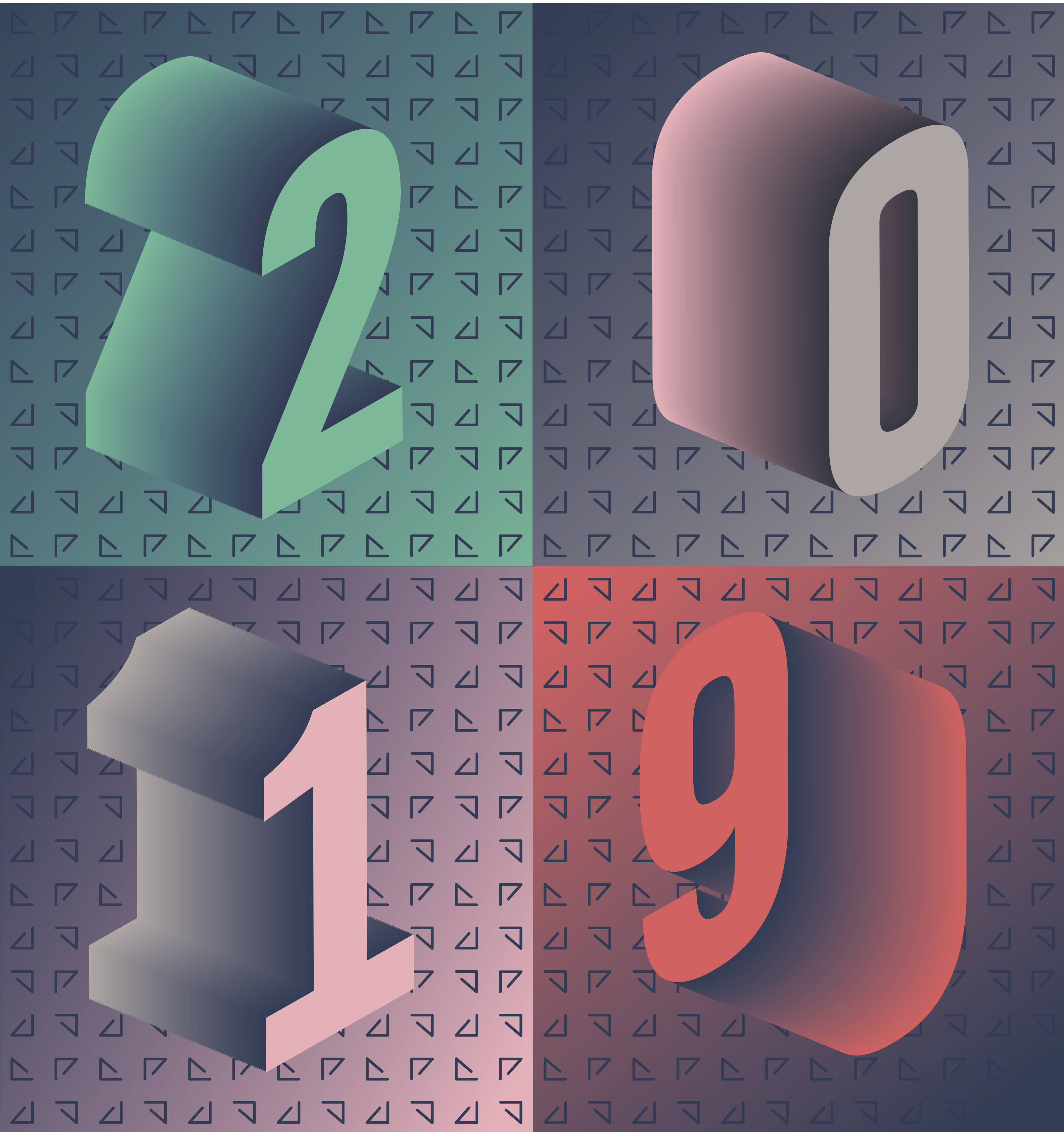
REJLERS

ANNUAL REPORT 2019



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JANUARY–DECEMBER:

2557.1

Net sales, SEK million

103.5

EBIT, SEK million

4.19

Earnings per share before dilution, SEK

SIGNIFICANT EVENTS DURING THE YEAR

Rejlers AB (publ) carried out a new share issue. The share issue was carried out without preferential rights for the company's shareholders and comprised 1,600,000 Class B shares, which corresponds to around 8.8 per cent of the number of shares outstanding. The proceeds amounted to SEK 154,240,000 before issue expenses and the new share issue was carried out to finance the Neste acquisition.

Rejlers acquires Elproj teknik AB. Elproj teknik AB has 18 employees with leading expertise in electrical power, automation and installation project engineering and sales of around SEK 24 million. Some of the customers are Scania, the Swedish Transport Administration and OKG.

Jenny Edfast named new President of Rejlers Sweden. Jenny Edfast has been appointed the new President of Rejlers Sverige AB, with more than 1,000 employees, 40 offices and 350 partners, and will be a member of Rejlers Group management.

Rejlers acquires Smarthub AS in Norway. Rejlers is thereby strengthening its position as a leading independent service provider of IoT infrastructure (Internet of Things) in the Nordic region.

Rejlers Embriq has entered an agreement worth billions with Statnett. Statnett has entered an agreement with a delivery group of which Rejlers Embriq is a part. The agreement comprises the development and administration of system solutions.

Rejlers is growing in defence and security through the acquisition of Pondra. The acquisition is a part of Rejlers' growth strategy and means that the company is strengthening its offering in the Defence and Security business area.

Rejlers has entered a strategic partnership with Neste through acquisitions and a five-year framework agreement. The acquisition is a part of the new strategy to grow in existing markets, within project-based consultancy operations and the energy sector.

Rejlers signs a framework agreement with Stockholm Exergi. The framework agreement comprises delivery of services within technical project management, electrical power and inspections and runs until 1 September 2020 with a possibility of extension two years at a time until 1 September 2027.

Five-year summary

Income statement summary, SEK millions	2019	2018	2017	2016	2015
Operating income	**2,561.7**	2,367.0	2,470.1	2,341.4	1,875.5
Personnel expenses	**-1,566.7**	-1,460.8	-1,448.9	-1,453.7	-1,280.1
Other external expenses	**-745.4**	-823.4	-950.3	-816.4	-493.0
Depreciation and impairment	**-147.3**	-47.5	-46.1	-44.2	-32.2
Participations in associated company earnings	**1.2**	0.8	0.3	0.4	0.8
Operating profit/loss	**103.5**	**36.1**	**25.1**	**27.5**	**71.0**
Net financial income/expense	**-7.3**	-6.0	-3.6	-5.3	0.8
Profit/loss after net financial income/expense	**96.2**	**30.1**	**21.5**	**22.2**	**71.8**
Tax	**-18.6**	-13.9	-9.8	-8.2	-20.6
PROFIT FOR THE YEAR	**77.6**	**16.2**	**11.7**	**14.0**	**51.2**

Balance sheet summary, SEK millions	2019	2018	2017	2016	2015
Intangible assets	**836.8**	606.3	565.5	554.4	495.2
Property, plant and equipment	**20.3**	24.8	32.1	37.5	36.2
Rights of use	**272.0**	-	-	-	-
Financial assets	**24.2**	13.7	11.6	8.2	8.7
Deferred tax asset	**44.1**	36.5	40.1	39.4	40.0
Current receivables	**764.2**	679.2	747.6	656.0	569.0
Cash and cash equivalents	**142.0**	38.2	20.3	64.9	108.8
Total assets	**2,103.6**	**1,398.7**	**1,417.2**	**1,360.4**	**1,257.9**
Equity	**930.2**	707.3	746.4	552.2	524.8
Non-current liabilities	**450.4**	238.1	82.8	226.6	257.9
Current liabilities	**723.0**	453.3	588.0	581.6	475.2
Total liabilities and equity	**2,103.6**	**1,398.7**	**1,417.2**	**1,360.4**	**1,257.9**

Cash flow in summary, SEK	2019	2018	2017	2016	2015
Cash flow from operating activities	**245.9**	123.1	-41.4	41.2	42.5
Cash flow from investing activities	**-317.6**	-67.9	-66.7	-71.5	-240.2
Cash flow from financing activities	**176.9**	-38.1	63.2	-19.9	221.9
CASH FLOW FOR THE YEAR	**105.2**	**17.1**	**-44.9**	**-50.2**	**24.2**

ALTERNATIVE PERFORMANCE MEASURES

Alternative performance measures	2019	2018	2017	2016	2015
EBITA, SEK million	**138.0**	44.1	37.5	39.8	80.3
EBITA margin, %	**5.4**	1.9	1.0	1.2	3.8
Equity/assets ratio, %	**44.2**	50.6	52.0	40.6	41.7
Equity per share at the end of the period	**47.25**	39.10	40.77	41.50	39.97
Net indebtedness	**405.5**	119.8	167.2	244.2	196.9
Net debt/EBITDA, multiple	**1.5**	1.4	2.3	3.4	1.9
Return on equity, %	**11.7**	4.2	3.4	4.2	15.0
Return on capital employed, %	**9.4**	4.5	3.2	4.1	11.1
Debt/equity ratio, times	**0.6**	0.2	0.3	0.6	0.6
Organic growth, %	**8.1**	-3.8	4	10	13
Organic growth excluding exchange rate effects, %	**8.2**	-4	4	6	17
Earnings per share before dilution, SEK/share	**4.19**	0.85	0.71	1.03	4.1
Earnings per share after dilution, SEK/share	**4.16**				
Average number of shares	**18,487,909**	18,087,909	16,417,744	12,921,721	12,346,379
Number of shares at the end of the period	**19,687,909**	18,087,909	18,087,909	12,921,721	12,921,721
Utilisation, %	**76.8**	77.1	75.2	73.0	75.0
Sales per full-time employee, SEK thousand	**1,278**	1,270	1,286	1,208	1,046
Operating income per full-time employee, SEK thousand	**52**	19	13	14	40
Number of working days	**249**	248	249	251	249
Number of full-time employees	**2,001**	1,863	1,921	1,939	1,793
Number of employees at end of period	**2,393**	1,953	1,994	2,027	2,082
Dividend per share (2019, proposed dividend), SEK/share	**2.25**	1.00	0.50	0.00	2.00

1. The definitions are on rejlers.se
2. Alternative performance measures in 2019 are affected by IFRS 16 Leases, the key performance indicators 2018-2015 are not restated.

The Share

Rejlers' total number of outstanding shares amounts to 19,687,909 shares, of which 1,749,250 shares of Class A and 17,938,659 shares of Class B. Total number of votes amounts to 35,431,159 divided by 17,492,500 for shares of Class A and 17,938,659 for shares of Class B. The share capital amounts to SEK 39,375,818.

Dividend policy

Rejlers long-term dividend policy is for around 50 per cent of the company's earnings to be paid out as dividends to the company's shareholders.

Proposed dividend

Rejlers Board proposes that the 2020 AGM approve a dividend of SEK 2.25 per share (1.0) for the 2019 financial year, which corresponds to 54 per cent of earnings per share after dilution. The dividend amount is SEK 44.3 million (18.1).

Share issue

In October 2019, with support of authorisation from the Annual General Meeting on 3 May 2019 a private placement of 1,600,000 Class B shares was carried out to qualified investors, at a subscription price of SEK 96.40 per shares. The received proceeds were used for repayment of a part of the loan financing in connection with the acquisition from Neste Engineering Solutions. The new share issue was subscribed for by Swedish and European qualified investors Handelsbanken Fonder, Nordea Fonder and Lannebo Fonder.

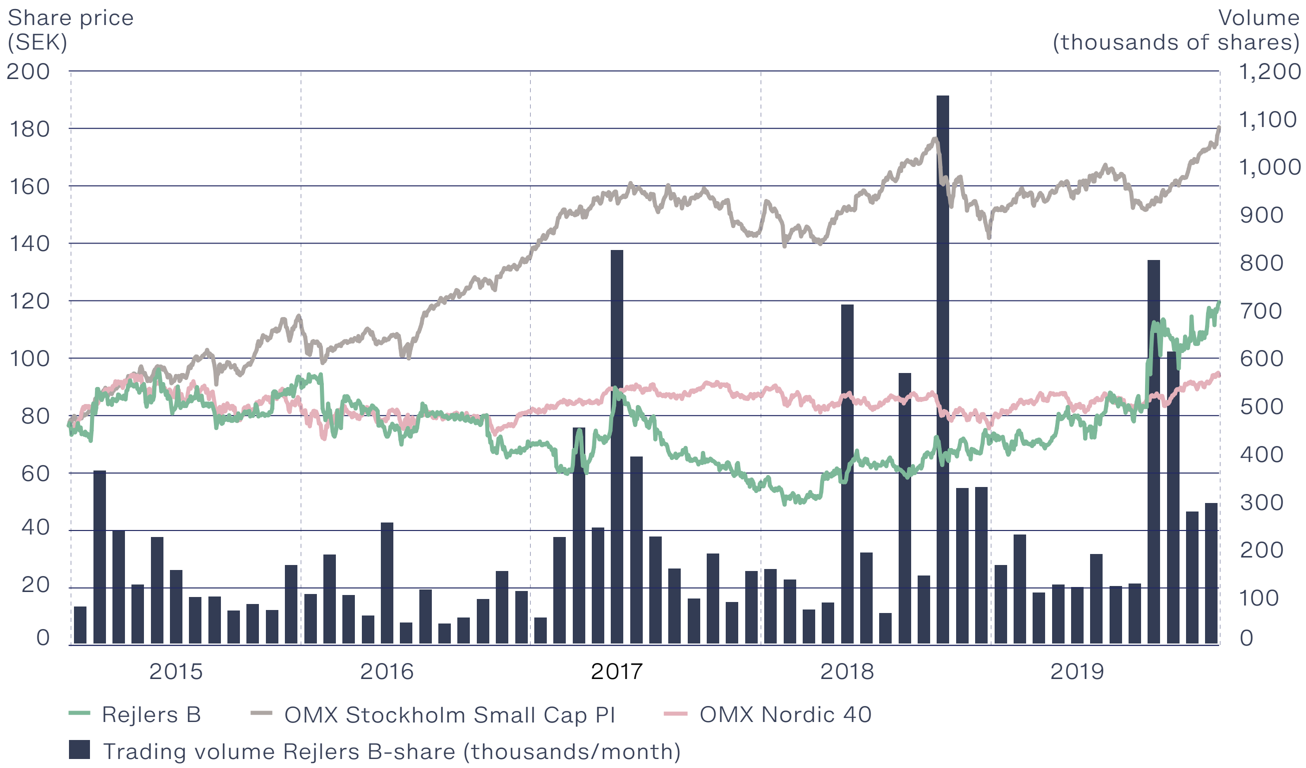
Convertible programme

The Group issued designated convertibles to employees in senior positions and key individuals in the Group according to a resolution at the Annual General Meeting on 3 May 2019 and an Extraordinary General Meeting on 18 November 2019. The convertibles are divided up into a debt amount and a conversion right whereby the latter is recognised as equity. The programme does not entail any personnel expenses. Both of the convertible programmes total SEK 48,400,000. The duration is three or five years, respectively, and entails a total dilution of 2.3 per cent.

Listing and trading

The company's Class B shares have been listed on Nasdaq Stockholm since 18 December 2006 after having been listed on the Nordic Growth Market (NGM) since 8 May 2003. During 2019, 3.1 million shares to a total value of SEK 299.9 million (245.7) were traded on Nasdaq OMX. The final share price for Rejlers Class B shares was SEK 119.5 (70.40) per share at year-end, an increase of 70 per cent compared to 30 December 2018. The lowest and highest share prices during the year were SEK 66.40 on 29 January 2019 and SEK 119.50 on 30 December 2019.

DEVELOPMENT REJLERS' SHARE JAN 2014 – DEC 2019



Ownership

At the end of 2019, the number of shareholders was 2,986 (2,174). Institutions and funds owned 34 per cent (34) of the votes and 63 per cent (63) of equity. Foreign owners accounted for 18 per cent (18) of the votes and 30 per cent (30) of equity. The Rejler family owned 53 per cent (55) of the votes and 19 per cent (20) of the equity, of which CEO Peter Rejler held 33 per cent (34) of the votes and 6 per cent (6) of the equity. Major owners besides the Rejler family are Nordea Småbolagsfond Norden, Didner & Gerge Fonder, Lannebo Fonder and Nordea Småbolagsfond Sverige. The 10 biggest owners are presented in the table below.

Shareholder contacts

Rejlers is proactive in providing information to facilitate the valuation of the Rejlers share. Contact persons for this are the CEO and the CFO, who also has the role of Investor Relations Manager.

REJLERS 10 BIGGEST SHAREHOLDERS

The table shows the situation as of 30/12/2019

Name	A shares	B shares	Holding (%)	Votes (%)
Peter Rejler	1,159,750	3,500	5.9%	32.7%
Jan Rejler, directly and through company	483,500	341,913	4.2%	14.6%
Nordea Småbolagsfond Norden		2,098,146	10.7%	5.9%
Didner & Gerge Fonder Aktiebolag	-	1,784,426	9.1%	5.0%
Lannebo Fonder	-	1,559,762	7.9%	4.4%
Nordea småbolagsfond Sverige	-	1,142,571	5.8%	3.2%
Lauri Valkonen	70,000	446,000	2.6%	3.2%
Lisa Rejler	13,125	871,226	4.5%	2.8%
Martina Rejler	13,125	805,794	4.2%	2.6%
Nordea Bank ABP		606,420	3.1%	1.7%
Total, 10 biggest shareholders	**1,739,500**	**9,659,758**	**57.9%**	**76.4%**
Total, other shareholders	9,750	8,278,901	42.1%	23.6%
Total	**1,749,250**	**17,938,659**	**100%**	**100%**

PER-SHARE DATA

	2019	2018	2017	2016	2015
Earnings per share after dilution, SEK	**4.16**	0.85	0.71	1.03	4.15
Equity per share, SEK	**47.25**	39.10	40.77	41.50	39.97
Dividend per share, SEK[1)]	**2.25**	1.00	0.50	0.00	2.00

[1] Proposed 2019 dividend.

DISTRIBUTION OF SHAREHOLDINGS

Number of shares	Number of owners	Number of shares	Proportion of capital (%)	Proportion of votes (%)
1 - 500	2,273	290,843	1.48%	0.82%
501 - 1,000	268	206,189	1.05%	0.58%
1,001 - 5,000	301	682,661	3.47%	1.93%
5,001 - 10,000	52	360,826	1.84%	1.07%
10,001 - 15,000	16	207,226	1.05%	0.58%
15,001 - 20,000	7	121,103	0.62%	0.34%
20,001-	68	16,070,071	90.50%	94.68%
Total	**2,986**	**17,938,659**	**100.00%**	**100.00%**

SHARE CAPITAL DEVELOPMENT

Year	Event	Increase of share capital, SEK	Total share capital, SEK	Increase in the number of shares	Total number of shares
2003	New share issue	1,090,000	18,140,000	109,000	1,814,000
2005	New share issue	3,219,510	21,359,510	321,951	2,135,951
2006	Split 5:1	-	21,359,510	8,543,804	10,679,755
2006	New share issue	142,040	21,501,550	71,020	10,750,775
2007	New share issue	66,452	21,568,002	33,226	10,784,001
2008	New share issue	75,440	21,643,442	37,720	10,821,721
2010	New share issue	1,000,000	22,643,442	500,000	11,321,721
2013	New share issue	200,000	22,843,442	100,000	11,421,721
2014	New share issue	1,800,000	24,643,442	900,000	12,321,721
2015	New share issue	1,200,000	25,843,442	600,000	12,921,721
2017	New share issue	10,332,376	36,175,818	5,166,188	18,087,909
2019	New share issue	3,200,000	39,375,818	1,600,000	19,687,909

Administration Report

Rejlers AB (publ)
Corporate identity number 556349-8426
The Board and Chief Executive Officer of Rejlers AB (publ) submit herewith the annual accounts for the financial year 1 January 2019–31 December 2019.

	2019	2018	2017	2016	2015
Net sales, SEK million	**2,557.1**	2,365.2	2,464.7	2,339.3	1,872.4
Operating profit, SEK million	**103.5**	36.1	25.1	27.5	71.0
Operating margin, %	**4.0%**	1.5%	1.0%	1.2%	3.8%

Operations
Rejlers was founded in 1942 and provides technical consultancy services to customers in energy, industry, construction and property, as well as infrastructure. At year-end, Rejlers had a total of 2,393 employees (1,953) located at several places in Sweden, Finland, Norway and the United Arab Emirates. The head office is located in Stockholm. Since 2018, Rejlers' operations have been divided into three segments: Rejlers Sweden, Rejlers Finland and Rejlers Norway.

Consolidated sales and profit
Net sales totalled SEK 2,557.1 million (2,365.2), an increase of 8.1 per cent compared to the corresponding period the previous year. Organic growth excluding exchange rate fluctuations amounted to 8.2 per cent and the acquired growth amounted to 3.9 per cent. Operating profit (EBIT) amounted to SEK 103.5 million (36.1). The operating profit is impacted by acquisition and integration expenses of SEK 15.6 million regarding the acquisition from Neste. Items affecting comparability in 2018 amount to SEK 53.4 million regarding restructuring of the operations in Sweden, Norway and Finland.

Cash flow and financial position
Consolidated cash and cash equivalents at the end of the period amounted to SEK 142.0 million, compared with SEK 38.2 million as of 31 December 2018. The change in cash and cash equivalents has been affected by amortisation of SEK 28.2 million (28.5) and a dividend to shareholders of SEK 18.1 million.million (9.6). During the year, a private placement was carried out for financing of the acquisition from Neste. In total, 1,600,000 Class B shares were issued, which raised SEK 154 million and SEK 100 million in loans for the acquisition were repaid. During the year, designated convertibles to employees in senior positions were issued, which increased cash and cash equivalents by around SEK 48.4 million.

In 2019, a new standard IFRS 16 Leases was introduced, which had effects on interest-bearing liabilities. Interest-bearing liabilities increased by SEK 390.2 million since 31 December 2018 to SEK 519.1 million (128.9) at the end of period. The increase of the leasing component with regard to IFRS 16 Leases amounts to SEK 256.3 million, convertible programmes increase interest-bearing liabilities by SEK 46.3 million and new loans regarding the acquisition from Neste amount to SEK 125.2 million.

The net liability including IFRS 16 Leases amounted to SEK 405.5 million compared with SEK 119.7 million at 31 December 2018, affected by IFRS 16 Leases by SEK 256.3 million. The ratio of net debt to EBITDA amounted to 1.5 at the end of the period compared with 1.4 at 31 December 2018. Excluding effects of IFRS 16 Leases, the net liability in relation to EBITDA amounts to 0.9.

The equity/assets ratio amounted to 44.2 per cent compared with 50.6 on 31 December 2018. The equity/assets ratio excluding IFRS 16 Leases amounts to 50.3 per cent.

Equity per share was SEK 47.25 at the end of the period compared to SEK 39.10 as of 31 December 2018. The Group's overdraft facilities of SEK 150.0 million (150.0) are unutilised.

Rejlers owns 90.5 per cent of the shares of Rejlers Embriq AS. There is an agreement to acquire the remaining 9.5 per cent in the first half of 2021. The preliminary commitment for the remaining shares has been estimated at SEK 60 million, which at 31 December 2018 has been recognised as a non-interest-bearing financial liability and is unchanged at 31 December 2019.

Investments
Investments in property, plant and equipment amounted to SEK 9.7 million (5.8), mainly relating to servers and other IT equipment. Investments in intangible assets, mainly attributable to the development of IT platforms at Rejlers Embriq AS, amounted to SEK 30.2 million (27.2). Investments in subsidiaries and businesses amounted to SEK 266.3 million (33.9), mainly attributable to the acquisition from Neste. Depreciation, amortization and impairment losses amounted to SEK 130.9 million (47.5) of which SEK 99.1 million pertains to IFRS 16 Leases.

Employees
At the end of the period, there were 2,393 employees (1,953). There were 2,001 full-year employees (1,863).

Utilisation
Utilisation amounted to 76.8 per cent (77.1), mainly as a result of lower order volumes in Sweden.

Net sales, operating profit and operating margin per segment

	Net sales, SEK million		Operating profit/loss, SEK million		Operating margin, %	
	Jan-Dec 2019	Jan-Dec 2018	Jan-Dec 2019	Jan-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
Rejlers Sweden	**1,196.6**	1,183.5	**55.1**	33.1	**4.6**	2.8
Rejlers Finland	**780.6**	576.9	**57.3**	38.7	**7.3**	6.7
Rejlers Norway	**633.1**	643.5	**25.4**	-3.7	**4.0**	-0.6
Group-wide	**37.1**	35.6	**-34.3**	-32.0	**-**	-
Eliminations	**-90.3**	-74.3	**-**	-	**-**	-
Consolidated total	**2,557.1**	**2,365.2**	**103.5**	**36.1**	**4.0**	**1.5**

Rejlers Sweden

In Rejlers Sweden, we noted at year-end a slightly weaker trend in all operating areas except energy, compared with the same period the year before. During the year, we have therefore have increased our sales efforts and we have streamline in areas where we did not succeed in increasing the order volume, primarily in Telecom.

During the year, three operations were acquired. In conjunction with the acquisition from Neste, the Swedish operation was taken over with around 50 consultants in western Sweden. After the summer, Pondra AB was acquired in Stockholm with around 18 employees with extensive experience in defence and public security, both towards the public and private sector. Elproj teknik AB in Oskarshamn was acquired at the end of the year, with 18 employees with leading expertise in electrical power, automation and installation project engineering.

Net sales in Sweden increased to SEK 1,196.6 million (1,183.5), EBITA increased to SEK 62.1 million (39.0), and the EBITA margin increased to 5.2 per cent (3.3).

Key performance indicators – Rejlers Sweden	Jan-Dec 2019	Jan-Dec 2018
Net sales, SEK million	**1,196.6**	1,183.5
EBITA, SEK million	**62.1**	39.0
EBITA margin, %	**5.2**	3.3
Number of employees	**1,109**	1,006

Rejlers Finland

During the year, Rejlers Finland had strong growth, both organically and through acquisitions. All divisions within Rejlers Finland have developed well. In the fourth quarter, earnings were weakened by Rejlers being one of the large technology consulting firms that were struck by a three-day strike in December announced by the union to hasten negotiations for a new collective agreement.

During the year, the largest acquisition in Rejlers' history was implemented. In June 2019, Rejlers entered an agreement to acquire strategically important operations from Neste Engineering Solutions, which establishes Rejlers in the energy sector. The operations acquired have a total of 330 employees, of which 220 are in Finland, 50 in Sweden and 60 in the United Arab Emirates (Abu Dhabi). The acquisition is comprised of a purchase of assets and liabilities in Finland and the purchase of all shares in Neste AB where Abu Dhabi is a branch of Neste AB. Rejlers assumes expertise within the process industry, especially in the hydrocarbon and bioindustry where the acquired units have extensive experience of assignments in every part of the life cycle. The transaction was completed on 30 September 2019.

In connection with the acquisition from Neste Engineering Solutions, a strategic partnership was initiated with a five-year framework agreement with the selling company.

Net sales in Finland increased to SEK 780.6 million (576.9), EBITA increased to SEK 72.6 million (41.5), and the EBITA margin increased to 9.3 per cent (7.2).

Key performance indicators – Rejlers Finland	Jan-Dec 2019	Jan-Dec 2018
Net sales, SEK million	**780.6**	576.9
EBITA, SEK million	**72.6**	41.5
EBITA margin, %	**9.3**	7.2
Number of employees	**994**	675

Rejlers Norway

The market development in Norway was positive during the year, with a good demand for Rejlers Norway's entire service offering.

Rejlers' services in IT and digitalisation, showed continued growth through deliveries to existing customers in Norway. Several agreements with new customers were also closed, including the Elektroimportøren AS for the delivery of our Connected Store concept for all of their 21 existing stores and additional stores in the future.

Rejlers Norway grew within both consulting and IT services during the year. After the period's end, the company Smarthub AS was acquired, which will strengthen Rejlers' position as a leading service provider within IoT infrastructure, including smart electrical meters.

Services to the property industry have a good market in Norway and during the year, recruitment increased as a part of meeting increased demand from existing customers. Noteworthy among new transactions is the delivery of electrical technology design for office and retailing properties in the urban development project in Oslo. Within the area of local electrical inspections, a new agreement was also signed regarding the monitoring of around 3,500 homes and commercial premises.

Net sales in Norway amounted to SEK 633.1 million (643.5), EBITA increased to SEK 31.6 million (-5.2), and the EBITA margin increased to 5.0 per cent (-0.8).

Key performance indicators – Rejlers Norway	Jan-Dec 2019	Jan-Dec 2018
Net sales, SEK million	**633.1**	643.5
EBITA, SEK million	**31.6**	-5.2
EBITA margin, %	**5.0**	-0.8
Number of employees	**280**	263

Acquisitions

Neste

In June 2019, Rejlers entered an agreement to acquire strategically significant operations from Neste Engineering Solutions. The operations acquired have a total of 330 employees, of which 220 are in Finland, 50 in Sweden and 60 in the United Arab Emirates (Abu Dhabi) and strengthens Rejlers in the energy sector. The acquisition is comprised of a purchase of assets and liabilities in Finland and the purchase of all shares in Neste Engineering Solutions AB where Abu Dhabi is a branch of Neste Engineering Solutions AB. Rejlers assumes expertise within the process industry, especially in the hydrocarbon and bioindustry where the acquired units have decades of experience of assignments in every part of the life cycle. The transaction was completed on 30 September 2019.

Elproj teknik i Oskarshamn AB

In December, Rejlers entered an agreement to acquire the technical consultancy Elproj teknik AB in Oskarshamn, with 18 employees with leading expertise in electrical power, automation and installation project engineering. The acquisition strengthens Rejlers' presence and offering in the region.

Pondra AB

On 1 September 2019, Rejlers entered an agreement to acquire the technical consultancy Pondra AB, which is a part of the IT group, Empir Group AB. The acquisition is a part of Rejlers' growth strategy and means that the company is strengthening its offering in the Defence and Security business area. Pondra AB has 14 employees with extensive experience in defence and public security, both towards the public and private sector.

Sensitivity

Rejlers earnings are sensitive to changes in the billable hours ratio, hourly prices and wage cost trends.

Every change of one percentage point in its parameters has the following effect on Rejlers' operating result in SEK millions:

Utilisation	25 (23)
Hourly price	19 (16)
Pay expense increase	14 (14)

Personnel expenses amount to 62 per cent (62) of revenues while other operating expenses are 29 per cent (37) of revenues.

Future-oriented information

All future-oriented statements in this annual report are based on the company's best assessment at the time of publication. As with all forecasts, such assumptions contain risks and uncertainties that may mean that the actual outcome is different than the expected development.

Parent Company

Net sales in the Parent Company during the interim period amounted to SEK 37.1 million (35.8) and earnings after tax totalled SEK 8.5 million (3.1).

Guidelines for remuneration and other terms of employment for senior executives

The Board of Directors proposes that the 2020 Annual General Meeting adopt new guidelines for remuneration of the CEO and other members of Group management. The guidelines also encompass potential remuneration of Board members in addition to Board fees.

The guidelines shall be applied to remuneration agreed to after the 2020 AGM and changes in already agreed remuneration made thereafter. The guidelines do not cover share issues or transfers covered by Chapter 16 of the Swedish Companies Act or fees and other compensation decided on by the General Meeting. Regarding the employment conditions that are subject to rules other than Swedish rules, insofar as concerns pension benefits and other benefits, proper adaptations may be made to comply with such rules or established local practice, whereby these guidelines' overall purpose shall be met insofar as possible.

The guidelines' promotion of the Company's business strategy, long-term interest and sustainability

A successful implementation of the Company's business strategy and the safeguarding of the Company's long-term interests, including its sustainability, presuppose that the Company can recruit and retain qualified employees. The Company's vision is to be a platform for continuous learning, development and growth to thereby be competitive and attract the most qualified employees. The company strives to offer a total remuneration that is reasonable and competitive and thereby manages to attract and retain qualified employees.

Forms of remuneration, etc.

The remuneration shall be market based, be in relation to responsibilities and authorities and consist of the following components: fixed salary, possible variable compensation and other compensation as per agreement, pension and other benefits. In addition to this, the General Meeting can – and independent of these guidelines – decide on for example share and share-price related remuneration.

Fixed salary

The fixed salary shall form the basis for the total remuneration and shall consist of fixed cash salary, which shall be reviewed annually. The fixed salary shall be competitive and reflect the requirements placed on the position, with regard to expertise, responsibilities, complexity and the manner in which it contributes to achieving the business goals.

Variable remuneration

In addition to fixed salary, the CEO and other members of Group management may, according to separate agreement, receive variable target-based remuneration upon fulfilment of decided criteria. Possible variable remuneration shall consist of annual variable cash salary and may as a maximum be equivalent to 65 per cent of the fixed annual salary.

The variable salary shall be linked to one or more predetermined and measurable criteria. The criteria can be quantitative, which shall be in line with long-term financial targets, such as the Group's earnings growth, budget target and margin target, and qualitative, which shall be targets that are focused on achieving the Company's vision and strategy and among other things can include activities that concern leadership, brand, professionalism and recruitment. By the targets linking the senior executives' remuneration to the Company's earnings and vision, they not only promote the implementation of the Company's business strategy, but also the Company's long-term interests, sustainability and competitiveness.

When the measurement period for fulfilment of criteria for the disbursement of variable remuneration is finished, the extent to which the criteria have been met is assessed. Insofar as pertains financial targets, the assessment shall be based on the financial information last published by the Company.

Other remuneration

Further remuneration that is not based on target fulfilment in accordance with the variable remuneration can be paid for the purpose of recruiting or retaining executives. Such remuneration shall be issued in exceptional cases and shall fall within the scope of the maximum target-based variable remuneration described above, meaning that this remuneration together with the variable remuneration may at most be equivalent to 65 per cent of the fixed annual salary.

Pension

For the CEO and other members of Group management, who are not covered by a defined-benefit pension according to compulsory collective agreement provisions, pension benefits, including health insurance, shall be defined-contribution and the premiums shall not exceed 35 per cent of the fixed annual salary.

Other benefits

Other benefits, which among other things may include a company car and health insurance, shall be market-based and only constitute a limited part of the combined remuneration.

Conditions upon termination

For the CEO and other members of Group management, the period of notice shall be a maximum of 12 months upon resignation by the executive. Upon termination by the Company, the period of notice shall normally be six months, but can amount to a maximum of 12 months. Upon termination by the Company, severance pay may correspond to a maximum equivalent of 12 months fixed salary.

Fees to Board members

The Company's AGM elected Board members shall in special cases be able to be remunerated for services within their respective area of expertise, which does not constitute Board work, for a limited period of time. For these services (including services rendered by a company wholly owned by a Board member), a market-based fee shall be payable on condition that such services contribute to the implementation of the Company's business strategy and the preservation of the Company's long-term interests, including its sustainability.

Salary and terms of employment for employees

In the preparation of the Board's proposals on these remuneration guidelines, salaries and terms of employment for the Company's employees have been taken into account by information on employees' total remuneration, the remuneration's components and the remuneration's increase and increase rates over time constituting a part of the Remuneration Committee's and the Board's decision documentation in the evaluation of the reasonability of the guidelines and the limitations pursuant to this.

Planning and decision process

The Board of Directors has established a Remuneration Committee and found it suitable that the Board as a whole shall fulfil the Remuneration Committee's tasks. The committee's tasks include preparing principles for remuneration of Group management and the Board's decisions regarding proposals on guidelines for remuneration of senior executives. The Board shall prepare proposals for new guidelines at least every four years and present the proposal for resolution at the AGM. The guidelines shall apply until new guidelines have been adopted by the General Meeting.

The Remuneration Committee shall monitor and evaluate programmes for variable remuneration of Group management, the application of the guidelines for remuneration of senior executives and applicable remuneration structures and levels in the Company. In the Board's treatment of and decisions in remuneration-related issues, the CEO or other persons in Group management are not present, insofar as they are affected by the issues.

Deviation from the guidelines

The Board of Directors may decide to deviate from the guidelines in part or in whole, if in an individual case there is special reason for it and a deviation is necessary to meet the Company's long-term interests, including its sustainability, or to ensure the Company's financial capacity. As stated above, it is included in the Remuneration Committee's tasks to prepare the Board's decision in remuneration issues, which includes decisions on deviations from the guidelines.

Information on approved remuneration not yet due for payment

On 10 June 2019, new rules were introduced into the Swedish Companies Act including regarding the formulation of the remuneration guidelines. According to transitional regulations to the new rules, the proposal on remuneration guidelines shall include information on previously approved remuneration that has not yet fallen due for payment. In addition to the commitments to pay continuous remuneration, such as salary, pension and other benefits, there are no previously approved remunerations to any senior executives that have not come due for payment.

Duties of the Board and corporate governance

We refer to the corporate governance report in this annual report for information regarding the duties of the Board and corporate governance. See page 14-17.

Sustainability Report

The Group's sustainability report is available on the Group's website www.rejlers.com.

The Rejlers share

The Rejlers share is listed on Nasdaq Stockholm. During the year, the Group issued designated convertibles to employees in senior positions according to a resolution at the Annual General Meeting on 3 May 2019 and an Extraordinary General Meeting on 18 November 2019.. The convertibles are divided up into a debt amount and a conversion right whereby the latter is recognised as equity. The programme does not entail any personnel expenses. Both of the convertible programmes total SEK 48,400,000.

In October, a private placement of 1,600,000 Class B shares was carried out to qualified investors, at a subscription price of SEK 96.40 per shares. The number of shares and votes in Rejlers have thereby changed.

On 31 December 2019, the number of shares in Rejlers amounts to 19,687,909 shares, of which 1,749,250 Class A shares and 17,938,659 Class B shares. The total number of votes in Rejlers amounts to 35,431,159.

Dividends

Rejlers' long-term policy is for around 50 per cent of the company's earnings to be paid out as dividends. Rejlers Board proposes a dividend of the SEK 2.25 per share (1.00) for the 2019 financial year, which corresponds to 54 per cent of earnings per share before dilution. The dividend amount totals SEK 44.3 million (18.1).

Due to the Board of Directors' proposed dividend presented above, the Board hereby issues the following reasoned statement pursuant to Chapter 18 Section 4 of the Swedish Companies Act. The Board considered a dividend to be reasonable considering the demands the nature of the operation places on equity financing, the ability in both the short and long terms of fulfilling the Group's obligations and the estimation of the Group's future growth.

Proposed allocation of profit

Non-restricted equity in the parent company amounts to:	SEK 497,089,205
The Board of Directors and CEO propose that a dividend be paid to the shareholders in the amount of:	SEK 44,297,795
To be carried forward	SEK 452,791,410

Risks and risk management

Strategic and operational risks	Description	Handling
Market	Rejlers operates in Sweden, Finland, Norway and Abu Dhabi and is thus dependent upon short-term economic circumstances in these markets. The company is also exposed to competition from both major international competitors and a number of smaller local competitors in each individual market. Political decisions may also have a decisive influence on the willingness of customers to invest.	Rejlers manages market risks by having a broad customer base with an even distribution of private and public clients and a broad range of services to minimise sensitivity to weakening in individual sectors.
Assignments	Assignment risks include those linked to individual assignments. Rejlers works with different forms of contract. A fixed-price assignment may entail an increased risk if the time required to complete the assignment is miscalculated. Rejlers has a limited proportion of fixed-price assignments. They are managed according to a special decision-making process and require careful supervision. The major proportion of the company's assignments are charged at an hourly rate, and therefore the risk they present is limited.	The quality of assignments is assured in the Group-wide business management system, which is certified to ISO 9001:2008 and ISO 14001:2004 standards in Sweden, Finland and parts of Norway. Rejlers conducts a dialogue with customers prior to, during and after project implementations and customer surveys are also regularly conducted. The majority of Rejlers' customers are recurring with framework agreements and we work in long-term relationships with our customers.
Employees	Employees constitute a core resource in a consultancy. There is always a risk that skilled employees leave Rejlers to join competitors, customers or start their own operations. Retaining existing employees is important for company growth, as is recruiting new employees.	Rejlers endeavours to be a good employer and always pays great attention to employee job satisfaction, health and safety. The size of the company makes it possible to offer varied assignments in terms of both geography and skills. Being able to offer a stimulating workplace for employees and provide good opportunities for training and personal development contributes to company growth.
Acquisitions	The acquisition of a consultancy always entails a risk that personnel will leave the company acquired. A major acquisition puts the organisation under strain and directs attention to internal issues, which may hinder marketing efforts.	In every acquisition, Rejlers always seeks to integrate new employees and operations to create additional value for both the acquiring and the acquired company. By gaining local support within the organisation in respect of potential acquisitions, we also avoid the risk of bad investments.
Media exposure and brand	With the increasing renown and exposure of Rejlers and the Rejlers brand also comes the risk of e.g. media scrutiny and negative publicity.	Rejlers has a structured method for monitoring and following what is written and reported about the company and the major projects we are involved in, in both conventional media and social media. There are established guidelines for how the company's employees should act in relation to various media.
Corruption	Rejlers is dependent on the company, employees, suppliers and partners respecting and complying with current legislation regarding bribery and corruption. Documents that conflict with current laws can affect Rejlers' reputation and operations.	All of our employees must follow the Rejlers Code of Conduct included in our operations manual. The Code of Conduct contains rules for Rejlers' business conduct and the company's responsibility toward colleagues, customers, shareholders and other stakeholders. Our code of conduct is included in the employment contracts signed by our employees. We also have a system for whistle-blowing where an independent, external party helps us handle received cases.
Human rights	We assess the risk of human rights violations in our own operations to be low. We accept no forms of child labour, forced labour or other human rights violations – neither in Rejlers' own operations or in our supply chain.	Rejlers respects the UN Global compact and its ten principles in regard to human rights, working conditions, consideration for the environment and anti-corruption. These guidelines are to be complied with both internally in the operations and Rejlers works with the company's suppliers to ensure compliance in the supply chain.
Environment	Rejlers does not conduct operations requiring permits or registration according to applicable environmental legislation. The environmental risks that exist are consequences that arise if we were to violate current environmental legislation. We deem environmental risks to be low.	To ensure that the environmental legislation is complied with throughout the Group, Rejlers has a certified environmental management system.
Financial risks	**Description**	**Handling**
Liquidity risk	Rejlers' liquidity is affected by the earnings accrual and the undertakings the Group has with regard to supplementary purchase considerations for acquisitions, loans to credit institutions, interest, etc. Liquidity can also be impacted by the amount of overdue trade receivables.	The Group's finance policy, which is continuously updated, comprises the handling of the Group's liquidity risks. Liquidity forecasts are continuously reported to the Board of Directors of Rejlers AB, including covenant forecasts. Future commitments' relation to earning accrual is continuously monitored and it is checked that procedures for collection of overdue trade receivables are in place.
Currency, and interest-rate risk	Changes in interest rates and foreign exchange rates have an effect on cash flow, earnings and the balance sheet. The Group's expenses and revenues are chiefly in local currencies, i.e. SEK, NOK and EUR. Even in the event of major foreign exchange rate changes we consider the consolidated balance sheet only to be exposed to a minor extent.	The Group's finance policy, which is continuously updated, comprises the handling of the Group's currency and interest-rate risks. The company's liquidity is managed through Group currency accounts in the bank in order to optimise the use of the respective currency and to handle interest expenses regarding the utilisation of overdraft facilities. Interest rate terms for the other bank loans are deemed to be market based and may be negotiated if this changes.
Credit risk	Credit risk entails risks linked to the ability of customers to pay. Rejlers has a major exposure to customers in the public sector where the credit risk is low.	The Group's finance policy, which is continuously updated, comprises the handling of the Group's credit risks. Because customers are invoiced on an ongoing basis, the accrued credit risk is relatively limited even in major assignments. The majority of Rejlers' customers are large and recurring, including in the public sector. We work in long-term relationships with our customers, which reduces credit risk. For new, previously unknown customers, a credit report is obtained and terms of payment can be shortened for customers deemed to have a higher credit risk.

Board of Directors

PETER REJLER
Chairman of the Board

Born: 1966
Elected: 2010

Master of Science in Engineering/ Former President and CEO of Rejlers AB.

Rejlers shareholding:
3,500 B shares, 1,159,750 A shares.

JAN SAMUELSSON
Board member

Born: 1950
Elected: 2010

Former CEO of Kraftringen AB.

Other important assignments:
Chairman of the Board of Energiforsk AB and memberof the Board of the Brittedal Group.

Rejlers shareholding:
3,583 B shares

LISA REJLER
Board member

Born: 1968
Elected: 2019

Master's degree in International Relations and Economics. Former Communication Manager.

Other important assignments:
Member of the EY Entrepreneur of the Year's national jury.

Rejlers shareholding:
871,226 B shares and 13,125 A shares.

HELENA LEVANDER
Board member

Born: 1957
Elected: 2018

Master of Science in Economics, Stockholm School of Economics. Chairman of the Board and principal owner of Nordic Investor Services AB.

Other important assignments:
Chairman of Ativo Finans AB and Medivir AB. Member of the Boards of Stendörren Fastigheter AB, Recipharm AB, Concordia Maritime AB and Lannebo Fonder.

Rejlers shareholding:
2,000 B shares.

PATRIK BOMAN
Board member

Born: 1964
Elected: 2018

Graduate in economics. President and CEO of Dynamant Group AB.

Other important assignments:
Chairman of Salt Solutions AB. Styrelseledamot Dynamant AB, Dynamant Group AB and Salesbox CRM.

Rejlers shareholding:
2,700 B shares

STEN PETTERSSON
Employee representative

Born: 1970
Elected: 2009

Technical graduate engineer. Project Manager at Rejlers Sverige AB.

Rejlers shareholding:
980 B shares

BJÖRN LAUBER
Employee representative

Born: 1965
Elected: 1998

Bachelor of Science in Economics. Economist at Rejlers Sverige AB.

Rejlers shareholding: –

Management

VIKTOR SVENSSON
President and CEO of Rejlers AB

Born: 1975
Employed since: 2018

Rejlers shareholding:
71,000 B shares. Convertible programme 2019/2024: nominal amount: SEK 4,000,000.

ANNA JENNEHOV
CFO, Rejlers AB

Born: 1964
Employed since: 2019

Rejlers shareholding:
4,000 B shares.
Convertible programme 2019/2024: nominal amount: SEK 1,500,000.

MALIN SPARF RYDBERG
Communication Director, Rejlers AB

Born: 1969
Employed since: 2018

Rejlers shareholding:
2,600 B shares.
Convertible programme 2019/2024: nominal amount: SEK 1,500,000.

JENNY EDFAST
President, Rejlers Sweden AB

Born: 1975
Employed since: 2015

Rejlers shareholding: Convertible programme 2019/2022: nominal amount: SEK 1,000,000.

SEPPO SORRI
President, Rejlers Finland Oy

Born: 1966
Employed since: 2005

Rejlers shareholding: Convertible programme 2019/2024: nominal amount: SEK 3,200,000.

THOMAS PETTERSEN
President of Rejlers Embriq AS & Rejlers Norge AS

Born: 1975
Employed since: 2015

Rejlers shareholding:
1,500 B shares.Convertible programme 2019/2024: nominal amount: SEK 4,000,000.

Corporate Governance Report

Rejlers is a Swedish public limited company and is regulated by Swedish legislation. The company's Class B shares are listed for trade on Nasdaq Stockholm, which is why the company applies Nasdaq Stockholm's rules.

Rejlers corporate governance is based on the Swedish Companies Act, the articles of association as approved by the shareholders and obligations the company has undertaken through contracts such as the listing agreement with Nasdaq OMX. As a result of the listing contract, Rejlers has applied the Swedish Corporate Governance Code since 1 July 2008. In addition to this, Rejlers is required to comply with applicable Swedish and foreign laws and regulations. Rejlers' assessment is that the company follows the rules stated in the Swedish Corporate Governance Code.

Shareholders

Rejlers' Class B shares have been noted on the NASDAQ OMX Nordic list, the regulated market for share trading, since 18 December 2006. Before then, the share had been listed on the Nordic Growth Market, NGM, since 8 May 2003.

In 2019, a targeted new share issue comprising 1,600,000 shares was implemented in connection with acquisitions.

The total number of shares in the company amounts to 19,687,909, of which 1,749,250 are Class A shares and 17,938,659 Class B shares. The number of votes at Rejlers now totals 35,431,159. Its share capital amounts to SEK 39,375,818. Upon request from the shareholder, Class A shares may be transformed into Class B shares. There is no limit to how many votes a shareholder may cast at the AGM. Class A shares confer 10 votes per share while Class B shares confer 1 vote per share. Shareholders with more than 10 per cent of the votes are Peter Rejler and Jan Rejler through a company.

Annual General Meeting

The General Meeting of shareholders is the company's highest decision-making body in which all shareholders have the right to participate in the decisions. If an individual shareholder wishes to have a matter for resolution taken up at the AGM, it must be submitted in writing to the Board no later than seven weeks before the AGM. In accordance with the articles of association, notice to attend must be entered in the Official Swedish Gazette (Post- och Inrikes Tidningar) and posted on the company's website. Information regarding the promulgation of a notice to attend must be provided in an advertisement in Dagens Nyheter.

Rejler's AGM in respect of the 2018 financial year took place on 3 May 2019 in Stockholm. The AGM was attended by 26 shareholders who represented 72.3 per cent of the company's votes and 52.2 per cent of equity. The AGM was Chaired by Chairman of the Board, Peter Rejler. The minutes from the Annual General Meeting are available on the company's website www.rejlers.com/se.

The AGM resolved, inter alia:

- In accordance with the Board's proposal, to appropriate the company's earnings such that of unappropriated earnings of SEK 361,174,780, a total of SEK 18,087,909 is to be paid to the shareholders in dividend, of which SEK 1,749,250 in total was paid to holders of Class A shares and SEK 16,338,659 was paid to holders of Class B shares in dividend and the remainder was carried forward. Accordingly, a dividend was decided on of SEK 1.00 per share, regardless of class. The 7 May 2019 was set as the record date for receipt of the dividend.
- To adopt the income statement and balance sheet and consolidated income statement and consolidated balance sheet, in accordance with the Board's proposal.
- To discharge the members of the Board and CEO from liability as proposed by the auditor.
- In accordance with the Nomination Committee's proposal, that the Board of Directors shall consist of five (5) ordinary members without deputies for the period until the end of the next Annual General Meeting.
- In accordance with the Nomination Committee's proposal, that the Board of Directors shall consist of the re-election of Peter Rejler, Jan Samuelsson, Helena Levander and Patrik Boman and the election of Lisa Rejler for the period until the next AGM.
- The adoption of principles for Nomination Committee assignments and appointments and the guidelines for remuneration of senior executives.
- To set the remuneration of the Board as per the Nomination Committee's proposal, and the remuneration of auditors as per approved invoice
- To authorise the Board of Directors to decide on acquisition and transfer of own shares. Acquisitions may take place of a maximum number of Class B shares such that the own holdings do not at any time exceed 10 per cent of all shares in the company and that the number of Class B shares that may be transferred shall amount to a maximum of 10 per cent of the total number of shares in the company.
- Authorising the Board of Directors to decide on a new share issue of a total of no more Class B shares equivalent to a dilution of a maximum of 10 per cent.
- To resolve in accordance with the Board of Directors' proposal to introduce the long-term incentive programme for senior executives and key individuals in the Group – convertible programme 2019/2022.
- All resolutions at the Annual General Meeting were passed unanimously or by a required majority.

The 2020 AGM in respect of the 2019 financial year will be held on 22 April 2020 in Stockholm.

Extraordinary General Meeting

The company held an Extraordinary General Meeting on 18 November 2019 in Stockholm to decide on further long-term incentive programme to senior executives and key individuals in the Group – Convertible Programme 2019/2024. During the subscription period for the previously decided incentive programme (Convertible Programme 2019/2022), negotiations were under way regarding the acquisition from Neste, which meant that the Group management and other senior executives during the subscription period were prevented, due to insider trading rules, to participate in the Convertible Programme 2019/2022.

The General Meeting resolved:

- In accordance with the Board of Directors' proposal, to introduce the long-term incentive programme for senior executives and key individuals in the Group – convertible programme 2019/2024.

Nomination Committee

The General Meeting adopts guidelines for the appointment of the Nomination Committee.

The Nomination Committee nominates members to Rejlers' Board who are then proposed to the AGM. The Nomination Committee's work begins with an evaluation of the incumbent Board. When making nominations to the future Board, the Nomination Committee takes into consideration the potential members' strategic skills, education and any other Board work.

The Nomination Committee also solicits points of view from the principal owners. The Nomination Committee submits proposals regarding remuneration of members of the Board at the AGM. The Nomination Committee also submits proposals regarding the election of auditors.

The Nomination Committee charged with preparing agenda items prior to the 2020 AGM consists of Kent Hägglund representing Peter Rejler, Martina Rejler representing Jan Rejler and Mats Andersson representing Nordea Fonder. The Nomination Committee must draft proposals regarding: the AGM chair, the number of Board members, fees to Board members, Board members and Chairman of the Board, the number of auditors, how the Nomination Committee should be appointed before the 2021 AGM and the Nomination Committee's assignment. As the basis for the Nomination Committee's work, the chairman of the Board and the CEO submitted a report on the work of the Board during the year. Furthermore, an annual evaluation of the Board was carried out on behalf of the Nomination Committee.

Diversity

All Board assignments in Rejlers AB aim to maintain and improve the Board's overall effectiveness. In the election of Board members, Rejlers therefore strives to have adequate expertise within the company's operations, business areas, markets and development. To achieve this, a broad distribution of characteristics and competencies is strived for. In addition, diversity with regard to age, gender, geographic origins, education and professional background is important to take into account. Rejlers actively works for diversity on the Board.

Board of Directors

Rejlers Board and the Chairman of the Board are appointed by the General Meeting. The Board approves Rejlers strategy and objectives, issues steering documents, ensures effective evaluation of operations and monitors the company's development and financial situation. During the 2019 financial year, the Board consisted of five members, who are presented in greater detail on page 12. During the 2019 financial year, the Board held 20 recorded meetings, of which 10 were by letter or e-mail, minutes on allocation decisions on convertibles, issues, etc. formal decision documentation. Representatives from Group management and other management personnel regularly participated in Board meetings during the year to discuss issues in their respective areas. The Board is also responsible for acquisitions and divestments of operations, major investments and the appointment of the CEO. The Board also approves business plans, the annual accounts and monitors the work of the President.

The union organisations appointed Björn Lauber and Sten Pettersson as Board members and Tore Gregorsson as a deputy member.

Peter Rejler was elected by the Annual General Meeting as the Chairman of the Board. Jan Samuelsson was elected the Vice Chairman. The Audit Committee consists of Jan Samuelsson (chair), Helena Levander and Peter Rejler. The Board in its entirety forms the Remuneration Committee.

CEO Viktor Svensson is not a member of the Board, but participates as a presenter in all the Board meetings. In addition, the CFO and other salaried employees from the organisation take part in all Board meetings to report on specific matters.

The Board's rules of procedure

The Board has not allocated any specific areas of responsibility between its members. In addition to the allocation of responsibility that applies generally under the Swedish Companies Act, the Articles Of Association and the Swedish Corporate Governance Code, the Board's work is governed by its rules of procedure, which stipulate that the Board must:

- In addition to the statutory meeting, hold at least five ordinary meetings,
- Establish the overarching objectives for the company's operations and decide on company's strategy
- Approve the budget and corresponding long-term plans including the investment budget
- Address and approve matters regarding tenders and projects with amounts in excess of SEK 30 million.
- Decide on the purchase and sale of real estate, shares or the acquisition of another company's operations in excess of SEK 15 million
- Appoint an Audit Committee
- Submit the annual accounts, administration report and interim reports
- Approve the raising of loans
- Initiate processes or settlements of disputes of material significance
- Keep other issues of material financial or other significance

The following items must be taken up at every ordinary Board meeting:

- A report on the company's activities including its financial management
- A report on exceptional measures taken or events occurring between Board meetings
- A report on the development of on-going major projects and expected business events
- A report on existing or potential disputes that may have a significant impact on the company's operations

BOARD COMPOSITION

Name	Function	Indepen-dent	Elec-ted	Present
Peter Rejler[1]	Chairman	No	2010	10/10
Jan Samuelsson	Member/Vice Chairman	Yes	2010	9/10
Helena Levander	Board member	Yes	2018	10/10
Patrik Boman	Board member	Yes	2018	10/10
Lisa Rejler[2, 3]	Board member	No	2019	6/6
Annika Steiber[3]	Board member	Yes	2016	3/4
Sten Pettersson	Employee representative	Yes	2009	9/10
Björn Lauber	Employee representative	Yes	1998	10/10
Tore Gregorsson	Employee representa-tive, Deputy	Yes	2016	10/10
Björn Lauber	Employee representative	Yes	1998	7/8
Tore Gregorsson	Employee representa-tive, Deputy	Yes	2016	3/3

1) Dependent in relation to the company as major shareholder

2) Dependent relative to the company as family of major shareholders through employment

3) Lisa Rejler was elected a new Board member at the 2019 AGEM and replaced Annika Steiber

The Chairman of the Board is the link between Rejlers' CEO and other Board members.

The Chairman is tasked with directing the work of the Board and ensuring that the Board complies with applicable laws, rules and recommendations. The Board is evaluated on an ongoing basis, both in respect of the Board as a whole and its individual Board Members. During 2019, the evaluation was carried out in the form of a Board questionnaire under the direction of the Nomination Committee. The entire Board took part in the questionnaire and discussed the evaluation. On the same occasion the Board evaluated the CEO and the company's management in their absence, but with the company auditor present. The company auditor participated in one Board meeting in connection with closing the annual accounts. The company's interim report for the third quarter was reviewed by the company's auditor and reported to the Board's Audit Committee.

Internal control

At present, it is the Board's assessment that the company's size and complexity do not motivate a special internal audit unit, but rather that the accounting function will take care of the continuous controls and conduct improvement projects in financial management and control. Internally, audits are done of the commissioned work, follow-up of outcomes and potential needs for changed procedures.

Audit committee

In connection with the statutory Board meeting after the 2019 AGM, the Board appointed an Audit Committee, comprising Jan Samuelsson (Chairman), Helena Levander and Peter Rejler. The Audit Committee held seven meetings during the year. The committee reporter is the company's CFO. The Audit Committee has the main task of ensuring compliance to established principles for financial reporting and internal control. The Audit Committee also monitors the company's continuous risk management, establishes supplemental instructions to the auditors for the audit effort, and monitors compliance to laws, ordinances, listing agreements and the Swedish Corporate Governance Code.

The Audit Committee also makes sure that other assignments in addition to audits carried out by the company's auditors are within the framework of approved policy. The Audit Committee reviewed steering documents and policies during the year. In addition, the Audit Committee monitors changes to audit rules that may have an effect on the company's financial reporting and the external financial disclosures, and it also evaluates the need for an internal audit function.

Remuneration committee

The Board has decided not to appoint a special remuneration committee. The Board in its entirety will constitute a remuneration committee and will address remuneration and employment issues regarding the President and the other senior executives based on the guidelines adopted by the AGM. The Remuneration Committee is represented by the Chairman of the Board in negotiations with the President.

Remuneration

Resolutions were made during the 2019 AGM regarding guidelines for remuneration of the CEO and senior executives. These were mainly the same as in previous years. The main principle for these guidelines is that senior executives at Rejlers must be offered remuneration on market terms to enable the company to attract, develop and retain key individuals. The remuneration structure may be made up of a basic salary, variable remuneration and in certain cases other benefits. The variable remuneration for senior executives is limited to a maximum 60 per cent of basic salary. The full guidelines are available appended to the AGM minutes and on the company website.

The term senior executives refers to the members of the Group's management group.

Prior to the 2020 Annual General Meeting, new guidelines will be presented to the Meeting in accordance with new EU rules and changes to the Code.

The AGM approved remuneration of the Board in the amount of SEK 400,000 to the Chairman of the Board, SEK 300,000 to the Vice Chairman and SEK 230,000 each to the other members who are not Rejlers employees. An additional SEK 220,000 was set aside for committee work. The remuneration is unchanged from previous years. See Note 7 to the annual accounts for remuneration of the Board.

President and Group management

Chief Executive Officer, The CEO is appointed by the Board and is tasked with the day-to-day management of the company in accordance with the guidelines and instructions contained in law, the Articles of Association and the internal work instructions. Day-to-day management includes all measures that, in consideration of the scope and nature of the company's operations, are of an unusual character or of great significance or are expressly defined as falling within the responsibility of the Board.

Viktor Svensson began as the President and CEO of Rejlers on 22 February 2018. The CEO directs the work of Group management and makes decisions in consultation with other members of the management team.

Group management holds regular meetings under the direction of the CEO. Between these meetings, the company made regular checks regarding the status of each operation. During the year, visions, strategy and financial targets were set. Based on these, the respective segment has an approved annual business plan. The CEO writes a monthly CEO report to the Board where the follow-up is focused on growth, profitability, cost control and cash flow.

Group management comprised the CEO, the CFO, the Heads of operations for Sweden, Finland and Norway, the CIO, the Communication Director and the Head of HR, seven members in all. Information about the CEO and the members of the Group management team, their ages, education and shareholdings, is available in the Group Management section on pages 12-13.

Audits

The AGM's tasks include selecting an auditor. At the 2016 Annual General Meeting, the registered accounting firm Deloitte was elected the auditor for a period of four years. Johan Telander, Authorised Public Accountant, is the Auditor-in-Charge since 2018. Deloitte audits all active Rejlers companies in Sweden, Finland and Norway which were wholly owned by Rejlers during 2019.

The auditor works from an audit plan and reports her observations to the Audit Committee on an ongoing basis throughout the year. Reporting to the Board takes place in conjunction with the annual closing of accounts. A review of internal procedures and control systems is also carried out in conjunction with the audit review.

In addition to the audit review, Deloitte was also engaged for other assignments. Among other things, this concerned various accounting issues, extra audit of acquisitions, convertible programmes and emissions (also refer to Note 28 to the annual accounts). All of the assignments fall within the framework of policy laid down by the Audit Committee. Remuneration of the company auditors for 2019 and 2018 are presented in the Annual Report.

Financial reporting and information

The company handles public announcements in accordance with the Market Abuse Regulation, and continuously provides information on the company's development and financial position. Information is provided regularly in the form of:

- Interim reports
- Rejlers' annual report
- Press releases about news and events that may materially affect the valuation and future prospects of the company. Rejlers' policy is to publish orders that are of strategic value
- Presentations for financial analysts, investors and media
- Rejlers' website – www.rejlers.com – where the information described above is available

The Board's description of the internal control system and risk management

Control environment

The control environment constitutes the basis of internal control. The control environment creates the culture upon which Rejlers operates and defines steering documents, standards and guidelines for the operation's actions. The control environment consists of policies, documented guidelines, manuals and instructions disseminated throughout the organisation.

The quality management system is supplemented by a series of documented directives, which include a financial manual containing guidelines for accounting and financial management together with the information policy.

Rejlers maintains a quality management system that includes procedures, instructions and templates for relevant processes. Rejlers is always busy developing and improving quality and processes in order to meet the standards customers, suppliers and employees expect of a consultancy.

The organizational structure is transparent, with defined roles and responsibilities that are communicated through documented work instructions for the Board, Board committees, the CEO and managers in the Group.

There are rules of procedure for the Board and instructions for the CEO of each company in the Group, based on the same principles as those for Rejlers AB. Each company has a board tasked with continuously ensuring compliance with the overall guidelines and policies and making regular assessments of the company's financial situation. The boards each have at their disposal a president, who in the larger subsidiaries also has a management group.

In each of the countries concerned, the Rejlers organisation allows local units great independence. Managers at all levels have clearly delegated responsibilities and powers to develop their operations based on local conditions and their customers' needs. Regular evaluations are conducted in the organisation at both function and departmental level in order to ensure relevant knowledge of financial reporting in the organisation. The aim is the ability to guarantee with reasonable certainty that Rejlers' short-term and long-term targets are achieved. The aim of risk management and internal controls in connection with financial reporting is the ability to guarantee with reasonable certainty that the external financial reporting is reliable with regard to interim reporting, annual reporting and the annual accounts, and to ensure that the external financial reporting is prepared in accordance with laws, applicable financial reporting standards and other requirements that must be met by listed companies.

Information and communication

The most important steering documents regarding the financial statements are continuously updated and communicated to relevant employees over the company's intranet, information letters, regular meetings, etc. Information channels are established to communicate to concerned employees in the organisation as effectively as possible. Rejlers also has an information policy in regard to both internal and external communication.

Control activities

The control structure is designed to manage the risks the Board and the senior management consider significant for operational activities, compliance with laws and regulations and financial reporting. Defined decision-making procedures, including an authorization manual, are established e.g. for investments and signing of contracts. Where appropriate, automatic controls specifically related to financial reporting have been established. Most control activities are integrated into the company's key processes, such as order booking, revenue recognition, investments, supplier contracts and purchases. The IT structure is designed to handle potential risks in the entire operation. Special controls are in IT systems related to the processes that affect the financial reporting.

Monitoring

Each unit head is responsible for ensuring adequate internal control in the unit concerned and for ensuring that the units comply with the Group's directives for financial reporting. In addition, the internal control structure of separate, decentralised functions is reviewed by a special function. Because the Board considers Rejlers' significant areas of risk to be covered by the reviews carried out, it sees no current need to set up a separate function for internal audit at present.

Stockholm, 1 April 2020
Board of Directors Rejlers AB

CONSOLIDATED INCOME STATEMENT

Amount SEK million	Note	2019	2018
Operating income			
Net sales	5	**2,557.1**	2,365.2
Other operating income	6	**4.6**	1.8
Total operating revenue		**2,561.7**	**2,367.0**
Operating expenses			
Other external expenses	8	**-745.4**	-823.4
Personnel expenses	7	**-1,566.7**	-1,460.8
Capitalised work on own account	9	**-18.9**	-16.2
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	10-13	**-128.4**	-31.3
Participations in associated company earnings	14	**1.2**	0.8
Operating profit/loss		**103.5**	**36.1**
Financial income	15	**12.2**	4.0
Financial expenses	16	**-19.5**	-10.0
Total net financial income/expense		**-7.3**	**-6.0**
Profit/loss before tax		**96.2**	**30.1**
Tax	17	**-18.6**	-13.9
PROFIT FOR THE YEAR		**77.6**	**16.2**
Attributable to the Parent Company's shareholders		**77.6**	15.4
Attributable to shareholders without a controlling influence		**-**	0.8
Earnings per share for profits attributable to the Parent Company's shareholders before dilution	18	**4.19**	0.85
Earnings per share for profits attributable to the Parent Company's shareholders after dilution	18	**4.16**	0.85

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amount SEK million	Note	2019	2018
Profit for the period		**77.6**	16.2
Items that may be reclassified to the income statement			
Translation differences of foreign operations		**13.3**	12.9
Items that will not be reclassified to the income statement			
Revaluation of net pension provisions		**1.3**	1.4
		92.2	**30.5**

CONSOLIDATED BALANCE SHEET

Amounts in SEK million	Note	2019	2018
Assets			
Non-current assets			
Intangible assets			
Capitalised expenditures for program development	9	**61.8**	52.2
Software	10	**10.7**	10.2
Customer values	11	**198.7**	75.6
Goodwill	12	**565.6**	468.3
Total intangible assets		**836.8**	**606.3**
Property, plant and equipment			
Rights of use	23	**272.0**	-
Equipment, tools, fixtures and fittings	13	**20.3**	24.8
Total property, plant and equipment		**292.3**	**24.8**
Financial assets			
Participations in associated companies	14	**2.0**	1.2
Non-current securities held as non-current assets	19	**18.1**	8.6
Other non-current receivables	20	**4.1**	3.9
Total financial assets		**24.2**	**13.7**
Deferred tax asset	17	**44.1**	36.5
Total non-current assets		**1,197.4**	**681.3**
Current assets			
Current receivables			
Inventories		**4.7**	3.6
Trade receivables	21	**478.2**	410.9
Current tax assets		**29.8**	37.0
Other receivables		**44.6**	15.7
Prepaid expenses and accrued income	22	**206.9**	212.0
Total current receivables		**764.2**	**679.2**
Cash and cash equivalents		**142.0**	38.2
Total current assets		**906.2**	**717.4**
TOTAL ASSETS		**2,103.6**	**1,398.7**

Amounts in SEK million	Note	2019	2018
EQUITY AND LIABILITIES			
Equity			
Share capital		**39.4**	36.2
Other capital contributed		**507.5**	391.3
Reserves		**20.2**	6.9
Accumulated profit including profit for the year		**363.1**	272.9
Total equity attributable to Parent Company shareholders		**930.2**	**707.3**
Equity attributable to shareholders without a controlling influence		**-**	0.0
Total equity		**930.2**	**707.3**
Non-current liabilities			
Liabilities to credit institutions	24	**101.9**	95.5
Lease liabilities		**155.5**	-
Convertible debentures		**46.3**	-
Deferred tax liability	17	**45.2**	37.5
Pension provisions	25	**28.4**	29.1
Other liabilities		**73.1**	76.0
Total non-current liabilities		**450.4**	**238.1**
Current liabilities			
Liabilities to credit institutions	24	**114.6**	33.4
Lease liabilities		**100.8**	-
Accounts payable		**103.4**	92.5
Advance payments from customers		**0.1**	0.3
Current tax liabilities		**3.8**	12.0
Other liabilities		**136.7**	109.5
Accrued expenses and deferred income	26	**263.6**	205.6
Total current liabilities		**723.0**	**453.3**
TOTAL EQUITY AND LIABILITIES		**2,103.6**	**1,398.7**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amount SEK million	Share capital	Other capital contributed	Reserves	Accumula-ted profit or loss	Total	Non-controlling interests	Total equity
Opening equity 01/01/2018	**36.2**	**391.3**	**-6.0**	**316.0**	**737.5**	**8.9**	**746.4**
Comprehensive income for the period	-	-	12.9	16.8	29.7	0.8	30.5
Changes attributable to transactions with the owners							
Acquisition of non-controlling interests	-	-	-	-50.9	-50.9	-9.2	-60.1
New share issue	-	-	-	-	192.1		192.1
Dividends	-	-	-	-9.0	-9.0	-0.5	-9.5
	-	**-**	**-**	**-59.9**	**-59.9**	**-9.7**	**-69.6**
Closing equity 31/12/2018	**36.2**	**391.3**	**6.9**	**272.9**	**707.3**	**0.0**	**707.3**
Opening equity 01/01/2019	**36.2**	**391.3**	**6.9**	**272.9**	**707.3**	**0.0**	**707.3**
Comprehensive income for the period	-	-	13.3	78.9	92.2	-	92.2
Changes attributable to transactions with the owners							
Convertible programme	-	-	-	1.8	1.8	-	1.8
New share issue	3.2	116.2	-	27.6	147.0	-	147.0
Dividends				-18.1	-18.1	-	-18.1
	3.2	**116.2**	**-**	**11.3**	**130.7**	**-**	**130.7**
CLOSING EQUITY 31/12/2019	**39.4**	**507.5**	**20.2**	**363.1**	**930.2**	**-**	**930.2**

CONSOLIDATED STATEMENT OF CASH FLOW

Amount SEK million	Note	2019	2018
Cash flow from operating activities			
Operating profit/loss		**103.5**	36.1
Adjustments for items not included in cash flow			
Depreciation of non-current assets	9-13	**147.1**	47.5
Restructuring items		**-**	27.6
Other items		**14.1**	9.6
Total, items not affecting cash flow		**161.2**	**84.7**
Interest paid		**-9.5**	-4.6
Interest received		**2.5**	0.8
Income tax paid		**-20.6**	-30.7
Cash flow from operating activities before change in working capital		**237.1**	**86.3**
Change in working capital			
Reduction in inventories		**-1.1**	-0.5
Increase/decrease in trade receivables		**-68.0**	39.8
Increase/decrease in current receivables		**-22.9**	24.2
Increase (+) decrease (-) in trade payables		**10.9**	-36.8
Increase (+) decrease (-) in other current liabilities		**89.9**	10.1
Cash flow from operating activities		**245.9**	**123.1**
Investing activities			
Acquisition of property, plant and equipment		**-9.9**	-5.8
Acquisition of intangible assets		**-32.3**	-27.2
Acquisition of operation after deductions for acquired cash and cash equivalents	28	**-266.3**	-33.9
Dividends from associated companies		**-**	0.3
Acquisition of other financial assets		**-9.1**	-1.3
Sale of other financial assets		**-**	-
Cash flow from investing activities		**-317.6**	**-67.9**
Financing activities			
Loans raised		**228.7**	-
Amortisation of loans	31	**-128.2**	-28.5
Repayment of lease liability as per IFRS 16		**-99.4**	
New share issue and convertibles		**194.4**	-
Dividends paid to shareholders		**-18.6**	-9.5
Cash flow from financing activities		**176.9**	**-38.1**
Cash flow for the year		**105.2**	**17.1**
Cash and cash equivalent at beginning of year		**38.2**	20.3
Exchange rate differences in cash and cash equivalents		**-1.5**	0.8
CASH AND CASH EQUIVALENT AT YEAR AND		**142.0**	**38.2**

Notes – Group

NOTE 1. GENERAL INFORMATION

Rejlers AB (publ) (556349-8426) (the Parent Company) and its subsidiaries (jointly called the Group) is a Nordic business group that offers services to customers in the areas of buildings and properties, energy, industry and infrastructure.

The Parent Company is a Swedish public limited company with its registered office in Stockholm. The address of the head office is Box 30233, Lindhagensgatan 126, SE 104 25 Stockholm, SWEDEN. The company's B shares are listed on Nasdaq Stockholm.

The annual report and consolidated financial statements were approved for publication by the Board on 1 April 2020. The consolidated income statement and balance sheet and the Parent Company's income statement and balance sheet are proposed as items for adoption by the AGM on 22 April 2020.

NOTE 2. SUMMARY OF IMPORTANT ACCOUNTING POLICIES

Basis for the preparation of the reports

Rejlers Prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB) and interpretations from the IFRS Interpretations Committee (IFRS IC) as adopted by the EU. The Swedish Annual Accounts Act is also applied as are the recommendations published by the Swedish Financial Reporting Board, RFR1, Supplementary rules for consolidated financial statements.

The Parent Company applies the same accounting policies as the Group except as stated under Parent Company accounting policies in Note A.

New or amended IFRS and new interpretations 2019

IFRS 16 "Leases" is replacing the earlier IAS 17 "Leases" and its related interpretations. The new standard is applied as of 1 January 2019. The new standard will have an impact on Rejlers' financial reports. The Group applies the simplified transition method, modified retroactivity, and comparative figures are thereby not restated. The comparative figures are presented in accordance with the old standard IAS 17 and associated statements. IFRS 16 has therefore not been applied to comparative figures in the notes. According to earlier rules for recognition of leases, Rejlers identified a lease based on the financial risks and benefits associated with ownership of an object being essentially transferred from the lessor to the lessee. With that definition, the Group has only recognised operating leases, where associated lease charges were recognised as expenses in the consolidated income statement in the period to which they belong.

With the application of IFRS 16, a difference is no longer made between operating and finance leases. Leasing liabilities and rights of use (lease assets) are recognised in the statement of financial position for most of Rejlers' operating leases. The leasing liabilities are valued at the present value of the remaining leasing payments, discounted by using the marginal loan interest rate at 1 January 2019. Rejlers recognises a right of use (ROU) asset in an amount equivalent to the leasing liability, adjusted for any prepaid or accrued lease charges, as recognised at 31 December 2018. Finance leases previously recognised according to IAS 17 Leases are reclassified according to IFRS 16 to the amounts that were recognised the date immediately before the application of the new standard.

In the initial application of IFRS 16, the Group also used the following practical relief rules permitted under the standard:

- leases with a remaining leasing period of a maximum of 12 months and leases where underlying assets amount to a low value are not recognised in the statement of financial position. They will be recognized in operating profit in the same way as previous operating leases.
- Rejlers has not applied IFRS 16 to intangible assets,
- use of historical information in the assessment of a lease's length if there is an option to extend or cancel a lease, and
- direct costs for ROUs have not been included in the transition.

The transition to IFRS 16 had the following effects on the consolidated balance sheet at the transition date on 1 January 2019.

	Recognised balance-sheet items 1 January 2019	Transition to IFRS 16	Restated balance-sheet items 1 January 2019
Assets	-		
Right of use assets	-	299.8	299.8
Prepaid expenses	-	-	-
Total assets	**-**	**299.8**	**299.8**
Equity	**-**	**1.3**	**1.3**
Non-current liabilities			
Lease liabilities	-	181.5	181.5
Total non-current liabilities	**-**	**181.5**	**181.5**
Current liabilities			
Lease liabilities	-	101.7	101.7
Total current liabilities		**101.7**	**101.7**

The change between operating leases at 31 December 2018 and the opening leasing liability at 1 January 2019 is presented below. The Group's weighted average marginal loan interest rate that was applied to leasing liabilities at 1 January 2019 was 2.5%.

Amounts in SEK million	
Assumptions for operating leases as at 31 December 2018	210.5
Short-term agreements and agreements for which the underlying asset is of low value (deducted as expensed)	-9.1
Effects of extension options reasonably certain to be used	87.7
Reclassification of finance leases	10.3
Discounting with the Group's marginal interest on loans	-10.5
Leasing liability, 1 January 2019	289.3

Upcoming regulatory changes

Company management's assessment is that the standards and interpretations to be applied from 1 January 2020 will not have any material effect on the Group's financial statements.

Segment reporting

Segment information is presented based on the company management's perspective and the operating segment is identified based on the internal reporting to the company's highest executive decision maker.

Rejlers has identified the CEO as being its highest executive decision maker and the internal reporting used by him to follow up operations and make decisions regarding the allocation of resources form the basis for the segment information presented here.

The accounting policies used in reportable segments correspond to the policies applied by the Group as a whole. As Rejlers conducts operations in three countries, three operating segments are reported: Sweden, Finland and Norway.

Classifications

Non-current assets and non-current liabilities refer to assets and liabilities that are expected to be recovered i.e. through use or consumption or paid more than 12 months from the closing date. Current assets and liabilities refer to amounts that are expected to be recovered or paid within 12 months of the closing date.

Consolidation principles

Subsidiaries

The consolidated income statement and balance sheet covers all of the companies in which Rejlers AB holds, directly or indirectly, more than half of the shares' voting rights as well as companies in which the Group in some other way has a controlling influence. Subsidiaries are included in the consolidated financial statements as of the day when controlling influence was transferred to the Group. Subsidiaries are excluded from the consolidated financial statements as of the day when controlling influence ceases.

The acquisition method is used for reporting the Group's business combinations. The purchase some for the acquisition of a subsidiary constitutes the fair value of transferred assets and liabilities and the value of the equity instruments submitted as payment. The purchase sum also includes the fair value of all assets or liabilities resulting from an agreement regarding a contingent consideration. Expenses related to acquisitions are expensed as they arise. Identifiable acquired assets and assumed liabilities in a business combination are measured initially at fair value on the acquisition date. For each acquisition, the Group decides whether the holding without a controlling influence in the acquired company will be reported at fair value or as the holding's proportional share of the acquired company's net assets.

The amount by which the purchase sum, any holding without a controlling influence and the fair value on the acquisition date of the earlier shareholding, exceeds the fair value of the Group's share of the identifiable acquired net assets is reported as goodwill. If the difference is negative, it is reported as gains from a bargain purchase directly in the income statement following review of the difference.

Transactions with shareholders without a controlling influence that do not lead to a loss of controlling influence, are reported as equity transactions – i.e. transactions with the owners in their role as owners. When making acquisitions from shareholders without a controlling influence, the difference between the fair value of the purchase sum paid and the actual acquired share of the carrying amount of the subsidiary's net assets is reported in equity. Gains and losses from disposals to shareholders without a controlling influence are also reported in equity.

If the business combination is carried out in several stages, the previous equity participations in the acquired company are re-measured to their fair value at the time of acquisition. Any gains or losses arising from the revaluation are reported in the income statement.

Each contingent consideration that will be transferred by the Group is reported at fair value at the time of acquisition. Subsequent changes to the fair value of a contingent consideration classified as an asset or liability is reported in accordance with IFRS 9 either in the income statement or other comprehensive income. Contingent considerations classified as equity are not re-measured and subsequent regulation is reported in equity.

Intra-Group transactions, balance sheet items and unrealised gains between Group companies are eliminated. Unrealised losses are also eliminated, but any losses are considered to indicate a need to recognise impairment for the transferred asset. The accounting policies in acquired subsidiaries have been changed where applicable to guarantee consistent application of the Group's principles.

Associated companies

Associated companies refers to all of the companies in which the Group has a significant but not controlling interest, which generally applies to all shareholdings that comprise between 20 and 50 per cent of the votes. Holdings in associated companies are reported according to the equity method and measured initially at cost. The Group's carrying amount for associated company holdings includes goodwill identified at acquisition, net after any impairment charges.

The Group's share of profit or loss after tax arising in the associated company after acquisition is reported in the income statement under 'Participations in associated company earnings' and as part of operating profit/loss. The Group's proportion of changes in reserves after acquisition are reported in the item Reserves. Accumulated changes after the acquisition are reported as changes in the carrying amount of the holding. When the Group's share of an associated company's losses amounts to or exceeds its holding in the associated company, including any unsecured claims, the Group does not report further losses unless the Group has assumed liabilities or made payments on behalf of the associated company.

Unrealised gains from transactions between the Group and its associated companies are eliminated in proportion to the Group's shareholding in the associated company. Unrealised losses are also eliminated, unless the transaction constitutes proof of a need to recognise impairment for the transferred asset. The accounting policies in acquired associated companies have been changed where applicable to guarantee consistent application of the Group's principles.

Translation of foreign currencies

Foreign subsidiaries report in their functional currency, which corresponds to the currency in the principal financial environment in which each subsidiary operates.

Transactions in foreign currency are translated to the functional currency according to the foreign exchange rate applicable on the transaction date or the date when the items were re-measured. Exchange rate gains and losses that arise upon payment of such transactions and when converting monetary assets and liabilities in foreign currency at the closing date exchange rate are reported in the income statement.

In the consolidated financial statements, subsidiary company accounts have been translated to Swedish kronor, which is the Group's reporting currency. The translation of foreign subsidiaries' income statements and balance sheets to Swedish currency is carried out as follows:

- assets and liabilities are translated at the closing day rate,
- income and expenses are translated to the average exchange rate (unless this average is not a reasonable approximation of the accumulated effects of the exchange rates that applied on the transaction date, in which case income and expenses are converted at the transaction date's exchange rate), and
- all exchange rate differences that arise are reported as a separate part of other comprehensive income.

On consolidation, exchange-rate differences that arise as a result of the translation of net investments in foreign operations, are reported in other comprehensive income. When a foreign operation is disposed of wholly or in part, the exchange rate differences reported in equity are transferred to the income statement and reported as part of capital gains or losses. Goodwill and adjustments to fair value that arise in connection with the acquisition of a foreign operation are treated as assets and liabilities at said operation and translated at the closing day rate.

Property, plant and equipment

Property, plant and equipment are recognised at cost less depreciation. Cost includes expenses directly attributable to the acquisition of the asset.

Additional expenditures are added to the asset's carrying amount or reported as a separate asset as appropriate only if it is probable that the future economic benefits associated with the asset will accrue to the Group and that the asset's cost can be measured in a reliable manner. The carrying amount for the replaced part is removed from the balance sheet. All other forms of repair and maintenance are expensed in the income statement during the period in which they arise.

No depreciations are made for land. Depreciation of the costs or re-measured amounts of other assets down to the calculated residual value over their estimated period of use is done on a straight-line basis as follows:

- Vehicles 5 years
- Equipment, fixtures and fittings 3-5 years

The residual values and useful lives of assets are tested every closing day and adjusted as necessary.

The reported residual value of an asset is immediately written down to its recoverable value if the asset's carrying amount exceeds its recoverable value.

Intangible assets

Goodwill

The amount by which the purchase sum, any holding without a controlling influence and the fair value on the acquisition date of the earlier holding, exceeds the fair value of the identifiable acquired net assets is reported as goodwill. Goodwill from the acquisition of subsidiaries is reported as intangible assets. Goodwill from the acquisition of an associated company is included in the value of the holding in the associated company and is tested for the need to recognise any impairment as a proportion of the value of the total holding. Goodwill is tested annually to identify any need for impairment and is reported at cost less accumulated impairments. Goodwill impairments are not reversed. Gains or losses from the disposal of a unit include the remaining carrying amount of the goodwill in respect of the unit disposed of. Goodwill is allocated to cash-generating units during tests for any need for impairment. Allocation is made to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination that gave rise to the goodwill item.

Customer values

Acquired customer values refers to customer relationships, customer agreements etc. They have a limited useful life and are reported at cost less accumulated depreciations. Depreciations are made on a straight-line basis to distribute the expense of customer values over the estimated useful life (ten years).

Software

Software licenses are capitalised on the basis of the expenses that arose when the software in question was acquired and put into operation. These capitalised expenses are depreciated during the estimated useful life (three to five years).

Capitalised expenditures for program development

Expenditures for the development and maintenance of software are expensed as they arise. Expenditures directly associated with the development of identifiable, unique software products under the control of the Group that have probable financial advantages for more than one year and which exceed the expenses, are reported as intangible assets. The expense includes employee expenses that arose during the development of software and a reasonable proportion of indirect expenses. Interest rate expenditures in connection with development projects are capitalised. Software development expenses are depreciated during the estimated useful life (three to five years).

Impairment tests for non-financial assets

Assets with an indefinable useful life such as goodwill are not depreciated but tested annually for any need for impairment. Assets that are depreciated are assessed in regard to their reduction in value whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is made in the amount by which the asset's carrying amount exceeds its recovery value. The recovery value is the higher of the asset's fair value less selling expenses and its value in use. When assessing the need to recognise impairment, assets are grouped at the lowest levels where there are separate identifiable cash flows (cash-generating units). Previously depreciated assets, other than financial assets and goodwill, are tested at every closing date for the need for reversal.

Financial instruments

A financial asset or liability is shown in the balance sheet when the Group becomes party to the instrument's contractual conditions. A financial asset is removed from the balance sheet when the contractual right to the cash flow from the asset ends or is settled or when the Group loses control over it. A financial liability, or part thereof, is removed from the balance sheet when the obligation in the agreement is fulfilled or otherwise expires.

Classification and measurement

Financial assets are classified based on the business model that the asset is handled in and the nature of the cash flows the assets generate. If the financial asset is held within the scope of a business model the goal of which is to collect contractual cash flows ("hold to collect") and the agreed terms for the financial asset at set times give rise to cash flows that only consist of payments of principal and interest on the outstanding principal, the asset is recognised at amortised cost.

If the goal of the business model is instead achieved by both collecting contractual cash flows and selling financial assets ("hold to collect and sell"), and the agreed terms for the financial asset at set times give rise to cash flows that only consist of payments of principal and interest on the outstanding principal, the asset is recognised at fair value through other comprehensive income.

All other business models (other) where the aim is speculation, holding for trade or where the nature of the cash flow excludes other business models entail recognition at fair value through profit or loss.

The Group applies the hold to collect business model to all financial assets. The Group's financial assets are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest method, less any provisions for depreciation.

Financial liabilities are measured at fair value through profit or loss if they are a conditional purchase consideration to which IFRS 3 is applies, are held for trading or if they were initially identified as liabilities at fair value through profit or loss. Other financial liabilities are measured at amortised cost.

Fair value of financial instruments

The fair value of financial assets and liabilities traded on an active market is determined with reference to their quoted market price. The fair value of other financial assets and liabilities is determined according to generally accepted valuation models such as discounting of future cash flows and use of information obtained from current market transactions.

For all financial assets and liabilities, the carrying amount is deemed to be a good approximation of their fair value, unless otherwise specifically stated.

Amortised cost and the effective interest method

Amortised cost for a financial asset is the amount at which the financial asset is valued at initial recognition less capital amounts, plus the accumulated depreciation/amortisation with the effective interest method of a potential difference between the capital amount and the outstanding capital amount adjusted for any impairment. Recognised gross value for a financial asset is the amortised cost of a financial asset before adjustments for a potential loss provision. Financial liabilities are recognised at amortised cost using the effective interest method or at fair value through profit or loss.

The effective interest rate is the interest rate which, when discounting all future anticipated cash flows over the expected term, gives the value initially recognised for the financial asset or the financial liability.

Impairment

The Group recognises a loss provision for expected credit losses on financial assets measured at amortised cost. As of each balance sheet date, the Group recognises the change in expected credit losses since initial recognition in profit or loss.

For all financial assets, the Group measures the loss provision in an amount corresponding to 12 months' expected credit losses. For financial instruments for which there have been significant increases in credit risk since initial recognition, a provision is recognised based on credit losses for the asset's entire duration (the general model).

For trade receivables and contract assets, there are simplifications that mean that the Group directly recognises expected credit losses on the asset's remaining duration (the simplified model).

Cash and cash equivalents are covered by the general model for impairments. For cash and cash equivalents, the exception is applied for low credit risk. The Group's trade receivables and contract assets are covered by the simplified model for impairments. The expected credit losses for trade receivables are estimated using a provision matrix, which is based on earlier events, current circumstances and forecasts of future financial circumstances and the time value of money if applicable.

The Group defines default as it being deemed unlikely that the counterparty will fulfil its commitments due to indicators, such as financial difficulties and missed payments. Regardless, default is considered to exist when the payment is 90 days late. The Group writes off a receivable when no possibilities for further cash flows are deemed to exist.

Inventories

Inventories are reported at cost or net realisable value, whichever is the lower. Cost is determined by using the first-in, first-out method.

Taxes

Tax expenses or tax income comprise current tax and deferred tax. Current tax is the tax that must be paid or received in respect of the current year by applying the tax rates adopted as of the closing date. Deferred tax is calculated in accordance with the balance sheet method. In the balance sheet method, calculations are based on the application of closing date tax rates to the differences between an asset's or liability's book value or tax -related value and loss carry forward. These loss carry-forwards may be used to reduce future taxable income. In cases where such loss carry-forwards are considered possible, a deferred tax asset is entered for said loss carry-forwards.

Tax is reported in the income statement except where it refers to items that are reported in other comprehensive income or directly in equity. In such cases the tax is also reported in other comprehensive income or equity respectively.

The current tax asset is offset against the current tax liability in different units in cases where offset is possible between tax-related profits/losses between corresponding units and the Group intends to make use of such offset opportunities. The corresponding principle applies to deferred tax assets and liabilities.

Remuneration of employees

Pension obligations

The pension arrangements within the Group are classified as defined-contribution and defined-benefit pension plans. Premiums for defined-contribution pension arrangements are expensed during the period they concern. In the case of defined-benefits pension plans, the pension benefit expense is determined based on actuarial calculations according to the Projected Unit Credit Method. Remeasurements, including actuarial gains and losses, the effects of changes to the asset ceiling and rates of return on plan assets (excluding the interest rate component which is reported in the income statement), are reported directly in the balance sheet as an income or expense corresponding to the change for the period in the statement of comprehensive income in the period in which they arise. Remeasurements reported in other comprehensive income effect accumulated profit or loss and are not reclassified to the income statement. Past service costs are expensed in the income statement in the period during which the plan was changed. Net interest is calculated by applying the discount rate at the beginning of the period to the defined-benefits net liability or asset.

The defined-benefits expenses are divided into the following categories:

- service costs (including service costs for the current period, service costs for earlier periods and gains and losses in respect of reductions and/or settlements)
- net interest expense on net interest income
- remeasurements

The first two categories are reported in the income statement as personnel expenses (service cost) and net financial income/expense (net interest expense). Gains and losses related to reductions and settlements are reported as service costs from earlier periods. Remeasurements are reported in other comprehensive income.

According to a statement from the Swedish Financial Reporting Board, UFR 10 Accounting for pension plan ITP 2 financed through insurance with Alecta, UFR 10 must be applied until Alecta is able to present basic data for the calculation of defined-benefits pension commitments. UFR 10 means pension arrangements with Alecta are classified as defined-contribution plans until further notice.

Termination benefits

Termination benefits are paid when an employee is terminated by the Group before normal pensionable age or when an employee accepts voluntary retirement in exchange for such benefits. The Group reports severance pay when it is demonstrably obliged either to terminate the employee according to a detailed, formal, irrevocable plan or to pay compensation upon termination as a result of an offer made to encourage voluntary retirement. Benefits that fall due more than 12 months from the closing date are discounted to present value.

Profit-sharing and bonus plans

The Group reports a liability and an expense for bonuses and profit sharing based on a formula that takes into account the profit that is attributable to the Parent Company's shareholders following certain adjustments. The Group recognises a provision when there is a legal obligation, or a constructive obligation based on previous practice.

Convertible debentures

Convertible debentures are recognised as a composite financial instrument divided into a liability component and an equity component in accordance with the content in the agreement and the definitions of a financial liability and an equity instrument. The equity instrument is comprised of a built-in option to convert the debt instrument into shares.

On the share issue date, the fair value of the liability component is calculated through the use of the market interest rate on the issue date for an equivalent non-convertible bond. After initial recognition, the liability is recognised at amortised cost until it is converted or expires. The value of the equity component is calculated as the difference between the issue proceeds and the fair value of the financial liability. The equity component is recognised net after tax in equity and is not restated. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion right.

Transaction costs that relate to the issue of convertible debentures are allocated to the liability component – and the equity component in the same proportion as the issue proceeds is allocated between the liability component – and the equity component. Transaction costs attributable to the equity component are recognised directly in equity. Transaction costs attributable to the liability component are included in the carrying amount of the liability component and depreciated over the instrument's useful life using the effective interest method.

Provisions

Provisions are recognised when the Group has an existing legal or informal obligation as a result of prior events where it is probable that an outflow of resources will be required to settle the commitment and the amount was calculated in a reliable manner.

Provisions for restructuring include costs for the termination of leases and severance pay. No provisions are made for future operating losses. If there are a number of similar commitments, the probability of there being an outflow of resources for the settlement of all of the commitments in this group is considered. The provisions are measured at the present value of the amount anticipated as necessary to settle the commitment. In this regard, a discount rate before tax is used, which reflects a current market assessment of the time value of money and the risks associated with the provision.

The increase in the provision due to the passage of time, is reported as an interest expense.

Revenue from Contracts with Customers

The Group's sales mainly consist of consulting services in building and property, energy, industry and infrastructure.

Income is recognised based on the contract with the customer and valued based on the compensation the company expects to be entitled to in exchange for rendering promised services, excluding amounts received on behalf of third parties. Income is recognised when the customer receives control over the sold service.

Consulting services are carried out on ongoing account or at a fixed price and income is recognised over time as the work is done. The contract with the customer normally contains only one performance commitment.

Income from agreements on ongoing account is usually based on a price per hour and income is recognised in the period in which the service is rendered. For income from services rendered at fixed prices, the percentage-of-completion method is applied, i.e. revenue is recognised in relation to the degree of completion of the project concerned as of balance sheet date. Degree of completion is calculated on the basis of accrued expense in relation to the total cost of the project. If the total expenses for a project are estimated to exceed the total income, the anticipated loss is recognised immediately in its entirety. When the outcome of a project cannot be reasonably measured, but the Group expects to receive coverage for expenses paid, income is recognised in an amount that corresponds to the incurred expenses expected to be compensated by the customer.

For changes and supplemental work, the Group makes an assessment whether they should be recognised as a separate agreement or if they are to be considered a part of the original agreement. Changes and supplemental work, which mean that the agreement's scope increases and its services are distinct and that the price increases by an amount that corresponds to a free-standing sales price, are recognised as a separate agreement.

Income from operations and administration services over time in pace with the work being carried out, normally means that income is recognised straight-line over the contract period.

Licence income is recognised at delivery of software on condition that the customer at that time can control the use of and largely obtains all remaining benefits from the licence.

In fixed price agreements, the customer is often invoiced at certain agreed milestones. In ongoing account agreements, the customer is usually invoiced monthly in arrears. The normal credit period is 30 days. If the sum of what has been accrued exceeds the invoiced amount, the difference is recognised as an accrued income (contract assets). If the invoiced amount exceeds what has been accrued, the difference is recognised as a prepaid income (contract liabilities).

Interest income and dividends

Interest income is reported on an ongoing basis as it is earned at the effective interest rate applicable to each asset. Dividends from investments are reported when entitlement to receive payment is established.

Leases according to IAS 17

Leasing is classified in the consolidated financial statements as either financial or operational leasing. Financial leasing is when the economic risks and benefits associated with ownership are transferred in all material respects to Rejlers; where this is not the case, it is a question of operational leasing.

Leasing contracts mainly concern vehicles, computers and photocopiers. Leasing of assets (vehicles) that constitutes financial leasing is reported as non-current assets and financial liabilities. Depreciation takes place according to the same principles as for other assets of the same type. Operational leasing (computers, photocopiers) is expensed on a straight-line basis over the leasing period.

Leases according to IFRS 16

A lease exists if the Group has the right to obtain financial benefits from the use of an identifiable asset for a determined period of time in exchange for compensation and that the Group can decide over the use of the asset. A service agreement does not fall under the definition of a lease. The leasing period pertains to the interminable agreement period including reasonably certain extension options or not reasonably certain termination options.

Leases are initially recognised as rights of use with associated liabilities on the date that the leased asset is available for use by the Group, except short-term leases (leases with a leasing period of no more than 12 months) and leases where the underlying asset is of low value. For leases which meet the criteria for the relief rules, the Group recognises lease charges as an operating expense straight-line over the leasing period if no other systematic method for period allocation of the lease charges provides a more accurate picture with regard to how the financial benefits from the underlying asset are consumed by the lessee. Leases where the underlying asset is of low value mainly pertain to IT equipment and office equipment.

The leasing liability is initially measured at the present value of the future lease charges, which have not been paid as of the start date for the lease, discounted by the implicit interest rate, or if this cannot be easily determined, the marginal loan interest rate. Rejlers generally uses the Group's marginal loan interest rate. The marginal loan interest rate is the interest rate that a lessee would need to pay for financing through loans during an equivalent period, and with a corresponding security, for the right of use of an asset in a similar economic environment.

The marginal loan interest rate is determined

- By using the current loan interest rate towards external parties if possible,
- Through a model that is based on a risk-free interest rate for Rejlers' credit risk and
- Adjustments for terms, country, currency and collateral

Leasing charges that are included in the valuation of lease liabilities comprise the following:

- fixed fees (including substantively fixed fees), less any benefits to be received in connection with signing of the lease,
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be paid by the lessee according to residual value guarantees,
- the redemption price for an option to buy if the lessee is reasonably certain to exercise such a possibility, and
- penalties payable upon termination of the lease, if the leasing period reflects that the lessee will exercise a possibility to terminate the lease.

Leasing liabilities are presented on their own line in the statement of financial position with a specification in Note 23.

If there are several leasing components in a lease, the lease charge is allocated according to IFRS16 with the help of independent prices. IFRS 16 contains a practical relief rule, which means that the lessee does not need to separate out service components from the lease charge and instead is recognised as one single leasing component. The Group has applied this relief rule for leased premises and addresses service components as a part of the lease charge.

The ROU asset is initially recognised at the value of the leasing liability the date that the leased asset is available for use in the Group, with addition for lease charges paid at or before the start-date for the lease and initial direct charges. If the Group accepts obligations for a disassembly of a leased asset, restoration of land or restoration and renovation of an asset into a condition agreed in contracts, a provision for such obligations in accordance with IAS 37 is recognised. Such provisions are included in the cost of the ROU asset insofar as they are not linked to the production of inventories. ROU assets are depreciated over the estimated useful life or, if it is shorter, over the agreed leasing period. If a lease transfers ownership at the end of the leasing period or if the cost includes a probable exercise of a purchase option, the ROU asset is depreciated over the useful life. Depreciation begins as of the start date for the lease. ROU assets are presented on their own line in the statement of financial position with a specification in Note 23.

In subsequent periods, the right of use is recognized at cost less amortization and possible impairment and adjusted for any revaluations of the leasing liability. The Group applies the principles in IAS 36 for the impairment of ROU assets and recognises this in the same way as described in the principles for property, plant and equipment recognised according to IAS 16.

The leasing liability is recognised at amortised cost according to the effective interest method and reduced by leasing payments made. Leasing liabilities are revalued with a corresponding adjustment of the ROU asset according to the rules that are found in the standard. For example, Rejlers has future lease charges for a number of leases that are based on an index that is not included in the leasing liability as long as the change in index or price have not occurred.

Dividends

Dividends to the Parent Company's shareholders are reported as a liability in the consolidated financial statements in the period during which the dividend was approved by the Parent Company's shareholders.

Borrowing costs

Borrowing costs directly attributable to the acquisition, design or production of assets that take a substantial period of time to prepare for the intended use or sale, are capitalised as part of the cost of the asset where it is probable that the asset will lead to future economic benefits for the Group and the expenditures can be measured reliably. Other borrowing costs are expensed in the period in which they arise and are classified in their entirety as financial expenses in the income statement. Borrowing is classified as current liabilities, unless the Group is entitled to defer payment of the liability for at least 12 months after the balance sheet date.

State subsidies

State subsidies are reported in their entirety in the income statement at fair value as soon as there is a reasonable certainty that the subsidy will be received and that the Group will fulfil the terms associated with the subsidy. Subsidies that concern expenses are accrued and reported in the same periods as the expenses the subsidies are intended to cover.

Rejlers in some cases receives grants for payroll expenses. Where applicable, they have reduced the company's employee expenses.

Statement of cash flows

The statement of cash flows is prepared according to the indirect method. Cash and cash equivalents in the statement of cash flows consist of cash and bank balances as well as current investments with a maturity from the acquisition date of less than three months, which are only exposed to an insignificant risk of changes in value.

Cash and cash equivalents

The company has cash and cash equivalents in the form of cash balances in Swedish banks with a rating of at least A-. The credit provision is calculated according to the general model with the assumption of low credit risk. Given the short duration and stable counterparties, the amount is completely immaterial.

Parent Company Accounting Policies

The Parent Company has prepared its financial statements and annual report in accordance with the Swedish Annual Accounts Act and Swedish Financial Accounting Standards Council recommendation RFR 2 Accounting for Legal Entities. See Note A, Accounting policies.

NOTE 3. FINANCIAL RISK FACTORS AND OTHER RISKS

The overall objective of Rejlers' financial operations is to support operational activities by securing financing and loan commitments, as well as efficient cash flow management both locally and centrally, and to deal with the financial risks to which the Group is exposed. Management of Rejlers' financial risk exposure is centralised in the company's financial department. The company has a financial policy set by the Board, which describes the objectives for the financial functions and the distribution of responsibilities within them. This financial policy aims to control and limit the financial risk to which the Group is exposed through the establishment of targets, guidelines and rules for the management of financial risk exposure and cash flow. The following financial risks are considered to be present in Rejlers' operations.

Currency risk, the risk of changes in the value of a currency in relation to other currencies poses a currency risk. Exchange rate risks are limited, since the majority of payments are made in the local currencies of the respective companies. When subsidiaries' balance sheets in local currency are translated to SEK, a difference arises as the translation for the current year is at a different exchange rate than the previous year, and because income statements are translated at a different exchange rate than the balance sheets.

Rejlers' policy is not to hedge translation differences. The Group's policy is to limit currency risk where applicable, if the risk might affect the cash flow within the Group to an appreciable extent. A risk assessment must be carried out in such cases.

Impact on earnings after tax, SEK million[1]	2019	2018
Exchange rate change EUR/SEK		
+ 10%	**5.8**	3.9
- 10%	**-5.8**	-3.9
Exchange rate change NOK/SEK		
+ 10%	**1.9**	-0.3
- 10%	**-1.9**	0.3

[1] As the Group does not recognise any value changes in other comprehensive income or equity, a corresponding effect arises in equity.

Liquidity risk, i.e. the risk of failing to meet payment obligations. This risk must be limited through good liquidity planning, by which means Rejlers can secure e.g. timely loan commitments. Seasonal reductions in liquidity are offset against changes in the overdraft limit. The Group endeavours to have guaranteed overdrafts and cash and cash equivalents equivalent to the sum of all loans falling due in the next six months.

Interest rate risk, refers to changes in the value of an interest-bearing item as a consequence of changes in market interest rates.

The investment time horizon of assets is governed by financial policy and the Group's acquisition plans. In the case of acquisitions, the repayment time for loans with fixed interest rates must reflect the calculated depreciation time for the acquisition. Short-term loans are usually arranged at variable interest rates so that the Group will be able to pay them off without expense in the event of surplus liquidity.

Impact on earnings after tax, SEK million[1]	2019	2018
Interest rate change		
+ 1%	**-5.5**	-1.5
- 1%	**5.5**	1.5

Credit risk refers to counterparty risk, the risk of a counterparty failing to meet its obligations. This risk is limited in major business deals by checking, before anything else, the counterparty's ability to pay. Rejlers has considerable customer exposure to government and other public authorities where the credit risk is very low. In the case of private-sector clients, an individual assessment of each client's ability to pay is carried out as required. Usually, customers are invoiced monthly, which means exposure an individual customer basis is relatively small. Any funds invested must be in government, municipal, bank or certain selected commercial papers.

The Group's maximum exposure to credit risk is assessed to be matched by carrying amounts on all financial assets, which amount to SEK 716.8 million (514.3)

The table below analyses the Group's financial liabilities, classified by the time remaining until the contractual due date, as of balance sheet date. Also refer to Note 24, excl. IFRS 16 Leases.

2019	less than 1 year	between 1 and 2 years	between 2 and 5 years	more than 5 years
Liabilities to credit institutions, SEK million	**215.4**	**157.6**	**146.1**	**-**
Trade payables and other liabilities, SEK million	**103.4**	**-**	**-**	**-**

2018	less than 1 year	between 1 and 2 years	between 2 and 5 years	more than 5 years
Liabilities to credit institutions, SEK million	33.4	95.5	-	-
Trade payables and other liabilities, SEK million	92.5	-	-	-

Interest-bearing liabilities are impacted by IFRS 16 Leases by SEK 256.3 million.

Capital management

The Group's objective regarding capital structure is to safeguard its ability to continue operations in order to go on generating a return for shareholders and benefits for other stakeholders as well as maintaining an optimum capital structure to keep capital costs down.

To maintain or adjust the capital structure, the Group may change the dividend paid to shareholders, repay capital to shareholders, issue new shares or sell assets to reduce liabilities. In the same way as other companies in the industry, the Group assesses capital based on the equity/assets ratio and debt/equity ratio. The debt/equity ratio is calculated as net liabilities divided by equity. Net liabilities are calculated as the total borrowing (including the items "Short-term liabilities to credit institutes" and "Non-current liabilities to credit institutes" in the Group's balance sheet) and pension provisions less cash and cash equivalents.

During 2019, the Group's strategy, which remains unchanged compared to 2018, was to maintain a strong balance sheet with a minimum debt/equity ratio of 30 per cent and a low debt/equity ratio. The equity/assets ratio at year-end was 44 per cent (51). The debt/equity ratio amounted to 0.6 (0.2) at year-end:

	2019	2018
Interest-bearing liabilities	**547.5**	158.0
Equity attributable to Parent Company shareholders	**930.2**	707.3
Debt/equity ratio, times	**0.6**	0.2

Certain special conditions, known as covenants, usually apply to the Group's borrowing. The covenants which Rejlers must adhere to are net debt/EBITDA and equity/assets ratio. These covenants are calculated every quarter and reported to the bank.

NOTE 4. IMPORTANT ASSUMPTIONS AND ESTIMATIONS

The Group makes assumptions and estimations about the future. The estimations for accounting purposes that arise will, by definition, rarely match the actual outcome. The assumptions and estimations which involve, should they change, a significant risk for substantial adjustments in carrying amount for assets and liabilities during the next financial year are specified below.

Testing for goodwill impairment

Every year, or more frequently, the Group analyses whether there is any need for goodwill impairment. The recoverable value of cash generating units is determined by calculating their value-in-use. When calculating value-in-use, several assumptions are made regarding future conditions. It is possible that changes to these conditions could have an effect on the carrying amount for goodwill. Note 12 contains a sensitivity analysis, showing the sensitivity of value-in-use to changes in sales and the operating margin.

The budget approved by the Board for the upcoming year and forecasts for a further two years are used to assess future cash flows. Supported by these, a forecast is made for a further two years, i.e. a total assessment of five years. An average growth of 2 per cent (3) is used in the calculations. Forecast cash flows were then calculated at present value, with a discount rate of 13 per cent (13) after tax, equivalent to 16 per cent (16) before tax.

If the estimated discount rate before tax applied for discounted cash flows had been one percentage point lower, the value-in-use for the Group would have grown by approximately SEK 156 million (156).

Revenue recognition

The valuation of projects in progress is done according to the percentage of completion method. Fees for work performed but not invoiced are recorded in the balance sheet as current account assignments as are fixed-price assignments valued at the invoicing price after deduction of any discrepancies between production and the level of completion. Assignments in progress are usually invoiced monthly. The level of completion in fixed price assignments is assessed by allowing the assignment manager to compile an assessment of work completed and work remaining. Revenue is not recognised if there is any uncertainty regarding the value.

Income taxes

The Group is obliged to pay tax in several different countries. Comprehensive assessments are necessary to determine the income tax provision in these countries. There are many transactions and calculations where the final tax is uncertain. In cases where the final tax differs from the amounts first recognised, the differences will have an impact on current and deferred tax assets and liabilities during the period in which such determinations are made.

Leasing periods

Options are included in the leasing period only if the exercise of an extension option is considered reasonably certain or if the exercise of a termination option is considered to not be reasonably certain. In order to reduce the uncertainty of options that are far in the future, only the first option is included in terms of time in an agreement in the assessment. The management observes all available information that provides economic incentive to exercise an extension or termination option, such as the possibility of finding suitable replacement premises, removal costs, existing improvements on the property of another or negotiation costs to enter a new lease. For termination options where both the lessee and lessor can exercise the option, management assesses that significant penalties exist based on the lease's financial significance that does not fully rely on the agreement's civil law form. Termination options also exist if the agreement period is set. These agreements are deemed to not be material and the leasing period is set with an expected contract period. An assessment of the leasing period is reviewed only if a material event arises that is within the lessee's control. The leasing period is assessed again if an extension option is exercised or expires.

NOTE 5. SEGMENT INFORMATION

INCOME STATEMENT IN SUMMARY PER SEGMENT, SEK MILLION

	Sweden		Finland		Norway		Group-wide		Eliminations		Group	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
External sales	**1,191.3**	1,173.7	**779.1**	576.9	**586.7**	617.0	**-**	-2.4	**-**	-	**2,557.1**	2,365.2
Sales between segments	**5.3**	11.3	**1.5**	0.0	**46.4**	34.8	**37.1**	37.4	**-90.3**	-83.5	**0.0**	0.0
Other income	**3.2**	0.4	**2.2**	1.2	**0.8**	0.0	**-**	0.2	**-1.6**	-	**4.6**	1.8
Total income	**1,199.8**	**1,185.4**	**782.8**	**578.1**	**633.9**	**651.8**	**37.1**	**35.2**	**-91.9**	**-83.5**	**2,561.7**	**2,367.0**
Depreciation	**-51.9**	-11.2	**-37.3**	-12.0	**-58.0**	-21.7	**-0.1**	-2.6	**0.0**	0.0	**-147.3**	-47.5
Other operating expenses	**-1,092.8**	-1,141.1	**-688.2**	-527.4	**-550.5**	-633.8	**-71.3**	-64.6	**91.9**	83.5	**-2,310.9**	-2,283.4
OPERATING PROFIT/ LOSS	**55.1**	**33.1**	**57.3**	**38.7**	**25.4**	**-3.7**	**-34.3**	**-32.0**	**-**	**-**	**103.5**	**36.1**
Financial income	**-**	-	**-**	-	**-**	-	**12.2**	4.0	**-**	-	**12.2**	4.0
Financial expenses	**-**	-	**-**	-	**-**	-	**-19.5**	-10.0	**-**	-	**-19.5**	-10.0
Profit/loss before tax	**55.1**	**33.1**	**57.3**	**38.7**	**25.4**	**-3.7**	**96.2**	**-38.0**	**-**	**-**	**96.2**	**30.1**
Investments	**7.0**	10.8	**9.2**	33.9	**24.0**	22.2	**3.0**	-	**-**	-	**42.2**	66.9

Rejlers' operations are divided into three segments. The Sweden segment comprises mainly technical consultancy services provided by Rejlers Sverige AB, as well as Rejlers Energiprojekt AB and Pondra AB.

The Finland segment comprises mainly technical consultancy services provided by Rejlers Finland Oy, Matti Leppä Oy, Jimexo Oy and RJ Virta Oy and a branch in Abu Dhabi.

The Norway segment comprises mainly technical consultancy services provided by Rejlers Norge AS, Rejers Engineering AS, Rejlers Elsikkerhet AS, Rejlers Embriq AS and Rejlers Energitjänster AB.

Group-wide refers to Parent Company revenue, costs, assets and liabilities.

Eliminations refers to transactions between the segments.

All sales between the segments take place on market terms. The Group's segments are monitored based on operating profit, operating margin and utilisation. The same accounting policies apply to operating segments as to the Group as a whole.

NOTE 6. OTHER OPERATING REVENUES

SEK million	2019	2018
Income from let premises	**0.5**	0.3
Capital gains from assets	**0.4**	-
Other operating income	**3.7**	1.5
Total	**4.6**	**1.8**

NOTE 7. EMPLOYEES

	2019			2018		
Full-time employees	**Women**	**Men**	**Total**	**Women**	**Men**	**Total**
Parent Company						
Sweden	6	3	9	5	8	13
Subsidiaries						
Sweden	184	743	927	185	767	939
Finland	148	683	831	97	257	603
Norway	24	210	234	38	506	295
Consolidated total	**362**	**1,639**	**2,001**	**325**	**1,538**	**1,863**

Remuneration of the President and CEO

Remuneration of the CEO is decided by the Board following negotiations with the Chairman of the Board. The retirement age of the CEO has not been regulated by agreement but complies with applicable legislation. The pension premium for the CEO amounts to 30 per cent of the fixed monthly salary. The company and the CEO are subject to a mutual six-month period of notice. Upon termination by the company, the CEO is additionally entitled to severance pay of 12 times the fixed monthly salary.

Remuneration of other senior executives

The CEO negotiates and agrees with other senior executives regarding their remuneration in consultation with the Chairman of the Board according to the grandfather principle. The retirement age for other senior executives is 65-67. The pension premium for other senior executives is a defined-contribution premium. A period of notice of six months applies between the company and other senior executives for a resignation by the employee. For termination by the company, a period of notice of six months normally applies and severance pay of 6-12 monthly salaries.

SALARIES, OTHER REMUNERATION, PENSIONS AND SOCIAL SECURITY CONTRIBUTIONS – 2019

SEK million	Salary and other remuneration	Variable remune-ration	Social security contribu-tions	Pension expenses
Board and other senior executives	**15.1**	**5.4**	**5.8**	**3.4**
Other employees	**1,052.6**	**28.4**	**219.2**	**151.0**
Total	**1,069.4**	**34.7**	**225.6**	**154.4**

SALARIES, OTHER REMUNERATION, PENSIONS AND SOCIAL SECURITY CONTRIBUTIONS – 2018

SEK million	Salary and other remuneration	Variable remune-ration	Social security contribu-tions	Pension expenses
Board and other senior executives	19.7	8.1	7.3	5.5
Other employees	1,008.1	5.9	217.6	134.8
Total	**1,027.8**	**14.0**	**224.9**	**140.3**

Remuneration of the Board

Remuneration of the Board is paid according to AGM resolution. For the period between the 2019 AGM and the 2020 AGM, a Board fee of SEK 400 thousand (400) will be paid to the Chairman of the Board, SEK 300 thousand (300) to the Vice Chairman and SEK 230 thousand (230) to members of the Board who are not employees of the company. In addition, remuneration is payable in an amount of SEK 100 thousand (100) to the Chairman and SEK 60 thousand (60) to each of the members of the Board's Audit Committee. It was decided that the entire Board would take care of issues that were previously addressed in the Project and Investment Committee. There are no pension agreements or agreements on severance pay for the members of the Board. Peter Rejlers was succeeded as President and CEO by Viktor Svensson in February 2018.

REMUNERATION OF THE CEO, SENIOR EXECUTIVES – 2019

SEK million	Remuneration of the CEO[1]	Other senior executives[2]
Pay and other benefits	**4.2**	**10.9**
Variable remuneration	**2.0**	**3.4**
Pension contributions	**1.2**	**2.2**
Social security contributions	**2.5**	**3.3**
Total	**9.9**	**19.8**

[2] At the end of 2019, there were 7 (7) other senior executives.

REMUNERATION OF THE CEO, SENIOR EXECUTIVES – 2018

SEK million	Remuneration of the CEO[1]	Other senior executives[2]
Pay and other benefits	6.3	11.9
Variable remuneration	6.3	1.7
Pension contributions	3.3	2.2
Social Security contribu-tions	4.3	3.2
Total	**20.2**	**19.0**

[1] Peter Rejler was succeeded as President and CEO by Viktor Svensson in February 2018. Of the total of SEK 20.2 million, SEK 6.3 million pertains to Rejler and the rest to Svensson.

[2] At the end of 2018, there were 7 (8) other senior executives.

REMUNERATION OF THE BOARD – 2019

Board fees, SEK thousand	Fee	Committee
Peter Rejler, Chairman	400	60
Jan Samuelsson, Vice Chairman	300	100
Annika Steiber, member[1]	77	-
Helena Levander, member	230	60
Patrik Boman, member	230	-
Lisa Rejler, member	153	-
Total	**1,390**	**220**

[1] Withdrew at the 2019 Annual General Meeting.

REMUNERATION OF THE BOARD – 2018

Board fees, SEK thousand	Fee	Committee
Peter Rejler, Chairman	267	40
Jan Samuelsson, Vice Chairman	266	94
Annika Steiber, member	219	9
Helena Levander, member	153	40
Patrik Boman, member	153	-
Ivar Verner, Former Chairman[1]	125	34
Helena Nordman-Knutson, member[1]	66	17
Thord Wilkne, member[1]	66	-
Total	**1,315**	**234**

[1] Withdrew at the 2018 Annual General Meeting.

Convertible debentures to employees

During the year, Rejlers issued convertible debentures to employees in senior executives and key individuals in the Group on two occasions. The purpose of the issue of convertible debentures to employees is to create incentive to key individuals to increase the share value in Rejlers, increase and spread shareholding among key individuals, reward performance and motivate key individuals to stay in the Group.

The Annual General Meeting on 3 May 2019 resolved to issue the first convertible debentures on 30 June 2019 with a nominal value of SEK 24,400 thousand. The debt instruments shall be issued at a subscription price of 100 per cent of the nominal amount. The debentures can be converted to Class B shares in the Parent Company during the period from 22 May 2022 to 22 July 2022. The conversion price is 95, which is based on 120 per cent of the average price paid during the period 2 May 2019 to 21 May 2019, including adjustment for the Parent Company's issued shares during 2019. If the debentures have not been converted to shares, the nominal value will be repaid to the convertible holder on 1 August 2022. Interest of 0.34 per cent is paid annually until the settlement date. The convertible debentures are issued at market price and not covered by any earnings terms, which among other things means that the debentures are not linked to any terms of continued employment or performance on the part of the employees.

After a decision from the Extraordinary General Meeting on 18 November 2019, further convertible debentures were issued to employees in senior positions and key people in the Group on 31 December 2019. The debentures have a nominal value of SEK 24,000 thousand and can be converted to Class B shares in the Parent Company during the time from 19 December 2023 to 14 February 2024. The debt instruments shall be issued at a subscription price of 100 per cent of the nominal amount. The conversion price is 128, which is based on 120 per cent of the average price paid during the period 19 November 2019 to 2 December 2019. If the debentures have not been converted to shares, the nominal value will be repaid to the convertible holder on 1 March 2024. Interest of 0.20 per cent is paid annually until the settlement date. The convertible debentures are issued at market price and not covered by any earnings terms, which among other things means that the debentures are not linked to any terms of continued employment or performance on the part of the employees.

Net receipts that have been received from the issue of convertible debentures to employees have been divided into a liability component and an equity component (which represents fair value of the embedded option to convert the financial liability to the company's equity) as follows.

	Convertible debentures issued 30 June 2019	Convertible debentures issued 31 December 2019	Total
Receipts from issued convertible debentures	24.4	24.0	48.4
Issue expenses	-0.4	-0.1	-0.5
Net receipts from issued convertible debentures	**24.0**	**23.9**	**47.9**
Equity component	0.7	1.1	1.8
Issue expenses related to the equity component	0.0	0.0	0.0
Amounts classified as equity	**0.7**	**1.1**	**1.8**
Liability component upon issue (net issue expenses)	23.3	22.8	46.1
Charged interest (applied effective interest)	0.2 (1.9%)	0.0 (1.4%)	0.2
Interest paid (interest on debentures)	0.0 (0.3%)	0.0 (0.2%)	0.0
Carrying amount of liability component at December 2019	**23.5**	**22.8**	**46.3**

The interest for the year is calculated by applying an effective interest rate of 1.9 per cent and 1.4 per cent on the liability component during a period of 6 months and 0 months, respectively, since the debentures were issued. The liability component is measured at amortised cost. The difference between the carrying amount of the liability component on the issue date and the amount recognised in the reporting on 31 December 2019 represents the effective interest less interest paid by that date. During the financial year, the Group recognised interest expenses totalling SEK 0.2 million (-) related to convertible debentures to employees, corresponding to charged effective interest.

Details on outstanding convertibles are presented below.

	31 Dec. 2019	
	Number of convertibles	Weighted average exercise prices/ conversion prices (in SEK)
Outstanding at the beginning of the year	-	-
Allocated during the year	442,989	109.26
Forfeited during the year	-	-
Redeemed during the year	-	-
Expired during the year	-	-
Outstanding at year-end	**442,989**	**109.26**
Redeemable at year-end	-	-

NOTE 8. AUDITORS FEES

SEK million	2019	2018
Deloitte		
Remuneration for audit assignment	**2.7**	2.7
Remuneration for auditing activities in addition to the audit assignment	**0.6**	0.1
Remuneration for tax consultancy services	**-**	-
Remuneration for other assignments	**0.6**	0.3
Other auditors		
Remuneration for audit assignment	**-**	0.2
Remuneration for other assignments	**0.5**	-
Total	**4.4**	**3.3**

Audit assignments refer to the review of the annual accounts, the accounting records and the administration by the Board and CEO as well as other tasks the company's auditors are required to perform or advise on, or any other assistance resulting from findings made during the review or while carrying out these other assignments. Deloitte has been selected as the principal auditor since the Annual General Meeting of 2013.

NOTE 9. CAPITALIZED EXPENDITURES FOR PROGRAM DEVELOPMENT

SEK million	2019	2018
Opening cost	104.1	80.1
Translation difference	5.5	2.4
Internally developed software for the year	27.0	22.1
Increase via business acquisitions	-	0.0
Sales/retirements	-	-0.5
Closing accumulated cost	**136.6**	**104.1**
Opening depreciation	-51.9	-34.7
Translation difference	-4.0	-1.7
Depreciation for the year	-18.9	-16.2
Sales/retirements	-	0.7
Closing accumulated depreciations	**-74.8**	**-51.9**
Closing residual value	**61.8**	**52.2**

NOTE 10. SOFTWARE

SEK million	2019	2018
Opening cost	23.4	20.7
Translation difference	-0.8	0.8
Purchases of software	5.3	5.5
Increase via business acquisitions	-	1.3
Sales/retirements	-0.2	-4.9
Closing accumulated cost	**27.7**	**23.4**
Opening depreciation	-13.2	-13.5
Translation difference	0.4	-0.5
Sales/retirements	0.1	4.4
Depreciation for the year	-4.3	-3.6
Closing accumulated depreciation	**-17.0**	**-13.2**
Closing residual value	**10.7**	**10.2**
Of which fixtures and fittings financed through financial leasing:		
Closing accumulated cost	0.3	0.6
Closing accumulated depreciation	-0.3	-0.3
Closing residual value	**0.0**	**0.3**

NOTE 11. CUSTOMER VALUES

SEK million	2019	2018
Opening costs	156.7	137.8
Translation difference	-2.9	1.6
Customer value through business acquisitions	141.8	17.3
Closing accumulated cost	**295.6**	**156.7**
Opening depreciation	-81.1	-68.7
Translation difference	0.6	-0.2
Depreciation for the year	-16.4	-12.2
Closing accumulated depreciation	**-96.9**	**-81.1**
Closing residual value	**198.7**	**75.6**

The year's increase through customer values from the acquisitions from Neste and the share acquisitions in Pondra AB, Neste Engineering Solutions AB and Elproj in Oskarshamn. The fair values of acquired net assets were identified in the acquisition analyses. The remainder of the purchase sums is attributable to acquired separable customer value and goodwill. Customer value is depreciated over a period of 10 years.

NOTE 12. GOODWILL

SEK million	2019	2018
Opening costs	470.8	446.3
Translation difference	-	7.8
Acquisitions	92.3	16.7
Closing accumulated cost	**563.1**	**470.8**
Impairment losses brought forward	-2.5	-2.5
Impairment losses for the year	-	-
Accumulated impairment losses carried forward	**2.5**	**-2.5**
Closing residual value	**565.6**	**468.3**

Impairment tests for cash-generating units with goodwill

Consolidated goodwill is acquired and exists within the operating segments Rejlers Sweden, Rejlers Finland and Rejlers Norway. These values are tested on an ongoing basis in calculations based on five-year forecasts in which previous experiences of operations and external information sources are taken into account. Testing took place with changes in the variables deemed to be of most importance to operations. These are:

1) Sales growth

Sales growth is based on development forecasts for companies and the industry over the next few years, along with the trend in the hourly rate. Average growth of 5 per cent (3) has been assumed for the initial five-year period and perpetual growth of 2 per cent (2) thereafter.

2) Operating margin
The operating margin is affected by the company's expenses, as well as income. These are assumed to rise in line with inflation and a certain increase in real salaries. In calculating value-in-use, an assumed 2 per cent (3) annual increase in expenses was applied.

3) Discount factor (WACC)
The discount factor before tax is calculated to 13 per cent (16) for Rejlers Sweden, 14 per cent (16) for Rejlers Finland and 13 per cent (16) for Rejlers Norway. The discount factor after tax was calculated to 10 per cent (13) for Rejlers Sweden, 11 per cent (13) for Rejlers Finland and 10 per cent (13) for Rejlers Norway.

	Book value		Value in use	
SEK million	**2019**	**2018**	**2019**	**2018**
Rejlers Sweden	**592.4**	224.4	**1,118.1**	1,011.2
Rejlers Finland	**573.6**	164.0	**739.8**	545.8
Rejlers Norway	**315.2**	79.9	**513.5**	392.3
Total	**1,481.2**	**468.3**	**2,371.4**	**1,949.3**

The table below shows sensitivity two changes of one percentage point in assumed values

Sensitivity analysis	Sales growth		Operating margin		WACC before tax	
SEK million	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Rejlers Sweden	**5%**	3%	**9%**	8%	**13%**	16%
Change in value SEK million +/- 1%	**+/-119**	+/-79	**+/-104**	+/-115	**+/111**	+/- 86
Rejlers Finland	**9%**	3%	**10%**	8%	**14%**	16%
Change in value SEK million +/- 1%	**+/-78**	+/-37	**+/- 63**	+/-55	**+/- 72**	+/-31
Rejlers Norway	**5%**	3%	**10%**	8%	**13%**	16%
Change in value SEK million +/- 1%	**+/-63**	+/-32	**+/- 35**	+/- 45	**+/- 50**	+/- 40

The conclusion of the test is that no need to recognise impairment exists.

NOTE 13. EQUIPMENT, TOOLS, FIXTURES AND FITTINGS

SEK million	**2019**	**2018**
Opening cost	**116.2**	130.9
Translation difference	**-4.3**	3.5
Purchases	**9.9**	10.8
Increase via business acquisitions	**2.0**	0.3
Sales/retirements	**-13.4**	-29.3
Closing accumulated cost	**110.4**	**116.2**
Opening depreciation	**-91.4**	-98.8
Translation difference	**1.6**	-2.8
Sales/retirements	**8.1**	25.7
Depreciation for the year	**-8.4**	-15.5
Closing accumulated depreciation	**-90.1**	**-91.4**
Closing residual value	**20.3**	**24.8**

Of which fixtures and fittings financed through financial leasing:

Closing accumulated cost	**7.4**	17.2
Closing accumulated depreciation	**-7.4**	-9.8
Closing residual value	**0.0**	**7.4**

NOTE 14. ASSOCIATED COMPANIES

Refer to Note N on page 48 for information about the Group's subsidiaries.

SEK million	2019	2018
Opening carrying amount	**1.2**	0.6
Participation in associated company earnings	**1.2**	0.9
Withdrawal from associated company	**-0.4**	-0.3
Closing carrying amount	**2.0**	**1.2**

				Share of equity		Group's share of profits for the year, SEK million	
	Corp. ID no.	Registered office	Operations	2019	2018	2019	2018
Miraketlbolaget	556835-4350	Stockholm	Program development	**50%**	50%	**0.6**	0.9
NESP AB	556287-7711			**40%**	-	**0.2**	-

SUMMARY OF FINANCIAL INFORMATION FROM ASSOCIATED COMPANIES, SEK MILLION

	Income		Profit for the year		Assets		Liabilities	
	2019	2018	2019	2018	2019	2018	2019	2018
Mirakelbolaget AB	**10.7**	10.2	**1.2**	1.7	**6.9**	6.0	**4.8**	4.3
NESP AB	**48.4**	-	**0.5**	-	**64.3**	-	**54.1**	-

NOTE 15. FINANCIAL INCOME

SEK million	2019	2018
Interest income	**0.9**	0.8
Exchange-rate gains	**9.5**	3.1
Other income from financial items	**1.8**	0.1
Total	**12.2**	**4.0**

NOTE 16. FINANCIAL EXPENSES

SEK million	2019	2018
Interest expenses	**-8.2**	-4.3
Exchange-rate losses	**-10.0**	-5.4
Other financial expenses	**-1.3**	-0.3
Total	**-19.5**	**-10.0**

NOTE 17. TAX ON PROFIT FOR THE YEAR

SEK million	2019	2018
The following items are included in tax expense:		
Tax on profit for the year	**-19.7**	-14.7
Deferred tax	**1.1**	2.3
Adjustment, previous years		-1.5
Total	**-18.6**	**-13.9**

SEK million	2019	2018
Profit/loss before tax	**96.2**	**30.1**
Tax according to applicable rate 21.4% (22)	**-20.6**	-6.6
Effect of foreign tax rates	**1.1**	0.9
Effect of non-deductible expenses	**-5.7**	-3.5
Effect of tax-exempt income	**0.2**	0.1
Effect of changed tax rates	**-**	0.2
Adjustment, previous years	**1.0**	-1.5
Other	**5.4**	-3.5
Reported tax	**-18.6**	**-13.9**

In the Group, there are tax loss carry-forwards where deferred tax is not booked. The tax loss carry-forwards amount to SEK 82.9 million (45.8) and are estimated to be used in the Swedish operations. The tax loss carry-forwards in Embriq AB are blocked from Group contributions until 2021 and those in NES AB are blocked until 2024. Of the deficits, SEK 9.6 million (9.6) pertains to Norway. These deficits can be utilised immediately. The tax loss carry-forwards have no expiration date.

The gross change in regard to deferred taxes is as follows:

THE GROSS CHANGE IN REGARD TO DEFERRED TAXES IS AS FOLLOWS:

SEK MILLION	2019	2018
Opening balance	**1.0**	0.9
Translation difference	**-0.1**	0.7
Through business combination	**1.3**	-1.8
Recognised in the income statement	**-1.2**	-0.4
Recognised in other comprehensive income	**0.1**	-0.4
Deferred taxes, net	**1.1**	**1.0**

THE CHANGE IN DEFERRED TAX LIABILITIES AND RECEIVABLES IS SHOWN BELOW, SEK MILLION:

Deferred tax liabilities	Untaxed reserves	Customer values	Other	Total
As of 01/01/2019	**16.2**	**13.8**	**7.5**	**37.5**
Reported in the income statement	**-1.5**	**2.9**	**-0.3**	**1.1**
Increase through business combination	**2.5**	**3.0**	**1.1**	**6.6**
Translation difference	**-**	**-**	**-**	**-**
As of 31/12/2019	**17.2**	**19.7**	**8.3**	**45.2**

Deferred tax liabilities	Untaxed reserves	Customer values	Other	Total
As of 01/01/2018	18.0	14.7	6.6	39.3
Reported in the income statement	-1.8	-3.0	0.7	-4.1
Increase through business combination	-	1.8	-	1.8
Translation difference	-	0.3	0.2	0.5
As of 31/12/2018	**16.2**	**13.8**	**7.5**	**37.5**

Deferred tax assets	Tax loss carry-forwards	Defined benefits pension liabilities	Total
As of 01/01/2019	**37.9**	**-1.5**	**36.4**
Reported in the income statement	**2.3**	**-**	**2.3**
Increase through business acquisition	**5.3**	**-**	**5.3**
Recognised in other comprehensive income	**-**	**0.1**	**0.1**
Translation difference	**-**	**-**	**-**
As of 31/12/2019	**45.5**	**-1.4**	**44.1**

Deferred tax assets	Tax losses	Defined benefits pension liabilities	Total
As of 01/01/2018	41.2	-1.1	40.2
Reported in the income statement	-4.5	-	-4.5
Increase through business acquisition	-	-	-
Recognised in other comprehensive income	-	-0.4	-0.4
Translation difference	1.2	-	1.1
As of 31/12/2018	**37.9**	**-1.5**	**36.4**

NOTE 18. EARNINGS PER SHARE

	2019	2018
Profit attributable to the Parent Company's shareholders, SEK million	77.6	15.4
Average number of shares	18,487,909	18,087,909
Earnings per share (SEK per share), before dilution	**4.19**	**0.85**
Earnings per share (SEK per share), after dilution	**4.16**	**0.85**

NOTE 19. NON-CURRENT SECURITIES HELD AS NON-CURRENT ASSETS

SEK million	2019	2018
Opening cost	8.6	7.3
Purchases for the year	9.3	1.2
Sales during the year	-	-
Translation difference	0.2	0.1
Closing accumulated cost	**18.1**	**8.6**

NOTE 20. OTHER NON-CURRENT RECEIVABLES

SEK million	2019	2018
Opening cost	3.9	3.7
Increase for the year	0.2	0.2
Decrease for the year	-	-
Translation difference	-	-
Total	**4.1**	**3.9**

NOTE 21. TRADE RECEIVABLES

SEK million	2019	2018
Trade receivables	480.4	415.1
Reservation for expected credit losses	-2.2	-4.2
Total	**478.2**	**410.9**

Age analysis, SEK million	2019	2018
Non-overdue receivables	434.7	379.5
Overdue < 30 days	28.1	25.4
Overdue 30–90 days	5.1	5.0
Overdue > 90 days	10.3	5.2
Total	**478.2**	**415.1**

Provisions for expected credit losses, SEK million	2019	2018
Provisions at beginning of year	-4.2	-4.9
Translation differences	-	-0.1
Reserves during the year	4.1	0.1
Verified losses	-2.1	0.7
Provisions at year-end	**-2.2**	**-4.2**

NOTE 22. PREPAID EXPENSES AND ACCRUED INCOME

SEK million	2019	2018
Prepaid rent	13.5	10.0
Accrued leasing charges	-	-
Accrued income	146.8	173.2
Other items	46.6	28.8
Total	**206.9**	**212.0**

NOTE 23. LEASES

The Group primarily leases premises and cars. The leases are normally signed for fixed periods of three to five years. The average leasing period is five years. Short-term contracts cover office equipment in most cases. Leases of low value pertain to IT equipment and office equipment.

Leases for premises are negotiated locally and separately for each lease and contain a large number of different contractual terms. The Group has no purchase options, guarantees or residual values. The leases contain no special conditions, covenants or restrictions that would mean that the leases could be terminated, but the leased assets may not be sold, pledged or used as collateral for loans.

Rejlers commits to insure leased vehicles. For premises leases, Rejlers must keep these properties in good condition and restore the premises to acceptable condition at the end of the lease. The Group must also carry out and pay for necessary maintenance in accordance with the rental agreements.

Options to extend agreements are included in a number of the Group's premises leases to increase the flexibility of the operations. When the lease's length is determined, management takes into account all available information that gives a financial incentive to use an extension option, or not use an option to cancel a lease. Possibilities to extend a lease are included only in the lease's length if it is reasonable to assume that the lease will be extended (or not concluded). At 31 December 2019, there are both extension periods included in the leasing period and extension options deemed to no be reasonably certain and not included in the leasing liability.

The lease charges are largely fixed fees. There are future lease charges for a number of leases that are based on a consumer price index that is not included in the leasing liability as long as the change in the consumer price index or variable interest have not occurred. Costs for property tax and insurance are not considered a component since they transfer neither a service or a good to Rejlers and are therefore not included in the leasing liability.

RIGHTS OF USE

	Premises	Vehicles	IT servers	Total
Cost				
At 1 January 2019	231.4	4.8	63.7	299.8
Adjustments of additional ROUs	54.3	-3.6	19.3	70.0
At 31 December 2019	285.7	1.2	82.9	369.8
Accumulated depreciation				
At 1 January 2019				
Depreciation for the year	-70.1	-0.8	-26.6	-97.7
At 31 December 2019	-70.1	-0.8	-26.6	-97.7
Carrying amount				
At 31 December 2019	215.5	0.4	56.3	272.1

Lease liabilities

The Group is not exposed to any material liquidity risk as a result of the leasing liabilities. The leasing liabilities are followed up within the Group's. A maturity analysis of the Group's leasing liabilities is presented below.

Maturity analysis	**31/12/2019**
Year 1	99.6
Year 2	78.6
Year 3	54.0
Year 4	51.1
Year 5 and later	25.1
	308.4
Classified as	
Non-current liabilities	155.5
Current liabilities	100.8
	256.3

Amounts recognised in profit or loss	**2019**
Depreciation of ROU	-99.4
Interest expenses for leasing liabilities	-5.3
Expenses attributable to short-term leases and leases of low value	-18.8
Expenses attributable to variable lease charges not included in the valuation of the leasing liability	-
Income from subletting of ROUs	-

Operational leasing according to IAS 17 includes rental agreements in respect of computer equipment, copiers and rent for premises. Future payments fall due according to the below.

SEK million	**2019**	**2018**
Within one year	-	105.4
Between one to five years	-	105.1
More than 5 years	-	0.0
Total	-	**210.5**
Expensed leasing fees	-	18.7

NOTE 24. LIABILITIES TO CREDIT INSTITUTIONS

Non-current, SEK million	**2019**	**2018**
Bank loans	**101.9**	91.3
Financial leasing	-	4.2
Total	**101.9**	**95.5**

Current, SEK million	**2019**	**2018**
Bank loans	**114.6**	28.5
Financial leasing	-	4.9
Total	**114.6**	**33.4**

The Group has an overdraft facility with a limit of SEK 150 million (150). The overdraft is entirely unutilised. Financial leasing liabilities in 2018 include mainly vehicles leased for three years. The company has no liabilities falling due for payment in more than five years.

Loans in banks increased in 2019 compared with 2018 by SEK 96.7 million for the financing of acquisitions. Quarterly covenant reporting to the loan institute determines the interest level for upcoming quarters within the interest rates 1.2 at the lowest and 2.15 at the highest. Acquisition loans raised in 2019 has a fixed-rate period of three years and thereafter an extension of 1+1 years. Previously raised loans have a fixed-rate period of one year.

Maturity analysis, liabilities to credit institutions, SEK million	**2019**	**2018**
Within one year	**30.0**	33.6
1-2 years	**30.0**	30.7
2–3 years	**30.0**	29.0
3-4 years	**30.0**	28.5
4-5 years	**96.5**	5.8

NOTE 25. PENSION OBLIGATIONS

For salaried employees in Sweden, the ITP 2 defined-benefit pension commitments for retirement and family pension (alternatively survivor pension) are secured through an insurance policy with Alecta. According to a statement by the Swedish Financial Reporting Board, UFR 10 Classification of ITP plans funded through insurance with Alecta, this is a defined-benefit plan that covers multiple employers.

For the 2019 financial year, the company has not had access to information enabling it to account for its proportionate share of the plan's commitments, plan assets and costs, with the result that it has not been possible to recognise the plan as a defined-benefit plan. The ITP 2 pension plan secured through an insurance policy with Alecta is therefore recognised as a defined-contribution plan. Premiums for the defined-benefit retirement and family pension are individually calculated and depend, inter alia, on salary, previously earned pension and expected remaining length of service.

Anticipated premiums for the next reporting period for ITP

2 pensions with Alecta amount to SEK 23.2 million (2018: 25.9). The Group's share of the total expenses for the plan and of the total number of members in the plan total 0.1 per cent (0.16883) and 0.1 per cent (0.12814) respectively.

The collective funding ratio is the market value of Alecta assets as a percentage of insurance commitments calculated according to Alecta's actuarial methods and assumptions, which do not comply with IAS 19. The collective level of consolidation should usually be allowed to vary between 125 and 155 per cent. If Alecta's collective level of consolidation is lower than 125 per cent or higher than 155 per cent, measures must be taken aimed at creating the necessary conditions for the level of consolidation to return to the normal range. In the case of low consolidation, measures could include raising the agreed price of new subscriptions and expanding existing benefits. In the case of high consolidation one measure could be the introduction of premium reductions. At year-end 2019, Alecta's surplus in the form of the collective consolidation level was 152 per cent (142).

Norway

There are defined benefit pension plans for employees hired before 2007 in Rejlers Norge AS, Rejlers Elsikkerhet AS and Rejlers Embriq AS; 25 (29) gainfully employed and 36 (38) retired individuals are covered by the plan. The pension plan provides a defined future pension based on number of years of service and salary level at the time of retirement. Plan assets are managed by an external asset manager.

Finland

There are no defined-benefits pension plans in Finland.

DEFINED-BENEFITS PENSION PLANS IN THE BALANCE SHEET

SEK million	2019	2018
Present value of defined-benefits liabilities	-183.2	-173.6
Fair value of plan assets	152.6	144.5
Total	**-28.4**	**-29.1**
Pension provisions	28.4	29.1
Reported in the balance sheet	**28.4**	**29.1**

CHANGE IN DEFINED-BENEFITS PENSION OBLIGATION

SEK million	2019	2018
Opening balance	-173.6	-165.0
Acquired pension obligations	-0.1	-
Service cost for current year	-0.1	-0.1
Interest expenses	-4.5	-3.8
Yield from plan assets	-3.5	-3.7
Actuarial gains and losses	3.4	-2.9
Changes in plans	-0.1	-
Compensations paid	4.9	5.4
Payroll tax on pension funds paid	-	-0.2
Translation difference	2.2	-3.3
Total defined-benefits obligations	**-183.2**	**-173.6**

CHANGE IN THE FAIR VALUE OF PLAN ASSETS

SEK million	2019	2018
Opening balance	144.5	136.1
Acquired plan assets	-	-
Charges from the employer	2.8	2.7
Yield from plan assets, excluding interest	3.7	3.2
Actuarial gains and losses	4.3	4.5
Compensations paid	-4.9	-5.4
Employer's contributions on pensions paid	0.1	0.1
Translation difference	2.1	3.3
Total plan assets	**152.6**	**144.5**

Allocation of plan assets	2019	2018
Cash and cash equivalents	5%	4%
Shares	24%	4%
Interest-bearing securities	59%	80%
Properties	12%	12%
Total	**100%**	**100%**

Actuarial assumptions	2019	2018
Discount rate, %	2.6	2.3
Expected future annual pay increase, %	2.8	2.5

Sensitivity analysis, %	2019	2018
Discount rate +1%/-1%	19.1	18.4
Future annual pay increase +1%/-1%	1.5	1.4

The sensitivity analysis is based on changes of an assumption while all other assumptions are kept constant.

At year-end, the average maturity of the pension plan was 8.3 years (7.4). Pension plan contributions are estimated at SEK 3.3 million (4.2) for the coming year. The defined-benefit pension plans expose the Group to a number of actuarial risks such as investment risk, interest-rate risk, risk relating to life expectancy and risk of pay increases. However, in view of the size of the defined-benefit pension plan, the company deems these risks to be limited. The current value of the defined-benefit pension provision is calculated using a discount rate established on the basis of the rate of interest for corporate bonds in Norway. If the yield on plant assets is lower than this interest rate, there will be a deficit in the plan. At present, the plan has a relatively balanced spread of investments divided into shares and interest-bearing securities. A rise in corporate bond rates would lead to a decrease in the pension obligation. A rise in assumptions on life expectancy would also lead to an increase in pension provisions. As the calculation of pension provisions takes account of future pay increases, an increase in employee salaries leads to an increase in pension provisions.

NOTE 26. ACCRUED EXPENSES AND DEFERRED INCOME

SEK million	2019	2018
Accrued pay	**152.3**	110.2
Accrued social security contributions	**45.0**	29.9
Deferred income	**14.0**	16.5
Other	**52.3**	49.0
Total	**263.6**	**205.6**

NOTE 27. PLEDGED ASSETS AND CONTINGENT LIABILITIES

SEK million	2019	2018
Overdraft facilities		
Floating charges	**64.0**	64.0
Liabilities to credit institutions		
Fixtures and fittings with financial leasing	**20.7**	14.7
Other bank guarantees	**36.2**	18.6
Contingent liabilities		
Rental responsibility	**43.8**	39.7
Total	**164,7**	**137.0**

NOTE 28. BUSINESS COMBINATIONS

FAIR VALUE AND CARRYING VALUE ARE REPORTED IN THE BALANCE SHEET BELOW:

Acquisitions 2019	Trans-action	Date	Part, trans	Part after	Pur-chase conside-ration, SEK mil-lion
Pondra AB	Shares	01/09/2019	100%	100%	7.1
Neste	Assets+ liabilities	30/09/2019	100%	100%	139.5
Neste AB	Shares	30/09/2019	100%	100%	53.7
Elproj teknik AB	Shares	01/12/2019	100%	100%	13.7
Total					**214.0**

THE ACQUIRED BUSINESSES' CONTRIBUTIONS TO SALES AND EARNINGS

SEK million	2019	2018
Contribution to sales in accounts for the year	**115.3**	34.1
Contribution to sales if the business had been owned for the full year	**429.0**	79.4
Contribution to operating profit in accounts for the year	**2.8**	2.5
Contribution to operating profit if the business had been owned for the full year	**12.8**	4.8

TOTAL NET ASSETS OF THE ACQUIRED BUSINESSES AT THE TIME OF ACQUISITION

SEK million	2019	2018
Non-current assets	**18.2**	1.7
Current assets	**43.4**	11.3
Cash and cash equivalents	**20.5**	7.4
Other current liabilities	**-79.1**	-9.0
Non-current liabilities	**-**	-
Net identifiable assets and liabilities	**3.0**	**11.4**
Goodwill	**92.3**	16.7
Customer values	**141.8**	17.3
Deferred tax on intangible assets	**-8.7**	-1.8
Total	**228.4**	**43.6**

PURCHASE CONSIDERATION, SEK MILLION

Less:	**6.1**	-
Cash and cash equivalents in acquired companies	**-20.5**	-7.4
Calculated supplementary purchase considerations	**-**	-3.8
Supplemental purchase amounts paid	**-**	-0.3
Decrease in cash and cash equivalents (+), increase (-)	**214.0**	**32.1**

Surplus values are identified on acquisition. Surplus values are divided into customer value and goodwill. During the year, surplus values were divided into a customer value of SEK 141.8 million (17.3) and goodwill of SEK 92.3 million (16.7). The goodwill value, which is not tax deductible in business acquisitions (but is tax deductible in net asset acquisitions), includes the technical skills of staff, acquired customer relationships that are not separable and synergies. Otherwise, the fair value of the assets and liabilities at the time of acquisition corresponds to the carrying amount in the acquired companies. There are no uncertain receivables among the acquired assets. Acquisition-related costs were expensed as other external expenses when they were incurred. In all, these amounts total SEK 6.1 million (0.0).

NOTE 29. FINANCIAL INSTRUMENTS BY CATEGORY

FAIR VALUE AND CARRYING AMOUNT ARE REPORTED IN THE BALANCE SHEET BELOW:

2019	Financial assets measured at fair value via the income statement	Loan and trade receivables	Other financial liabilities	Total carrying amount	Total fair value
Financial investments	18.1	-	-	18.1	18.1
Non-current receivables	-	4.1	-	4.1	4.1
Trade receivables	-	478.2	-	478.2	478.2
Other current receivables	-	74.4	-	74.4	74.4
Cash and cash equivalents	-	142.0	-	142.0	142.0
Total	18.1	698.7	-	716.8	716.8
Non-current interest-bearing liabilities	-	-	101.9	101.9	101.9
Other non-current liabilities	-	-	73.1	73.1	73.1
Current interest-bearing liabilities	-	-	114.6	114.6	114.6
Other current liabilities	-	-	140.6	140.6	140.6
Trade payables	-	-	103.4	103.4	103.4
Total	-	-	533.6	533.6	533.6

2018	Financial assets measured at fair value via the income statement	Loan and trade receivables	Other financial liabilities	Total carrying amount	Total fair value
Financial investments	8.6	-	-	8.6	8.6
Non-current receivables	-	3.9	-	3.9	3.9
Trade receivables	-	410.9	-	410.9	410.9
Other current receivables	-	52.7	-	52.7	52.7
Cash and cash equivalents	-	38.2	-	38.2	38.2
Total	**8.6**	**505.7**	**-**	**514.3**	**514.3**
Non-current interest-bearing liabilities	-	-	95.5	95.5	95.5
Other non-current liabilities	-	-	64.7	64.7	64.7
Current interest-bearing liabilities	-	-	33.4	33.4	33.4
Other current liabilities	-	-	122.2	122.2	122.2
Trade payables	-	-	92.5	92.5	92.6
Total	**0.0**	**0.0**	**408.3**	**408.3**	**408.3**

Financial investments measured at fair value via the income statement are measured at fair value according to level one (fair value determined on the basis of prices quoted on an active market for the same instrument). A calculation of fair value based on discounted future cash flows, where a discount rate reflecting the counterparty's credit risk constitutes the most material input data, is not deemed to cause a material difference in comparison with the carrying amount of financial assets and financial liabilities included in level two. The carrying amount for all financial assets and liabilities is therefore considered to be a good approximation of the fair value.

NOTE 30. RELATED PARTY TRANSACTIONS

Rejlers has identified the Rejler family with 53 per cent of the votes and associated companies as related parties. Purchases and sales between Group companies and related parties take place on market terms.

Summary of related party transactions	Sales to related parties		Receivables from related parties	
	2019	2018	2019	2018
Associated companies	0.1	0.1		-
Rejler family	0.1	-		-

NOTE 31. LIABILITIES ATTRIBUTABLE TO INVESTING ACTIVITIES

			Non-cash items		
	2018	Cash flow	Reclassifications	Other changes	2019
Non-current liabilities to credit institutions	95.5	228.7	-219.4	-2.9	**101.9**
Current liabilities to credit institutions	33.4	-128.2	219.4	-10.0	**114.6**
Reconciliation of liabilities attributable to financing activities	**128.9**	**100.5**	**0.0**	**-12.9**	**216.5**

			Non-cash items		
	2017	Cash flow	Reclassifications	Other changes	2018
Non-current liabilities to credit institutions	5.4	-	91.3	-1.2	95.5
Current liabilities to credit institutions	153.3	-28.5	-91.3	-0.1	33.4
Reconciliation of liabilities attributable to financing activities	**158.7**	**-28.5**	**0.0**		**128.9**

Cash flow
The total cash flow for leasing in 2019 was SEK 99.2 million (0). Due to IFRS 16, cash flow from operating activities increased by SEK 99.2 million and cash flow from financing activities decreased by SEK 99.4, as the repayment of the leasing liability is classified as cash flow from financing activities.

NOTE 32. PROPOSED ALLOCATION OF PROFIT

Non-restricted equity in the Parent Company amounts to:	SEK 497,089,205
The Board of Directors and CEO propose that a dividend be paid to the shareholders in the amount of:	SEK 44,297,795
to be carried forward	SEK 452,791,410

NOTE 33. SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

Rejlers manages project for significant heat plants in Norrköping
Rejlers has been assigned to project manage the energy company's E.ON's construction of Norrköping's new sustainable heat plant. Both E.ON and Norrköping Municipality work conscientiously to contribute to a fossil-free Sweden and the new facility is a part of achieving environmental goals. Rejlers' assignment comprises project management, from test operation to take over of the facility, which is estimated to take place at the beginning of 2022.

Rejlers changes control system for Stockholm Exergi
The assignment includes control system replacements for a number of pumping stations in the company's southern production area and are a part of a long-term automation programme to modernise and create a uniform system. The project is expected to be under way throughout 2020 where Rejlers stands for the delivery of project management, project engineering, programming, design and commissioning.

Jesper Börjesson's new job: Head of Learning at Rejlers
The TV journalist Jesper Börjesson is beginning at the technology consulting firm Rejlers as the Head of Learning. The objective is to be involved and realise the company's new vision, the Home of the Learning Minds. Jesper Börjesson will lead the initiative on Rejlers Play, one of several initiatives to strengthen Rejlers knowledge dissemination internally and externally.

Rejlers receives expanded trust by SSAB in Luleå.
The assignment comprises electrical project engineering of the new control system that regulates the gas treatment at the coke-oven plant and for the new switch yards. Rejlers is also responsible for ensuring high quality when the new systems are brought into operation.

COVID-19
In the first quart of 2020, the spread of the novel coronavirus (COVID-19) escalated to a pandemic. COVID-19 and the measures against its spread create an uncertainty that affects Rejlers as a company and Rejlers customers. Crisis preparedness has been initiated in the Group and Rejlers has taken precautionary measures to ensure continuity in the business. The health and safety of our employees, customers and partners are the highest priority in the continuity planning.

INCOME STATEMENT – PARENT COMPANY

Amount SEK million	Note	2019	2018
Operating income			
Net sales	B,C	**37.1**	35.8
Total operating revenue		**37.1**	**35.8**
Operating expenses			
Other external expenses	C,D	**-27.1**	-32.3
Personnel expenses	E	**-36.4**	-34.5
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	K,L	**-0.1**	-0.2
Operating profit/loss		**-26.5**	**-31.2**
Profit/loss from financial items			
Profit-sharing, Group companies	F	**33.8**	26.8
Other interest income and similar profit/loss items	G	**11.3**	5.0
Interest expenses and similar profit/loss items	H	**-11.0**	-5.8
Profit after financial items		**7.6**	**-5.2**
Appropriations	I	**-**	8.3
Tax on profit for the year	J	**0.9**	0.0
PROFIT FOR THE YEAR		**8.5**	**3.1**

STATEMENT OF COMPREHENSIVE INCOME – PARENT COMPANY

Amount SEK million	Note	2019	2018
Profit for the year		**8.5**	3.1
Comprehensive income for the year		**8.5**	**3.1**

BALANCE SHEET – PARENT COMPANY

Amount SEK million	Note	2019	2018
Assets			
Non-current assets			
Intangible assets			
Capitalised expenditures for program development	K	**3.0**	0.0
Total intangible assets		**3.0**	**0.0**
Property, plant and equipment			
Equipment, tools, fixtures and fittings	L	**0.3**	0.4
Total property, plant and equipment		**0.3**	**0.4**
Financial assets			
Participations in associated companies	D	**-**	-
Participations in Group companies	N	**515,5**	445.3
Other non-current receivables		**7.2**	4.5
Total financial assets		**522.7**	**449.8**
Total non-current assets		**526.0**	**450.2**
Current assets			
Current receivables			
Receivables from Group companies		**341.1**	198.6
Other receivables		**24.3**	1.7
Current tax assets		**10.7**	10.0
Prepaid expenses and accrued income	O	**1.3**	1.1
Total current receivables		**377.4**	**211.4**
Cash and cash equivalents		**94.1**	8.6
Total current assets		**471.5**	**220.0**
TOTAL ASSETS		**997.5**	**670.2**

Amounts in SEK million	Note	2019	2018
Equity			
Restricted equity			
Share capital		**39.4**	36.2
Statutory reserve		**29.6**	29.6
Total restricted equity		**69.0**	**65.8**
Non-restricted equity			
Accumulated profit or loss		**-19.0**	-5.5
Share premium account		**507.5**	363.6
Profit for the year		**8.5**	3.1
Total non-restricted equity		**497.0**	**361.2**
Total equity		**566.0**	**427.0**
Untaxed reserves	P	**0.0**	0.0
Liabilities			
Non-current liabilities			
Liabilities to credit institutions		**101.9**	91.3
Other non-current liabilities		**108.1**	61.6
Total non-current liabilities		**210.0**	**152.9**
Current liabilities			
Trade payables		**3.1**	1.1
Liabilities with Group companies		**90.4**	49.8
Liabilities to credit institutions		**114.6**	28.5
Other liabilities		**0.4**	0.0
Accrued expenses and deferred income	Q	**13.0**	10.9
Total current liabilities		**221.5**	**90.3**
TOTAL EQUITY AND LIABILITIES		**997.5**	**670.2**

CHANGES IN EQUITY – PARENT COMPANY

Amount SEK million	Restricted equity: Share capital	Restricted equity: Statutory reserve	Non-restricted equity: Share premium account	Non-restricted equity: Accumulated profit or loss	Total equity
Opening balance 01/01/2018	**36.2**	**29.6**	**363.6**	**3.5**	**432.9**
Profit for the year	-	-	-	3.1	3.1
Transactions with shareholders					
Dividend in respect of 2018	-	-	-	-9.0	-9.0
Closing balance 31/12/2018	**36.2**	**29.6**	**363.6**	**-2.4**	**427.0**
Opening balance 01/01/2019	**36.2**	**29.6**	**363.6**	**-2.4**	**427.0**
Profit for the year				**8.5**	**8.5**
Cash issue private placement	**3.2**	**-**	**143.9**		**147.1**
Conversion rights for convertible debt instruments	**-**	**-**	**-**	**1.5**	**1.5**
Transactions with shareholders					
Dividend in respect of 2018	**-**	**-**	**-**	**-18.1**	**-18.1**
Closing balance 31/12/2019	**39.4**	**29.6**	**507.5**	**-10.5**	**566.0**

CASH FLOW – PARENT COMPANY

Amount SEK million	Note	2019	2018
Cash flow from operating activities			
Operating profit/loss		**-26.1**	-31.2
Adjustment for items not included in cash flow		**-1.7**	
Depreciation of non-current assets		**0.1**	0.2
Dividends from Group companies		**4.8**	5.1
Interest received		**2.3**	2.0
Interest paid		**-2.8**	-2.6
Income tax paid		**-0.8**	-0.2
Cash flow from operating activities before change in working capital		**-24.2**	**-26.7**
Change in working capital			
Increase/decrease in current receivables		**-143.8**	50.7
Increase/decrease in current liabilities		**44.4**	-2.8
Cash flow from operating activities		**-123.6**	**21.2**
Investing activities			
Sale of subsidiaries		**-**	2.1
Acquisitions of subsidiaries		**-91.7**	-
Acquisition of tangible assets		**-3.0**	-0.8
Cash flow from investing activities		**-94.7**	**1.3**
Financing activities			
New share issue and convertibles		**194.4**	-
Amortisations	S	**-128.5**	-28.5
Group contributions received		**29.0**	22.0
Dividend paid		**-18.1**	-9.0
New loan		**228.7**	
Cash flow from financing activities		**305.5**	**-15.5**
Cash flow for the year		**87.2**	**7.0**
Cash and cash equivalent at beginning of year		**8.6**	0.9
Exchange rate differences in cash and cash equivalents		**-1.7**	0.7
Cash and cash equivalent at year and		**94.1**	**8.6**

NOTE A. ACCOUNTING POLICIES

Additional information

These accounting policies apply to the Parent Company, Rejlers AB. The Parent Company prepares its annual accounts in compliance with the Swedish Annual Accounts Act and RFR2 Reporting for Legal Entities. The differences in relation to IFRS that this entails are reported here.

Taxes

Untaxed reserves including deferred tax liability are reported in the Parent Company. Untaxed reserves are split into deferred tax and equity in the consolidated financial statements.

Group contributions received from subsidiaries are reported as financial income. Group contributions rendered from the Parent Company to subsidiaries are reported as an increase in participations in Group companies. Group contributions received by subsidiaries from parent companies are reported in the subsidiary in equity. Group contributions rendered by the subsidiary to the Parent Company are reported in equity.

Non-current securities held as non-current assets

Non-current securities held as non-current assets are reported at cost.

Participations in associated companies

Participations in associated companies are reported at cost.

Financial guarantees

The Parent Company applies RFR 2 when reporting financial guarantees, which is less stringent than IFRS 9 in regard to financial guarantee agreements made out in favour of subsidiaries and associated companies.

RFR 2

The amendments to RFR 2 that entered into effect and apply for the 2018 and 2019 financial year have not/will not have any material impact on the Parent Company's financial statements.

Changes in accounting principles

RFR2 has an exception to applying IFRS 9 in legal entities. The changes that entered into effect on 1 January 2018 mean that the impairment requirements as per IFRS 9 shall also be applied by companies that choose to apply the exception.

Effects of new or amended IFRS on the Parent Company accounting policies

Due to the connection between accounting and taxation, the rules in IFRS 16 do not need to be applied in legal entities. For the companies that choose to apply the exception, rules are instead introduced that comprise the principles that shall be applied for recognition of leases at lessors and lessees, recognition of sale-and-lease-back transactions and disclosure requirements. The changes in RFR 2 regarding IFRS 16 shall begin to be applied in financial years beginning on or after 1 January 2019.

The Parent Company applies the exception from the application of IFRS 16. IFRS 16 is thereby not affected by the Parent Company's financial statements. Leasing charges are expensed straight-line over the leasing period insofar as another systematic approach does not better reflect the user's financial benefit over time. The right of use and the leasing liability are accordingly not recognised in the Parent Company balance sheet.

NOTE B. INCOME

SEK million	2019	2018
Accrued fees	36.0	35.6
Other revenue attributable to consultancy activities	1.1	0.2
Total	**37.1**	**35.8**

NOTE C. PURCHASES AND SALES BETWEEN GROUP COMPANIES

SEK million	2019	2018
Purchases (as a % of Other external expenses)	17	21
Sales (as a % of Total operating income)	100	100

NOTE D. AUDITORS FEES

SEK million	2019	2018
Remuneration for audit assignment	0.9	1.2
Remuneration for auditing activities in addition to the audit assignment	0.5	-
Remuneration for tax consultancy services	-	-
Remuneration for other assignments	1.4	0.3
Total	**1.4**	**1.5**

NOTE E. EMPLOYEES

Average number of employees	2019	2018
Men	3	5
Women	7	4

SALARIES, OTHER REMUNERATION, PENSIONS AND SOCIAL SECURITY CONTRIBUTIONS – 2019

SEK million	Salaries and other remuneration	Variable remuneration	Social security contributions	Pension expenses
Board and CEO	11.0	3.6	5.2	3.2
Other employees	5.5	1.5	1.6	1.5
Total	**16.5**	**5.1**	**6.8**	**4.7**

SALARIES, OTHER REMUNERATION, PENSIONS AND SOCIAL SECURITY CONTRIBUTIONS – 2018

SEK million	Salaries and other remuneration	Variable remuneration	Social security contributions	Pension expenses
Board and CEO	7.8	6.1	4.3	3.3
Other employees	6.4	-	3.4	1.5
Total	**14.2**	**6.1**	**7.7**	**4.8**

NOTE F. PROFIT-SHARING, GROUP COMPANIES

SEK million	2019	2018
Dividend from subsidiaries	4.8	4.8
Group contributions	29.0	22.0
Total	**33.8**	**26.8**

NOTE G. OTHER INTEREST INCOME AND SIMILAR PROFIT/LOSS ITEMS

SEK million	2019	2018
Exchange-rate gains	8.6	2.7
Dividends from associated companies	0.4	0.3
Interest income, external	0.2	0.1
Interest income, internal	2.1	1.9
Total	**11.3**	**5.0**

NOTE H. OTHER INTEREST EXPENSES AND SIMILAR PROFIT/LOSS ITEMS

SEK million	2019	2018
Exchange-rate losses	-8.2	-3.2
Interest expense, external	-2.5	-2.5
Interest expense, internal	-0.3	-0.1
Total	**-11.0**	**-5.8**

NOTE I. APPROPRIATIONS

SEK million	2019	2018
Tax allocation reserve for the year	-	0.0
Tax allocation reserve reversal for the year	-	8.2
Change to accelerated depreciation for the year	-	0.1
Total	-	**8.3**

NOTE J. TAX ON PROFIT FOR THE YEAR

SEK million	2019	2018
The following items are included in tax expense:		
Tax on profit for the year	0.0	0.0
Total	**0.0**	**0.0**
Profit/loss before tax	7.6	**3.1**
Tax according to applicable rate 22% (21.6)	1.6	0.7
Tax effect of:		
Expenses, non-deductible	-5.1	-0.8
Income not liable to tax	0.9	0.1
Reported tax	**0.0**	**0.0**

NOTE K. CAPITALISED EXPENDITURES FOR PROGRAM DEVELOPMENT

SEK million	2019	2018
Opening cost	3.9	3.9
Purchases for the year	3.0	
Closing accumulated cost	**6.9**	**3.9**
Opening depreciation	-3.9	-3.9
Depreciation for the year	-	-
Closing accumulated depreciation	**-3.9**	**-3.9**
Closing residual value	**3.0**	**0.0**

NOTE L. EQUIPMENT, TOOLS, FIXTURES AND FITTINGS

SEK million	2019	2018
Opening cost	1.6	1.6
Purchases	-	-
Disposal	-	-
Closing accumulated cost	**1.6**	**1.6**
Opening depreciation	-1.2	-1.0
Disposal	-	-
Depreciation for the year	-0.1	-0.2
Closing accumulated depreciation	**-1.3**	**-1.2**
Closing residual value	**0.3**	**0.4**

NOTE M. PARTICIPATIONS IN ASSOCIATED COMPANIES

				Share of equity		Book value, SEK million	
	Corp. ID no.	**Registered office**	**Operations**	**2019**	**2018**	**2019**	**2018**
Mirakelbolaget AB	556835-4350	Stockholm	Program development	50%	50%	0.0	0.0

NOTE N. PARTICIPATIONS IN GROUP COMPANIES

Book value, SEK million	2019	2018
Sweden (registered office Stockholm)		
Rejlers Sverige AB	**100.7**	100.7
Rejlers Energitjänster AB	**0.1**	0.1
Nes AB	**70.2**	-
Råbe Industrikonsult i Örnsköldsvik AB	**0.4**	0.4
Råbe Industrikonsult i Göteborg AB	**0.3**	0.3
Finland		
Rejlers Finland Oy (formerly Rejlers Oy)	**44.4**	44.4
Norway		
Rejlers Norge AS	**155.8**	155.8
Rejlers Embriq AS	**143.6**	143.6
Total	**515.5**	**445.3**

All of the companies in the table above are wholly owned by Rejlers AB, except for Rejlers Embriq AS, which is owned at 90.5%.

NOT O. PREPAID EXPENSES AND ACCRUED INCOME

SEK million	2019	2018
Prepaid rent	-	0.1
Accrued income	-	0.2
Other	**1.3**	0.8
Total	**1.3**	**1.1**

NOTE P. UNTAXED RESERVES

SEK million	2019	2018
Tax allocation reserve 15	-	-
Tax allocation reserve 16	-	-
Tax allocation reserve 17	-	-
Tax allocation reserve 18	-	-
Accelerated depreciation	-	0.0
Total	**-**	**0.0**

NOTE Q. ACCRUED EXPENSES AND DEFERRED INCOME

SEK million	2019	2018
Accrued pay	**3.7**	4.6
Accrued social security contributions	**3.4**	1.3
Other	**5.9**	5.0
Total	**13.0**	**10.9**

NOTE R. CONTINGENT LIABILITIES

SEK million	2019	2018
Contingent liabilities	**None**	None

NOTE S. LIABILITIES ATTRIBUTABLE TO FINANCING ACTIVITIES

			Non-cash items	
	2018	**Cash flow**	**Reclassifications**	**2019**
Non-current liabilities to credit institutions, SEK million	91.3	228.7	-222.3	**101.9**
Current liabilities to credit institutions, SEK million	28.5	-228.7	209.4	**114.6**
Reconciliation of liabilities attributable to financing activities, SEK million	**119.8**	**0.0**	**-12.9**	**216.5**

			Non-cash items	
	2017	**Cash flow**	**Reclassifications**	**2018**
Non-current liabilities to credit institutions, SEK million	-		91.3	91.3
Current liabilities to credit institutions, SEK million	148.4	-28.5	-91.3	28.5
Reconciliation of liabilities attributable to financing activities, SEK million	**148.4**	**-28.5**	**-**	**119.8**

Assurance

The Board of Directors and Chief Executive Officer certify that the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and fairly represent the Group's position and performance. -The annual accounts have been prepared in accordance with good accounting practice and fairly present the Parent Company's position and performance.

The administration reports for the Group and Parent Company provide a fair view of the Group's and the Parent Company's operations, position and performance and describes the significant risks and uncertainties to which the Parent Company and Group companies are exposed.

Stockholm, 1 April 2020 Rejlers AB (publ)

PETER REJLER
Chairman

JAN SAMUELSSON
Vice Chairman

LISA REJLER
Board member

HELENA LEVANDER
Board member

PATRIK BOMAN
Board member

BJÖRN LAUBER
Employee representative

STEN PETTERSSON
Employee representative

VIKTOR SVENSSON
President and CEO

Our audit report was submitted on 1 April 2020
Deloitte AB

JOHAN TELANDER
Authorized Public Accountant

Auditor's report

TO THE GENERAL MEETING OF THE SHAREHOLDERS OF REJLERS AB (PUBL)
CORPORATE IDENTITY NUMBER 556349-8426

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Rejlers AB (publ) for the financial year 2019-01-01 - 2019-12-31 except for the corporate governance statement on pages 14-17. The annual accounts and consolidated accounts of the company are included on pages 7-54 in this document.

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 2019 and its financial performance and cash flow 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 2019 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 14-17. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the statements of comprehensive income and statements of financial position for the group.

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Revenue recognition for fixed price projects

Risk description

Revenue recognition for fixed-price projects means that assessments must be made. Rejlers applies percentage of completion for fixed-price projects, corresponding to the invoiced price less any deviations between work in progress and the percentage of completion. Revenue recognition and measurement of fixed-price projects are associated with risks linked to each individual assignment. Recognition of revenue builds on judgment and estimates in the projects regarding the level of completion and risks in implementation, which may have a significant impact on the Group's net sales and profit. These assessments and risks are primarily uniform for each geography of presence.

For further information, refer to the section on risks and risk management on page 11, the Group's accounting policies in Note 2 and Note 4 in the annual report.

Audit procedures

Our audit procedures included, but were not limited to:

- evaluation of the company's principles for revenue recognition and compliance with them for the various kinds of projects;
- evaluation of the control environment within the revenue process, mainly with regard to confirmation and follow-up of projects;
- data analytics for a number of selected projects to ensure that all accrued time is reflected in the invoicing and subsequent payment;
- review of internal and external documentation that forms the basis of the management's assessment of outstanding assignment risks in on-going projects; and
- assessing whether adequate disclosures have been provided in the financial statements.

Business combinations

Risk description

During 2019 Rejlers made a material acquisition from Neste Engineering Solutions. Acquisitions are accounted for using the acquisition method which measures goodwill at the acquisition date as the fair value of the consideration transferred less the fair value of assets acquired and liabilities assumed. Valuation of assets and liabilities at fair value in accordance with IFRS is complex and requires management to make significant judgments and estimates.

For further information, refer to the Group's accounting policies in Note 2 and Note 28 in the annual report.

Audit procedures

Our audit procedures, for significant acquisitions, included, but were not limited to:

- reviewing management's purchase price allocation;

- with the support of our valuation specialists, reviewing and challenging management's assessment of fair value of acquired assets and liabilities;
- audit procedures to assure correct consolidation of material acquisitions as from the acquisition date; and
- assessing whether adequate disclosures have been provided in the financial statements.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-6. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they 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.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the Managing Director are responsible for the assessment of the company's and the Group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or have no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Rejlers AB (publ) for the financial year 2019-01-01 - 2019-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to 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.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

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. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the Group's type of operations, size and risks place on the size of the parent company's and the Group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the Group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Auditor's examination of the corporate governance report

The Board of Directors is responsible for that the corporate governance statement on pages 14-17 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR´s auditing standard RevU 16 The auditor´s examination of the corporate governance statement. This means that our 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. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Deloitte AB, was appointed auditor of Rejlers AB by the general meeting of the shareholders on May 9, 2016 and has been the company's auditor since May 2, 2013.

Stockholm, April 1, 2020
Deloitte AB

JOHAN TELANDER
Authorized Public Accountant

Signature on the Swedish original

Annual General Meeting 2020

The Annual General Meeting of Rejlers AB (publ) will be held on Wednesday, 22 April 2020, at 4:00 p.m. at the Lindhagen Conference Centre, Lindhagensgatan 126 in Stockholm.

Registration

Shareholders registered in the shareholders' ledger administered by Euroclear Sweden AB on Thursday, 16 April 2020 have the right to participate. Those intending to participate in the AGM must register no later than Thursday, 16 April 2020, either by phone: +46 (0)73-440 41 63, by e-mail to arsstamman@rejlers.se or in writing to Rejlers AB at address:

Annual General Meeting
Rejlers AB (publ)
Box 30233
SE 104 25 Stockholm, SWEDEN

Upon registration, shareholders must provide their name, personal/corporate ID number, address and telephone number along with the number of shares represented.

Notice to attend the AGM is posted on the Rejlers website at www.rejlers.com and published in newspapers in the manner prescribed by the articles of association.

Shares registered with nominees

Shareholders with shares registered to nominees ("on behalf of the owner") must register the shares temporarily in their own name before 16 April 2020 to gain the right to participate in the AGM. Shareholders must inform nominees of this well in advance of 16 April 2020.

Proxies for agents

Shareholders represented by agents must complete proxies for their agents. Proxies should be sent to the company at the above address in good time before the AGM. If a proxy is issued by a legal entity, a certified copy of the registration certificate for the legal entity must be attached.

Agenda

The AGM must address matters as prescribed by law and the company's articles of association as well as additional matters described in the notice to attend.

Dividends

The Board proposes that a dividend of SEK 2.25 per share be paid to shareholders. The proposed record day is 24 April 2020, with a payment date of 29 April 2020. The share is traded without right to dividend as of 25 April 2020.

Photographs: XXX
Form and production: Narva
Printing: XXX

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