



**REJLERS**

# Contents

A word from the CEO .....	2
Rejlers in brief .....	4
Visions, goals and targets .....	6
Strategy .....	8
2016: An eventful year.....	10
Market and the world at large .....	12
Rejlers Nordic region .....	14
Energy .....	16
Building and property.....	17
Industry.....	18
ICT/Telecom .....	19
Sustainability framework.....	20
Sustainable solutions .....	21
Healthy workplaces .....	22
Tomorrow's engineers .....	24

## Photos

Cover: Shutterstock Contents: Matton CEO: Klas Wiréhn Rejlers in brief: IBL bildbyrå Vision, goals and targets: Carl-Frederic Salicath An eventful year: Robert Lithner, Hanne Mette Walhovd Paulsen, Lina Clausén, Jan Harald Narum, Christian Gustavsson, Shutterstock, Jesper Wahlström, Kimmo Iso-Tuisku, Rejlers Embriq Market and the world at large: Shutterstock Strategy and value chain: Werner Nyst-rand/Folio Rejlers Nordic region: Matton Building and property: Arkitekthuset Monarken/Lindbäcks, Yvonne Høgetveit, Shutterstock Energy: Shutterstock, Rejlers Embriq Industry: Shutterstock, Jan Harald Narum ICT/telecommunications: Shutterstock Transport: Ports of Stockholm Sustainability framework: Shutterstock Healthy workplaces: Peter Phillips Health-promoting Manager of the Year: Karina Ljungdahl, Chef magazine  
Tomorrow's engineers: Morgan + Synk, Paola Sartoretto, Line Slotnæs, Baard Dyrhaug, Kari-Matti Salonen/Kuva KM Salonen

Form and production: Narva. Print: Elanders, Mölnlycke, 2017.

# Energized Engineering

That extra energy, a driving force in the project. Which increases the pace, finds the solutions and makes things work better together. Which contributes skills and a vision of how things could be better. We work with assignments in energy, construction and property, ICT/telecom, transportation and industry. Specialist engineers with broad, cutting-edge expertise and above all the energy that creates results. We call it Energized Engineering, and you'll find it at Rejlers.



# Greater focus on digitisation and turnkey responsibility for the projects

» **Since the beginning** in 1942, Rejlers has contributed to making the society of tomorrow. In 2016, we increased our focus on digitisation of processes and overall IT solutions, mainly for the energy and infrastructure market. Rejlers has great potential to work in these markets. At the same time, we have increasingly gone from selling consulting hours to taking turnkey responsibility for the projects. We have also supplemented our offering with legal expertise for customers in urban development.

## **Transformation of the business**

To meet the changing market climate in some customer segments, Rejlers conducted a transformation of the business, where we reduced the industry business area and expanded in energy, building and properties, as well as ICT/telecommunications. We also implemented a number of efficiency initiatives and discontinued unprofitable areas. With the aim of accelerating the transformation work and strengthening the company's financial position, we decided to carry out a rights issue of around SEK 200 million in March 2017.

## **Exciting new assignments**

The Nordic infrastructure, building and energy market is facing major investments and high standards are being set on efficient and climate-smart technical solutions. During the year, the demand for Rejlers' services increased, which creates more business opportunities for us.

Rejlers agreement with Nettalliansen to provide energy-efficient IT operating services for 47 energy companies in Norway, efficiency enhancement of the energy use for Karlshamn's bostäder and for the municipalities of Gotland, Mariestad and Leksand are just a few of the assignments where we have been engaged.

We have won several major contracts in construction, ICT/telecom and transport, where we among other things are responsible for detailed project engineering of electricity, telecoms and security, as well as lighting and power supply in the largest port construction in Sweden in 100 years. Rejlers is also involved in building Gothenburg's first proper skyscraper and the Nordic region's tallest building, Karlatornet, and we are involved in the expansion of broadband to the cities Varkaus and Juva in Finland.

## **Delivering the smart power grids of the future**

Embrig and Orbion, which were both acquired at the end of 2015, have been integrated well and are delivering according to plan. Through Embriq, we can now supply services, solutions and systems for the smart electrical grids of the future and handle and analyse large amounts of data, which opens new business opportunities. As of 2016, we now collect our offering of IT services and energy services in the Rejlers Embriq segment.

With Orbion as a basis, we are well positioned in the ICT/telecom field in all countries where we are active. Rejlers actively participates in the development of today's communication networks and through the acquisition of Orbion, we have doubled our operations in ICT/telecom and now offer both new and existing customers attractive turnkey solutions in mobile and fixed networks.

## **A healthy workplace**

Our goal is for Rejlers to be the leading company in the Nordic region in terms of healthy workplaces. We continue to encourage health-promoting activities such as the Rejlers Classic, the Grönklitt Relay Race and Rejlers Activity Challenge. For the fourth consecutive year, we awarded the Health-promoting Manager of the Year in collaboration with the magazine Chef.

## **Specialised services lead to the goal**

Thanks to our 2,000 engineers, Rejlers can today offer an ever larger offer of specialised services and project responsibility. We will achieve our 2020-3030-4040 growth target by focusing on business development and turnkey project responsibility. The aim is to improve the operating margin to 8 per cent over a business cycle. We will continue to gain the confidence of our customers and be an attractive workplace that leads developments toward tomorrow's smart societies.



**Peter Rejler,**  
President and CEO

## ABOUT Rejlers

Rejlers is a Nordic group offering technical consultancy services and IT solutions to customers in the areas of Energy, Building and property, ICT/telecom, Transport and Industry. Rejlers puts together teams of consultants with different skills who collaborate to carry out projects all the way from preliminary studies and planning to design, engineering design, project planning, project management and programming.

### 3

#### DOMESTIC MARKETS

Rejlers domestic market comprises Sweden, Finland and Norway, with the rest of the Nordic region and the Baltic area as growth markets

### 15,000

#### CUSTOMER ASSIGNMENTS

Every year, Rejlers carries out around 15,000 customer assignments. Our 10 biggest customers are: TeliaSonera, Swedish Transport Administration, Telenor, Nettalliansen AS, Hafslund, Skanova, Vattenfall, Agder, e.on and Fortum.

## 2016 in brief

**SEK 2.3  
BILLION**

SALES

**1.2%**

OPERATING MARGIN

**SEK 1.03**

EARNINGS PER SHARE  
BEFORE AND AFTER  
DILUTION

**2,000**

EMPLOYEES

Rejlers has 2000 employees in around 85 places in Sweden, Finland and Norway.

FOUNDED

**1942**

Rejlers is a family-owned company founded by Gunnar Rejler in Småland, Sweden in 1942. The company has operated as a technology consultancy ever since.

## Rejlers' core values

### RELIABLE

We are reliable in that our employees endeavour to deliver more than the customer expects. Our top-flight technicians give the Rejlers brand its trademark quality, and we always deliver on time.

### SUCCESSFUL

We are successful because we step up and dare to compete. We do not shy away from market comparisons. We have the will and drive to make constant improvements.

### PERSONAL

Our business is personal because at Rejlers we dare to be ourselves. We care. Laughter comes easily. We take care of our customers, the company, each other and ourselves.

### HEALTHY

We build and maintain a healthy company together. At Rejlers, we've created the best possible conditions for our employees to take care of their health. We also work to ensure the company maintains healthy finances in every circumstance.

**Listed**

ON THE NASDAQ STOCKHOLM

The Rejlers Class B share is listed on Nasdaq Stockholm. The Rejler family owns 57 per cent of the votes and 27 per cent of the equity. Other major shareholders are Lannebo fonder, Nordea Investment Funds and Didner & Gerge Fonder.

2020  
3030  
4040

#### Vision 2020

» Rejlers seeks to be the healthiest, most successful in our industry in the Nordic region. With the best customers, employees and owners, we help contribute to progress in our society.

#### Business concept

» By providing the best possible technical solutions over generations, Rejlers seeks to create value for customers, employees, our owners and society.

#### Financial goals

- » One of Rejlers' financial targets is to have an operating margin of at least 8 per cent over time.
- » Another financial goal is stable growth in which the company's equity/assets ratio exceeds 30 per cent.

#### Growth targets

» Rejlers seeks growth in sales of around 15 per cent per year and 10 per cent in the number of employees, which will enable our achieving the 2020 – 3030 – 4040 growth target, i.e. by the year 2020 we will have 3030 employees and sales of at least SEK 4040 million.

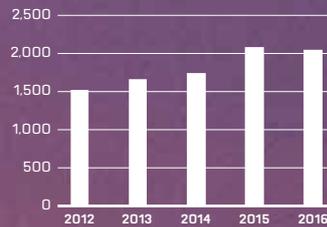
#### Employee targets

» Rejlers regards the health of its employees as an important success factor. Rejlers seeks to achieve a wellness ratio of at least 75 per cent. The definition of wellness is a maximum of three occurrences of illness and five sick days during the calendar year. Employee turnover should be around 10 per cent. The outcome of our employee survey must achieve a minimum of 80 per cent of the maximum possible.

### Operating profit



### Number of employees



### Continued growth during 2016

In 2016, we continued to have good sales growth that amounted to 25 per cent. The growth is mainly acquired and driven by a good development in the operations for Energy, ICT/Telecom and Building and property.

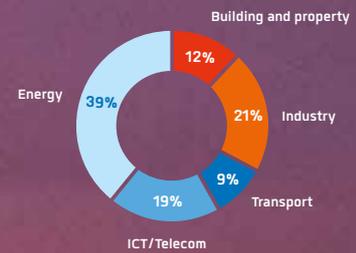
### Sales/operating margin



### Financial goals

In 2016, the operating margin, adjusted for restructuring costs, amounted to 2.1 per cent. For the five-year period 2012–2016, the average operating margin was 3.4 per cent.

### Group sales per customer group



# Strategy for profitable growth

## Growth

Our strategy is profitable growth in the Nordic region. It will take place primarily in the big city regions through organic growth and continued strategic acquisitions. In developing and refining our business, we concentrate on a holistic perspective and high level of internal efficiency. Our growth markets are primarily Energy, Building and property and ITC/Telecom.

## Customers

We strive for a balanced customer base with a differentiated business cycle. A strong local presence is Alpha and Omega in our ability to meet customer requirements.

## Partners

Increased international cooperation between our skills areas and with our partners means we can offer the solutions that best advance our customers' projects.

## Brand and culture

A distinct company culture and shared values are part of our success. A uniform, strong brand and our proactive approach to our customers allow us to develop the company further.

## Sustainability

Rejlers will enjoy greater success if we contribute to the sustainable development of society. To achieve this, we work with three focus areas within the framework of our sustainability work.

1. Rejlers seeks to be the customer's natural choice for sustainable solutions. We work with energy efficient solutions, renewable energy production and the development of sustainable infrastructure.
2. We are passionate about health at Rejlers. If our employees enjoy good health we will be more successful, and our ambition is for every employee to feel more alert after a day at work.
3. Because we need capable engineers to build tomorrow's sustainable communities, Rejlers works to ensure more people choose engineering as a profession.

# Your business – our responsibility

Rejlers seeks to be your best business partner with sustainable solutions that provide financial improvements. We strive to be the best by proactively developing solutions that include a life cycle perspective including business value, technology, quality and delivery.

OFFERING »	SALE »	DELIVERY »	CUSTOMER DEVELOPMENT »
<p>Rejlers' highest objective is adding value to its customers' businesses and processes. We focus long-term on selected market areas, translating experience and industry insights into sustainable innovations that are in stride with existing and future requirements and needs in society.</p> <p>We listen to business needs and combine that with our extensive experience of competitive industries to create sustainable and financially viable solutions with high technical expertise, process understanding and innovation.</p> <p>Our passion for quality forms the basis of results and offerings that are relevant to our customers and their business.</p>	<p>For Rejlers, the customer's business, market and operations are central to our offering. Our goal is to add and generate value that helps our customers become successful today and tomorrow.</p> <p>We are proactive in the dialogue with our customers about their needs and challenges, which are continuous and constantly on-going.</p> <p>We strive to understand our customers' market and conditions and adapt our expertise to best contribute to their business, development and success.</p>	<p>Rejlers' multifaceted organisation, experience and extensive expertise make it possible for us to deliver small and large solutions at short notice and over longer periods of time. Always with an optimal outcome in the form of value creation and efficiency. At the agreed time, with a high level of quality and constant focus on long-term sustainability.</p> <p>The objective for Rejlers is to deliver successful assignments that provide business value, satisfied customers and satisfied employees.</p>	<p>For us at Rejlers, long-term relationships and developing together with our customers are important. The solutions, processes and offers that have grown forth and been formulated together with our existing customers and partners are evidence of innovations and created value.</p> <p>In the dialogue with our customers, we are constantly working to measure, follow up and evaluate agreed and performed measurement points and deliveries.</p> <p>We are business partners with our customers with the common goal of further developing and creating successful offers, processes and improvements in a connected and sustainable society.</p>



## 2016: AN EVENTFUL YEAR



### ELECTRICAL SAFETY IN FOCUS

In the autumn, Rejlers held two seminars due to the new Electrical Safety Act that is being introduced at mid-year 2017. The new law will have a major impact on Swedish enterprise, administrations and authorities. The participants from grid companies, municipalities, HVAC and plumbing companies, consultants and electrical installation companies expressed their appreciation, especially in relation to the "Self inspection programme - for the entire electrical safety field" presented by Rejlers that addresses the entire process for active electrical safety work.

## SvD NÄRINGSBLIV ENERGY SUMMIT

STOCKHOLM 13-14 SEPTEMBER 2016



### DIGITISATION OF THE ENERGY SECTOR

Rejlers Embriq makes targeted investments in smart solutions in the energy sector. During the year, Rejlers Embriq and Rejlers Sweden participated in the conferences Energy Summit and DI Energy. In front of representatives for a large part of the energy industry, CEO Thomas Pettersen and Business Manager Jenny Edfast were able to present strategies and ideas on the success factors that a digitisation of the energy systems entail. Particular attention was paid to technologies for addressing future challenges in the form of pattern recognition, machine learning and Big data.



### NEW DIVISION HEAD FOR TELECOM NORWAY

Geir Løvnes was appointed the new division head for Telecom in Norway in December. Geir has an extensive background in senior positions from several large companies in the Norwegian telecom market.

"Geir was previously responsible for the development of telecom services and IT support, as well as nationwide development of radio networks. He has also had the full responsibility for the operation of these telecom systems and radio networks. Geir's background and experience will be of great use to Rejlers," says Morten Thorkildsen, President of Rejlers Norway.



### LEGAL EXPERTISE

During the year, Rejlers established a group that offers legal expertise to customers in urban development. Today, the group consists of six lawyers and paralegals. Projects carried out are linked to contract, property, environment and construction law and public procurement, within the telecom field and the public sector.

"Our existing customers are very pleased that Rejlers has its own legal expertise and we now want to reach out to more," says Emma Grimlund, Lawyer at Rejlers Sweden.



### SOLAR CELLS, NEW AREA OF EXPERTISE

During the summer, Rejlers Sweden launched the effort on a new area of expertise for solar cell technology. The home for the technology will be the Building and property business area where the effort is being led by Per Hederstedt, a consultant with broad expertise in the area. Per will initially gather expertise from several placed in Rejlers, which provide a good mix of knowledge of technical solutions. Per also sees a brilliant future in collaboration within Rejlers Embriq and the development in smart power grids with the connection of solar cell plants. The market is growing steadily and in recent years, we have doubled the solar cell capacity in Sweden every year.



### PROJECT BUILDING – CREATIVE SUPPORT IN THE OPERATIONS

At the beginning of the year, the Project Building was established in Rejlers Sweden. The Project Building has the task of developing the employees' project management expertise in Rejlers' delivery process. The operations are run by Project Development Director Helena Adriansson, who collaborates with experts from various areas. The idea is to constitute assistance and support in major tenders and assignments, support in the sales process and education and networking among project managers.



### A MILLION TO THE SWEDISH CHILDHOOD CANCER FOUNDATION

When Aron Andersson climbed Kilimanjaro with his team to raise SEK 500,000 for the Swedish Childhood Cancer Foundation, it was doubled! An impressive achievement by Aron and the team around him where Rejlers was one of the sponsors. Himself struck by cancer at a young age, Aron accepted tough challenges as an inspirer and speaker at fund raisers for the Swedish Childhood Cancer Foundation of which Aron was one of the ambassadors.

"The adventure was both tough and challenging, but the feeling of climbing up at the sunrise was absolutely magical," explains Aron.



### TANELI VIHANTO AWARDED SAFETY PRIZE

The Finnish electrical distribution company Caruna awarded its safety prize this year to Taneli Vihanto, Rejlers Finland. In the motivation, they say: Taneli is a person with a strong drive and constructive approach who takes on the role of safety coordinator and develops strategies in consultation with engaged contractors.

"Caruna wants to show its appreciation to the contractors who stand out in safety matters and therefore provide a public recognition for work well done," says Piia Häkkinen, Safety Director at Caruna Oy.



### ENERGY PARTNERING AS A WORKING MODEL

Since 2016, Rejlers has offered Energy partnering as a working model in assignments in the energy sector. It is primarily assignments in energy savings and efficiency enhancements that are subject to the working model. Property owners with large holdings can reduce their costs quickly and in a structured manner at the same time as the properties are upgraded and increase in value. Per Sjöbom, the project manager in charge, sees a large market for Rejlers' model, which provides both environmentally sustainable solutions and financial benefits.



### REJLERS EMBRIQ PARTICIPATES IN EU PROJECTS FOR THE ELECTRICAL GRIDS OF THE FUTURE

Rejlers Embriq is taking part in a two-year EU project in advanced management and optimisation of the electricity grid of the future. New methods and tools will be developed to meet the quickly growing production of renewable energy and changed consumption pattern at the same time that reliability and stability in the power grids are secured.

"The project was initiated on 1 March 2016," explains Espen Kåsin at Rejlers Embriq, who believes that this will be a very exciting journey to project completion in January 2018.

"We will develop the next generation of software for the grid companies throughout Europe and the rest of the world. Extensive and massive investments can resolve the challenges faced by the electrical power networks and there is major potential to optimise these investments," explains Espen Kåsin, Software Manager at Rejlers Embriq.

In total, seven partners are participating in the EU project that is led by Swedish Metrum with Rejlers Embriq as the technology partner. The project has the goal of investigating how production from renewable sources and new consumption patterns affect the electrical grid's reliability and how one can create conditions for a further increased percentage of distribution of renewable energy in the distribution grids.

A hand is shown holding a glowing blue globe of the Earth. The globe is illuminated from the right, creating a bright glow. In the background, there is a network of white lines and dots, resembling a digital or global network. The overall scene is set against a dark blue background.

# More globalization, urbanization and automation

## Technology consultancy sector

Technology consultancies play a central role in the development of industries and social structures in general. As consulting experts and project managers, they often come in at an early stage of an investment cycle and are involved in everything from prestudies, analyses, system development, construction, infrastructure projects, energy and IT solutions. A value-generating technical consultant is also engaged by a customer in the development of new offers, as well as in production-oriented efficiency enhancements of processes. The major technical consulting companies actively contribute to the creation of sustainable solutions and innovations for new construction, renovation, maintenance, monitoring and management. This is handled through quality systems that are built on current and future system and production platforms.

## Globalization and digitization

Today's enterprise and society are becoming increasingly complex with greater globalization, trends and user requirements that demand greater technical and analytical know-how. At the same time, requirements are also set on instinct and knowledge in business logics, the paradigm shift and information systems. Automation, robotization and the handling of large amounts of data are driving digitisation, as well as other technical development, new business models, greater specialization and growing globalization. The customers increasingly focus on their core business, which further increases the demand for qualified engineering and IT services.

The market for the technology consulting industry is affected by growing globalization, urbanization, automation, greater mobility and the Internet of Things (IoT)<sup>1</sup>. Information management is now about both analysis and handling of large amounts of data (Little & Big data) and control and optimization. Shifts in the value chain in industry and considerable threats from global climate changes lead to greater competition, consolidation, a weak price trend and a shortage of expertise.

## Competition

The Swedish Federation of Consulting Engineers and Architects (STD) believes that competition has never been as tough and come from as many different directions. Today's engineering firms are encountering entirely different competitors that did not exist just a few decades ago. There are several factors that contributed to this, including more competition from global actors and more niche companies with specialist expertise, driven by technology and new innovations. In addition, digitization also leads to new constellations, where companies and organizations are tied together in various ways and offers increasingly complex products.

Technical development and social development are taking place faster now than it has for a long time. The companies' development accompanies this often risky, but stimulating journey. In our quickly changing surroundings, companies are quickly out-competed if expertise and offerings are not adapted to new customer and market needs.

Consolidation is a trend that appears to be continuing even today. Through acquisitions, larger and more international actors grow forth that can offer an increasing breadth of specialist expertise and are able to handle larger and more complex projects. Noteworthy among Rejlers' larger industry colleagues in the Nordic region are Etteplan, Multiconsult, Norconsult, Pöyry, Ramböll, Sweco, Semcon, WSP and ÅF.

## Price trend and billing ratio in the industry

Prices have developed slowly in the industry for many years. But there was an improving trend in 2015 and 2016. However, it is going slowly and large parts of the industry are experiencing price pressure, above all in public procurement. STD sees signs of a recovery in prices at the same time that the weak price trend remains as one of the industry's major challenges.

The billing ratios among the listed companies are continuing to improve. In 2013, the average was 74.7 per cent, and it increased to 75.8 per cent in 2014 and then 75.9 per cent in 2015. In the first half of 2016, it dropped slightly to 75.6 per cent. STD predicts that the weakly upwards trend will probably remain for the next few years.

## Large demand for engineering expertise

As society's need for engineering expertise grows, it will be increasingly important to find the right employees. The education system has not kept pace with development and the number of graduating students has not grown fast enough to meet demand. This remains the case although the industry is collaborating with universities with regard to the levels of education and competence. The shortage of expertise is most tangible for technical consultants in construction, civil engineering and installation. There is a mainly shortage of experienced consultants, but recent graduates are also short in supply. The shortage of expertise is currently one of the industry's greatest challenges, creating bottlenecks and slowing productivity. At the same time, staff turnover is increasing and driving up salary costs.

<sup>1</sup> Internet of Things (IoT): The extensive network of units connected to the Internet, such as smartphones and tablets and almost anything with a sensor – cars, factory machines, jet engines, oil drills, mobile units and more. These "things" gather in and exchange data.

# Building description

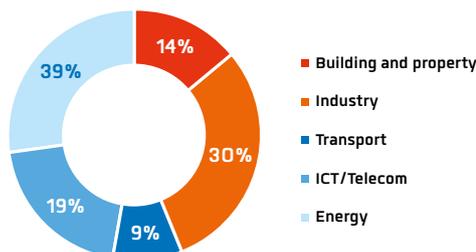


## Rejlers Sweden

» **Rejlers' Swedish operations** are the group's largest, with more than 1,100 employees distributed over some 40 offices and accounting for around 55 per cent of total sales. The company offers technical consultancy services to customers in the energy, building and property, industry, ICT/telecom and transport sectors. The range of services includes automation, electric power, installation, railways, mechanical engineering, processing and plant as well as ICT/telecom.

In 2016, Rejlers Sweden underwent a transformation of the business with a reduction of the industry segment and expansion in energy, building and property, ICT/telecom and IT solutions. At the same time, we have increasingly gone from selling consulting hours to taking turnkey responsibility for the projects.

The market and demand for the company's services are generally good except in some parts of the industry segment. Demand for technical consulting services for roads and railways is expected to grow strongly until 2024. There is more demand in energy efficiency enhancement, power supply and sustainable electricity generation. More stringent requirements on communication and data volumes are contributing to growing demand for IT and telecom engineers, especially in information and IT security. Our building and property operations show a growing demand and won several large construction assignments during the year.



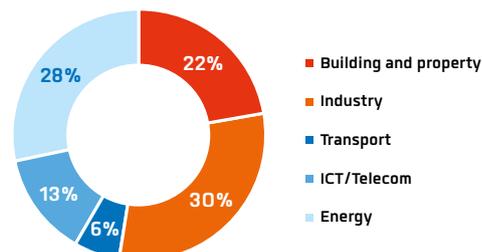
## Rejlers Finland

» **Rejlers' Finnish operations** have around 500 employees distributed over 18 locations and account for around 16 per cent of total sales. We offer consulting services in architecture, automation, energy, mechanical engineering, environmental engineering, HVAC and plumbing. In addition to this, there are services, such as turnkey deliveries to customers in the energy, building and property, industry, ICT/telecom and transport sectors. In the industry segment, the company offers services in production efficiency, process design and security and digitization processes.

In autumn 2016, CMN Service Oy was acquired with 17 employees, which contributes to making Rejlers' offering in the railway area complete.

In Finland, there is an extensive need for turnkey solutions and outsourcing of processes at the energy and electrical grid companies. The government is also planning significant investments in the infrastructure market in Finland, which are expected to further increase demand for Rejlers' services in transport and ICT/telecom.

There is greater demand for services in energy production and energy management, and demand for energy measurement services and IT solutions for power grids is strong. We also see a growth for assignments for co-generation plants. The construction and property area continues to experience organic growth and Rejlers has won several new assignments in Helsinki, Tampere and Turku during the year.





**Rejlers' business is divided into four market segments, Rejlers Sweden, Rejlers Finland, Rejlers Norway and Rejlers Embriq, which target both the private and public sector.**

### Rejlers Norway

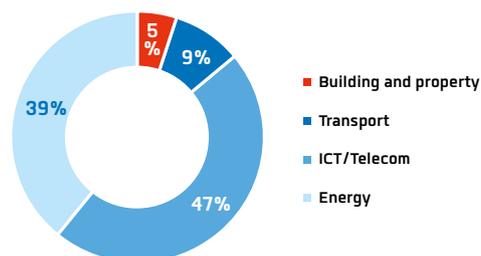
» **Rejlers' Norwegian operations** have around 250 employees distributed over 22 locations and account for around 13 per cent of total sales. We offer expertise in electrical power, electrical safety, energy declarations, installation, railway and telecom to customers in building and property, energy, ICT/telecom and transport.

During the year, Rejlers renegotiated an important ICT agreement in the Norwegian market, which will have a significant effect on earnings in this business. At the same time, we appointed a new division head, with extensive experience of telecom operations.

Demand in the energy segment and the construction and property segment, which seek to achieve more efficient and more sustainable energy use in properties and municipalities, remains strong. Rejlers is in an expansion phase for services in the digitization of processes for the infrastructure, energy and building sectors with a steady influx of assignments from the major customers.

We are actively participating in the development of the present communications network and we have digitalised processes for electrical safety inspections. At the same time, we digitized electrical safety inspections in Oslo using a new IT tool. During the year, we opened a new office in Trondheim.

Rejlers and Entro have entered collaboration on energy-efficiency enhancement in the building, industry and infrastructure areas, which strengthens the company's position in the Norwegian market.



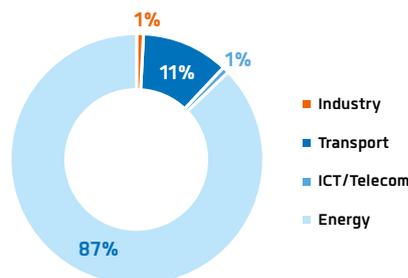
### Rejlers Embriq

» **Rejlers' operations in** information technology are gathered in the Rejlers Embriq segment and comprise IT services and products mainly in the energy field. The operations have around 175 employees, are located in ten locations in the Nordic region and account for around 15 per cent of Rejlers' total sales.

The company delivers IT-based system solutions to energy companies and retailing customers throughout the Nordic region. The services cover, among other things, the development and delivery of communication systems for Smart Grids<sup>1)</sup> and other transaction-intensive information and control systems. The segment includes various kinds of energy measurement services, which should contribute to energy savings and lower emissions. This also includes traditional IT services, cloud services and an advanced and modern centre for managing customers' IT environments.

The market for energy metering services is expected to grow over the coming years, as many of the remote reading meters in the Nordic countries are replaced. The planned development of a central Swedish Electrical hub<sup>2)</sup> over the next few years is very positive for Rejlers' initiatives in this sector.

During the year, Rejlers implemented advanced digital solutions in the energy sector. We have also developed Connected Stores - digitization of retailing, which contributes to minimal stock, optimal logistics and reduced emissions.



<sup>1)</sup> Smart Grid refers to intelligent electrical grid systems that balance electricity supply and demand in a sustainable, reliable and cost-effective manner. With Smart Grids, you can digitally manage electrical grids, control and at the same time save resources.

<sup>2)</sup> Electric hubs gather meter information from all meters in the country (e.g. Sweden or Norway). All grid owners are responsible for their information being sent to the central database. The electricity providers in turn gain access to it, which leads to a more efficient operation through simplified communication.



## Energy, whenever it is needed

» **The Nordic energy** market is facing significant technical shifts and major investments. Comprehensive initiatives are under way in the distribution of renewable energy and in areas where new security and production standards are driving advances.

Rejlers offers services at every level of the energy supply chain from production through distribution to consumption. This involves modernising and streamlining existing installations for energy companies and existing nuclear power and hydroelectric power installations.

We have expertise and long experience of preparing solutions for new power sources, such as wind power, wave power and solar energy. These sources can be tied together into an efficient and smart power grid, known as a Smart Grid.

Smart Grids are intelligent electrical grid systems

that balance electricity supply and demand in a sustainable, reliable and cost-effective manner.

Rejlers supplies IT-based system solutions to energy companies and the retail trade, and other transaction-intensive information and control systems. We also support our customers in the energy sector with various types of metering services. We collect, analyse and present data concerning energy consumption, which should lead to major energy savings and reduced emissions.

Rejlers has extensive experience of working with energy efficiency enhancement in schools, preschools, hospitals, industry, offices, housing, sports facilities and commercial properties. Through our experience and breadth of knowledge, we have the possibility to, together with our customers, drive the work on energy efficiency improvements forward to take care of all, or selected parts of the process.

### ASSIGNMENTS DURING THE YEAR

#### SWEDEN

##### 1. Rejlers is investigating Leksand's future energy system

The population of Leksand municipality is facing a dramatic increase, something that will require extensive adaptation of existing infrastructure. The energy company, Dala Energi, has therefore commissioned Rejlers to investigate the consequences of increased needs for power and suggest measures for how to dimension and adapt the power grid for future needs.

#### NORWAY

##### 2. IT operating services for more than 47 energy companies in Norway

Rejlers Embriq has entered into an agreement with Nettalliansen for the delivery of IT operating services for more than 47 energy companies throughout Norway. Rejlers Embriq has responsibility for establishment and comprehensive operations, and responsibility for integration support for future business-specific programmes that will be a part of Nettalliansen's digitisation process. Our IT services will make modern and effective solutions available to the energy companies concerned.

#### FINLAND

##### 3. Finland's first CO<sub>2</sub> neutral city

The city of Vasa has an ongoing energy and climate programme the aim of which is to make Vasa Finland's first CO<sub>2</sub>-neutral city. Rejlers is contributing to that ambitious goal by performing energy audits. With energy inspections in municipalities and cities, it is often possible to achieve significant savings in energy consumption so that the advantages of the inspections by far exceed the costs as early as the first year.



## Innovative and sustainable solutions

» **The building and** civil engineering sector is running at full speed in the Nordic region, where housing investments are the driver of the development.

Comfort, energy savings, monitoring and profitability are just a few of the requirements set when new buildings are planned or existing buildings are renovated. Rejlers is very accustomed to working with these kinds of issues in extensive projects.

Our ambition is to create buildings that meet highly set standards by combining tried-and-tested methods with innovative solutions. Rejlers works on the entire life cycle, with both new building and renovation of retail premises, schools, offices, hospitals, hotels, sports facilities, homes and industries.

We are already involved in early stages when new areas are to be developed. Assignments include

everything from architecture to building construction and project design to project management. In all phases, Rejlers is involved as a consultant and helps the customer with checks and inspection of finished properties. Modern analysis and visualization tools also provide the customer with the ability to stay abreast with developments in construction projects throughout the planning phase.

The services cover everything from electrical, telecommunications and heating, ventilation and sanitation project planning to control and communications technology. A growing area is building automation and various kinds of smart solutions for reducing energy consumption in properties. We also have assignments in power supply and lighting and creates alarm systems and fire prevention solutions.

### ASSIGNMENTS DURING THE YEAR

#### Sweden

##### 1. Lindbäck is building Europe's most modern production facility

Lindbäck Bygg has commissioned Rejlers together with FeRex to supply parts of the production plant to be built in Lindbäck's new "super factory" outside Piteå. The assignment comprises project engineering and installation of an assembly line that will be 300-metres long and will begin by receiving pre-fabricated floor joists and end with finished multi-storey building components for transport to the construction site.

#### NORWAY

##### 2. Energy consultant for JM Norway

JM Norway is one of the country's leading project developers of homes and residential areas. Rejlers has been engaged as an energy consultant for JM's current building projects throughout Norway. The agreement, which applies for two years with an option for an additional year, includes energy advice and consulting services in electrical engineering for both low and high voltage.

#### FINLAND

##### 3. The Aviapolis region is growing

The Aviapolis business district in the Helsinki region is growing strongly. More than 1000 companies with a total of 35,000 employees are active in the area. Besides offices, commercial premises, a transport centre and housing are being built. Rejlers has been engaged by Finavia and Skanska for assignments concerning project engineering of electrical, telecom and security systems in office buildings and hotels.



3



2



1

## Technical solutions for higher productivity

» **Rejlers has extensive** experience of conducting industry projects in the Nordic region from industries such as mining, paper and pulp, and the steel and engineering industry. We also have experience in following our customers in their projects worldwide. Rejlers works with customers in the manufacturing industry, in the sectors food, pharmaceuticals, automotive and offshore (operations at sea around fixed or mobile platforms). Based on the customer's needs, we either work as an integral part of the customer's organization or assume total responsibility for a delivery or function.

Rejlers offers technical solutions and systems for

streamlining, automating and developing the processes of industry and their products for greater productivity, quality and profitability. We have broad expertise in the disciplines of automation, processes and mechanical engineering and address the entire flow, from planning, concept formulation and analysis to project management, design, implementation, deployment and maintenance. We also conduct innovation and development work to help customers develop new products and systems.

Since 2016, we also offer services in process design and security and digitization processes.

### ASSIGNMENTS DURING THE YEAR

#### Sweden

##### 1. New workstation for Scania in Oskarshamn

Scania has awarded Rejlers the order to construct and install a new workstation for the truck manufacturer's primer coating line in the Oskarshamn plant. The assignment is a turnkey commitment that includes several disciplines in Rejlers, including mechanical engineering, electrical design and PLC and HMI programming. Rejlers previously carried out a preliminary study which was used as a basis for the tender.

#### NORWAY

##### 2. Digitization of electrical safety inspections in Oslo

Hafslund Nett is Norway's largest grid company and ensures that 1.5 million people in 34 municipalities have power. The grid company is responsible for conducting electrical safety inspections in its distribution area so that they are up to code. Rejlers has won a large contract with Hafslund and is digitizing the electrical safety inspections in Oslo using a new IT tool.

#### FINLAND

##### 3. Automated container port solution in Tampere

Cargotec has engaged Rejlers for delivery of an automated container port solution. The assignment comprises layout, mechanical design and electrical project engineering for automatic loading and unloading of containers - next generation Automatic Stacking Crane (ASC) System. The development site is the Kalmar Technology and Competence Centre (R&D) in Tampere, Finland.



2

## Develop the communication networks of the future

» **The telecom market** is driven by changed user behaviour and a growing demand for higher capacity of large data volumes. The rapid technical development, continuous demand for modernization and optimization of the communication networks drive the operators to meet the constantly growing demand for availability.

Rejlers has a broad range of technical and legal consulting services in network infrastructure, communication and information security. The offering includes, for example, net planning, net design, optimization and project engineering of both fibre and mobile networks.

In addition to this, we are also engaged for investigation and project management assignments, risk and vulnerability analyses, risk management, construction inspections, documentation, training, site acquisition and advice in large procurements. We handle the function undertakings with turnkey responsibility and large assignments from government authorities in the safety area.



1

## Efficient and safe transport

» **A well-functioning infrastructure** is crucial for societal development, human mobility and commercial competitiveness. Rejlers has broad expertise in the transport infrastructure area with regard to modernisation and planning of, for example, roads, bridges, tunnels, railways, airports and ports. The largest share of the company's assignments re in the railway sector. These assignments comprise everything from total project undertakings with project management responsibility to preliminary studies for project planning of installations for railway, electrical, telecommunications, signalling and safety systems.

Road and tunnel projects in the metropolitan regions involve technically complex systems for the control and monitoring of e.g. traffic flows or ventilation systems in tunnels. Rejlers also plans and project engineers lighting in tunnels, on bridges and along roads. The offering also includes various kinds of environmental services in conjunction with planned civil engineering projects.

### ASSIGNMENTS DURING THE YEAR

#### SWEDEN

##### 1. The largest port construction in Sweden in a century

Ports of Stockholm are investing heavily a new commercial port in Norvik outside Nynäshamn. The new port makes it possible to ship goods by sea directly to Stockholm. In September 2016, the ground-breaking ceremony was held for the new port. Some 15 engineers at Rejlers are responsible for the detailed project planning for ducting, telecoms and security, as well as lighting and power supply.

#### NORWAY

##### IT services for Elkjøp in Finland, Sweden, Norway and Denmark

The agreement, which was signed in April with L&T Infotech, comprises Infrastructure as a Service (IaaS), including data storage, server capacity and other high-tech server infrastructure provided from hybrid data centres. The aim is to increase Elkjøp's data capacity and create a flexible and secure IT platform. A basic IT environment will provide Elkjøp flexibility and scalability to be able to quickly expand in the Nordic region and improve the end user's experience.

#### FINLAND

##### 2. Rejlers is building broadband to the cities of Varkaus and Juva

Rejlers was engaged by MPY Palvelut Oy for their broadband projects in Varkaus and Juva. Rejlers' ICT/telecom group has the responsibility for security coordination and monitoring of the building quality. The assignment comprises project engineering of the devices and cable laying in the telecom network and monitoring of the construction and documentation of the network being built in MPY Palvelut's network data system. MPY Palvelut Oy is a Finnish IT company.

# Sustainability for Rejlers

» **Rejlers has helped** create tomorrow's communities since 1942. Our ambition is for Rejlers to make a significant contribution to the development of sustainable communities through the assignments we carry out for our customers. To achieve this, we work with the three focus areas illustrated in the figure below within the framework of our sustainability work: healthy workplaces, sustainable solutions and tomorrow's engineers.

## Acting responsibly

Rejlers endeavours to act responsibly in everything it does. The way we act is based on our values: reliable, successful, personal and healthy. All of our employees

must follow the Rejlers Code of Conduct included in our operations manual. The code 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.

Rejlers respects the UN Global compact and its ten principles in regard to human rights, working conditions, consideration for the environment and anti-corruption. All Rejlers employees must be treated with respect and dignity. We strive to ensure our employees are treated equally and provided with the same opportunities. This is reflected in our daily operations and during recruitment.



## We develop smart communities

» **Sustainable solutions must** form a natural part of the assignments we carry out for our customers. The major environmental benefits from Rejlers' operations occur when we help our customers streamline, modernize and automate their infrastructure and processes. This covers everything from energy-efficient solutions to the development of renewable energy production and sustainable infrastructure. In 2016, customer demand for sustainable, energy-efficient solutions rose, which created more business opportunities for Rejlers.

### Customer responsibility

Over the years we've developed close, transparent relationships with our customers. Our customers have great confidence in us and our quality-assured services. Rejlers is qualified to ISO 9001 and ISO 14001 standards. This means our assignments – from concept to completion – are planned and controlled according to our quality and environmental standards. Our goal is to have the market's most satisfied and loyal customers. We measure customer satisfaction once a year and for 2016, the average score was 5.1 on a six-point scale.



## Unique collaboration on the environment, climate and finances

Rejlers and the energy and environmental specialist Entro are entering a strategic partnership for energy efficiency improvements in the construction, industrial and infrastructure area.

"Environment, climate and finances go hand in hand. Together, we can now help our customers achieve the greatest possible benefit from the energy-efficiency enhancement. More and more data can be gathered to identify and implement smart solutions, not just for the actual building, but also for individual rooms and facilities in the building. This creates major potential for climate and environmental improvements and also provides significant cost reductions," says Morten Thorkildsen, President of Rejlers Norway.

## Rejlers to help newly arrived engineers enter the labour market

Rejlers has been commissioned by the Swedish Transport Administration to design a training concept for newly arrived engineers. With its extensive experience in railway training, Rejlers will prepare a training plan. The plan will lead to the participants being able to find employment in the railway industry after one year at the Swedish Transport Administration School.

"For Rejlers, it is important to contribute to a sustainable development of society. We have the knowledge and skills to succeed with the challenges that exist in the labour market. The assignment for the Swedish Transport Administration shows that we are an important player in the area. This is especially true when it comes to the regrowth of personnel in the railway industry," says Lisa Rejler, Investor Relations and CSR Manager at Rejlers.

## Improving energy efficiency for Karlshamnsbostäder AB

Rejlers has been engaged to improve technical status and energy efficiency in the residential and commercial units in Karlshamn covered by the energy project. The total area is 140,000 sq. m. with an option for around 20,000 sq. m. more.

"We are looking forward to working together with Karlshamnsbostäder in this project. This approach is really a fantastic opportunity for major property owners to lower their energy consumption while their technical systems are upgraded. We are taking charge of the whole chain from analysis of the property portfolio and implementation of the improvement contracts to follow-up and optimisation in the operations phase," says Per Sjöbom, President of Rejlers Energiprojekt.



### Healthy workplaces

Rejlers has invested in health and proactive healthcare for many years. The concept of health is broad and covers so much more than just physical exercise. For us, it is simply about feeling well and having motivation and a joy of life both at work and in free-time activities.

This presupposes that we create an environment that provides the possibility of working and developing in the way that best suits the individual employee. A balance between work and free time is a key factor in this. We are all different and the employee must be given the opportunity to choose how, where and when the work is done as much as the customer assignments allow and in consultation with his or her supervisor. We know that this is much appreciated and the employee survey shows that a very high percentage of the employees say that they have a good balance between work and free time.

To attract both young and old employees, we make sure to find solutions where every individual is given the greatest possible space for what best suits him or her. This may involve, for instance, career planning or planning the final years in working life, the choice of the type of employment, working hours or duties.

A healthy workplace also means that we have guidelines and procedures that ensure that we act responsibly based on our code of conduct and our business ethics guidelines. As a part of the work, we improved our system for whistle-blowing where an independent, external party now helps us handle received cases.

A part of the health work is also exercise campaigns in the form of the Rejlers Classic and the Grönklitt Relay Race on skis where teams from the entire Group meet over a weekend for a relaxed competition on skis and otherwise to socialize.

For many years, Rejlers has had sickness absence as an employee

target. We still measure sickness absence as a key performance indicator, but have instead shifted to measuring healthy attendance as a target. A person who is out sick a maximum of three times for a total of five days over the year is counted as healthy. Our ambitious target is to have a healthy attendance of at least 75 per cent.

### Leadership

Rejlers has a decentralized organization that creates closeness and freedom, which is appreciated by the employees. Perhaps the most important reason the employees thrive is good leadership. Rejlers continuously works to develop our managers and the culture that provides the conditions for good leadership. It is pleasing that we in our annual employee survey repeatedly receive very good results in the index that shows how satisfied employees are with their managers, both in terms of general leadership and professionalism.

### Change and flexibility

Rejlers is constantly developing and the changes that take place all the time demand a flexibility of both company and employees. The interaction between the company's and the employees' interests and needs is important and to ensure the dialogue, a new concept for employee development talks has been developed. To go further, there is also an instrument with a life wheel where the employee can reflect on, and plan, his or her life situation in various areas to get a good balance in life.

An organization also has to continuously change in its composition to obtain vitality and novel thinking. Part of this is that we have a target of having an employee turnover of around 10 per cent. In 2016, the voluntary mobility was 12 per cent, which was mainly due to major change activities in some parts of the operations.



## Health Promoting Manager of the Year

» This year, the award for 'Health-promoting Manager of the Year' goes to Torbjörn Eriksson, CEO and founder of Tenant & Partner. Together with the management union magazine Chef, Rejlers is behind the prize, which was awarded during the Manager of the Year Gala 2016 at the Grand Hotel, Stockholm. Sweden's most important management prize, the Manager of the Year, is awarded in seven categories.

The motivation states: "With whole-hearted commitment and structured work on people's health, this manager has created an inclusive and friendly sense of togetherness. Finding the balance between exercise and mindfulness creates a holistic mindset about health. Sleep, nutrition, exercise and success are integrated into both the management's and company's DNA."

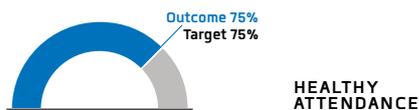
"I have been able to successfully create a workplace culture that is characterised by a consideration of health. We have introduced a number of health activities which focus on both physical and mental health. This includes everything from the opportunity to exercise during work hours and access to a gym at work, to learning about mindfulness and lectures on nutrition and health," says Torbjörn Eriksson.

Rejlers hands out the award: Three years ago, Rejlers nominated President and CEO Peter Rejler for Health-promoting Manager of the Year. This year, he was chosen to present the award to Torbjörn Eriksson.

"Healthy, happy employees at Rejlers will spread that energy on to customers and colleagues, which creates a positive spiral. We actively focus on health issues, as we believe that it makes employees feel better and be more able to cope with the challenges they face, both at work and in their private lives. The award for Health-promoting Manager of the Year is a great way to showcase those role models who, with their leadership, have influenced the well-being and results of both employees and the company. This is why we support this award," says Peter Rejler.

About the award: Health-promoting Manager of the Year is awarded to a manager who has a strategic approach to physical activity and holistic health, and who creates lasting opportunities for health improvement. Through their health-promotion and committed leadership, the winning manager increases the performance, success and well-being of not only the employees but also the company.

The following people were also candidates nominated for Health-promoting Manager of the Year: Ylva Lindahl, Unit Manager/preschool director, SDF Östra Göteborg, Tommy Sarenbrant, CEO, B3IT Innovation. In addition to Health Promoting Manager of the Year, prizes were also awarded for Manager of the Year, Leadership Developer of the Year, Future Manager of the Year, HR Manager of the Year and the Management Gala's Major Honorary Award.



EMPLOYEE DATA	2016	2015	2014	2013	2012
Number of employees	2,027	2,082	1,742	1,664	1,532
Average age	45	45	44	44	43
Total sick leave %	2.8	2.9	2.7	2.1	2.2
Of which long-term* %	1.4	1.2	1.3	1.1	0.9
Employee turnover %	12	10	10	8	9

\* the definition of long-term illness has changed and the values for 2012-2015 have been adjusted

Rejlers seeks to achieve a wellness ratio of at least 75 per cent. The definition of wellness is a maximum of three occurrences of illness and five sick days during the calendar year.



### Tomorrow's engineer

Rejlers needs many new engineers. Fortunately, more and more are working further into their senior years, which entails a higher average age and a greater need to employ younger engineers to achieve a good age balance. With the change taking place with growing numbers of turnkey assignments and a smaller share of resource sales, better conditions are also created to employ more new engineering graduates.

We actively seek to be visible at universities with the aim of generating interest in working at Rejlers. We do so by participating in job fair days, guest lectures and targeted events like company evenings and by welcoming placement students and students doing degree projects. However, it is crucial that we as a company develop in a way that makes us attractive and that our employee offering provides added value in the competition for the talents. Here, our own employees are the best ambassadors and recruiters.

One way to generate interest in Rejlers is to offer trainee programmes. In Rejlers Embriq's operations, we have established the first such programme, which has developed very well, and we hope that similar programmes will spread to more parts of Rejlers.

### Careers

We are dependent on the employees' expertise and that it is continuously developed so that we can meet, and exceed, the customer's expectations. Complex and pioneering assignments mean that our employees constantly develop. The level of education and

the theoretical expertise is continuously increasing, through new recruitment, acquisitions and educational efforts. On our training portal, Rejlersakademin, we have gathered internal and external courses and programmes in a wide area that will help us develop our expertise. A new system for managing and searching for expertise was introduced and work is under way to develop it as a support for both career planning and staffing of assignments.

In pace with Rejlers developing new operational areas and establishing operations in more locations, better conditions are created for the individual employee to develop in the direction planned together with his or her immediate manager. There are career path descriptors for advancement as technical specialists, team leaders and assignment managers and as managers with budget and personnel responsibility.

### Star for Life – school project in South Africa

Star for Life has a unique program for preventing the spread of HIV and AIDS among the youth of Southern Africa. By coaching and guiding young people to gain better self-esteem, they are able to make healthy choices and enjoy a better future. For seven years, Rejlers has sponsored a school in South Africa, Qhakaza High School, which has 1,200 students. Among the programme's results are improved pupil health, a significant reduction in the number of teenage pregnancies, more youths with jobs, more students to universities and better future prospects. Rejlers also funds scholarships for engineering training courses for pupils in their senior year.



**Nicklas Keijser** works as an Automation and Systems Engineer with varying assignments in heating plants, mines, money presses, starch factories or dairies.

"Rejlers is a very permitting company. There are not many "ties" since all of the managers are engineers. My boss works like me as a consultant and knows exactly what my day-to-day looks like. I can express both criticism and praise and the managers listen since they themselves know what life as an engineer is like. I can work with what I think is most fun and the management believes in my ideas. This work varies widely; one day is never like the next."



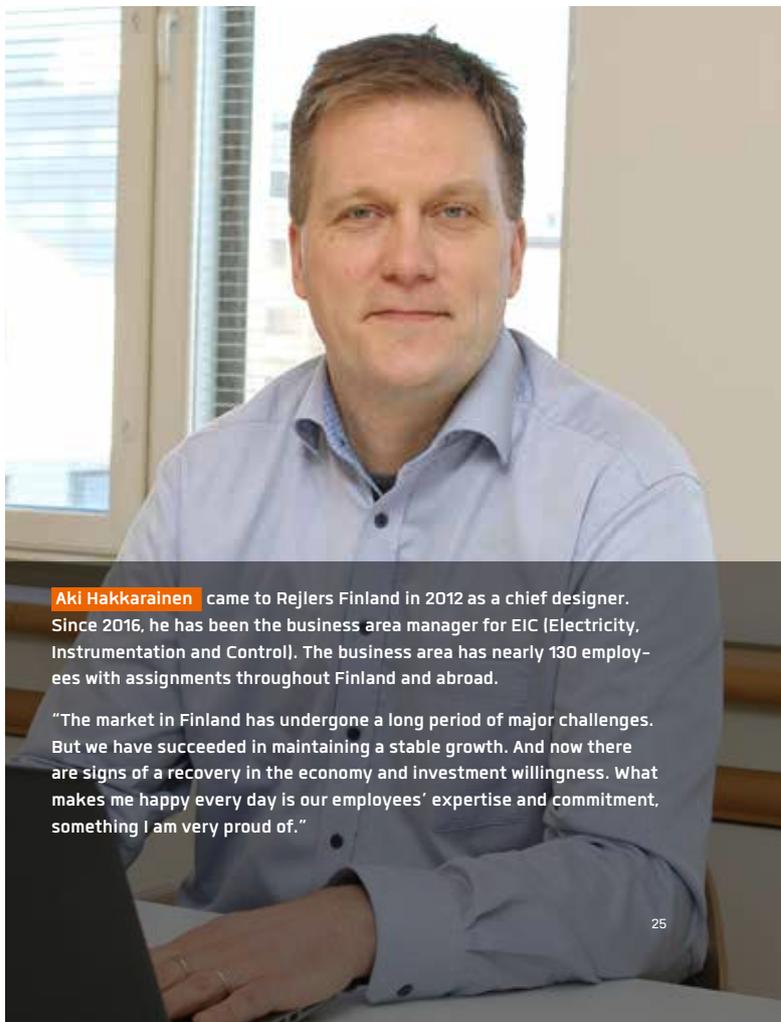
**Maren Bjørnbakk** came to Rejlers Norway in 2015 with a Master of Science in Energy and the Environment from NTNU, and works with a specialization in electrical installations.

"The courage that Rejlers has, which was especially expressed in the initiative on innovation and exciting projects, such as AMS, I think is really great. Before I began working, I often thought, 'I would love to be involved in this'. I like working in a company like Rejlers where the work is full of a pioneering spirit and ambitions."



**Kaia Jeanette Johansen** is the manager of "Løsningssenteret" (The Solutions Centre) at Rejlers Embriq in Oslo. She is educated in marketing and management, and has worked in the IT industry on the supplier side since 1999.

"Being a part of Rejlers gives us the opportunity to reach new markets where we can contribute our expertise and technology. It is exciting to be a part of the digitization in the future, and to contribute to a functioning, socially vital infrastructure. I also see the benefit of continuing to build relationships with new and existing customers and contributing to positive customer perceptions in each of our meetings with the customer."



**Aki Hakkarainen** came to Rejlers Finland in 2012 as a chief designer. Since 2016, he has been the business area manager for EIC (Electricity, Instrumentation and Control). The business area has nearly 130 employees with assignments throughout Finland and abroad.

"The market in Finland has undergone a long period of major challenges. But we have succeeded in maintaining a stable growth. And now there are signs of a recovery in the economy and investment willingness. What makes me happy every day is our employees' expertise and commitment, something I am very proud of."



**REJLERS**

REJLERS AB (publ)

Co. Reg. No. 556349-8426, Box 30233, SE 104 25 Stockholm

Tel +46 771-78 00 00, Fax +46 8-654 33 39

Email [info@rejlers.se](mailto:info@rejlers.se), [www.rejlers.com/se](http://www.rejlers.com/se)