ANNUAL REPORT 2017

REJLERS

FIVE-YEAR SUMMARY

Income statement summary, SEK millions	2017	2016	2015	2014	2013
Operating income	2,470.1	2,341.4	1,875.5	1,711.5	1,464.7
Personnel expenses	-1,448.9	-1,453.7	-1,280.1	-1,192.0	-1,004.1
Other external expenses	-950.3	-816.4	-493.0	-440.6	-370.8
Depreciation and impairment	-46.1	-44.2	-32.2	-29.3	-23.2
Participations in associated company earnings	0.3	0.4	0.8	-1.0	-0.6
Operating profit/loss	**25.1**	**27.5**	**71.0**	**48.6**	**66.0**
Net financial income/expense	-3.6	-5.3	0.8	-3.7	-2.3
Profit/loss after net financial income/ expense	**21.5**	**22.2**	**71.8**	**44.9**	**63.7**
Tax	-9.8	-8.2	-20.6	-11.0	-13.0
Profit for the year	**11.7**	**14.0**	**51.2**	**33.9**	**50.7**

Balance sheet summary, SEK millions	2017	2016	2015	2014	2013
Intangible assets	565.5	554.4	495.2	327.7	303.5
Tangible assets	32.1	37.5	36.2	31.5	30.5
Financial assets	11.6	8.2	8.7	4.6	35.2
Deferred tax asset	40.1	39.4	40.0	18.3	1.1
Current receivables	747.6	656.0	569.0	471.5	455.1
Cash and cash equivalents	20.3	64.9	108.8	89.8	49.0
Total assets	**1,417.2**	**1,360.4**	**1,257.9**	**943.4**	**874.4**
Equity	746.4	552.2	524.8	441.6	355.6
Non-current liabilities	82.8	226.6	257.9	155.1	146.8
Current liabilities	588.0	581.6	475.2	346.7	372.0
Total liabilities and equity	**1,417.2**	**1,360.4**	**1,257.9**	**943.4**	**874.4**

Cash flow in summary, SEK	2017	2016	2015	2014	2013
Cash flow from operating activities	-41.4	41.2	42.5	68.2	20.0
Cash flow from investing activities	-66.7	-71.5	-240.2	7.1	-84.1
Cash flow from financing activities	63.2	-19.9	221.9	-36.6	75.0
Cash flow for the year	**-44.9**	**-50.2**	**24.2**	**38.7**	**10.9**

Alternative key figures

Operating margin

Definition: Operating profit divided by net sales.

Motivation: Relevant to assess Rejlers efficiency and value creation.

	2017	2016	2015	2014	2013
Operating profit/loss	25.1	27.5	71.0	48.6	66.0
Net sales	2,464.7	2,339.3	1,872.4	1,708.6	1,463.2
Operating margin, %	**1.0**	**1.2**	**3.8**	**2.8**	**4.5**

Operating profit per full-time employee

Definition: Operating profit divided by the number of full-time employees.

Motivation: A measure to show efficiency per full-time employee.

	2017	2016	2015	2014	2013
Operating profit/loss	25.1	27.5	71.0	48.6	66.0
Number of full-time employees	1,921	1,939	1,793	1,690	1,537
Operating profit/loss per full-time employee, SEK thousand	**13**	**14**	**40**	**29**	**43**

Equity/assets ratio

Definition: Total equity attributable to the Parent Company shareholders divided by total assets.

Motivation: Relevant for assessing Rejlers possibilities of meeting its financial commitments.

	2017	2016	2015	2014	2013
Equity attributable to Parent Company shareholders	737.5	536.2	516.5	441.4	355.6
Total assets	1,417.2	1,360.4	1,257.9	943.4	874.6
Equity/assets ratio, %	**52.0**	**40.6**	**41.7**	**46.8**	**40.7**

Equity per share

Definition: Total equity attributable to Parent Company shareholders divided by the number of shares at the end of the period.

Motivation: A measure for describing the size of the equity that belongs to the shareholders in the Parent Company.

	2017	2016	2015	2014	2013
Equity attributable to Parent Company shareholders	737.5	536.2	516.5	441.4	355.6
Number of shares at end of period	18,087,909	12,921,721	12,921,721	12,321,721	11,421,721
Equity per share at the end of the period	**40.77**	**41.50**	**39.97**	**35.83**	**31.13**

Net liabilities

Definition: Current and non-current interest-bearing liabilities (i.e. bank loans and finance leases) and pension provisions less cash and cash equivalents.

Motivation: A measure to show Rejlers' total indebtedness.

	2017	2016	2015	2014	2013
Non-current liabilities to credit institutions	5.4	155.0	177.5	67.5	103.9
Current liabilities to credit institutions	153.3	133.4	103.2	39.4	99.8
Pension provisions	28.8	20.7	25.0	43.6	0.0
Cash and cash equivalents	-20.3	-64.9	-108.8	-89.8	-49.0
Net liabilities	**167.2**	**244.2**	**196.9**	**60.7**	**154.7**

Net debt/EBITDA rolling 12 month basis

Definition: Net debt divided by EBITDA for the past 12-month period.

Motivation: Relevant for showing financial risk and for the follow-up of the level of Rejlers' indebtedness.

	2017	2016	2015	2014	2013
Operating profit/loss	25.1	27.5	71.0	48.6	66.0
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	46.1	44.2	32.2	29.3	23.2
EBITDA	**71.2**	**71.7**	**103.2**	**77.9**	**89.2**
Net debt/EBITDA	**2.3**	**3.4**	**1.9**	**0.8**	**1.7**

Profit margin

Definition: Profit before tax divided by net sales.

Motivation: Relevant to assess Rejlers efficiency and value creation.

	2017	2016	2015	2014	2013
Profit before tax	21.5	22.2	71.8	44.9	63.6
Net sales	2,464.7	2,339.3	1,872.4	1,708.6	1,463.2
Profit margin, %	**0.9**	**0.9**	**3.8**	**2.6**	**4.4**

Return on equity

Definition: Profit before tax divided by average equity attributable to Parent Company shareholders.

Motivation: Relevant to assessing how Rejlers uses its assets to generate profits in the company.

	2017	2016	2015	2014	2013
Profit before tax	21.5	22.2	71.8	44.9	63.6
Equity attributable to Parent Company shareholders	737.5	536.2	516.5	441.4	355.6
Average equity attributable to Parent Company shareholders	636.9	526.4	479.0	398.5	344.8
Return on equity, %	**3.4**	**4.2**	**15.0**	**11.3**	**18.5**

Return on capital employed

Definition: Operating profit plus financial income divided by average capital employed.
Capital employed: Equity plus interest-bearing liabilities.

Motivation: Relevant to assess Rejlers efficiency and value creation.

	2017	2016	2015	2014	2013
Operating profit/loss	25.1	27.5	71.0	48.6	66.0
Financial income	4.1	7.1	8.1	3.5	4.8
Operating profit plus financial income	**29.2**	**34.6**	**79.1**	**52.1**	**70.8**
Total equity	746.4	552.2	524.8	441.6	355.7
Non-current liabilities to credit institutions	5.4	155.0	177.5	67.5	103.9
Current liabilities to credit institutions	153.3	133.4	103.2	39.4	99.8
Pension provisions	28.8	20.7	25.0	43.6	0.0
Capital employed	933.9	861.3	830.5	592.1	559.4
Average capital employed	897.6	845.9	712.0	577.0	495.8
Return on capital employed, %	**3.2**	**4.1**	**11.1**	**9.0**	**14.3**

Quick ratio

Definition: Total current assets divided by total current assets (excluding unutilized credit).

Motivation: Indicates Rejlers' short-term payment capacity.

	2017	2016	2015	2014	2013
Total current assets	767.9	720.9	677.8	561.3	504.2
Total current liabilities	588.0	581.7	475.2	346.8	372.1
Quick ratio (excluding unused credit), %	**131**	**124**	**143**	**162**	**136**

Debt/equity ratio

Definition: Interest-bearing liabilities divided by equity attributable to Parent Company shareholders.

Motivation: Relevant to describing Rejlers' financial risk.

	2017	2016	2015	2014	2013
Non-current liabilities to credit institutions	5.4	155.0	177.5	67.5	103.9
Current liabilities to credit institutions	153.3	133.4	103.2	39.4	99.8
Pension provisions	28.8	20.7	25.0	43.6	0.0
Interest-bearing liabilities	187.5	309.1	305.7	150.5	203.7
Equity attributable to Parent Company shareholders	737.5	536.2	516.5	441.4	355.6
Debt/equity ratio, times	**0.3**	**0.6**	**0.6**	**0.3**	**0.6**

Interest coverage ratio

Definition: Operating profit plus financial income divided by financial expenses.

Motivation: Indicates Rejlers' ability to cover its financial expenses.

	2017	2016	2015	2014	2013
Operating profit/loss	25.1	27.5	71.0	48.6	66.0
Financial income	4.1	7.1	8.1	3.5	4.8
Operating profit plus financial income	29.2	34.6	79.1	52.1	70.8
Financial expenses	7.7	12.4	7.3	7.2	7.2
Interest coverage ratio, times	**4**	**3**	**11**	**7**	**10**

Disposable funds

Definition: Cash and cash equivalents plus overdraft facilities and unutilized part of RCF.

Motivation: Indicates Rejlers' short-term liquidity.

	2017	2016	2015	2014	2013
Unutilized overdraft facility, SEK million	50.0	50.0	50.0	60.0	9.9
Unutilized part of RCF (Revolving credit facility)	-	-	5.5	-	-
Cash and cash equivalents	20.3	64.9	108.8	89.8	49.0
Disposable funds	**70.3**	**114.9**	**164.3**	**149.8**	**58.9**

Investments

Definition: Acquired intangible assets and property, plant and equipment and acquired subsidiaries and businesses.

Motivation: Shows Rejlers investments.

	2017	2016	2015	2014	2013
Acquisition of property plant and equipment	6.2	9.8	9.5	10.1	4.7
Acquisition of intangible assets	29.5	33.8	4.0	1.4	10.6
Acquisition of operation after deductions for acquired cash and cash equivalents	27.7	29.5	225.9	-17.8	69.4
Investments	**63.4**	**73.1**	**239.4**	**-6.3**	**84.7**

Organic and acquired growth

Definition: The change in net sales for the current quarter or financial period compared with the year-earlier period considering what was generated internally (organically) and what was added through acquisitions (acquired).

Motivation: Relevant for showing how Rejlers' growth is taking place.

	2017	2016	2015	2014	2013
Sales growth for the year	125.4	466.9	163.8	245.4	134.8
of which acquired sales	39.0	418.7	142.9	235.4	126.2
of which organic sales	86.4	48.2	20.9	10.0	8.6
Organic growth, %	**4**	**10**	**13**	**4**	**6**

Growth adjusted for exchange rate effects

Definition: Change in net sales for the current quarter or financial period compared with the year-earlier period in the respective country's currency.

Motivation: A measure that shows underlying growth in local currency.

	2017	2016	2015	2014	2013
Sales growth for the year excluding exchange rate effects	107.5	446.6	171.4	251.1	141.8
of which acquired sales	28.9	418.7	142.9	235.4	126.2
of which organic sales	78.6	27.9	28.5	15.7	15.6
Organic growth excluding exchange rate effects %	**4**	**6**	**17**	**6**	**11**

IFRS key performance indicators	2017	2016	2015	2014	2013
Earnings per share before and after turnover **Definition:** Profit after tax divided by average number of shares	0.71	1.03	4.15	2.78	4.45
Average number of shares **Definition:** Parent Company's weighted average number of shares for the financial year	16,417,744	12,921,721	12,346,379	12,200,899	11,381,173
Number of shares at end of period **Definition:** Parent Company's number of shares at end of the financial year	18,087,909	12,921,721	12,921,721	12,321,721	11,421,721

Operational key performance indicators	2017	2016	2015	2014	2013
Billing ratio **Definition:** Debited time divided by time in attendance	75.2	73.0	75.0	75.3	74.7
Sales per full-time employee **Definition:** Net sales per full-time employee	1,286	1,208	1,046	1,022	953
Number of working days **Definition:** Number of working days in the Parent Company	249	251	249	248	249
Number of full-time employees **Definition:** Total time divided by standard time	1,921	1,939	1,793	1,690	1,537
Number of employees at end of period **Definition:** Number of employees at end of the financial year	1,994	2,027	2,082	1,742	1,664

Other	2017	2016	2016	2015	2014
Dividend per share (2017, proposed dividend)	0.50	0.00	2.00	2.00	2.00

THE SHARE

Rejlers' total number of outstanding shares amounts to 18,087,909 shares, of which 1,749,250 shares of Class A and 16,338,659 shares of Class B. Total number of votes amounts to 33,831,159 divided by 16,338,659 for shares of Class A and 17,492,500 for shares of Class B. The share capital amounts to SEK 36,175,818.

Dividend policy

Rejlers long-term policy is for around 50 per cent of the company's earnings to be paid out as dividends. Rejlers Board proposes that the 2018 AGM approve a dividend of SEK 0.50 per share (0.00) for the 2017 financial year, which corresponds to 70.4 per cent of earnings per share after dilution. The dividend amount is SEK 9.0 million (0.0).

Listing and trading

The company's Class B shares have been listed on the Nasdaq Stockholm since 18 December 2006 after having been listed on the Nordic Growth Market (NGM) since 8 May 2003. During 2017, shares to a total value of SEK 224.0 million (101.4) were traded on Nasdaq OMX. The final share price for Rejlers Class B shares was SEK 56.75 (81.75) per share at year-end, a decrease of 31 per cent compared to 30 December 2016. The highest and lowest share prices during the year were SEK 92.00 and SEK 53.00 respectively.

Ownership

At the end of 2017, the number of shareholders was 2,190 (2,110). Institutions and funds owned 38 per cent (38) of the votes and 71 per cent (72) of equity. Foreign owners accounted for 16 per cent (13) of the votes and 27 per cent (21) of equity. The Rejler family owned 56 per cent (57) of the votes and 21 per cent (24) of the equity, of which CEO Peter Rejler holds 34 per cent (38) of the votes and 6 per cent (7) of the equity. In addition to the Rejler family, major owners are Lannebo fonder, Didner & Gerge Fonder and Nordea Investment Funds. The 10 biggest owners are presented in the table on the following page.

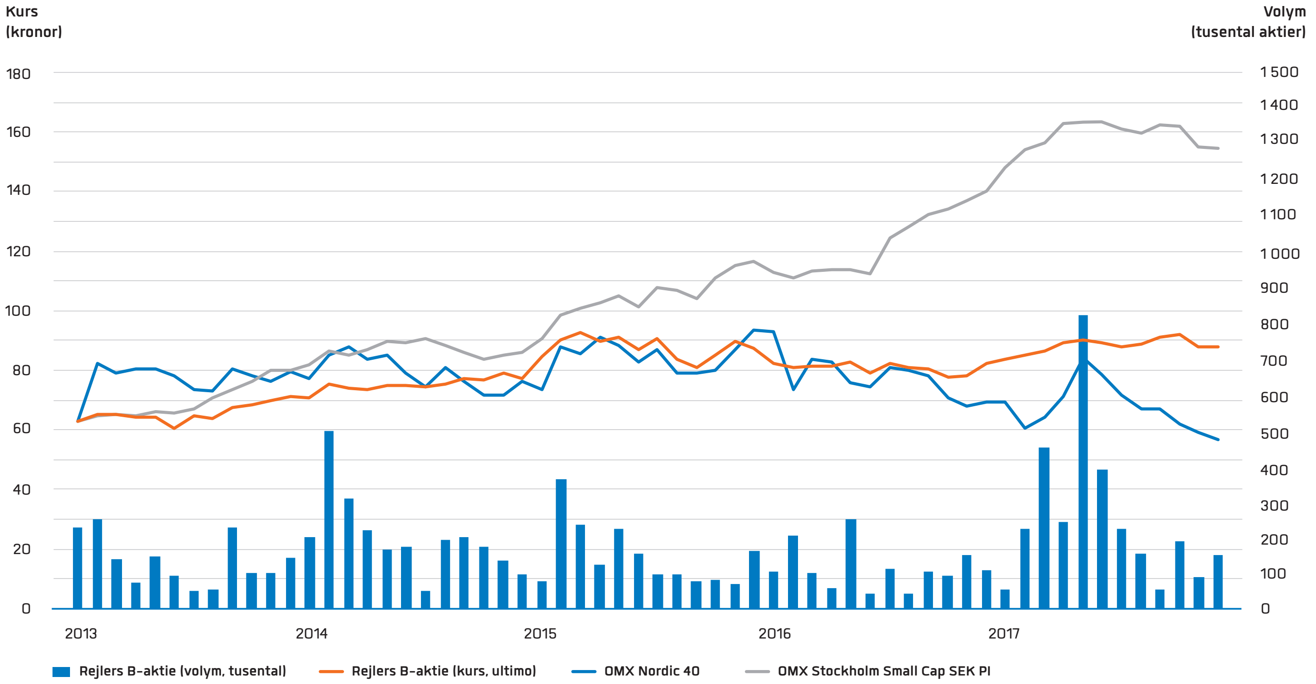
New share issue

At the Extraordinary General Meeting on 13 March 2017, a resolution was passed approving a new share issue with preferential rights for existing shareholders. After the new share issue, the total number of shares in the company increased by 498,000 Class A shares, corresponding to 4,980,000 votes, and 4,668,188 Class B shares, corresponding to 4,668,188 votes. The total number of shares in the company amounts to 18,087,909, of which 1,749,250 are Class A shares and 16,338,659 Class B shares. The number of votes at Rejlers now totals 33,831,159. After the share issue, the share capital accordingly increased by SEK 10,332,376 from SEK 25,843,442 to SEK 36,175,818.

Shareholder contacts

Rejlers is proactive in providing information to facilitate the valuation of the Rejlers share. In addition to the Group president and Group CFO, the respective IR managers act as contacts.

Development Rejlers' share Jan 2013 – Dec 2017



Rejlers 10 biggest shareholders

The table shows the situation as of 31/12/2017

Name	A shares	B shares	Holding (%)	Votes (%)
Peter Rejler	1,159,750	3,500	6.4	34.3
Jan Rejler, directly and through company	483,500	341,913	4.6	15.3
Lannebo Fonder	-	2,247,843	12.4	6.6
Didner & Gerge Fonder Aktiebolag	-	1,681,807	9.3	5.0
Nordea Investment Funds	-	1,668,191	9.2	4.9
Lauri Valkonen	70,000	536,000	3.4	3.7
Swedbank Robur fonder	-	1,203,868	6.7	3.6
Lisa Rejler	13,125	916,226	5.1	3.1
Martina Rejler	13,125	820,794	4.6	2.8
Fondita fonder	-	868,000	4.8	2.6
Total, 10 biggest shareholders	**1,739,500**	**10,288,142**	**66.6**	**81.9**
Total, other shareholders	9,750	6,050,517	33.5	18.1
Total	**1,749,250**	**16,338,659**	**100.0**	**100.0**

Share capital development

Year	Event	Increase in 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

Per-share data

	2017	2016	2015	2014	2013
Earnings per share after dilution, SEK	0.71	1.03	4.15	2.78	4.45
Equity per share, SEK	40.77	41.50	39.97	35.83	31.13
Dividend per share, SEK [1]	0.50	0.00	2.00	2.00	2.00

1) Proposed 2017 dividend.

Distribution of shareholdings

Number of shares	Number of owners	Number of shares	Proportion of capital (%)	Proportion of votes (%)
1 - 500	1,477	211,976	1.2%	0.6%
501 - 1000	277	205,726	1.1%	0.6%
1001 - 5000	308	681,036	3.8%	2.0%
5001 - 10000	43	303,062	1.7%	0.9%
10001 - 15000	20	262,514	1.5%	0.8%
15001 - 20000	10	176,517	1.0%	0.5%
20001-	55	16,247,078	89.8%	94.5%
Total	**2,190**	**18,087,909**	**100.0%**	**100.0%**

BOARD OF DIRECTORS

IVAR VERNER
Born: 1947.
Chairman/Vice Chairman since: 2010.
Elected: 2010. Graduate in economics. Former authorized public accountant; Chairman in Grant Thornton Sweden AB.
Other important assignments: Chairman of the Boards of Erlandsons Brygga AB, Centrumfastigheter i Norrtälje AB, Welcome Hotel, Tegner & Son AB. Deputy Chairman of Bioarctic AB (publ).
Rejlers shareholding: 5,000 B shares.

PETER REJLER
Born: 1966.
Elected: 2010. Master of Science in Engineering President and CEO of Rejlers AB, 1999–2012 and 2014–2018.
Rejlers shareholding: 1,159,750 A shares and 3,500 B shares.

JAN SAMUELSSON
Born: 1950.
Elected: 2010. Graduate in economics.
Former CEO of Lunds Energikoncernen AB.
Other important assignments: Chairman of the Board at Energiforsk AB and Värmeforskkoncernen. Chairman of the Boards of Stena Renewable AB, the Brittedals Group and Drhorace AB.
Rejlers shareholding: 1,960 B shares.

STEN PETTERSSON
Born: 1970.
Employee representative.
Elected: 2009. Undergraduate qualification in engineering.
Project manager at Rejlers Sverige AB.
Rejlers shareholding: 700 B shares.

HELENA NORDMAN-KNUTSON
Born: 1964.
Elected: 2014. Graduate in economics and political science.
Executive Director Hallvarsson & Halvarson.
Other important assignments: Member of the Boards of Alimak Group AB, Exel Composites Oy and Bygga Bostäder AB,
Rejlers shareholding: —

THORD WILKNE
Born: 1943.
Elected: 2007. Economist.
Founder of WM-data.
Other important assignments: Member of the Board of Addnode Group AB.
Rejlers shareholding: 200,000 B shares.

BJÖRN LAUBER
Born: 1965.
Employee representative.
Elected: 1998. Graduate in economics.
Economist at Rejlers Sverige AB.
Rejlers shareholding: —

ANNIKA STEIBER
Born: 1968.
Elected: 2016. DEng from Chalmers University of Technology.
Rejlers AB shareholding: —

PETER REJLER
President and CEO of Rejlers AB (until 21 February 2018)
Born: 1966.
Employed since: 1998.
Rejlers shareholding: 1,159,750 A shares and 3,500 B shares

VIKTOR SVENSSON
President and CEO of Rejlers AB (from 22 February 2018)
Born: 1975.
Employed since: 2018.
Rejlers shareholding: —

JONAS THIMBERG
President, Rejlers Sverige AB
(ended in March 2018)
Born: 1967.
Employed since: 2000.
Rejlers shareholding: 1,324 B shares

SEPPO SORRI
President, Rejlers Finland Oy
Born: 1966.
Employed since: 2005.
Rejlers shareholding: 8,000 B shares

THOMAS PETTERSEN
President of Rejlers Embriq AS & Rejlers Norge AS
Born: 1975.
Employed since: 2015.
Rejlers shareholding: —

MIKAEL LINGEFELT
Acting CFO Rejlers AB
Born: 1961
Employed since: 2011.
Rejlers shareholding: 1,500 B shares.

LISA REJLER
Acting Marketing and Communication Director of Rejlers AB
Born: 1968.
Employed since: 2003.
Rejlers shareholding: 13,125 A shares and 916,226 B shares

MIKAEL SCHMIDT
Head of HR, Rejlers Sverige AB
Born: 1958.
Employed since: 2007.
Rejlers shareholding: 2,500 B shares

MATS REHNQVIST
Head of IT, Rejlers Sverige AB
Born: 1965.
Employed since: 2015.
Rejlers shareholding: —

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 2017–31 December 2017.

	2017	2016	2015	2014	2013
Sales, SEK million	2,470.1	2,341.4	1,875.5	1,711.5	1,464.7
Operating profit, SEK million	25.1	27.5	71.0	48.6	66.0
Operating margin, %	1.0%	1.2%	3.8%	2.8%	4.5%

Operations

Rejlers was founded in 1942 and provides technical consultancy services to customers within the construction and property, energy, industry and infrastructure sectors. At year-end, Rejlers had a total of 1,994 employees (2,027) located at 80 places in Sweden, Finland and Norway. The head office is located in Stockholm. Rejlers' operations are divided into four segments: Rejlers Sweden, Rejlers Finland, Rejlers Norway and Rejlers Embriq.

Consolidated sales and earnings

Net sales totalled SEK 2,470.1 million (2,341.4), an increase of 5.5 per cent compared to the corresponding period the previous year. Organic growth excluding exchange rate fluctuations was 4.1 per cent. It is primarily the segments Rejlers Finland and Rejlers Embriq that have contributed to the sales increase, while Rejlers Norway and Rejlers Sweden report a slightly negative growth.

Operating profit (EBIT) amounted to SEK 25.1 million (27.5). The operating profit was affected by items affecting comparability of SEK 17.7 million (21.5) for the restructuring of the operations in Sweden and Norway. Moreover, the Swedish operations made project write-downs of SEK 33.7 million during the year.

Cash flow and financial position

Consolidated cash and cash equivalents at the end of the period amounted to SEK 20.3 million compared to SEK 64.9 million on 31 December 2016. The change in cash and cash equivalents has among other things been affected by amortization in an amount of SEK 128.3 million. The new share issue conducted in March/April strengthened cash and cash equivalents by SEK 191.2 million after deductions for issue expenses.

Interest-bearing liabilities decreased by SEK 121.6 million since 31 December 2016 to amount to SEK 187.5 million at the end of period. Net debt amounted to SEK 167.2 million, compared with SEK 244.2 million as at 31 December 2016. At 31 December 2017, the company's non-current liabilities were classified as current because refinancing must take place in the fourth quarter of 2018. Refinancing entails significantly improved credit terms, which creates flexibility and greater room to manoeuvre. New covenant levels have also been negotiated.

The ratio of net debt to EBITDA amounted to 2.3 at the end of the period compared with 3.4 at 31 December 2016. The equity/assets ratio amounted to 52.7 per cent compared with 40.6 on 31 December 2016.

Equity per share was SEK 40.77 at the end of the period compared to SEK 41.50 as of 31 December 2016. The Group's overdraft facilities of SEK 50.0 million (50.0) are entirely unutilized.

Investments

Investments in tangible assets amounted to SEK 6.2 million (9.8) and mainly pertain to servers and other IT equipment while investments in intangible assets, mainly attributable to the development of IT platforms at Rejlers Embriq, amounted to SEK 29.5 million (33.8). Investments in subsidiaries and businesses amounted to SEK 27.7 million (29.5). Depreciation, amortization and impairment losses amounted to SEK 46.1 million (44.2).

Employees

At the end of the period, there were 1,994 employees (2,027). There were 1,921 full-year employees (1,939). At the end of the period, 2 (21) employees in Finland and 11 (5) in Norway had been laid off.

Billing ratio

The billing ratio increased to 75.2 per cent (73.0), mainly as a result of higher order volumes in Finland and Sweden.

Sales, operating profit and operating margin per segment

	Sales, SEK million		Operating profit/loss, SEK million		Operating margin, %	
	Jan-Dec 2017	Jan-Dec 2016	Jan-Dec 2017	Jan-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Rejlers Sweden	1,202.0	1,226.2	40.1	28.0	3.3	2.3
Rejlers Finland	468.0	389.4	29.3	15.0	6.3	3.9
Rejlers Norway	320.0	335.6	-25.6	-13.3	-8.0	-4.0
Rejlers Embriq	519.9	417.1	9.2	15.6	1.8	3.7
Group wide	37.1	22.7	-27.9	-17.8	-	-
Eliminations	-76.9	-49.6	-	-	-	-
Consolidated total	**2,470.1**	**2,341.4**	**25.1**	**27.5**	**1.0**	**1.2**

Rejlers Sweden

The change work in Rejlers Sweden is continuing with the closure of unprofitable areas and investments in digitalization of our engineering services and the energy supply of the future. At the end of the year, we implemented a re-organization where we are reducing the number of regions from nine to five to lower the cost base in the long term through administrative synergies and co-location.

Net sales totalled SEK 1,202.0 million (1,226.2), a decrease of 2.0 per cent compared to the previous year. Organic growth amounted to -2 per cent. Continuation of the positive development in construction, energy and ICT/Telecom and a marginally higher billing ratio were unable to fully compensate for the operations closed during the year.

Operating profit increased from SEK 28.0 million to SEK 40.1 million, which means an earnings growth of 43 per cent and an operating margin for the year of 3.3 per cent (2.3).

Key performance indicators – Rejlers Norway	Jan-Dec 2017	Jan-Dec 2016
Sales, SEK million	1,202.0	1,226.2
Operating profit, SEK million	40.1	28.0
Operating margin, %	3.3	2.3
Number of employees	1,048	1,090

Rejlers Finland

Rejlers Finland is experiencing improved market conditions with higher public and private construction and a positive development for the operations in energy, industry and infrastructure. During the year, we acquired a few smaller businesses.

Sales totalled SEK 468.0 million (389.4) during the year, which corresponds to an increase of 20.2 per cent compared to the same period in the previous year. The growth is mainly attributable to the generally more favourable market conditions, the labour law extension of the working hours by half an hour per employee and week and the acquisitions. Organic growth excluding exchange rate fluctuations was 8.3 per cent during the year.

Operating profit almost doubled and increased from SEK 15.0 million to SEK 29.3 million, providing an operating margin for the year of 6.3 per cent (3.9). The improved earnings are mainly attributable to a higher billing ratio as a result of a generally higher demand for our services.

Key performance indicators – Rejlers Finland	Jan-Dec 2017	Jan-Dec 2016
Sales, SEK million	468.0	389.4
Operating profit, SEK million	29.3	15.0
Operating margin, %	6.3	3.9
Number of employees	573	526

Rejlers Norway

Rejlers Norway has for some time been marked by profitability problems as a result of low efficiency in some large telecom projects. Thomas Pettersen, President of Rejlers Embriq AS, was appointed to head the all of Rejler's Norwegian operations during the year. Through this change we expect both business and administrative synergies between the operations of Rejlers Norway and Rejlers Embriq.

During the year, work continued on further cut-backs of administrative personnel and personnel in the telecom operations, to lower the cost base and improve profitability.

Net sales amounted to SEK 320.0 million (335.6) during the year, a decrease of 8.9 per cent. The decrease is mainly attributable to a generally low order volume and personnel cut-backs in certain less-profitable parts of the operations. Organic growth excluding exchange rate fluctuations was -5.8 per cent.

Operating loss declined from SEK -13.3 million to SEK -25.6 million, which means an earnings growth of -92 per cent and an operating margin for the year of -8.0 per cent (-4.0).

Key performance indicators – Rejlers Norway	Jan-Dec 2017	Jan-Dec 2016
Sales, SEK million	320.0	335.6
Operating profit, SEK million	-25.6	-13.3
Operating margin, %	-8.0	-4.0
Number of employees	202	244

Rejlers Embriq

Rejlers Embriq has a strong position in a growing market in the energy sector and offers a complete range of products, IT services and solutions in energy, infrastructure and energy measurement services in the Nordic countries. During the quarter, the roll-out of smart electricity meters in Netalliansen continued with higher revenues from associated operating contracts. The Connected Stores concept was well received by the customers and involves a digitalization of retailing, which will lead to minimal stock, optimal logistics and reduced emissions.
Net sales amounted to SEK 519.9 million, compared with SEK 417.1 million in the preceding year. This is an increase of 24.6 percent. Organic growth excluding exchange rate fluctuations was 27.4 per cent. The increase is mainly attributable to large volumes in installation and sales of electrical meters to Nettalliansen, but also higher income from operating agreements.

Operating profit declined from SEK 15.6 million to SEK 9.2 million, which means an earnings growth of -41 per cent and an operating margin for the year of 1.8 per cent (3.7). Start-up costs related to the delivery of smart electrical meters to Nettalliansen and the initiative in Connected Stores entail an margin pressure, which is expected to decline in the coming years.

Key performance indicators – Rejlers Embriq	Jan-Dec 2017	Jan-Dec 2017
Sales, SEK million	519.9	417.1
Operating profit, SEK million	9.2	15.6
Operating margin, %	1.8	3.7
Number of employees	159	156

Acquisitions

On 24 February, Rejlers acquired the assets in Sähkölinna Oy. On 2 November, 100 per cent of the shares of Insinöörtoimisto RJ Virta Oy were acquired. The remaining 49 per cent of the shares of CMN Service Oy were acquired on 5 May. After this transaction, Rejlers owns 100 per cent of the company. In July, the assets in Infrakonsult Syd AB were acquired.

During the year, acquisitions contributed SEK 41.7 million to sales and SEK 6.3 million to operating profit.

If the operations had been owned as of 1 January, they would have contributed sales of SEK 50.7 million and an operating profit of SEK 9.0 million. See also note 28.

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:

Billing ratio	22 (23)
Hourly price	17 (16)
Pay expense increase	14 (14)

Personnel expenses amount to 62 per cent (62) of revenues while other operating expenses are 38 per cent (37) of revenues.

Parent Company

Net sales in the Parent Company during the interim period amounted to SEK 37.1 million (22.7) and the earnings after tax amounted to a profit of SEK 14.5 million (3.1).

Guidelines for remunerations and other terms of employment for senior executives

The 2017 AGM resolved the following guidelines for remuneration of the CEO and other members of Group management ("Group management").

The company strives to offer a total remuneration that is reasonable and competitive and thereby manages to attract and retain qualified employees. The total compensation, which varies in relation to the individual's and the Group's performance, may consist of the components stated below.

Fixed salary constitutes the basis for the total remuneration. The salary shall be competitive and reflect the responsibility that the work entails. The fixed salary is revised annually. The variable salary may be based on the Group's earnings growth, profitability or cash flow. The variable part in any year may not exceed 60 per cent of the fixed salary. Retirement pension, sickness benefits and medical benefits shall be designed to reflect the rules and practices on the market. If possible, pensions should be defined contribution pensions. Other benefits may be provided for individual members or the entire Group management and designed in accordance with market practice. These benefits may not constitute a significant portion of the total remuneration.

The company and the President are subject to a mutual 12-month period of notice. The company and other members of Group management are subject to a mutual 6- to 12-month period of notice. In the event of termination by the company, members of Group management are entitled to severance pay equivalent to a maximum of 12 months' salary in addition to salary and other employment benefits during the period of notice. No severance pay is payable in the event of resignation.

The Board of Directors shall be entitled to deviate from these guidelines for remuneration in individual cases and if there are specific reasons. In the event of such deviation, information about the deviation and the reason for it must be reported at the next AGM.

The Board's proposals for guidelines for 2018 remain in principle unchanged compared to 2017.

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 pages 15–18.

Sustainability Report

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

The Rejlers share

The last price paid for Rejlers Class B on 29 December 2017 was SEK 56.75 per share, a decrease of 31 per cent compared with 30 December 2016. The last price paid for the Rejlers Class B share on 7 February 2018 was SEK 51.80 per share. The Rejlers share is listed on Nasdaq Stockholm.

As a result of the rights issue that Rejlers AB previously provided information on, the number of shares and votes in Rejlers changed in April 2017. All shares subscribed for in the rights issue have been registered at the Swedish Companies Registration Office. As a result of this, the total number of shares in Rejlers increased by 498,000 Class A shares, corresponding to 4,980,000 votes, and 4,668,188 Class B shares, corresponding to 4,668,188 votes. The total number of shares in Rejlers amounts to 18,087,909, of which 1,749,250 are Class A shares and 16,338,659 Class B shares. The number of votes at Rejlers now totals 33,831,159. After the share issue, the share capital increased by SEK 10,332,376 from SEK 25,843,442 to SEK 36,175,818.

Shareholders with more than 10per cent of the votes in the company are Peter Rejler and Jan Rejler through a company.

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 that the 2018 AGM approve a dividend of SEK 0.50 per share (0.00) for the 2017 financial year, which corresponds to 70.4 per cent of earnings per share after dilution. The dividend amount is SEK 9.0 million (0.0).

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 347,881,262
The Board of Directors and CEO propose that a dividend be paid to the shareholders in the amount of	SEK 9,043,955
To be carried forward	SEK 338,837,308

Risks and risk management

Strategic and operational risks	Description	Handling
Market	Rejlers operates in Sweden, Finland and Norway 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 minimize 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.
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 organization 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 organization 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. We do business within the scope of laws, ordinances and international conventions in every country in which we operate and we do not tolerate abuse of power, nepotism or any form of corruption.	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. Rejlers does not accept child labour or other forms of compulsory or forced labour anywhere in the 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 the 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 risks, currency risks and interest rate risks	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.	Because the Group makes acquisitions on an ongoing basis, it's indebtedness and financial risk also change. The Group also has net borrowing, which means increased attention must be paid to liquidity risks and interest rate risks. The Group's equity/assets ratio continues to be good.
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.	Because customers are invoiced on an ongoing basis, the accrued credit risk is relatively limited even in major assignments.

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.

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.

As a result of the rights issue that Rejlers conducted, the number of shares and votes in the company changed in April 2017. The total number of shares in the company increased by 498,000 Class A shares, corresponding to 4,980,000 votes, and 4,668,188 Class B shares, corresponding to 4,668,188 votes. The total number of shares in the company amounts to 18,087,909, of which 1,749,250 are Class A shares and 16,338,659 Class B shares. The number of votes at Rejlers now totals 33,831,159. After the share issue, the share capital accordingly increased by SEK 10,332,376 from SEK 25,843,442 to SEK 36,175,818.

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 and Extraordinary 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.

Rejlers' AGM for the 2016 financial year took place on 24 April 2017 in Stockholm. The AGM was attended by 25 shareholders who represented 71.4 per cent of the company's votes and 50.5 per cent of equity. The company auditor and all of the Board members elected by the AGM were present at the meeting. The AGM was chaired by Chairman of the Board, Ivar Verner. Minutes from the AGM are available on the company website, www.rejlers.com.

The AGM resolved, inter alia:

- That, in accordance with the Board's proposal, the company's profit and unappropriated earnings of SEK 171,013,745 shall be brought forward.
- That no dividends be paid for the 2016 financial year.
- 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.
- That, in accordance with the Nomination Committee's proposal, the Board of Directors shall consist of Ivar Verner, Helena Nordman-Knutson, Thord Wilkne, Jan Samuelsson, Peter Rejlers and Annika Steiber for the time until the end of the next AGM. Ivar Verner was elected the Chairman of the Board.
- The adoption of principles for Nomination Committee assignments and appointments and the guidelines for remuneration of senior executives.
- To authorize the Board to pass a resolution for the issue of a maximum of 600,000 Class B shares without preferential rights for existing shareholders.
- To approve a change in Section 4 and Section 5 Paragraph 1 of the Articles of Association in accordance with the Board's proposal. The change means that the share capital's limits are changed to be no lower than SEK 12,000,000 and no higher than SEK 48,000,000, and that the limits for the number of shares shall be changed to total at least 6,000,000 and at most 24,000,000. Through the change, a maximum number of 3,690,000 Class A shares and 20,310,000 Class B shares shall be able to be issued.

All of the AGM resolutions were passed unanimously. In addition to the AGM, Rejlers held one Extraordinary General Meeting during 2017. The 2018 AGM in respect of the 2017 financial year will be held on 7 May 2018 in Stockholm.

Extraordinary General Meeting

Rejlers held an Extraordinary General Meeting on 13 March 2017.

At the Extraordinary General Meeting, it was resolved:

- To approve the Board's proposal on the new issue of Class A and Class B shares with preferential rights for the shareholders.

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 2018 AGM consists of Kent Hägglund representing Peter Rejler, Martina Rejler representing Jan Rejler and Johan Lannebo representing Lannebo 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 2018 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 Boardassignments in Rejlers AB aim to maintain and improve the Board's overall effectiveness. In the election of Board members, Rejlers therefore strives for the Board to have enough expertise in the company's operations, business areas, markets and development, among others. 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 2017 financial year, the Board consisted of six members, who are presented in greater detail on page 9. The Board held 12 minuted meetings during the 2017 financial year. Average attendance was 97 per cent, and on average Board meetings lasted around three hours. 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 organizations appointed Björn Lauber and Sten Pettersson as Board members and Tore Gregorsson as a deputy member.

Ivar Verner was elected by the Annual General Meeting as the Chairman of the Board. The Audit Committee consists of Jan Samuelsson (chair), Helena Nordman-Knutson and Ivar Verner. The Board in its entirety forms the Remuneration Committee. The Investment Committee consists of Peter Rejler and Ivar Verner, as well as Annika Steiber in certain investment issues.

In addition to CEO Peter Rejler (Board member), other salaried employees from the organization take part in the work of the Board 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 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
- Appoint a Projects/Investment Committee
- Submit the annual accounts, administration report and interim reports
- Raising of loans
- Initiate major processes and the settlement of disputes of material significance
- 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
- The development of major projects in progress and anticipated business events
- A report on existing or potential disputes that may have a significant impact on the company's operations

Board composition

Name	Function	Independent	Elected	Present
Ivar Verner	Chairman	Yes	2010	12/12
Thord Wilkne	Board member	Yes	2007	12/12
Peter Rejler[1)]	Board member	No	2010	11/12
Jan Samuelsson	Board member	Yes	2010	12/12
Helena Nordman–Knutson	Board member	Yes	2014	12/12
Annika Steiber	Board member	Yes	2016	11/12
Sten Pettersson	Employee representative	Yes	2009	11/12
Björn Lauber	Employee representative	Yes	1998	12/12
Tore Gregorsson	Deputy member	Yes	2016	3/3

1) Dependent in relation to the company through employment as well as major shareholder.

The Chairman of the Board is the link between the CEO and the 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 2017, 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. A new assessment will be made during the year.

Audit committee

In connection with the statutory Board meeting after the 2017 AGM, the Board appointed an Audit Committee, comprising Jan Samuelsson (Chairman), Helena Nordman-Knutson and Ivar Verner. The Audit Committee held five 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.

Project/Investment Committee

At its statutory meeting following the 2017 AGM, the Board appointed a Projects/Investment Committee comprising Ivar Verner (chairman), Annika Steiber in certain investment issues and Peter Rejler. The committee reporter is usually the company's CFO.

The principal task of the Investment Committee is to discuss matters relating to investments that require a Board decision. The Investment Committee had no meetings in 2017. The company had one major tender that was addressed by the full Board at an ordinary Board meeting.

Remuneration committee

The Board has decided not to appoint a special remuneration committee. Instead, the Board in its entirety will constitute a remuneration committee and will address e.g. remunerations 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 CEO.

Remuneration

Resolutions were made during the 2017 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.

The AGM approved remuneration of the Board in the amount of SEK 370,000 to the Chairman of the Board and SEK 200,000 each to the other members who are not Rejlers employees. An additional SEK 225,000 was set aside for committee work.

See Note 7 to the annual accounts for remuneration of the Board.

CEO and Group management

The CEO is appointed by the Board and is tasked with the day-to-day administration 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.
Peter Rejler has been President and CEO for Rejlers since 1 April 2014. He was born in 1966 and has worked within Rejlers since 1998.

In 1999, he took up his post as President of Rejlers' operations until 2012. During the period 2012-2014, he was the executive Chairman of the Board but returned to his role as CEO as of 1 April 2014. Peter holds a Bachelor of Science in Electronics and a Master of Science in Mechanical Engineering.

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, regular checks are made regarding the status of each operation. Group management prepares an annual business plan which is followed up through monthly reports that focus on profitability, cost control and cash flow. Group management comprised the CEO, the CFO, the Heads of operations for Sweden and Finland, the Head of Norway and Embriq, the CIO, the Communication Director and the Head of HR, eight 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 page 10.

Audits

The AGM's tasks include selecting an auditor. The AGM elected Deloitte as auditors for a period of four years, with Authorized Public Accountant Birgitta Lööf as auditor-in-charge. Deloitte audits all active Rejlers companies in Sweden, Finland and Norway which were wholly owned by Rejlers during 2017 except Embriq. 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, the work included tax issues along with various audit issues (see also Note 8 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 2017 and 2016 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. In practical terms, the control environment consists of policies, documented guidelines, manuals and instructions disseminated throughout the organization. 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 President 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 organization allows local units great independence. Managers at all levels have clearly assigned responsibilities and powers to develop their operations based on local conditions and their customers' needs. Regular evaluations are conducted in the organization at both function and departmental level in order to ensure relevant knowledge of financial reporting in the organization. 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 organization 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. To ensure risks in customer projects are noted, managed and correctly reflected in financial reporting, a separate function is being set up, the Project Building. The Project Building will carry out regular checks to ensure customer projects are run in compliance with Rejlers' quality management system in regard to both implementation and financial follow-up. 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, decentralized 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, 5 April 2018
Board of Directors Rejlers AB

CONSOLIDATED INCOME STATEMENT

Amount SEK million	Note	2017	2016
Operating revenues			
Net sales	5	2,464.7	2,339.3
Other operating revenues	6	5.4	2.1
Total operating revenue		**2,470.1**	**2,341.4**
Operating expenses			
Other external expenses	8	-950.3	-816.4
Personnel expenses	7	-1,448.9	-1,453.7
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	9-13	-46.1	-44.2
Participations in associated company earnings	14	0.3	0.4
Operating profit/loss		**25.1**	**27.5**
Financial income	15	4.1	7.1
Financial expenses	16	-7.7	-12.4
Total net financial income/expense		**-3.6**	**-5.3**
Profit before tax		**21.5**	**22.2**
Tax	17	-9.8	-8.2
PROFIT FOR THE YEAR		**11.7**	**14.0**
Attributable to the Parent Company's shareholders		11.7	13.3
Attributable to shareholders without a controlling influence		0.0	0.7
Earnings per share for profits attributable to the Parent Company's shareholders before dilution	18	0.71	1.03
Earnings per share for profits attributable to the Parent Company's shareholders after dilution	18	0.71	1.03

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amount SEK million	Note	2017	2016
Profit/loss for the period		11.7	14.0
Items that may be reclassified to the income statement			
Translation differences of foreign operations, net after-tax		-5.6	28.5
Items that will not be reclassified to the income statement			
Revaluation of net pension provisions		-3.5	4.3
		2.6	**46.8**

CONSOLIDATED BALANCE SHEET

Amount SEK million	Note	2017	2016
ASSETS			
NON-CURRENT ASSETS			
Intangible assets			
Capitalized expenditures for program development	9	45.4	37.5
Software	10	7.2	4.9
Customer values	11	69.1	79.4
Goodwill	12	443.8	432.6
Total intangible assets		**565.5**	**554.4**
Property, plant and equipment			
Equipment, tools, fixtures and fittings	13	32.1	37.5
Total property, plant and equipment		**32.1**	**37.5**
Financial assets			
Participations in associated companies	14	0.6	0.6
Non-current securities held as non-current assets	19	7.3	3.8
Other non-current receivables	20	3.7	3.8
Total financial assets		**11.6**	**8.2**
Deferred tax asset	17	40.1	39.4
Total non-current assets		**649.3**	**639.5**
CURRENT ASSETS			
Current receivables			
Inventories		3.2	6.3
Trade receivables	21	452.3	390.2
Current tax assets		30.8	17.2
Other receivables		18.0	11.9
Prepaid expenses and accrued income	22	243.3	230.4
Total current receivables		**747.6**	**656.0**
Cash and cash equivalents		20.3	64.9
Total current assets		**767.9**	**720.9**
TOTAL ASSETS		**1,417.2**	**1,360.4**

Amount SEK million	Note	2017	2016
EQUITY AND LIABILITIES			
Equity			
Share capital		36.2	25.8
Other capital contributed		391.3	209.6
Reserves		-6.0	-0.3
Accumulated profit including profit for the year		316.0	301.1
Total equity attributable to Parent Company shareholders		**737.5**	**536.2**
Equity attributable to shareholders without a controlling influence		8.9	16.0
Total equity		**746.4**	**552.2**
Non-current liabilities			
Non-current liabilities to credit institutions	24	5.4	155.0
Deferred tax liability	17	40.4	45.7
Pension provisions	25	28.8	20.7
Other liabilities		8.2	5.1
Total non-current liabilities		**82.8**	**226.5**
Current liabilities			
Current liabilities to credit institutions	24	153.3	133.4
Trade payables		124.2	134.0
Advance payments from customers		0.3	0.2
Current tax liabilities		21.1	0.4
Other liabilities		101.5	125.5
Accrued expenses and deferred income	26	187.6	188.2
Total current liabilities		**588.0**	**581.7**
TOTAL EQUITY AND LIABILITIES		**1,417.2**	**1,360.4**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amount SEK million	Share capital	Other capital contributed	Reserves	Accumulated profit or loss	Total	Non-controlling interests	Total equity
Opening equity 01/01/2016	**25.8**	**209.6**	**-28.3**	**309.4**	**516.5**	**8.3**	**524.8**
Comprehensive income for the period	-	-	28.0	17.5	45.5	1.3	46.8
Changes attributable to transactions with the owners							
Dividends	-	-	-	-25.8	-25.8	-0.5	-26.3
	0.0	**0.0**	**0.0**	**-25.8**	**-25.8**	**-0.5**	**-26.3**
Closing equity 31/12/2016	**25.8**	**209.6**	**-0.3**	**301.1**	**536.2**	**16.0**	**552.2**
Opening equity 01/01/2017	**25.8**	**209.6**	**-0.3**	**301.1**	**536.2**	**16.0**	**552.2**
Comprehensive income for the period	-	-	-5.7	8.2	2.5	0.1	2.6
Acquisition of non-controlling interest	-	-	-	6.7	6.7	-6.7	0.0
Changes attributable to transactions with the owners							
New share issue	10.4	181.7	-	-	192.1	-	192.1
Dividends	-	-	-	-	-	-0.5	-0.5
	10.4	**181.7**	**-**	**-**	**192.1**	**-0.5**	**191.6**
Closing equity 31/12/2017	**36.2**	**391.3**	**-6.0**	**316.0**	**737.5**	**8.9**	**746.4**

CONSOLIDATED STATEMENT OF CASH FLOW

Amount SEK million	Note	2017	2016
Cash flow from operating activities			
Operating profit/loss		25.1	27.5
Adjustments for items not included in cash flow			
Depreciation of non-current assets	9-13	46.1	44.2
Other items		2.3	2.7
Total, items not affecting cash flow		**48.4**	**46.9**
Interest paid		-4.5	-5.1
Interest received		1.8	1.1
Income tax paid		-8.3	-21.0
Cash flow from operating activities before change in working capital		**62.5**	**49.4**
Change in working capital			
Reduction in inventories		2.9	-0.1
Increase/decrease in trade receivables		-77.7	-55.4
Increase in other current receivables		-23.0	-53.8
Increase (+) decrease (-) in trade payables		-6.8	60.6
Increase (+) decrease (-) in other current liabilities		0.7	40.5
Cash flow from operating activities		**-41.4**	**41.2**
Investing activities			
Acquisition of property plant and equipment		-6.2	-9.7
Acquisition of intangible assets		-29.5	-33.8
Acquisition of operation after deductions for acquired cash and cash equivalents	28	-27.7	-29.5
Dividends from associated companies		0.3	0.0
Acquisition of other financial assets		-3.9	-0.6
Sale of other financial assets		0.3	2.1
Cash flow from investing activities		**-66.7**	**-71.5**
Financing activities			
Loans raised		-	55.5
Amortization of loans		-128.3	-49.1
New share issue		192.0	-
Dividends paid to the Parent Company's shareholders		-0.5	-26.3
Cash flow from financing activities		**63.2**	**-19.9**
Cash flow for the year		**-44.9**	**-50.2**
Cash and cash equivalent at beginning of year		64.9	108.8
Exchange rate differences in cash and cash equivalents		0.3	6.3
Cash and cash equivalent at year and		**20.3**	**64.9**

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 5 April 2018. 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 7 May 2018.

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

The changes in IAS 7 Statement of Cash Flows ("Disclosure Initiative") entail further disclosure requirements to understand changes in liabilities, the cash flow of which is reported in financing activities. These disclosures are presented in Notes 31 and S.

Other new standards and amendments to and revisions of standards that entered into effect 1 January 2017 have not had any effect on the 2017 consolidated financial statements.

Upcoming regulatory changes

IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement and contains rules or recognition, classification and measurement, impairment, write-off and general rules for hedge accounting. The Group does not apply hedge accounting. IFRS 9 will be applied as of 1 January 2018.

Classification and measurement: At initial recognition, financial assets shall be classified according to fair value through profit or loss, amortized cost or fair value through other comprehensive income. The classification assessment for debt instruments is based on two criteria: (a) the company's business model for handling the financial assets, (b) the instrument's contractual cash flows. Equity instruments shall be classified at fair value through profit or loss unless the company chose to present such instruments at fair value through other comprehensive income. The rules for classification and measurement of financial liabilities are largely unchanged compared with IAS 39.

Impairment: The rules remove the requirements of identifying an occurred loss even and introduce a model for expected credit losses. The model establishes a three-step division based on whether a significant increase in the credit risk occurred. For financial assets, where no significant increase of the credit risk occurred, a credit loss is reserved that pertains to the loss expected to occur within 12 months. For financial assets, where a significant increase of the credit risk occurred, and for those that are uncertain, a credit loss is recognized that pertains to the loss expected to occur during the assets entire remaining duration.

The standard had no effect on the consolidated financial statements in 2017.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 will replace IAS 18 Revenue, IAS 11 Construction Contracts and associated interpretations. The Group will apply IFRS 15 as of 1 January 2018. The new standard entails a new model for revenue recognition (five-step model) that is based on when the control of a good or service is transferred to the customer. The basic principle is that a company recognizes revenues to depict the transfer of promised goods and services to customers in an amount that reflects the compensation the company is expected to have a right to in exchange for these goods or services.

The Group has, as a part of its IFRS 15 project, made an assessment of its customer contracts in accordance with the five-step model. The review shows that the transition to IFRS 15 will not have any material impact on the consolidate income statement or balance sheet, but that it will lead to expanded disclosures in the financial statements.

IFRS 16 Leases

IFRS 16 Leases will replace IAS 17 Leases. The Group will apply IFRS 16 as of 1 January 2019.

The standard has a leasing model for lessees, which means that virtually all leases are to be recognized in the statement of financial position. The right of use (the lease asset) and the liability are valued at present value of future leasing payments. The right of use also includes direct expenses attributable to the signing of the lease. In the income statement, amortization of the right of use and interest expenses are recognized.

The right of use is recognized separately from other assets in the statement of financial position or is included in the item where the corresponding assets would be recognized if they were owned. If it is included among other assets, the company shall state this and what items include the right of use. 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 leasing liability is recognized separately from other liabilities. If the leasing liability is not recognized separately, the company must state what items comprise these liabilities. In subsequent periods, the liability is recognized at amortized cost and reduced by leasing payments made. The leasing liability is revalued upon changes in, among other things, the leasing period, residual value guarantees and possible changes in leasing payments.

Short leases (12 months or less) and leases where the underlying asset amounts to a low value need not be recognized in the statement of financial position. They will be recognized in operating profit in the same way as current operating leases.

For lessors, IFRS 16 essentially entails no changed rules.

The new standard includes more extensive disclosures compared to the current standard.

The Group has not yet conducted a detailed analysis with regard to the effects of IFRS 16. This will take place in 2018.

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. Because Rejlers operates a technical consultancy and provides IT services, four different operating segments are reported – consulting operations in Sweden, Finland and Norway, and IT services in Embriq.

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 IAS 39 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 unrealized gains between Group companies are eliminated. Unrealized losses are also eliminated, but any losses are considered to indicate a need to recognize 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.

Unrealized gains from transactions between the Group and its associated companies are eliminated in proportion to the Group's shareholding in the associated company. Unrealized losses are also eliminated, unless the transaction constitutes proof of a need to recognize 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 recognized 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 recognize 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 capitalized on the basis of the expenses that arose when the software in question was acquired and put into operation. These capitalized expenses are depreciated during the estimated useful life (three to five years).

Capitalized 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 capitalized. 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 recognize 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 assets and liabilities

Financial instruments are measured and reported in the consolidated financial statements in accordance with the rules in IAS 39. Financial instruments reported in the balance sheet include financial assets measured at fair value via the income statement, loan receivables, trade receivables, other non-current receivables, other receivables and other current investments. Liabilities include trade payables, loan liabilities and other liabilities. Cash and cash equivalents comprise cash and bank balances. Financial instruments (which in the subsequent report are not reported at fair value) are initially reported at cost corresponding to the instrument's fair value with additions for transaction expenses for all financial instruments. Reporting then takes place depending on how they are classified according to the below.

A financial asset or liability is shown in the balance sheet when the company becomes party to the instrument's contractual conditions. Trade receivables are entered in the balance sheet as invoices are sent. Payables are recognized when the counterparty has performed and a contractual obligation to pay exists, even if an invoice has not yet been received. Trade payables are entered as invoices are received. A financial asset is removed from the balance sheet when the obligations of the agreement are fulfilled, lapse or the company loses control of them. The same applies to parts of a financial asset. A financial liability is removed from the balance sheet when the obligation in the agreement is fulfilled or is otherwise terminated. The same applies to parts of a financial liability.

The acquisition and disposal of financial assets is entered on the transaction day which is the day upon which the company undertakes to acquire or dispose of the asset.

The fair value of listed financial assets corresponds to the asset's listed purchase price on the closing date. The fair value of unlisted financial assets is determined through the use of measurement techniques e.g. transactions recently carried out, the price of similar instruments and discounted cash flows. At each reporting date, the company evaluates if there are objective indications of a financial asset's being in need of impairment.

IAS 39 classifies financial instruments into categories. Classification depends on the intent behind the acquisition of the financial instrument. Classification is determined on acquisition date but is tested at every reporting date. The categories are as follows:

Loans and trade receivables
Loans and trade receivables are financial assets that are not derivatives, have determined or determinable payments and which are not listed on an active market. They are included in current assets, with the exception of items maturing later than 12 months from the balance sheet date, which are classified as non-current assets. The Group's loan receivables and trade receivables are made up of trade receivables and other receivables and cash and cash equivalents on the balance sheet. Impairments of trade receivables and other receivables are reported under other external operating expenses and impairments of loan receivables under financial expenses. They are reported at cost as they are current and discounting would not have any appreciable effect.

Financial assets measured at fair value via the income statement
Financial instruments in this category are measured on an ongoing basis at fair value with changes in value recognized in profit or loss.

Other financial liabilities
Financial liabilities that are not held for trade are measured at accrued cost. Amortized cost is determined based on the effective rate of interest calculated at the time the liability was entered. This means surplus values and deficit values as well as direct emission expenses are distributed over the duration of the liability. The consolidated items comprise borrowing, trade payables and other liabilities.

Inventories

Inventories are reported at cost or net realizable 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 reports a provision when there is a legal or informal obligation as a result of earlier practice.

Provisions

Provisions are recognized 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 recognition

Revenue includes the fair value of what was received or will be received. The company's income consists mainly of revenues from consultancy, operating and administrative services, licence income from proprietary products and maintenance rights and rights of use.

Consultancy income on current account is recognized as revenue when the work is carried out. Work in progress but not yet invoiced on current account is carried in the balance sheet at the invoicing value of work carried out.

For consultancy income at fixed prices, the percentage-of-completion method is applied, i.e. revenue is recognized 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 recognized immediately in its entirety. If the final outcome cannot be reliably estimated, income is recognized at a value equivalent to expense. Non-invoiced fixed-price projects in progress are recognized less any loss risks and advance payments, in the balance sheet as accrued income.

Income from operation and administrative services as well as maintenance rights and rights of use are recognized as income on a straight-line basis over the contract period.

Licence income is taken up as income on delivery of software if no material obligations remain after delivery. If significant adaptations remain after delivery, the income is accrued over the contract period with consideration of remaining obligations.

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.

Leasing

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.

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 capitalized 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.

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 centralized 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[1]	2017	2016
Exchange rate change EUR/SEK		
+ 10%	2.9	0.9
- 10%	-2.9	-0.9

Exchange rate change NOK/SEK		
+ 10%	2.0	0.2
- 10%	-2.0	-0.2

1) As the Group does not recognize 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 [1]	2017	2016
Interest rate change		
+ 1%	-1.7	-2.0
- 1%	1.7	2.0

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 or insignificant. 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 532.2 million (491.7)

The table below analyses the Group's financial liabilities, classified by the time remaining until the contractual due date, as of balance sheet date. The amounts also include estimated interest rates.

2017	less than 1 year	between 1 and 2 years	between 2 and 5 years	more than 5 years
Liabilities to credit institutions	148.4	-	-	-
Trade payables and other liabilities	124.2	-	-	-

2016	less than 1 year	between 1 and 2 years	between 2 and 5 years	more than 5 years
Liabilities to credit institutions	128.3	28.3	120.0	-
Trade payables and other liabilities	134.0	-	-	-

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 2017, the Group's strategy, which remains unchanged compared to 2016, 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 53 per cent (41). The debt/equity ratio amounted to 0.3 (0.6) at year-end:

	2017	2016
Interest-bearing liabilities	187.5	309.1
Equity attributable to Parent Company shareholders	737.5	536.2
Debt/equity ratio, times	0.3	0.6

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. In the third and fourth quarters of 2017, the Group received a so-called waiver, for the third quarter before the beginning of the quarter and for the fourth quarter after the end of the quarter. After negotiations on refinancing in March 2018, the covenant level was raised.

The equity/assets ratio for the Group at the end of the year was 53 per cent (41) and the net debt/ equity ratio in relation to EBITDA was 2.3 (3.4).

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 3 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 (12) 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 132 million (334).

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 recognized 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 recognized, the differences will have an impact on current and deferred tax assets and liabilities during the period in which such determinations are made.

NOTE 5. SEGMENT INFORMATION

Income statement in summary per segment

	Sweden		Finland		Norway		Embriq		Group-wide		Eliminations		Group	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
External sales	1,185.2	1,210.2	462.2	386.6	317.3	334.0	499.6	408.4	0.5	0.1	0.0	0.0	2,464.8	2,339.3
Sales between segments	15.3	15.4	2.7	1.3	1.9	1.6	20.3	8.7	36.6	22.6	-76.9	-49.6	-0.1	0.0
Other income	1.5	0.6	3.1	1.5	0.8	0.0	-	0.0	0.0	0.0	0.0	0.0	5.4	2.1
Total income	**1,202.0**	**1,226.2**	**468.0**	**389.4**	**320.0**	**335.6**	**519.9**	**417.1**	**37.1**	**22.7**	**-76.9**	**-49.6**	**2,470.1**	**2,341.4**
Depreciation	-10.8	-10.9	-10.5	-9.3	-5.2	-6.3	-16.1	-12.4	-3.5	-5.3	0.0	0.0	-46.1	-44.2
Other operating expenses	-1,151.1	-1,187.3	-428.2	-365.1	-340.4	-342.6	-494.6	-389.1	-61.5	-35.2	76.9	49.6	-2,398.9	-2,269.7
Operating profit/loss	**40.1**	**28.0**	**29.3**	**15.0**	**-25.6**	**-13.3**	**9.2**	**15.6**	**-27.9**	**-17.8**	**0.0**	**0.0**	**25.1**	**27.5**
Financial income	-	-	-	-	-	-	-	-			-	-		
Financial expenses	-	-	-	-	-	-	-	-	-3.6	-5.3	-	-	-3.6	-5.3
Profit before tax	**40.1**	**28.0**	**29.3**	**15.0**	**-25.6**	**-13.3**	**9.2**	**15.6**	**-24.3**	**-23.1**	**-**	**-**	**21.5**	**22.2**
Investments	9.2	6.0	27.9	32.8	0.6	2.9	25.2	31.3	0.5	0.0	-	-	63.4	73.0

Rejlers' operations are divided into four segments. The Sweden segment comprises mainly technical consultancy services provided by Rejlers Sverige AB and Rejlers Energiprojekt AB.

The Finland segment comprises mainly technical consultancy services provided by Rejlers Oy, Matti Leppä Oy and CMN Services Oy.

The Norway segment comprises mainly technical consultancy services provided by Rejlers Norge AS and Rejlers Elsikkerhet AS.

The Embriq segment consists of the companies Rejlers Embriq AS, Embriq AB, Rejlers Energitjänster AB and ComIT Rejlers 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 billable hours ratio. The same accounting policies apply to operating segments as to the Group as a whole.

NOTE 6. OTHER OPERATING REVENUES

	2017	**2016**
Income from let premises	0.2	0.2
Capital gains from assets	0.0	0.1
Other operating income	5.2	1.8
Total	**5.4**	**2.1**

NOTE 7. EMPLOYEES

	2017			2016		
Full-time employees	**Women**	**Men**	**Total**	**Women**	**Men**	**Total**
Parent Company						
Sweden	4	9	13	3	8	11
Subsidiaries						
Sweden	206	826	1,032	208	870	1,078
Finland	92	467	559	86	410	496
Norway	22	295	317	42	312	354
Consolidated total	**324**	**1,597**	**1,921**	**339**	**1,600**	**1,939**

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 35 per cent of premium-based salary, however not more than 10 price base amounts. The company and the President are subject to a mutual 12-month period of notice. There is no agreements with regard to severance pay.

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 a termination by the company, 12-18 monthly salaries apply as termination conditions.

Salaries, other remuneration, pensions and social security contributions – 2017

	Salary and other remuneration	Variable remuneration	Social security contributions	Pension expenses
Board and other senior executives	15.3	1.1	4.1	2.5
Other employees	1,018.3	6.6	230.6	122.3
Total	**1,033.6**	**7.7**	**234.7**	**124.8**

Salaries, other remuneration, pensions and social security contributions – 2016

	Salary and other remuneration	Variable remuneration	Social security contributions	Pension expenses
Board and other senior executives	15.2	0.6	3.4	2.4
Other employees	1,005.0	8.3	242.9	123.9
Total	**1,020.2**	**8.9**	**246.3**	**126.3**

Remuneration of the Board

Remuneration of the Board is paid according to AGM resolution. For the period between the 2016 AGM and the 2017 AGM, a Board fee of SEK 370 thousand (340) will be paid to the Chairman of the Board and a fee of SEK 200 thousand (160) to members of the Board who are not employees of the company. In addition, remuneration is payable in an amount of SEK 80 thousand (55) to the chairman and SEK 50 thousand (35) to each of the members of the Board's Audit Committee and SEK 50 thousand (35) for the chairman and SEK 25 thousand (-) for other members of the Board's Project and Investment Committee. With the exception of Peter Rejler in his role as the President and CEO, there are no pension agreements or agreements on severance pay for the members of the Board.

Remuneration of the CEO, senior executives – 2017

	Remuneration of the CEO	Other senior executives[1]
Pay and other benefits	2.6	11.2
Variable remuneration	-	1.1
Pension contributions	0.5	2.0
Social Security contributions	0.9	3.2
Total	**4.0**	**17.5**

1) At the end of 2017, there were 8 (8) other senior executives.

Remuneration of the CEO, senior executives – 2016

	Remuneration of the CEO	Other senior executives[1]
Pay and other benefits	2.1	12.2
Variable remuneration	-	0.6
Pension contributions	0.5	2.4
Social Security contributions	0.7	2.9
Total	**3.3**	**18.1**

1) At the end of 2016, there were 8 (8) other senior executives.

Remuneration of the Board – 2017

Board fees, SEK thousand	Fee	Committee
Ivar Verner, chairman	370	110
Peter Rejler, member	-	-
Thord Wilkne, member	200	-
Jan Samuelsson, member	200	70
Helena Nordman–Knutson, member	200	50
Annika Steiber, member	200	25
Total	**1,170**	**255**

Remuneration of the Board – 2016

Board fees, SEK thousand	Fee	Committee
Ivar Verner, chairman	355	85
Peter Rejler, member	-	-
Thord Wilkne, member	180	-
Jan Samuelsson, member	180	68
Helena Nordman–Knutson, member	180	42
Annika Steiber, member	100	13
Anders Jonsson, member	80	-
Total	**1,075**	**208**

NOTE 8. AUDITORS FEES

	2017	2016
Deloitte		
Remuneration for audit assignment	2.4	2.0
Remuneration for auditing activities in addition to the audit assignment	0.4	0.7
Remuneration for tax consultancy services	0.1	-
Remuneration for other assignments	0.5	0.1
Other auditors		
Remuneration for audit assignment	0.5	0.5
Remuneration for other assignments	0.1	0.0
Remuneration for auditing activities in addition to the audit assignment	-	-
Remuneration for tax consultancy services	-	0.0
Total	**4.0**	**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

	2017	2016
Opening cost	62.2	23.8
Translation difference	-7.0	9.6
Internally developed software for the year	25.0	30.1
Increase via business acquisitions	-	0.0
Sales/retirements	-0.1	-1.3
Closing accumulated cost	**80.1**	**62.2**
Opening depreciation	-24.7	-7.3
Translation difference	4.8	-7.3
Depreciation for the year	-14.9	-11.4
Sales/retirements	0.1	1.3
Closing accumulated depreciations	**-34.7**	**-24.7**
Closing residual value	**45.4**	**37.5**

NOTE 10. SOFTWARE

	2017	2016
Opening cost	30.3	26.7
Translation difference	0.0	1.6
Purchases of software	4.8	3.3
Increase via business acquisitions	0.1	0.0
Sales/retirements	-14.5	-1.3
Closing accumulated cost	**20.7**	**30.3**
Opening depreciation	-25.4	-22.5
Translation difference	0.1	-1.3
Sales/retirements	14.5	1.3
Depreciation for the year	-2.7	-2.9
Closing accumulated depreciation	**-13.5**	**-25.4**
Closing residual value	**7.2**	**4.9**
Of which fixtures and fittings financed through financial leasing:		
Closing accumulated cost	1.1	0.9
Closing accumulated depreciation	-0.7	-0.4
Closing residual value	**0.4**	**0.5**

NOTE 11. CUSTOMER VALUES

	2017	2016
Opening costs	133.5	122.9
Translation difference	1.7	1.1
Customer value through business acquisitions	2.6	9.5
Closing accumulated cost	**137.8**	**133.5**
Opening depreciation	-54.1	-43.8
Translation difference	-2.2	2.0
Depreciation for the year	-12.4	-12.3
Closing accumulated depreciation	**-68.7**	**-54.1**
Closing residual value	**69.1**	**79.4**

The increase for the year through customer value comes from the acquisition of JS-Verkot Oy and CMN Services Oy. 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

	2017	2016
Opening costs	435.1	397.9
Translation difference	-0.2	18.6
Acquisitions	11.4	18.6
Closing accumulated cost	**446.3**	**435.1**
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	**443.8**	**432.6**

Impairment tests for cash-generating units with goodwill

Impairment tests for cash-generating units with goodwill

Consolidated goodwill is acquired and exists within the operating segments Rejlers Sweden, Rejlers Finland, Rejlers Norway and Rejlers Embriq. 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) Increase in sales

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 3 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 3 per cent (3) annual increase in expenses was applied.

3) Discount factor (WACC)

The discount factor before tax was calculated to 16 per cent (16) for Rejlers Sweden, 16 per cent (16) for Rejlers Finland, 16 per cent (16) for Rejlers Norway and 16 per cent (16) for Rejlers Embriq. For the Group as a whole, 16 per cent (16). The discount factor after tax was calculated to 13 per cent (13) for Rejlers Sweden, 13 per cent (13) for Rejlers Finland, 13 per cent (12) for Rejlers Norway and 13 per cent (12) for Rejlers Embriq.

	Book value		Value in use	
SEK million	**2017**	**2016**	**2017**	**2016**
Rejlers Sweden	224.4	220.1	878.0	670.3
Rejlers Finland	141.2	130.3	294.6	230.8
Rejlers Norway	48.5	51.1	170.9	163.6
Rejlers Embriq	29.6	31.1	196.8	106.0
Total	**443.8**	**432.6**	**1,540.4**	**1,170.7**

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	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
Rejlers Sweden	3%	3%	8%	8%	16%	16%
Change in value SEK million +/- 1%	+/-102	+/-21	+/- 137	+/-97	+/-75	+/-65
Rejlers Finland	3%	3%	8%	8%	16%	16%
Change in value SEK million +/- 1%	+/-31	+/-7	+/-55	+/-34	+/-23	+/-21
Rejlers Norway	3%	3%	8%	8%	16%	16%
Change in value SEK million +/- 1%	+/-23	+/-5	+/-33	+/-29	+/-16	+/-17
Rejlers Embriq	3%	3%	8%	8%	16%	16%
Change in value SEK million +/- 1%	+/-36	+/-3	+/-49	+/-41	+/-17	+/-10

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

NOTE 13. EQUIPMENT, TOOLS, FIXTURES AND FITTINGS

	2017	2016
Opening cost	130.1	113.6
Translation difference	-2.3	8.9
Purchases	11.0	17.5
Increase via business acquisitions	0.2	0.3
Sales/retirements	-8.1	-10.2
Closing accumulated cost	**130.9**	**130.1**

	2017	2016
Opening depreciation	-92.6	-77.4
Translation difference	2.3	-4.8
Sales/retirements	7.8	7.2
Depreciation for the year	-16.3	-17.6
Closing accumulated depreciation	**-98.8**	**-92.6**
Closing residual value	**32.1**	**37.5**

Of which fixtures and fittings financed through financial leasing:		
Closing accumulated cost	24.8	24.1
Closing accumulated depreciation	-14.9	-12.9
Closing residual value	**9.9**	**11.2**

NOTE 14. ASSOCIATED COMPANIES

Refer to Note N on page 50 for information about the Group's subsidiaries.

Associated companies	2017	2016
Opening carrying amount	0.6	0.2
Participation in associated company earnings	0.3	0.4
Withdrawal from associated company	-0.3	-
Closing carrying amount	**0.6**	**0.6**

				Share of equity		Group's share of profits for the year	
	Corp. ID no.	Registered office	Operations	2017	2016	2017	2016
Mirakelbolaget AB	556835-4350	Stockholm	Program development	50%	50%	0.3	0.3

Summary of financial information from associated companies

	Income		Profit for the year		Assets		Liabilities	
	2017	2016	2017	2016	2017	2016	2017	2016
Mirakelbolaget AB	8.9	9.0	0.7	0.8	5.0	4.1	1.7	2.9

NOTE 15. FINANCIAL INCOME

	2017	2016
Interest income	1.8	1.0
Exchange-rate gains	2.3	6.1
Other income from financial items	0.0	0.0
Total	**4.1**	**7.1**

NOTE 16. FINANCIAL EXPENSES

	2017	2016
Interest expenses	-4.4	-4.3
Exchange-rate losses	-3.1	-7.4
Other financial expenses	-0.2	-0.7
Total	**-7.7**	**-12.4**

NOTE 17. TAX ON PROFIT FOR THE YEAR

	2017	2016
The following items are included in tax expense:		
Tax on profit for the year	15.0	13.8
Deferred tax	-6.4	-5.2
Adjustment, previous years	0.0	-0.4
Total	**8.6**	**8.2**

	2017	2016
Profit before tax	**16.4**	**22.2**
Tax according to applicable rate 22% (22)	3.6	4.8
Effect of foreign tax rates	-1.2	-0.7
Effect of non-deductible expenses	2.5	6.7
Effect of tax-exempt income	-0.3	-3.9
Effect of changed tax rates	1.1	-0.3
Adjustment, previous years	-1.7	0.0
Other	4.6	1.6
Reported tax	**8.6**	**8.2**

In the Group, there are tax loss carry-forwards where deferred tax is not booked. The tax loss carry-forwards amount to SEK 34.6 million (36.3) and are estimated to be used in the Swedish operations as soon as the Group contribution limit has been passed in 2021. 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:		
	2017	2016
Opening balance	-4.6	-8.9
Translation difference	0.0	2.8
Through business combination	-	-1.9
Recognized in the income statement	-0.6	5.2
Recognized in other comprehensive income	-3.5	-3.5
Deferred taxes, net	**-8.7**	**-6.3**

The change in deferred tax liabilities and receivables is shown below:

Deferred tax liabilities	Untaxed reserves	Customer values	Other	Total
As of 01/01/2017	22.4	17.5	5.8	45.7
Reported in the income statement	-4.4	-2.9	0.7	-6.6
Increase through business combination	-	0.3	-	0.3
Translation difference	-	-0.2	0.1	-0.1
As of 31/12/2017	**18.0**	**14.7**	**6.6**	**39.3**

Deferred tax liabilities	Untaxed reserves	Customer values	Other	Total
As of 01/01/2016	26.1	17.4	5.4	48.9
Reported in the income statement	-3.7	-3.0	0.6	-6.1
Increase through business combination	-	1.9	-	1.9
Translation difference	-	1.2	-0.2	1.0
As of 31/12/2016	**22.4**	**17.5**	**5.8**	**45.7**

Deferred tax assets	Tax loss carry-forwards	Defined benefits pension liabilities	Total
As of 01/01/2017	42.2	-2.9	39.3
Reported in the income statement	1.2	-	1.2
Increase through business acquisition	-	-	-
Recognized in other comprehensive income	-	1.6	1.6
Translation difference	-2.2	0.2	-2.0
As of 31/12/2017	**41.3**	**-1.1**	**40.2**

Deferred tax assets	Tax losses	Defined benefits pension liabilities	Total
As of 01/01/2016	39.2	0.8	40.0
Reported in the income statement	-0.9	-	-0.9
Increase through business acquisition	-	-	-
Recognized in other comprehensive income	-	-3.5	-3.5
Translation difference	3.9	-0.2	3.7
As of 31/12/2016	**42.2**	**-2.9**	**39.3**

NOTE 18. EARNINGS PER SHARE

	2017	2016
Profit attributable to the Parent Company's shareholders	11.7	13.3
Average number of shares	16,417,744	12,921,721
Earnings per share (SEK per share), before dilution	**0.71**	**1.03**
Earnings per share (SEK per share), after dilution	**0.71**	**1.03**

Because there is no option programme or the equivalent, no dilution affects occur.

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

	2017	2016
Opening cost	3.8	3.2
Purchases for the year	3.6	0.4
Sales during the year	0.0	-0.1
Translation difference	-0.1	0.3
Closing accumulated cost	**7.3**	**3.8**

NOTE 20. OTHER NON-CURRENT RECEIVABLES

	2017	2016
Opening cost	3.8	5.3
Increase for the year	0.3	0.2
Decrease for the year	-0.3	-2.0
Translation difference	-0.1	0.3
Total	**3.7**	**3.8**

NOTE 21. TRADE RECEIVABLES

	2017	2016
Trade receivables	457.2	398.0
Reserve for doubtful receivables	-4.9	-7.8
Total	**452.3**	**390.2**

Age analysis	2017	2016
Non-overdue receivables	409.6	346.9
Overdue < 30 days	33.9	33.4
Overdue 30–90 days	4.7	7.4
Overdue > 90 days	8.9	10.3
Total	**457.2**	**398.0**

Provisions for doubtful receivables	2017	2016
Provisions at beginning of year	-7.8	-3.3
Translation differences	0.1	-0.4
Reserves during the year	2.2	-4.6
Verified losses	0.6	0.5
Provisions at year-end	**-4.9**	**-7.8**

NOTE 22. PREPAID EXPENSES AND ACCRUED INCOME

	2017	2016
Prepaid rent	11.0	8.9
Accrued leasing charges	2.4	12.7
Accrued income	192.1	168.3
Other items	37.8	40.5
Total	**243.3**	**230.4**

NOTE 23. OPERATIONAL LEASING

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

	2017	2016
Within one year	99.9	90.2
Between one to five years	150.9	183.7
More than 5 years	0.1	0.5
Total	**250.9**	**274.4**
Expensed leasing fees	17.4	16.1

NOTE 24. LIABILITIES TO CREDIT INSTITUTIONS

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

Non-current	2017	2016
Bank loans	-	148.4
Financial leasing	5.4	6.6
Total	**5.4**	**155.0**

Current	2017	2016
Bank loans	148.4	128.3
Financial leasing	4.9	5.1
Total	**153.3**	**133.4**

The Group has an overdraft facility with a limit of SEK 50 million (50). The overdraft is entirely unutilized. The company has no liabilities that fall due for payment later than five years. Financial leasing liabilities include mainly vehicles leased for three years. The company has no liabilities falling due for payment in more than five years.

In March 2018, the company's loans were refinanced with a positive outcome for the company. After refinancing, the company's earlier current bank loan will be repaid over five years beginning in 2018.

Maturity analysis, liabilities to credit institutions	2017	2016
Within one year	148.4	133.4
1-2 years	-	155.0
2–3 years	-	-
3-4 years	-	-
4-5 years	-	-

Conditions and repayment plans

	Loan amount in currency	Reported amount (SEK million)	Interest rate, %	Final payment year	Fixed interest period
Bank loans SEK	28.4	28.4	1.3	2018	30 days
RCF	120.0	120.0	1.3	2018	90 days

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 2017 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 recognize the plan as a defined-benefit plan. The ITP 2 pension plan secured through an insurance policy with Alecta is therefore recognized 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 26.4 million (25.4). The Group's share of the total expenses for the plan and of the total number of members in the plan total 0.1674 per cent (0.1912) and 0.1447 per cent (0.1566) 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 2017, Alecta's surplus in the form of the collective consolidation level was 154 per cent (149).

Norway

There are defined benefit pension plans for employees hired before 2007 in Rejlers Norge AS, Rejlers Elsikkerhet AS and Embriq AS; 29 (38) gainfully employed and 32 (27) 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

	2017	2016
Present value of defined-benefits liabilities	-165.0	-164.3
Fair value of plan assets	136.2	143.5
Total	**-28.8**	**-20.8**
Pension provisions	28.8	20.8
Reported in the balance sheet	**28.8**	**20.8**

Change in defined-benefits pension obligation	2017	2016
Opening balance	-164.3	-144.8
Acquired pension obligations	-	-
Service cost for current year	-0.5	-4.3
Interest expenses	-3.9	-4.0
Yield from plan assets	-9.6	-
Actuarial gains and losses	-1.1	0.6
Changes in plans	-	2.1
Compensations paid	5.1	2.3
Payroll tax on pension funds paid	-0.2	-0.1
Translation difference	9.5	-16.1
Total defined-benefits obligations	**-165.0**	**-164.3**

Change in the fair value of plan assets	2017	2016
Opening balance	143.5	119.8
Acquired plan assets	-	-
Charges from the employer	2.0	4.0
Yield from plan assets, excluding interest	3.5	3.4
Actuarial gains and losses	1.6	5.0
Compensations paid	-5.1	-2.3
Employer's contributions on pensions paid	-0.5	-0.2
Translation difference	-8.9	13.8
Total plan assets	**136.1**	**143.5**

Allocation of plan assets	2017	2016
Cash and cash equivalents	9%	9%
Shares	20%	20%
Interest-bearing securities	59%	59%
Properties	12%	12%
Total	**100%**	**100%**

Actuarial assumptions	2017	2016
Discount rate, %	2.6	2.5
Expected future annual pay increase, %	2.5	2.5

Sensitivity analysis	2017	2016
Discount rate +1%/-1%	17.1	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 5.9 years (6.9). Pension plan contributions are estimated at SEK 4.0 million (4.4) for the subsequent 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

Accrued expenses and deferred income	2017	2016
Accrued pay	114.1	109.2
Accrued social security contributions	23.6	21.7
Deferred income	18.3	17.5
Other	31.6	39.8
Total	**187.6**	**188.2**

NOTE 27. PLEDGED ASSETS AND CONTINGENT LIABILITIES

	2017	2016
Overdraft facilities		
Floating charges	64.0	64.0
Liabilities to credit institutions		
Fixtures and fittings with financial leasing	54.4	59.9
Pledged shares		-
Other bank guarantees	16.9	17.6
Contingent liabilities		
Rental responsibility	25.4	28.1
Total	**160.7**	**169.6**

NOTE 28. BUSINESS COMBINATIONS

Fair value and carrying value are reported in the balance sheet below:

Acquisitions 2017	Transaction	Date	Part, trans	Part after	Purchase sum
Sähkölinna Oy	Assets+ liabilities	24/02/2017	100.0%	100.0%	1.1
CMN Services Oy	Shares	05/05/2017	49.0%	100.0%	15.0
Infrakonsult Syd AB	Assets+ liabilities	27/07/2017	100.0%	100.0%	5.5
RJ Virta Oy	Shares	02/11/2017	100.0%	100.0%	6.1
Total					**27.7**

The acquired businesses' contributions to sales and earnings

	2017	2016
Contribution to sales in accounts for the year	41.7	17.2
Contributions to sales where the business was owned for the full year	50.7	49.4
Contribution to operating profit in accounts for the year	6.3	2.8
Contributions to operating profit where the business was owned for the full year	9.0	6.5

Total net assets of the acquired businesses at the time of acquisition

	2017	2016
Non-current assets	0.3	0.4
Current assets	0.6	6.9
Cash and cash equivalents	2.8	15.3
Other current liabilities	-1.7	-4.7
Non-current liabilities	-	-
Net identifiable assets and liabilities	**2.0**	**17.9**
Goodwill	7.0	20.3
Customer values	1.4	9.5
Deferred tax on intangible assets	-0.3	-1.9
Total	**10.1**	**45.8**

Purchase sum

Less:		
Cash and cash equivalents in acquired companies	-2.8	-15.3
Unadjusted purchase price previously paid		-1.0
Decrease in cash and cash equivalents (+), increase (-)	**7.3**	**29.5**

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 2.6 million (9.5) and goodwill of SEK 11.4 million (20.3). 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 0.0 million (0.0).

NOTE 29. FINANCIAL INSTRUMENTS PER CATEGORY

Fair value and carrying value are reported in the balance sheet below:

2017	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	7.3	-	-	7.3	7.3
Non-current receivables	-	3.7	-	3.7	3.7
Trade receivables	-	452.3	-	452.3	452.3
Other current receivables	-	48.7	-	48.7	48.7
Cash and cash equivalents	-	20.3	-	20.3	20.3
Total	**7.3**	**525.0**	**-**	**532.3**	**532.3**
Non-current interest-bearing liabilities	-	-	5.4	5.4	5.4
Current interest-bearing liabilities	-	-	153.3	153.3	153.3
Other current liabilities	-	-	132.2	132.2	132.2
Trade payables	-	-	124.2	124.2	124.2
Total	**0.0**	**0.0**	**415.1**	**415.1**	**415.1**

2016	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	3.8	-	-	3.8	3.8
Non-current receivables	-	3.8	-	3.8	3.8
Trade receivables	-	390.2	-	390.2	390.2
Other current receivables	-	29.0	-	29.0	29.0
Cash and cash equivalents	-	64.9	-	64.9	64.9
Total	**3.8**	**487.9**	**0.0**	**491.7**	**491.7**
Non-current interest-bearing liabilities	-	-	155.0	155.0	155.0
Current interest-bearing liabilities	-	-	133.4	133.4	133.4
Other current liabilities	-	-	126.1	126.1	126.1
Trade payables	-	-	134.0	134.0	134.0
Total	**-**	**-**	**548.5**	**548.5**	**548.5**

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 56 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	
	2017	2016	2017	2016
Associated companies	0.1	0.1	0.2	0.2
Rejler family	-	-	-	-

Remuneration of the CEO
Peter Rejler is Group CEO. The level of remuneration of the CEO follows guidelines regarding remuneration on market terms of senior executives. Decisions regarding the level of remuneration are taken by the Board excluding Peter Rejler.

NOTE 31. LIABILITIES ATTRIBUTABLE TO INVESTING ACTIVITIES

			Non-cash items		
	2016	Cash flow	Reclassifications	Other changes	2017
Non-current liabilities to credit institutions	155.0	-	-148.4	-1.2	5.4
Current liabilities to credit institutions	133.4	-128.3	148.4	-0.2	153.3
Reconciliation of liabilities attributable to financing activities	**288.4**	**-128.3**	**-**	**-1.4**	**158.7**

NOTE 32. EVENTS AFTER THE END OF THE YEAR

The Board of Directors of Rejlers AB has appointed Viktor Svensson as the new President and CEO of Rejlers. Viktor began on 22 February 2018. Viktor most recently comes from ÅF where he has worked in several different roles over the past 15 years, in recent years as the President of the ÅF Technology Division. Peter Rejler will be proposed as the Chairman of the Board of the company at the 2018 Annual General Meeting.

The President of Rejlers Sverige AB, Jonas Thimberg, left office on 23 March 2018.

NOTE 33. PROPOSED ALLOCATION OF PROFIT

Non-restricted equity in the parent company amounts to:	SEK 347,881,262
The Board of Directors and CEO propose that a dividend be paid to the shareholders in the amount of:	SEK 9,043,955
To be carried forward	SEK 338,837,308

INCOME STATEMENT – PARENT COMPANY

Amount SEK million	Note	2017	2016
Operating revenues			
Net sales	B,C	37.1	22.7
Total operating revenue		**37.1**	**22.7**
Operating expenses			
Other external expenses	C,D	-44.3	-23.6
Personnel expenses	E	-19.3	-15.0
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	K,L	-0.3	-0.7
Operating profit/loss		**-26.8**	**-16.6**
Profit/loss from financial items			
Profit-sharing, Group companies	F	30.5	13.1
Other interest income and similar profit/loss items	G	2.8	3.0
Interest expenses and similar profit/loss items	H	-5.5	-5.4
Profit after financial items		**1.0**	**-5.9**
Appropriations	I	13.7	8.8
Tax on profit for the year	J	-0.2	0.2
PROFIT FOR THE YEAR		**14.5**	**3.1**

STATEMENT OF COMPREHENSIVE INCOME – PARENT COMPANY

Amount SEK million	Note	2017	2016
Profit for the year		14.5	3.1
Comprehensive income for the year		**14.5**	**3.1**

BALANCE SHEET – PARENT COMPANY

Amount SEK million	Note	2017	2016
ASSETS			
NON-CURRENT ASSETS			
Intangible assets			
Capitalized expenditures for program development	K	0.0	0.0
Total intangible assets		**0.0**	**0.0**
Property, plant and equipment			
Equipment, tools, fixtures and fittings	L	0.6	0.4
Total property, plant and equipment		**0.6**	**0.4**
Financial assets			
Participations in associated companies	M	0.0	0.0
Participations in Group companies	N	387.4	387.4
Receivables from Group companies		0.0	13.4
Other non-current receivables		4.5	1.6
Total financial assets		**391.9**	**402.4**
Total non-current assets		**392.5**	**402.8**
CURRENT ASSETS			
Current receivables			
Receivables from Group companies		248.2	131.4
Other receivables		2.67	0.7
Current tax assets		9.8	9.8
Prepaid expenses and accrued income	O	1.2	0.8
Total current receivables		**261.9**	**142.7**
Cash and cash equivalents		0.9	50.2
Total current assets		**262.8**	**192.9**
TOTAL ASSETS		**655.3**	**595.7**

Amount SEK million	Note	2017	2016
EQUITY			
Restricted equity			
Share capital		36.2	25.8
Statutory reserve		29.6	29.6
Total restricted equity		**65.8**	**55.4**
Non-restricted equity			
Accumulated profit or loss		-11.0	-14.1
Share premium account		363.6	182.0
Profit for the year		14.5	3.1
Total non-restricted equity		**367.1**	**171.0**
Total equity		**432.9**	**226.4**
Untaxed reserves	P	8.3	22.0
LIABILITIES			
Non-current liabilities			
Liabilities to credit institutions		0.0	148.4
Liabilities with Group companies		0.0	2.1
Other non-current liabilities		1.6	1.6
Total non-current liabilities		**1.6**	**152.1**
Current liabilities			
Trade payables		11.5	1.5
Liabilities with Group companies		48.9	61.5
Liabilities to credit institutions		148.4	128.3
Other liabilities		-0.1	0.0
Current tax liabilities		0.0	0.0
Accrued expenses and deferred income	Q	3.8	3.9
Total current liabilities		**212.5**	**195.2**
TOTAL EQUITY AND LIABILITIES		**655.3**	**595.7**

CHANGES IN EQUITY – PARENT COMPANY

	Restricted equity		Non-restricted equity		
Amount SEK million	**Share capital**	**Statutory reserve**	**Share premium account**	**Accumulated profit or loss**	**Total equity**
Opening balance 01/01/2016	**25.8**	**29.6**	**182.0**	**11.7**	**249.1**
Profit for the year	-	-	-	3.1	3.1
Transactions with shareholders					
Dividend in respect of 2015	-	-	-	-25.8	-25.8
New share issue	-	-	-	-	0.0
Closing balance 31/12/2016	**25.8**	**29.6**	**182.0**	**-11.0**	**226.4**
Opening balance 01/01/2017	**25.8**	**29.6**	**182.0**	**-11.0**	**226.4**
Profit for the year	-	-	-	14.5	14.5
Transactions with shareholders					
New share issue	10.4	-	181.6	-	192.0
Closing balance 31/12/2017	**36.2**	**29.6**	**363.6**	**3.5**	**432.9**

CASH FLOW – PARENT COMPANY

Amount SEK million	Note	2017	2016
Cash flow from operating activities			
Operating profit/loss		-26.5	-16.6
Adjustment for items not included in cash flow			
Depreciation of non-current assets		0.3	0.8
Total, items not affecting cash flow		**0.3**	**0.7**
Dividends from Group companies		4.5	4.3
Interest received		1.7	1.5
Interest paid		-4.1	-3.5
Income tax paid		-0.2	-11.2
Cash flow from operating activities before change in working capital		**-24.3**	**-24.7**
Change in working capital			
Increase/decrease in current receivables		-106.2	60.1
Increase/decrease in accounts payable		10.1	-0.8
Increase/decrease in other current liabilities		-15.6	-8.1
Cash flow from operating activities		**-136.0**	**26.5**
Investing activities			
Acquisition of subsidiary		-	-2.2
Investments in other financial assets		-2.9	
Withdrawal from associated company		-	-
Acquisition of tangible assets		-0.5	0.0
Cash flow from investing activities		**-3.4**	**-2.2**
Financing activities			
New share issue		192.0	-
Loans raised		-	55.5
Amortizations		-128.3	-49.1
Group contributions received		26.0	10.0
Group contributions paid		-	-1.3
Dividend paid		-	-25.8
Cash flow from financing activities		**89.7**	**-10.7**
Cash flow for the year			
Cash and cash equivalent at beginning of year		50.2	36.5
Exchange rate differences in cash and cash equivalents		0.4	0.1
Cash and cash equivalent at year and		**0.9**	**50.2**

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 IAS 39 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 2017 and 2018 financial year have not/will not have any material impact on the Parent Company's financial statements.

NOTE B. INCOME

	2017	2016
Accrued fees	37.1	22.7
Other revenue attributable to consultancy activities	-	-
Total	**37.1**	**22.7**

NOTE C. PURCHASES AND SALES BETWEEN GROUP COMPANIES

	2017	2016
Purchases (as a % of Other external expenses)	44	28
Sales (as a % of Total operating income)	100	100

NOTE D. AUDITORS FEES

	2017	2016
Remuneration for audit assignment	1.2	0.9
Remuneration for auditing activities in addition to the audit assignment	0.2	0.1
Remuneration for tax consultancy services		-
Remuneration for other assignments	0.1	-
Total	**1.5**	**1.0**

NOTE E. EMPLOYEES

Average number of employees	2017	2016
Men	9	87
Women	4	3

Salaries, other remuneration, pensions and social security contributions, 2017

	Salary and other remuneration	Variable remuneration	Social security contributions	Pension expenses
Board and CEO	4.1	-	0.9	0.5
Other employees	7.3	-	3.4	1.8
Total	**11.4**	**-**	**4.3**	**2.3**

Salaries, other remuneration, pensions and social security contributions, 2016

	Salary and other remuneration	Variable remunera-tion	Social security contribu-tions	Pension expenses
Board and CEO	3.5	-	0.7	0.5
Other employees	5.3	-	1.2	2.8
Total	**8.8**	**-**	**1.9**	**3.3**

NOTE F. PROFIT-SHARING, GROUP COMPANIES

	2017	2016
Dividend from subsidiaries	4.5	4.4
Group contributions	26.0	8.7
Total	**30.5**	**13.1**

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

	2017	2016
Exchange-rate gains	0.8	1.5
Dividends from associated companies	0.3	-
Interest income, external	-	0.3
Interest income, internal	1.7	1.2
Total	**2.8**	**3.0**

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

	2017	2016
Exchange-rate losses	-1.4	-1.9
Interest expense, external	-4.0	-3.4
Interest expense, internal	-0.1	-0.1
Total	**-5.5**	**-5.4**

NOTE I. APPROPRIATIONS

	2017	2016
Tax allocation reserve for the year	-0.4	-0.3
Tax allocation reserve reversal for the year	14.0	8.7
Change to accelerated depreciation for the year	0.1	0.4
Total	**13.7**	**8.8**

NOTE J. TAX ON PROFIT FOR THE YEAR

	2017	2016
The following items are included in tax expense:		
Tax on profit for the year	0.2	-0.2
Total	**0.2**	**-0.2**
Profit before tax	**14.7**	**2.9**
Tax according to applicable rate 22% (22)	3.2	0.6
TAX EFFECT OF:		
Expenses, non-deductible	-3.2	-0.9
Income not liable to tax	0.2	0.1
Reported tax	**0.2**	**-0.2**

NOTE K. CAPITALIZED EXPENDITURES FOR PROGRAM DEVELOPMENT

	2017	2016
Opening cost	3.9	3.9
Closing accumulated cost	**3.9**	**3.9**
Opening depreciation	-3.9	-3.5
Depreciation for the year	-	-0.4
Closing accumulated depreciation	**-3.9**	**-3.9**
Closing residual value	**0.0**	**0.0**

NOTE L. EQUIPMENT, TOOLS, FIXTURES AND FITTINGS

	2017	2016
Opening cost	1.3	1.2
Purchases	0.6	0.1
Disposal	-0.3	-
Closing accumulated cost	**1.6**	**1.3**
Opening depreciation	-0.9	-0.6
Disposal	0.2	-
Depreciation for the year	-0.3	-0.3
Closing accumulated depreciation	**-1.0**	**-0.9**
Closing residual value	**0.6**	**0.4**

NOTE M. PARTICIPATIONS IN ASSOCIATED COMPANIES

				Share of equity		Book value	
	Corp. ID no.	Registered office	Operations	2017	2016	2017	2016
Mirakelbolaget AB	556835-4350	Stockholm	Program development	50%	50%	0	0

NOTE N. PARTICIPATIONS IN GROUP COMPANIES

Book value	2017	2016
SWEDEN (REGISTERED OFFICE STOCKHOLM)		
Rejlers Sverige AB	100.7	100.7
Rejlers Energitjänster AB	0.1	0.1
ComIT Rejlers AB	2.1	2.1
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
Embriq AS	83.6	83.6
Total	**387.4**	**387.4**

All of the companies in the table above are wholly owned by Rejlers AB.

NOT O. PREPAID EXPENSES AND ACCRUED INCOME

	2017	2016
Accrued income	0.3	0.1
Other	0.9	0.7
Total	**1.2**	**0.8**

NOTE P. UNTAXED RESERVES

	2017	2016
Tax allocation reserve 14	-	1.5
Tax allocation reserve 15	1.5	14.0
Tax allocation reserve 16	6.0	6.0
Tax allocation reserve 17	0.3	0.3
Tax allocation reserve 18	0.4	-
Accelerated depreciation	0.1	0.2
Total	**8.3**	**22.0**

NOTE Q. ACCRUED EXPENSES AND DEFERRED INCOME

	2017	2016
Accrued pay	1.0	1.0
Accrued social security contributions	0.9	0.8
Other	1.9	2.1
Total	**3.8**	**3.9**

NOTE R. CONTINGENT LIABILITIES

	2017	2016
Contingent liabilities	None	None

NOTE S. LIABILITIES ATTRIBUTABLE TO INVESTING ACTIVITIES

			Non-cash items	
	2016	Cash flow	Reclassifications	2017
Liabilities to credit institutions	148.4	-	-148.4	-
Liabilities to credit institutions	128.3	-128.3	148.4	148.4
Reconciliation of liabilities attributable to financing activities	**276.7**	**-128.3**	**-**	**148.4**

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, 5 April 2018 Rejlers AB (publ)

Ivar Verner
Chairman

Annika Steiber
Board member

Helena Nordman-Knutson
Board member

Jan Samuelsson
Board member

Thord Wilkne
Board member

Björn Lauber
Employee representative

Sten Pettersson
Employee representative

Peter Rejler
CEO, Group President and Board member

Our audit report was submitted on 11 April 2018
Deloitte AB

Birgitta Lööf
Authorized Public Accountant

AUDITOR'S REPORT

To the General Meeting of Rejlers AB (publ) corporate identity number 556349-8426

Report on the annual accounts and consolidated financial statements

Opinions

We have conducted an audit of the annual accounts and consolidated financial statements of Rejlers AB (publ) for the financial year 1 January 2017 - 31 December 2017. The company's annual report and consolidated financial statements are included in this document on pages 11-51.

In our opinion, the annual accounts have been prepared in accordance with the Swedish Annual Accounts Act and in all material respects fairly present the Parent Company's financial position as of 31 December 2017 and its financial performance and cash flows for the year in accordance with the Swedish Annual Accounts Act. The consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act and in all material respects fairly present the Group's financial position as of 31 December 2017 and its financial performance and cash flows for the year in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the Swedish Annual Accounts Act. The administration report is consistent with the other sections of the annual accounts and the consolidated accounts.

We therefore recommend that the AGM adopt the income statement and balance sheet for the Parent Company and the Group.

Our opinions in this statement on the annual report and consolidated financial statements are consistent with the content of the supplementary report submitted to the Parent Company's Audit Committee in accordance with Article 11 of the Audit Regulation (537/2014).

Basis for the opinions

We have conducted the audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibility according to these standards is described in more detail in the section on Auditor's responsibility. We are independent in relation to the Parent Company and Group in accordance with generally accepted auditing standards in Sweden and have otherwise fulfilled our professional ethics responsibility according to these requirements. This includes, based on the best of our knowledge and conviction, that no prohibited services as referred to in Article 5.1 of the Audit Regulation (537/2014) have been provided to the audited company or, where applicable, its Parent Company or its controlled companies within the EU.

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

Particularly significant areas

Areas of particular significance to the audit are those that in our professional opinion were the most significant to the audit of the annual accounts and consolidated financial statements for the period in question. These areas are addressed within the scope of the audit of, and in our opinion on, the annual accounts and consolidated financial statements as a whole, but we make no separate statements regarding these areas.

Revenue recognition

Assessment of risk

As at 31 December 2017, net sales amount to SEK 2,464.7 million and are generated from the Group's assignments that are conducted either on account or as fixed price assignments. On-going projects are valued according to percentage of completion, which corresponds to the invoice price less any deviations between the work-up rate and the degree of completion.

Revenue recognition and measurement of on-going projects are associated with risks linked to each individual assignment. The recognition builds on assessments and assumptions in the projects regarding the degree of completion and outstanding risks in implementation, which may have a significant impact on the Group's net sales and profit. These assessments and risks are primarily uniform in the countries in which the Group is active.

For further information, refer to the section on risks and risk management on page 14, the Group's accounting policies in Note 2 and Note 4 in the annual report.

Our auditing procedures

Our auditing procedures comprised, 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 significant key controls in the revenue process, mainly with regard to confirmation and follow-up of assignments
- review of internal and external documentation that forms the basis of the management's assessment of outstanding assignment risks in on-going projects
- review of the completeness of the revenues.

Financing and compliance with loan terms

Assessment of risk

As at 31 December 2017, total liabilities to credit institutions amount to SEK 158.7 million. When raising loans, Rejlers has a number of commitments to the lenders in the form of loan conditions. Violating these loan conditions may mean that the interest rate margin becomes higher or that financing ends. In the fourth quarter of 2018, Rejlers must refinance its external loans, whereby they have been classified as current at 31 December 2017. See Note 24 for the current status of the refinancing work.

For further information, refer to the section on risk management on page 14, Note 3 Financial risk factors and other risks and Note 24 Liabilities to credit institutions.

Our auditing procedures

Our audit comprised the following auditing procedures, but was not limited to:

- review and assessment of Rejlers' procedures regarding financing and follow-up of key figures and loan conditions
- review of the Group's compliance with loan conditions and finance policies
- review of relevant supplemental disclosures in the financial statements
- review of credit facility received after refinancing negotiations

Information other than the annual accounts and consolidated financial statements

This document also contains information other than the annual report and consolidated financial statements and can be found on pages 1-10. It is the Board and the CEO who have the responsibility for this other information.

Our opinion regarding the annual report and consolidated financial statements does not comprise this information and we make no statement confirming this other information.

In connection with our audit of the annual report and consolidated financial statements, it is our responsibility to read the information identified above and consider if the information to a material extent is inconsistent with the annual report and consolidated financial statements. In this review, we also take into account the information we collected otherwise during the audit and assess if the information otherwise appears to contain material misstatements.

If we draw the conclusion based on the work done regarding this information that the other information contains a material misstatement, we are obliged to report it. We have nothing to report in this respect.

Responsibilities of the Board of Directors and the Chief Executive Officer
It is the Board of Directors and the CEO that are responsible for the preparation of the annual accounts and consolidated financial statements and that they provide a true and fair view according to the Annual Accounts Act and, with regard to the consolidated financial statements, according to IFRS as adopted by the EU. The Board and CEO are also responsible for the internal control that they deem to be necessary to prepare annual report and the consolidated financial statements that do not contain any material misstatement, whether due to error or impropriety.

In preparing the annual report and consolidated financial statements, the Board and CEO are responsible for the assessment of the company's and Group's ability to continue the operations. They provide information, when appropriate, concerning conditions that may affect the ability to continue operations and to use the going concern assumption. The going concern assumption is not, however, applied if the Board and CEO intend to liquidate the company, cease operations or have no realistic alternative than to do either.

The Board's audit committee shall, without it affecting the Board's responsibility and duties otherwise, monitor the company's financial reporting, among other things.

Auditor's responsibility
Our objectives are to achieve a reasonable degree of certainty whether or not the annual report and consolidated financial statements as a whole contain any material misstatements, whether due to error or impropriety, and to provide an audit report that contains our opinions. Reasonable certainty is a high degree of certainty, but is no guarantee that an audit done according to ISA and generally accepted auditing standards in Sweden will always discover a material misstatement if such exists. Misstatements can arise due to impropriety or error and are considered to be material if they individually or together can reasonably be expected to affect financial decisions that users make based on the annual report and consolidated financial statements.

As a part of an audit according to ISA, we use professional judgement and have a professionally sceptical approach in the entire audit. Moreover:

- we identify and assess the risks of material misstatements in the annual accounts and consolidated financial statements, whether they are due to impropriety or error, formulate and carry out auditing procedures based in part on these risks and gather audit evidence that is adequate and suitable to form a basis for our opinions. The risk of not discovering a material misstatement due to impropriety is higher than for a material misstatement due to error because improprieties can include acting in collusion, falsifying, intentional omission, incorrect information or disregarding internal controls.
- we obtain an understanding of the part of the company's internal control that is of significance to our audit to carry out auditing procedures that are suitable considering the circumstances, but not to make a statement on the effectiveness of internal controls.
- we evaluate the suitability of the accounting policies used and the reasonability of the Board's and CEO's estimates in the accounting and associated disclosures.
- we draw a conclusion on the suitability of the Board and CEO using the going concern assumption in preparing the annual accounts and consolidated financial statements. We also draw a conclusion based on the audit evidence collected whether or not there are any material uncertainty factors pertaining to such events or conditions that may lead to significant doubt about the company's and the Group's ability to continue business. If we draw the conclusion that there is a material uncertainty factor, we must in our audit report call attention to the disclosures in the annual report and the consolidated financial statements regarding the material uncertainty factor or, if such disclosures are inadequate, modify the opinion regarding the annual accounts and consolidated financial statements. Our conclusions are based on the audit evidence gathered up to the date of the auditor report. However, future events or circumstances may mean that a company and a corporate group can no longer continue operations.
- we evaluate the overall presentation, structure and content of the annual accounts and consolidated financial statements, including the disclosures, and if the annual accounts and consolidated financial statements portray the underlying transactions and events in a manner that provides a true and fair view.
- we gather adequate and suitable audit evidence regarding the financial information for the units or business activities within the Group to express an opinion concerning the consolidated financial statements. We are responsible for the management, supervision and implementation of the Group audit. We are solely responsible for our opinions.

We must inform the Board of the audit's planned scope and emphasis as well as it's timing. We must also inform about significant observations during the audit, including the potential significant deficiencies in the internal control we identified.

We must also provide the Board with a statement that we have complied with relevant requirements of professional ethics regarding independence, and take up all relationships and other circumstances that may reasonably affect our independence, and where applicable associated countermeasures.

Of the areas communicated with the Board, we determine which of them have been most significant to the audit of the annual accounts and consolidated financial statements, including the most important assessed risks of material misstatements, and which therefore constitute the areas of particular importance to the audit. We we describe these areas in the audit report insofar as laws or other statutes do not prevent disclosures on the matter.

Report on other legal and regulatory requirements
Opinions
In addition to our audit of the annual report and consolidated financial statements, we have also examined the proposed allocation of the company's profit or loss and the administration of the Board of Directors and Chief Executive Officer of Rejlers AB (publ) for the financial year 1 January 2017–31 December 2017.

We recommend to the AGM that the profit be allocated in accordance with the proposal in the administration report and that the members of the Board of Directors and the CEO be discharged from liability for the financial year.

Basis for the opinions
We have conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibility according to these standards is described in more detail in the section on Auditor's responsibility. We are independent in relation to the Parent Company and Group in accordance with generally accepted auditing standards in Sweden and have otherwise fulfilled our professional ethics responsibility according to these requirements.

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

Responsibilities of the Board of Directors and the Chief Executive Officer
The Board of Directors has the responsibility for the proposal on the appropriation of the company's profit or loss. In the event of a proposed dividend, this includes an assessment of whether the dividend is justifiable considering the requirements set by the company's and Group's nature of operations, scope and risks on the size of the Parent Company's and the Group's equity, and considering the consolidation requirements, liquidity and position otherwise.
The Board is responsible for the company's organization and the management of its affairs. This includes continuously assessing the company's financial situation, and ensuring that the company's organization is structured so that accounting, asset management and the company's financial affairs otherwise are controlled in a satisfactory manner. The CEO shall take care of the operating management according to the Board's guidelines and instructions and take the actions necessary for the company's bookkeeping to be performed in accordance with law and for asset management to be managed in a satisfactory manner.

Auditor's responsibility
Our objective concerning the audit of the management, and thereby our opinion regarding 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 CEO in any material respect:

- took any action or committed any negligence that may lead to a liability to pay damages to the company, or
- in any other way acted counter to the Swedish Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective regarding the audit of the proposed appropriation of the company's profit or loss, and thereby our statement regarding this, is to assess with a reasonable degree of certainty if the proposal is consistent with the Swedish Companies Act.

Reasonable certainty is a high degree of certainty, but no guarantee that an audit done in accordance with generally accepted auditing practices in Sweden will always discover actions or negligence that can lead to a liability to pay damages to the company, or that a proposed appropriation of the company's profit or loss is not consistent with the Swedish Companies Act.
As a part of an audit according to generally accepted auditing standards in Sweden, we use professional judgement and have a professionally sceptical approach in the entire audit. The review of the administration and the proposed appropriation of the company's profit or loss is primarily based on the audit of the accounts. What additional review procedures are done is based on our professional assessment on the basis of risk and materiality. This means that we focus the review on such measures, areas and circumstances that are material to the business and where deviations or violations would be of particular significance to the company's situation. We go through and test decisions made, decision documentation, actions taken and other circumstances that are relevant to our opinion regarding discharged from liability. As a basis for our opinion regarding the Board's proposed appropriation of the company's profit or loss, we reviewed if the proposal is consistent with the Companies Act.

Auditor's review of the corporate governance report
It is the Board of Directors who is responsible for the corporate governance report on pages 15-18 and for it being prepared in accordance with the Annual Accounts Act.

Our review has been conducted in accordance with FAR's statement RevU 16 Auditor's review of the corporate governance report. This means that our review of the corporate governance report has another direction and is substantially more limited in scope than an audit conducted in accordance with the International Standards on Auditing and generally accepted auditing practice in Sweden. We consider that this review provides us adequate grounds for our opinions.

A corporate governance report has been prepared. Disclosures in accordance with Chapter 6 Section 6 Paragraph 2 Items 2-6 of the Annual Accounts Act and Chapter 7 Section 31 Paragraph 2 of the same act are consistent with the other parts of the annual report and the consolidated financial statements and are in compliance with the Annual Accounts Act.

Deloitte AB was elected Rejlers AB's auditor by the General Meeting on 9 May 2016 and has been the company's auditor since 2 May 2013.

Stockholm, 11 April 2018
Deloitte AB

Birgitta Lööf
Authorized Public Accountant

ANNUAL GENERAL MEETING 2018

The Annual General Meeting of Rejlers AB (publ) will be held on Monday, 7 May 2018, at 5:00 p.m. at the Lindhagen Conference Centre, Lindhagensgatan 126 in Stockholm.

Registration

Shareholders registered in the shareholders' ledger administered by Euroclear Sweden AB on Monday, 30 April 2018, have the right to participate. Those intending to participate in the AGM must register no later than Monday, 30 April 2018, 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 7 May 2018 to gain the right to participate in the AGM. Shareholders must inform nominees of this well in advance of 7 May 2018.

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 0.50 per share be paid to shareholders. The proposed record day is 9 May 2018, with a payment date of 15 May 2018.

Photo: Board and management: Klas Wiréhn.
Form and production: Narva.
Printing: Billes

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