-36*	*-84*	*-66*	*-158*	*-140*
Norway	**461**	**627**	**1,059**	**1,252**	**2,352**	**2,546**
Total sales	*462*	*630*	*1,063*	*1,257*	*2,361*	*2,555*
Internal sales	*-2*	*-2*	*-4*	*-5*	*-9*	*-9*
Finland	**158**	**184**	**321**	**372**	**654**	**706**
Total sales	*158*	*184*	*321*	*372*	*654*	*706*
Internal sales	*0*	*0*	*0*	*0*	*0*	*0*
Denmark	**473**	**473**	**956**	**929**	**1,951**	**1,924**
Total sales	*474*	*473*	*958*	*930*	*1,954*	*1,927*
Internal sales	*-1*	*0*	*-1*	*-1*	*-3*	*-2*
Group functions/other	**0**	**0**	**0**	**-1**	**-1**	**-1**
Total	**2,265**	**2,556**	**4,806**	**5,091**	**10,028**	**10,313**
Adjusted EBITA						
Sweden	120	119	244	233	473	462
Norway	25	41	58	77	142	161
Finland	5	1	6	3	16	13
Denmark	29	17	39	35	79	74
Group functions/other	-38	-38	-84	-77	-168	-162
Total	**141**	**140**	**263**	**271**	**542**	**549**
Adjusted EBITA is reconciled to profit before tax as follows:						
Amortisation and impairment of goodwill, customer contracts and trademarks	-48	-46	-97	-91	-192	-186
Items affecting comparability *(note 3)*	-7	-16	-19	-25	-59	-65
Net financial income/expense	-16	-16	-34	-38	-67	-71
Profit before tax	**69**	**61**	**113**	**117**	**224**	**228**

	Apr - Jun		Jan - Jun		Rolling	Full year
Adjusted EBITA margin, %	2020	2019	2020	2019	12 mth.	2019
Sweden	10.2	9.4	9.9	9.2	9.3	9.0
Norway	5.5	6.5	5.4	6.2	6.0	6.3
Finland	3.0	0.7	1.9	0.7	2.5	1.8
Denmark	6.2	3.5	4.1	3.8	4.0	3.9
Group functions/other	-	-	-	-	-	-
Total	**6.2**	**5.5**	**5.5**	**5.3**	**5.4**	**5.3**

NET SALES BY TYPE OF CONTRACT	Apr - Jun		Jan - Jun		Rolling	Full year
(SEK m)	2020	2019	2020	2019	12 mth.	2019
Net sales						
IFM	1,300	1,548	2,831	3,075	6,042	6,286
FM - services	965	1,008	1,975	2,016	3,986	4,027
Total	**2,265**	**2,556**	**4,806**	**5,091**	**10,028**	**10,313**

QUARTERLY DATA (SEK m)	2020		2019				2018	
GEOGRAPHICAL SEGMENTS	II	I	IV	III	II	I	IV	III
Net sales, external								
Sweden	1,174	1,297	1,400	1,201	1,272	1,266	1,277	1,129
Norway	461	598	656	638	627	625	666	605
Finland	158	163	168	165	184	188	193	176
Denmark	473	483	509	487	473	456	477	459
Group functions/other	0	0	0	0	0	0	0	0
Total	**2,265**	**2,541**	**2,732**	**2,490**	**2,556**	**2,535**	**2,613**	**2,369**
Adjusted EBITA								
Sweden	120	124	138	91	119	114	116	72
Norway	25	32	40	44	41	36	41	41
Finland	5	1	1	9	1	1	-1	8
Denmark	29	10	19	20	17	19	25	20
Group functions/other	-38	-46	-47	-37	-38	-39	-46	-39
Total	**141**	**122**	**152**	**127**	**140**	**131**	**135**	**102**
Adjusted EBITA-margin, %								
Sweden	10.2	9.6	9.9	7.6	9.4	9.0	9.1	6.4
Norway	5.5	5.4	6.2	6.9	6.5	5.8	6.1	6.8
Finland	3.0	0.9	0.6	5.6	0.7	0.7	-0.5	4.8
Denmark	6.2	2.1	3.7	4.2	3.5	4.1	5.2	4.3
Group functions/other	-	-	-	-	-	-	-	-
Total	**6.2**	**4.8**	**5.6**	**5.1**	**5.5**	**5.2**	**5.2**	**4.3**

QUARTERLY DATA (SEK m)	2020		2019				2018	
TYPE OF CONTRACT	II	I	IV	III	II	I	IV	III
Net sales, external								
IFM	1,300	1,531	1,695	1,517	1,548	1,527	1,565	1,389
FM-services	965	1,010	1,038	974	1,008	1,008	1,048	980
Total	**2,265**	**2,541**	**2,732**	**2,490**	**2,556**	**2,535**	**2,613**	**2,369**

PARENT COMPANY INCOME STATEMENT	Apr - Jun		Jan - Jun		Full year
(SEK m)	2020	2019	2020	2019	2019
Net sales	**1**	**2**	**2**	**3**	**6**
Selling and administrative expenses	-8	-10	-16	-18	-33
Operating profit	**-8**	**-8**	**-14**	**-15**	**-27**
Dividend from group companies	0	0	0	0	600
Other net financial income/expense	-11	-13	-23	-32	-60
Group contribution	0	0	0	0	76
Income before tax	**-19**	**-22**	**-38**	**-47**	**589**
Income tax expense	-2	0	-3	0	-8
Income for the period	**-21**	**-22**	**-41**	**-47**	**581**

PARENT COMPANY BALANCE SHEET	Jun 30		Dec 31
(SEK m)	2020	2019	2019
Assets			
Shares in subsidiaries	7,789	7,789	7,789
Deferred tax asset	50	52	50
Other financial assets	1	1	1
Total non-current assets	**7,840**	**7,842**	**7,840**
Receivables from Group companies*	0	1	80
Other trading assets	4	4	2
Cash and cash equivalents*	0	0	0
Total current assets	**4**	**5**	**82**
Total assets	**7,844**	**7,846**	**7,922**

	Jun 30		Dec 31
	2020	2019	2019
Equity and liabilities			
Shareholders' equity	**5,468**	**4,874**	**5,494**
Liabilities			
Borrowings	1,470	1,953	1,855
Provisions for pensions	2	2	2
Total non-current liabilities	**1,472**	**1,955**	**1,856**
Liabilities to Group companies*	885	1,008	553
Income tax liability	10	0	7
Accounts payable	0	1	0
Other current liabilities	10	9	12
Total current liabilities	**905**	**1,018**	**572**
Total liabilities	**2,377**	**2,973**	**2,428**
Total equity and liabilities	**7,844**	**7,846**	**7,922**

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

Key performance indicators

KEY PERFORMANCE INDICATORS	Apr - Jun		Jan - Jun		Rolling	Full year
(SEK m)	2020	2019	2020	2019	12 mth.	2019
Net sales	2,265	2,556	4,806	5,091	10,028	10,313
Net sales growth, %	-11.4	7.4	-5.6	12.9	-0.4	8.7
of which organic growth, %	*-11.5*	*4.8*	*-6.6*	*7.2*	*-1.6*	*5.3*
of which acquired growth, %	*2.4*	*1.6*	*2.4*	*4.1*	*1.6*	*2.4*
of which FX effect, %	*-2.3*	*0.9*	*-1.4*	*1.6*	*-0.5*	*1.0*
Operating profit (EBIT)	86	78	147	154	291	299
EBIT margin, %	3.8	3.0	3.1	3.0	2.9	2.9
EBITA	134	123	244	245	483	484
EBITA margin, %	5.9	4.8	5.1	4.8	4.8	4.7
Adjusted EBITA	141	140	263	271	542	549
Adjusted EBITA margin, %	6.2	5.5	5.5	5.3	5.4	5.3
Adjusted EBITDA	189	187	362	364	746	749
Adjusted EBITDA margin, %	8.3	7.3	7.5	7.2	7.4	7.3
Adjusted net profit	100	90	180	178	357	355
Net working capital	-703	-574	-703	-574	-703	-774
Net working capital / Net sales, %	-7.0	-5.7	-7.0	-5.7	-7.0	-7.5
Operating cash flow	-11	38	173	162	602	591
Cash conversion, %	17	45	73	68	107	104
Net debt	1,621	1,891	1,621	1,891	1,621	1,741
Leverage [1)]	2.2	2.7	2.2	2.7	2.2	2.3
Equity/assets ratio, %	33	29	33	29	33	29

[1)] Leverage and adjusted EBITDA were impacted by the implementation of IFRS 16. The comparative figures for the second quarter of 2019 are based on a pro forma adjusted EBITDA as if IFRS 16 had been applied for the full rolling 12-month period ending 30 June 2019.

DATA PER SHARE	Apr - Jun		Jan - Jun		Rolling	Full year
	2020	2018	2020	2019	12 mth.	2019
Share price at end of period	61.2	85.8	61.2	85.8	61.2	82.4
No. of shares at end of period	95,812,022	95,812,022	95,812,022	95,812,022	95,812,022	95,812,022
No. of treasury shares[1)]	-340,000	-130,500	-340,000	-130,500	-340,000	-340,000
No. of shares outstanding	95,472,022	95,681,522	95,472,022	95,681,522	95,472,022	95,472,022
No. of ordinary shares outstanding (weighted average)	95,472,022	95,794,740	95,472,022	95,803,333	95,496,434	95,661,302
Earnings per share, before and after dilution, SEK	0.54	0.46	0.87	0.91	1.73	1.77
Shareholders' equity per share, SEK	21.03	20.16	21.03	20.16	21.03	20.74

[1)] In accordance with the resolution of the Annual General Meeting, Coor undertook an acquisition of its own shares during the second and third quarters of 2019 to secure its financial exposure in accordance with the LTIP 2019 long-term incentive programme. In total, Coor had 340,000 treasury shares at the end of the period to secure the financial commitments related to LTIP 2019.

Notes

Note 1 – Accounting principles

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU. The applied accounting principles are consistent with those described in the Group's Annual Report for 2019.

During the second quarter of 2020, companies in the Group received certain government support packages that each country created to mitigate the financial effects of the outbreak of COVID-19. Government support was only recognised to the extent that the company deems it reasonably certain that the support will be received and that the company will meet the conditions for this support. The government support is recognised in the same periods as the costs that the support is intended to cover. Support received is deducted as a cost reduction on the same line in the income statement as the corresponding costs are recognised.

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

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

Note 2 – Financial instruments

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

	Carrying amount			Fair value		
	Jun 30		Dec 31	Jun 30		Dec 31
(SEK m)	2020	2019	2019	2020	2019	2019
Lease liabilities	351	324	381	351	324	381
Liabilities to credit institutions	441	889	791	441	889	791
Corporate Bond	1,000	1,000	1,000	1,000	1,000	1,000
Other non-current liabilities	31	66	78	31	66	78
Total	**1,824**	**2,279**	**2,250**	**1,824**	**2,279**	**2,250**

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

Note 3 – Items affecting comparability

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

ITEMS AFFECTING COMPARABILITY	Apr - Jun		Jan - Jun		Rolling	Full year
(SEK m)	2020	2019	2020	2019	12 mth.	2019
Integration	-7	-7	-16	-18	-37	-40
Restructuring	0	-9	-3	-7	-21	-24
Acquisition related expenses	0	0	0	0	0	0
Other	0	0	0	0	-1	0
Total	**-7**	**-16**	**-19**	**-25**	**-59**	**-65**

Effects associated with COVID-19

Coor has elected not to report the financial effects associated with COVID-19 as items affecting comparability in the income statement. It is the assessment of management that it is extremely difficult to separate the effects on sales and operating profit related to COVID-19 from other day-to-day events in the operations in a clear and consistent manner. The effects of COVID-19 are described in detail on page 3.

Note 4 – Pledged assets and contingent liabilities

PLEDGED ASSETS	Jun 30		Dec 31
(SEK m)	2020	2019	2019
Bank guarantees	134	144	140
Total	**134**	**144**	**140**

CONTINGENT LIABILITIES	Jun 30		Dec 31
(SEK m)	2020	2019	2019
Performance bonds	175	182	181
Total	**175**	**182**	**181**

Parent Company

The Parent Company has provided a Parent Company guarantee of SEK 31 (32) million to secure financial commitments for the Finnish subsidiary regarding leasing frame and bank guarantees. The Parent Company has also provided a Parent Company guarantee for a subsidiary in Norway to ensure fulfilment of delivery to a larger customer. There are no other pledged assets or contingent liabilities in the Parent Company.

Purpose of the selected key performance indicators

To give its investors and other stakeholders clearer information about the Group's operations and its underlying success factors, Coor has chosen to provide information about a number of key performance indicators. The purpose of these indicators is explained below. See page 24 for definitions of terms and the calculation of key performance indicators.

Growth

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

Earnings and profitability

To reflect the performance and profitability of the underlying business more accurately, the Group has defined key performance indicators in which earnings have been adjusted for items affecting comparability and for amortisation and impairment of goodwill, customer contracts and trademarks. The Group considers that adjusted EBITA is the measure of operating profit which most clearly reflects the underlying profitability. It is also based on this measure of earnings that the Group's segments are followed up and evaluated internally.

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

Cash flow and working capital

The Group continuously monitors operating cash flow, which includes the operating profit (excluding non-cash items), net investments and changes in working capital and payments linked to leasing agreements (even if the agreements according to IFRS 16 are reported in the balance sheet). The Group has chosen to exclude cash flow related to financial transactions and income taxes from this measure in order to provide a clearer picture of the cash flow generated by the operations.

The Group's objective is to maintain a cash conversion ratio of at least 90 per cent on a rolling 12-month basis. To ensure that the measure provides a true and fair picture over time, the Group calculates cash conversion using measures of operating profit and operating cash flow which exclude items affecting comparability.

To achieve the defined target for cash conversion, it is important to minimise working capital and maintain a negative working capital. The Group therefore continuously monitors the size of working capital relative to net sales.

Net debt and leverage

To ensure that the Group has an appropriate funding structure at all times and is able to fulfil its financial obligations under its loan agreement, it is relevant to analyse net debt and leverage (defined as net debt divided by adjusted EBITDA, rolling 12 months). The Group's objective is to maintain a leverage of less than 3.0 times.

Reconciliation of key performance indicators

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

RECONCILIATION OF ADJUSTED KEY PERFORMANCE INDICATORS	Apr - Jun		Jan - Jun		Rolling	Full year
(SEK m)	2020	2019	2020	2019	12 mth.	2019
Operating profit (EBIT)	**86**	**78**	**147**	**154**	**291**	**299**
Amortisation and impairment of customer contracts and trademarks	48	46	97	91	192	186
EBITA	**134**	**123**	**244**	**245**	**483**	**484**
Items affecting comparability *(Note 3)*	7	16	19	25	59	65
Adjusted EBITA	**141**	**140**	**263**	**271**	**542**	**549**
Depreciation	48	47	98	94	204	199
Adjusted EBITDA	**189**	**187**	**362**	**364**	**746**	**749**
Income for the period	**52**	**44**	**83**	**87**	**165**	**169**
Amortisation and impairment of customer contracts and trademarks	48	46	97	91	192	186
Adjusted net profit	**100**	**90**	**180**	**178**	**357**	**355**

SPECIFICATION OF NET WORKING CAPITAL	Apr - Jun		Jan - Jun		Rolling	Full year
(SEK m)	2020	2019	2020	2019	12 mth.	2019
Accounts receivable	1,220	1,277	1,220	1,277	1,220	1,310
Other current assets, non-interest-bearing	306	476	306	476	306	438
Accounts payable	-510	-915	-510	-915	-510	-978
Other current liabilities, non-interest-bearing	-1,721	-1,412	-1,721	-1,412	-1,721	-1,545
Adjustment for accrued financial expenses	1	0	1	0	1	1
Net working capital	**-703**	**-574**	**-703**	**-574**	**-703**	**-774**

SPECIFICATION OF NET DEBT	Apr - Jun		Jan - Jun		Rolling	Full year
(SEK m)	2020	2019	2020	2019	12 mth.	2019
Borrowings	1,472	1,955	1,472	1,955	1,472	1,869
Lease liabilities	351	324	351	324	351	381
Provisions for pensions	20	20	20	20	20	20
Cash and cash equivalents	-203	-391	-203	-391	-203	-497
Other financial non-current assets, interest-bearing	-18	-15	-18	-15	-18	-31
Other current assets, interest-bearing	-1	-1	-1	-1	-1	-1
Net debt	**1,621**	**1,891**	**1,621**	**1,891**	**1,621**	**1,741**

For a reconciliation of operating cash flow and cash conversion, see page 15.

Definitions

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

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

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

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

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

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

Operating cash flow Cash flow from operating activities excluding interest paid/received and income tax paid but including net investments in property, plant and equipment and intangible assets as well as payments connected with all leases.

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

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

Calculation of key performance indicators

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

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

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

EBITA margin EBITA as a percentage of net sales.

Adjusted EBITA margin Adjusted EBITA as a percentage of net sales.

Adjusted EBITDA margin Adjusted EBITDA as a percentage of net sales.

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

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

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

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

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

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

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