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# Five-year summary

Income statement summary, SEK millions	2018	2017	2016	2015	2014
Operating income	2,367.0	2,470.1	2,341.4	1,875.5	1,711.5
Personnel expenses	-1,460.8	-1,448.9	-1,453.7	-1,280.1	-1,192.0
Other external expenses	-823.4	-950.3	-816.4	-493.0	-440.6
Depreciation and impairment	-47.5	-46.1	-44.2	-32.2	-29.3
Participations in associated company earnings	0.8	0.3	0.4	0.8	-1.0
<b>Operating profit</b>	<b>36.1</b>	<b>25.1</b>	<b>27.5</b>	<b>71.0</b>	<b>48.6</b>
Net financial income/expense	-6.0	-3.6	-5.3	0.8	-3.7
<b>Profit after net financial items</b>	<b>30.1</b>	<b>21.5</b>	<b>22.2</b>	<b>71.8</b>	<b>44.9</b>
Tax	-13.9	-9.8	-8.2	-20.6	-11.0
<b>Profit for the year</b>	<b>16.2</b>	<b>11.7</b>	<b>14.0</b>	<b>51.2</b>	<b>33.9</b>

Balance sheet summary, SEK millions	2018	2017	2016	2015	2014
Intangible assets	606.3	565.5	554.4	495.2	327.7
Tangible assets	24.8	32.1	37.5	36.2	31.5
Financial assets	13.7	11.6	8.2	8.7	4.6
Deferred tax asset	36.5	40.1	39.4	40.0	18.3
Current receivables	679.2	747.6	656.0	569.0	471.5
Cash and cash equivalents	38.2	20.3	64.9	108.8	89.8
<b>Total assets</b>	<b>1,398.7</b>	<b>1,417.2</b>	<b>1,360.4</b>	<b>1,257.9</b>	<b>943.4</b>
Equity	707.3	746.4	552.2	524.8	441.6
Non-current liabilities	238.1	82.8	226.6	257.9	155.1
Current liabilities	453.3	588.0	581.6	475.2	346.7
<b>Total liabilities and equity</b>	<b>1,398.7</b>	<b>1,417.2</b>	<b>1,360.4</b>	<b>1,257.9</b>	<b>943.4</b>

Cash flow in summary, SEK	2018	2017	2016	2015	2014
Cash flow from operating activities	123.1	-41.4	41.2	42.5	68.2
Cash flow from investing activities	-67.9	-66.7	-71.5	-240.2	7.1
Cash flow from financing activities	-38.1	63.2	-19.9	221.9	-36.6
<b>Cash flow for the year</b>	<b>17.1</b>	<b>-44.9</b>	<b>-50.2</b>	<b>24.2</b>	<b>38.7</b>

## Alternative key figures

### EBITA

**Definition:** Operating profit excluding acquisition-related items.

**Motivation:** Relevant to assess Rejlers' efficiency excluding acquisition-related items.

	2018	2017	2016	2015	2014
Operating profit, SEK million	36.1	25.1	27.5	71.0	48.6
Acquisition-related items, SEK million	8.0	12.4	12.3	9.3	8.6
<b>EBITA, SEK million</b>	<b>44.1</b>	<b>37.5</b>	<b>39.8</b>	<b>80.3</b>	<b>57.2</b>

### Operating margin

**Definition:** Operating profit divided by net sales.

**Motivation:** Relevant to assess Rejlers efficiency and value creation.

	2018	2017	2016	2015	2014
Operating profit, SEK million	36.1	25.1	27.5	71.0	48.6
Net sales, SEK million	2,365.2	2,464.7	2,339.3	1,872.4	1,708.6
<b>Operating margin, %</b>	<b>1.5</b>	<b>1.0</b>	<b>1.2</b>	<b>3.8</b>	<b>2.8</b>

### 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.

	2018	2017	2016	2015	2014
Operating profit, SEK million	36.1	25.1	27.5	71.0	48.6
Number of full-time employees	1,863	1,921	1,939	1,793	1,690
<b>Operating profit/loss per full-time employee, SEK thousand</b>	<b>19</b>	<b>13</b>	<b>14</b>	<b>40</b>	<b>29</b>

### 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.

	2018	2017	2016	2015	2014
Equity attributable to Parent Company shareholders, SEK million	707.3	737.5	536.2	516.5	441.4
Total assets, SEK million	1,398.7	1,417.2	1,360.4	1,257.9	943.4
<b>Equity/assets ratio, %</b>	<b>50.6</b>	<b>52.0</b>	<b>40.6</b>	<b>41.7</b>	<b>46.8</b>

### 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.

	2018	2017	2016	2015	2014
Equity attributable to Parent Company shareholders, SEK million	707.3	737.5	536.2	516.5	441.4
Number of shares at the end of the period	18,087,909	18,087,909	12,921,721	12,921,721	12,321,721
<b>Equity per share at the end of the period</b>	<b>39.10</b>	<b>40.77</b>	<b>41.50</b>	<b>39.97</b>	<b>35.83</b>

**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.

	2018	2017	2016	2015	2014
Non-current liabilities to credit institutions, SEK million	95.5	5.4	155.0	177.5	67.5
Current liabilities to credit institutions, SEK million	33.4	153.3	133.4	103.2	39.4
Pension liability, SEK million	29.1	28.8	20.7	25.0	43.6
Cash and cash equivalents, SEK million	-38.2	-20.3	-64.9	-108.8	-89.8
<b>Net liabilities</b>	<b>119.8</b>	<b>167.2</b>	<b>244.2</b>	<b>196.9</b>	<b>60.7</b>

**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.

	2018	2017	2016	2015	2014
Operating profit, SEK million	36.1	25.1	27.5	71.0	48.6
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets, SEK million	47.5	46.1	44.2	32.2	29.3
<b>EBITDA, SEK million</b>	<b>83.6</b>	<b>71.2</b>	<b>71.7</b>	<b>103.2</b>	<b>77.9</b>
<b>Net debt/EBITDA, multiple</b>	<b>1.4</b>	<b>2.3</b>	<b>3.4</b>	<b>1.9</b>	<b>0.8</b>

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**Profit margin**

**Definition:** Profit before tax divided by net sales.

**Motivation:** Relevant to assess Rejlers efficiency and value creation.

	2018	2017	2016	2015	2014
Profit before tax, SEK million	30.1	21.5	22.2	71.8	44.9
Net sales, SEK million	2,365.2	2,464.7	2,339.3	1,872.4	1,708.6
<b>Profit margin, %</b>	<b>1.3</b>	<b>0.9</b>	<b>0.9</b>	<b>3.8</b>	<b>2.6</b>

**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.

	2018	2017	2016	2015	2014
Profit before tax, SEK million	30.1	21.5	22.2	71.8	44.9
Average equity attributable to Parent Company shareholders, SEK million	722.4	636.9	526.4	479.0	398.5
<b>Return on equity, %</b>	<b>4.2</b>	<b>3.4</b>	<b>4.2</b>	<b>15.0</b>	<b>11.3</b>

### 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.

	2018	2017	2016	2015	2014
Operating profit, SEK million	36.1	25.1	27.5	71.0	48.6
Financial income, SEK million	4.0	4.1	7.1	8.1	3.5
<b>Operating profit plus financial income, SEK million</b>	<b>40.1</b>	<b>29.2</b>	<b>34.6</b>	<b>79.1</b>	<b>52.1</b>
Total equity, SEK million	707.3	746.4	552.2	524.8	441.6
Non-current liabilities to credit institutions, SEK million	95.5	5.4	155.0	177.5	67.5
Current liabilities to credit institutions, SEK million	33.4	153.3	133.4	103.2	39.4
Pension liability, SEK million	29.1	28.8	20.7	25.0	43.6
Average capital employed, SEK million	899.5	897.6	845.9	712.0	577.0
<b>Return on capital employed, %</b>	<b>4.5</b>	<b>3.2</b>	<b>4.1</b>	<b>11.1</b>	<b>9.0</b>

### Quick ratio

**Definition:** Total current assets divided by total current liabilities (excluding unutilised credit).

**Motivation:** Indicates Rejlers' short-term payment capacity.

	2018	2017	2016	2015	2014
Total current assets, SEK million	717.4	767.9	720.9	677.8	561.3
Total current liabilities, SEK million	453.3	588.0	581.7	475.2	346.8
<b>Quick ratio (excluding unused credit), %</b>	<b>158</b>	<b>131</b>	<b>124</b>	<b>143</b>	<b>162</b>

### Debt/equity ratio

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

**Motivation:** Relevant to describing Rejlers' financial risk.

	2018	2017	2016	2015	2014
Non-current liabilities to credit institutions, SEK million	95.5	5.4	155.0	177.5	67.5
Current liabilities to credit institutions, SEK million	33.4	153.3	133.4	103.2	39.4
Pension liability, SEK million	29.1	28.8	20.7	25.0	43.6
Interest-bearing liabilities, SEK million	158.0	187.5	309.1	305.7	150.5
Equity attributable to Parent Company shareholders, SEK million	707.3	737.5	536.2	516.5	441.4
<b>Debt/equity ratio, times</b>	<b>0.2</b>	<b>0.3</b>	<b>0.6</b>	<b>0.6</b>	<b>0.3</b>

**Interest coverage ratio****Definition:** Operating profit plus financial income divided by financial expenses.**Motivation:** Indicates Rejlers' ability to cover its financial expenses.

	2018	2017	2016	2015	2014
Operating profit, SEK million	36.1	25.1	27.5	71.0	48.6
Financial income, SEK million	4.0	4.1	7.1	8.1	3.5
Operating profit plus financial income, SEK million	40.1	29.2	34.6	79.1	52.1
Financial expenses, SEK million	10.0	7.7	12.4	7.3	7.2
<b>Interest coverage ratio, times</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>11</b>	<b>7</b>

**Disposable funds****Definition:** Cash and cash equivalents plus overdraft facilities and unutilised part of RCF.**Motivation:** Indicates Rejlers' short-term liquidity.

	2018	2017	2016	2015	2014
Unutilised credit, SEK million	150.0	50.0	50.0	50.0	60.0
Unutilised part of RCF (Revolving credit facility), SEK million	-	-	-	5.5	-
Cash and cash equivalents, SEK million	38.2	20.3	64.9	108.8	89.8
<b>Disposable funds, SEK million</b>	<b>188.2</b>	<b>70.3</b>	<b>114.9</b>	<b>164.3</b>	<b>149.8</b>

**Investments****Definition:** Acquired intangible assets and property, plant and equipment and acquired subsidiaries and businesses.**Motivation:** Shows Rejlers investments.

	2018	2017	2016	2015	2014
Acquisition of property plant and equipment, SEK million	5.8	6.2	9.8	9.5	10.1
Acquisition of intangible assets, SEK million	27.2	29.5	33.8	4.0	1.4
Acquisition of operations after deductions for acquired cash and cash equivalents, SEK million	33.9	27.7	29.5	225.9	-17.8
<b>Investments, SEK million</b>	<b>66.9</b>	<b>63.4</b>	<b>73.1</b>	<b>239.4</b>	<b>-6.3</b>

**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.

	2018	2017	2016	2015	2014
Sales growth for the year, SEK million	-99.5	125.4	466.9	163.8	245.4
of which acquired sales, SEK million	42.5	39.0	418.7	142.9	235.4
of which divested sales, SEK million	-108.2	-	-	-	-
of which organic sales, SEK million	-33.8	86.4	48.2	20.9	10.0
<b>Organic growth, %</b>	<b>-1</b>	<b>4</b>	<b>10</b>	<b>13</b>	<b>4</b>

### 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.

	2018	2017	2016	2015	2014
Sales growth for the year excluding exchange rate effects, SEK million	-107.7	107.5	446.6	171.4	251.1
of which acquired sales, SEK million	42.5	28.9	418.7	142.9	235.4
of which divested sales, SEK million	-108.2	-	-	-	-
of which organic sales, SEK million	-92.0	78.6	27.9	28.5	15.7
<b>Organic growth excluding exchange rate effects, %</b>	<b>-4</b>	<b>4</b>	<b>6</b>	<b>17</b>	<b>6</b>

IFRS key performance indicators	2018	2017	2016	2015	2014
Earnings per share before and after dilution, SEK/share <b>Definition:</b> Profit after tax divided by average number of shares	0.85	0.71	1.03	4.15	2.78
Average number of shares <b>Definition:</b> Parent Company's weighted average number of shares for the financial year	18,087,909	16,417,744	12,921,721	12,346,379	12,200,899
Number of shares at the end of the period <b>Definition:</b> Parent Company's number of shares at end of the financial year	18,087,909	18,087,909	12,921,721	12,921,721	12,321,721

Operational key performance indicators	2018	2017	2016	2015	2014
Utilisation, % <b>Definition:</b> Debited time divided by time in attendance	77.1	75.2	73.0	75.0	75.3
Sales per full-time employee, SEK thousand <b>Definition:</b> Net sales per full-time employee	1,270	1,286	1,208	1,046	1,022
Number of working days <b>Definition:</b> Number of working days in the Parent Company	248	249	251	249	248
Number of full-time employees <b>Definition:</b> Total time divided by standard time	1,863	1,921	1,939	1,793	1,690
Number of employees at end of period <b>Definition:</b> Number of employees at end of the financial year	1,953	1,994	2,027	2,082	1,742

Other	2018	2017	2016	2016	2015
Dividend per share (2018, proposed dividend), SEK/share	1.00	0.50	0.00	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 2019 AGM approve a dividend of SEK 1.00 per share (0.50) for the 2018 financial year, which corresponds to 118 per cent of earnings per share after dilution. The dividend amount is SEK 18.1 million (9.0).

## 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 2018, shares to a total value of SEK 245.7 million (224.0) were traded on Nasdaq OMX. The final share price for Rejlers Class B shares was SEK 70.40 (56.75) per share at year-end, an increase of 24 per cent compared to 29 December 2017. The highest and lowest share prices during the year were SEK 49.00 and SEK 75.00 respectively.

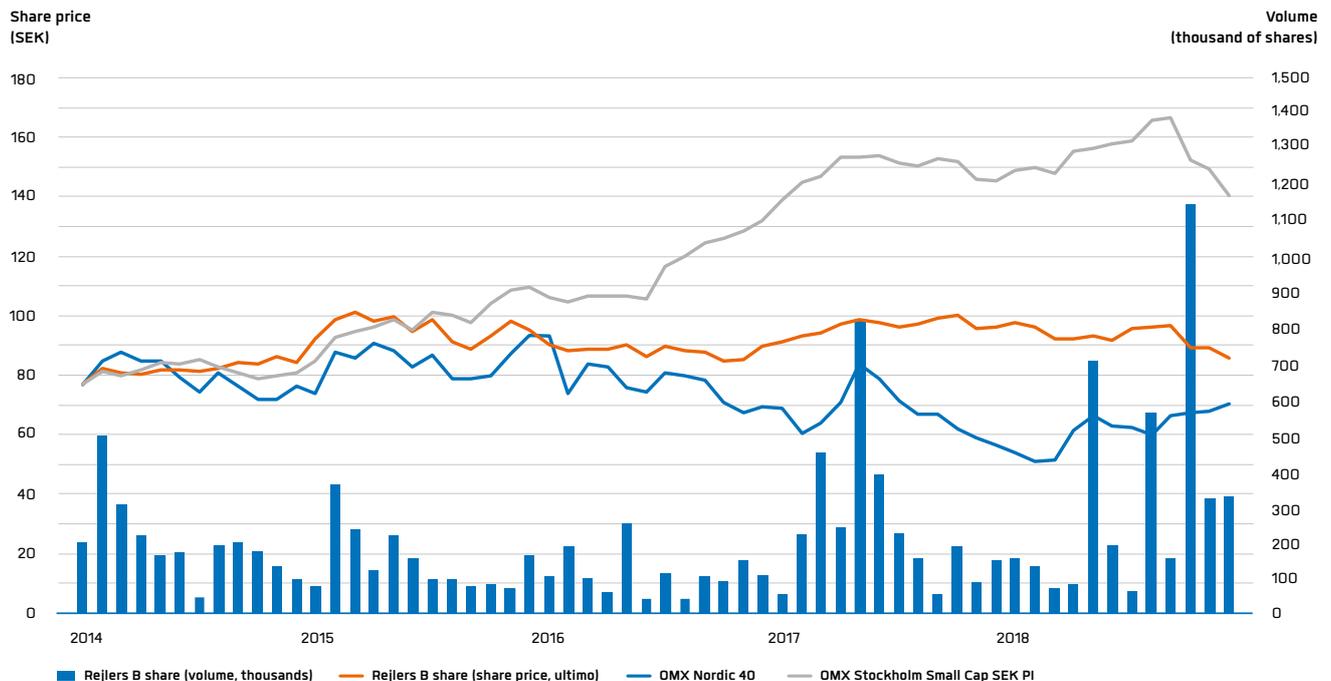
## Ownership

At the end of 2018, the number of shareholders was 2,174 (2,190). Institutions and funds owned 34 per cent (38) of the votes and 63 per cent (71) of equity. Foreign owners accounted for 18 per cent (16) of the votes and 30 per cent (27) of equity. The Rejler family owned 55 per cent (56) of the votes and 20 per cent (21) of the equity, of which CEO Peter Rejler holds 34 per cent (34) of the votes and 6 per cent (6) of the equity. In addition to the family, major owners are Nordea Investment Funds, Lannebo fonder and Didner & Gerge Fonder. The 10 biggest owners are presented in the table on the following page.

## Shareholder contacts

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

## Development Rejlers' share Jan 2014 – Dec 2018



## Rejlers 10 biggest shareholders

The table shows the situation as of 31/12/2018

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%
Nordea Investment Funds	-	2,960,691	16.4%	8.8%
Lannebo Fonder	-	1,734,714	9.6%	5.1%
Didner & Gerge Fonder Aktiebolag	-	1,681,807	9.3%	5.0%
Lauri Valkonen	70,000	505,000	3.2%	3.6%
Lisa Rejler	13,125	871,226	4.9%	3.0%
Martina Rejler	13,125	805,794	4.5%	2.8%
BNY MELLON NA	-	687,757	3.8%	2.0%
Nordea Bank ABP	-	611,070	3.4%	1.8%
<b>Total, 10 biggest shareholders</b>	<b>1,739,500</b>	<b>10,203,472</b>	<b>66.0%</b>	<b>81.6%</b>
Total, other shareholders	9,750	6,135,187	34.0%	18.4%
<b>Total</b>	<b>1,749,250</b>	<b>16,338,659</b>	<b>100.0%</b>	<b>100.0%</b>

## 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

	2018	2017	2016	2015	2014
Earnings per share after dilution, SEK	0.85	0.71	1.03	4.15	2.78
Equity per share, SEK	39.10	40.77	41.50	39.97	35.83
Dividend per share, SEK <sup>1)</sup>	1.00	0.50	0.00	2.00	2.00

1) Proposed 2018 dividend.

## Distribution of shareholdings

Number of shares	Number of owners	Number of shares	Proportion of capital (%)	Proportion of votes (%)
1 - 500	1,521	221,219	1.2%	0.7%
501 - 1000	247	188,994	1.0%	0.6%
1001 - 5000	277	625,554	3.4%	1.8%
5001 - 10000	50	357,709	2.0%	1.1%
10001 - 15000	16	232,063	1.1%	0.6%
15001 - 20000	12	213,052	1.2%	0.6%
20001-	51	16,249,318	90.0%	94.6%
<b>Total</b>	<b>2,174</b>	<b>18,087,909</b>	<b>100.0%</b>	<b>100.0%</b>

# Board of Directors



**PETER REJLER**  
Chairman

**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**  
Vice Chairman

**Born:** 1950.

**Elected:** 2010. Graduate in economics. Former CEO of Kraftringen AB (publ).

**Other important assignments:** Chairman of the Board of Energiforsk AB. Member of the Boards of Brittedalskoncernen and DrHorace AB.

**Rejlers shareholding:** 3,583 B shares.



**ANNIKA STEIBER**  
Board member

**Born:** 1968.

Board member  
**Elected:** 2016. PhD from Chalmers University of Technology.

**Other important assignments:** Founder and CEO of INNOWAY.

**Rejlers shareholding:** —



**HELENA LEVANDER**  
Board member

**Born:** 1957.

**Elected:** 2018. Master of Science in Economics, Stockholm School of Economics. Chairman of the Board and principal owner of Nordic Investor Services AB.

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

**Rejlers shareholding:** —



**PATRIK BOMAN**  
Board member

**Born:** 1964.

**Elected:** 2018. Graduate in economics.

**Other important assignments:** Chairman of the Board for Everdon Security and President and CEO of the other companies in the Dynamant Group.

**Rejlers shareholding:** 2,700 B shares.



**BJÖRN LAUBER**  
Employee representative

**Born:** 1965.

**Elected:** 1998. Graduate in economics. Economist at Rejlers Sverige AB.

**Rejlers shareholding:** —



**STEN PETTERSSON**  
Employee representative

**Born:** 1970.

Employee representative.  
**Elected:** 2009. Undergraduate qualification in engineering. Project manager at Rejlers Sverige AB.

**Rejlers shareholding:** 980 B shares.



**VIKTOR SVENSSON**  
 President and CEO of Rejlers AB  
 Born: 1975.  
 Employed since: 2018.  
 Rejlers shareholding: 60,150  
 B shares.



**SEPPO SORRI**  
 President, Rejlers Finland Oy  
 Born: 1966.  
 Employed since: 2005.  
 Rejlers shareholding: 10,100  
 B shares.



**THOMAS PETERSEN**  
 President of Rejlers Embriq AS  
 & Rejlers Norge AS  
 Born: 1975.  
 Employed since: 2015.  
 Rejlers shareholding: 1,000  
 B shares.



**MALIN SPARF RYDBERG**  
 Communication Director  
 Rejlers AB  
 Born: 1969.  
 Employed since: 2018.  
 Rejlers shareholding: 1,600  
 B shares.



**ANNA JENNEHOV**  
 CFO Rejlers AB  
 (as of February 2019)  
 Born: 1964.  
 Employed since: 2019.  
 Rejlers shareholding: 3,000  
 B shares.



**MIKAEL LINGEFELT**  
 acting CFO Rejlers AB  
 (until February 2019)  
 Born: 1961.  
 Employed since: 2011.  
 Rejlers shareholding: 1,500  
 B shares.



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



**MATS REHNQVIST**  
 CIO Rejlers 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 2018–31 December 2018.

	2018	2017	2016	2015	2014
Net sales, SEK million	2,365.2	2,464.7	2,339.3	1,872.4	1,708.6
Operating profit, SEK million	36.1	25.1	27.5	71.0	48.6
Operating margin, %	1.5%	1.0%	1.2%	3.8%	2.8%

## 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 1,953 employees (1,994) located at 80 places in Sweden, Finland and Norway. The head office is located in Stockholm. Rejlers' operations are divided into three segments: Rejlers Sweden, Rejlers Finland and Rejlers Norway. The segment division is changed compared with the previous year as there was a fourth segment, Rejlers Embriq. As of 1 January 2018, Rejlers Embriq is included in Rejlers Norway.

## Consolidated sales and earnings

Net sales totalled SEK 2,365.2 million (2,464.7), an increase of 4.0 per cent compared to the corresponding period the previous year. Organic growth excluding exchange rate fluctuations amounted to a negative 4.4 per cent. It is primarily the divestment of the telecom operations in Norway and the closure of unprofitable units that contributed to the sales decrease.

Operating profit (EBIT) amounted to SEK 36.1 million (25.1). The operating profit was affected by items affecting comparability of SEK 53.4 million (17.7) for the restructuring of the operations in Sweden, Norway and Finland.

## Cash flow and financial position

Consolidated cash and cash equivalents at the end of the period amounted to SEK 38.2 million, compared with SEK 20.3 million as of 31 December 2017. The change in cash and cash equivalents has been affected by amortisation of SEK 28.5 million (128.3) and a dividend to shareholders of SEK 9.6 million (-).

Interest-bearing liabilities decreased by SEK 29.7 million since 31 December 2017 to SEK 128.9 million at the end of period. Net debt amounted to SEK 119.7 million, compared with SEK 167.2 million as of 31 December 2017.

The ratio of net debt to EBITDA amounted to 1.4 at the end of the period compared with 2.3 at 31 December 2017. The equity/assets ratio amounted to 50.6 per cent compared with 53.5 on 31 December 2017.

Equity per share was SEK 39.10 at the end of the period compared to SEK 40.77 as of 31 December 2017. The Group's overdraft facilities of SEK 150.0 million (50.0) are entirely unutilised.

Rejlers owns 90.5 per cent of the shares of Rejlers Embriq AS. There is an agreement to

acquire the remaining 9.5 per cent in the first half of 2021. The preliminary commitment for the remaining shares has been estimated at SEK 60 million, which has been recognised as a non-interest-bearing financial liability as at 31 December 2018.

Corresponding amounts have reduced the profit brought forward and non-controlling interests.

## Investments

Investments in property, plant and equipment amounted to SEK 5.8 million (6.2) 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 27.2 million (29.5). Investments in subsidiaries and businesses amounted to SEK 33.9 million (27.7). Depreciation, amortisation and impairment losses amounted to SEK 47.5 million (46.1).

## Employees

At the end of the period, there were 1,953 employees (1,994). There were 1,863 full-year employees (1,921).

## Utilisation

The utilisation rose to 77.1 per cent (75.2), primarily as a result of higher employment in all three countries.

## Net sales, operating profit and operating margin per segment

	Net sales, SEK million		Operating profit/loss, SEK million		Operating margin, %	
	Jan-Dec 2018	Jan-Dec 2017	Jan-Dec 2018	Jan-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Rejlers Sweden	1,183.5	1,198.9	33.1	40.1	2.8	3.3
Rejlers Finland	576.9	464.9	38.7	29.3	6.7	6.3
Rejlers Norway	643.5	837.7	-3.7	-16.4	-0.6	-8.0
Group-wide	35.6	371	-32.0	-27.9	-	-
Eliminations	-74.3	-73.9	-	-	-	-
<b>Consolidated total</b>	<b>2,365.2</b>	<b>2,464.7</b>	<b>36.1</b>	<b>25.1</b>	<b>1.5</b>	<b>1.0</b>
Net financial income/expense	-	-	-6.0	-3.6	-	-
<b>Profit before tax</b>	<b>-</b>	<b>-</b>	<b>30.1</b>	<b>21.5</b>	<b>-</b>	<b>-</b>

## Rejlers Sweden

Rejlers Sweden presented good underlying growth and improved margins as a result of previously implemented structural changes and lower fixed costs. Our customers express their appreciation of our new division breakdown and greater industry specialisation. At year-end, our digital partner platform Rejlers Network was launched, giving us greater opportunities to quickly and digitally offer our customers supplementary engineering resources. Net sales totalled SEK 1,183.5 million (1,198.9), a decrease of 1.3 per cent compared to the previous year. Organic growth was negative and amounted to 2.1 per cent. Growth was negatively impacted by the completed closure of unprofitable operations during the year.

Operating profit decreased from SEK 40.1 million to SEK 33.1 million, providing an operating margin for the year of 2.8 per cent (3.3). The effects of restructuring has negatively impacted the operating profit.

Key performance indicators – Rejlers Norway	Jan-Dec 2018	Jan-Dec 2017
Net sales, SEK million	1,183.5	1,198.9
Operating profit, SEK million	33.1	40.1
Operating margin, %	2.8	3.3
Number of employees	1,006	1,048

### Rejlers Finland

Rejlers Finland reported continued strong growth and improved earnings. During the year, we acquired a few smaller businesses. The acquisitions together with the efficiency enhancement measures and new hires during the year are expected to provide positive effects in 2019.

Sales totalled SEK 576.9 million (464.9) during the year, which corresponds to an increase of 24.1 per cent compared to the same period in the previous year. Organic growth excluding exchange rate fluctuations amounted to 14.0 per cent. The growth is mainly attributable to generally favourable market conditions and implemented acquisitions. Overall, the technical consultancy market is growing, which resulted in good organic growth in all business areas.

Operating profit increased from SEK 29.3 million to SEK 38.7 million, providing an operating margin for the year of 6.7 per cent (6.3). Recently completed organisational changes and new systems and processes aimed at boosting internal efficiency have had a positive impact on earnings.

Key performance indicators – Rejlers Finland	Jan-Dec 2018	Jan-Dec 2017
Net sales, SEK million	576.9	464.9
Operating profit, SEK million	38.7	29.3
Operating margin, %	6.7	6.3
Number of employees	675	573

### Rejlers Norway

Rejlers Norway reported improved margins for the combined operations, where our expertise in digitalisation, technical consulting and IT is now gathered. With a focus on the areas where we see the greatest growth potential in the future and a continued improved internal efficiency over time, we see good conditions to strengthen the position in the Norwegian market.

The business for Rejlers Embriq is undergoing change, as the roll-out of smart electricity meters in the Norwegian market is now in the final phase, which results in lower sales of hardware and associated installation services. They will to some extent be replaced by the continued roll-out in the Swedish market and a growing percentage of continuing operation and service contracts..

Net sales amounted to SEK 643.5 million (837.7) during the year, a decrease of 30.2 per cent. The decrease is mainly attributable to the sale of the telecom operation, and lower sales in hardware and installation of smart electricity meters in Rejlers Embriq. Organic growth excluding exchange rate fluctuations amounted to a negative 25.8 per cent.

Operating loss improved from SEK 16.4 million to SEK 3.7 million, which means an earnings growth of 77 per cent and an operating margin for the year of -0.6 per cent (-2.0). The improvement in the margin is mainly due to continued growth in operating and service contracts, as well as the implementation of structural changes.

Key performance indicators – Rejlers Norway	Jan-Dec 2018	Jan-Dec 2017
Net sales, SEK million	643.5	837.7
Operating profit, SEK million	-3.7	-16.4
Operating margin, %	-0.6	-2.0
Number of employees	263	361

### Acquisitions

On 1 April, Rejlers acquired the assets of Dynamate's consultancy division with 31 employees. On 1 June, the assets of A Pitkänen Oy were acquired, while on 1 July, the assets of Enease Oy were acquired. On 14 June, all shares in Nurmi Oy were acquired. In addition, Pivotech Oy was acquired on 31 October and Jimexo Oy was acquired on 5 November. No individual acquisition is of sufficient significance to be presented consolidated.

During the year, acquisitions contributed SEK 34.1 million to sales and SEK 2.5 million to operating profit. If the operations had been owned as of 1 January, they would have contributed sales of SEK 79.4 million and an operating profit of SEK 4.8 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:

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

Personnel expenses amount to 62 per cent (62) of revenues while other operating expenses are 35 per cent (37) of revenues.

### Parent Company

Net sales in the Parent Company during the interim period amounted to SEK 35.8 million (37.1) and the earnings after tax amounted to a profit of SEK 3.1 million (14.5).

### Guidelines for remunerations and other terms of employment for senior executives

The Board proposes that the General Meeting adopt the following guidelines for the remuneration of the President and other senior executives with the following wording:

The guidelines shall apply for remuneration of the President and other members of the company's 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 CEO are subject to a mutual six-month period of notice. Upon termination by the company, the CEO is additionally entitled to severance pay of 12 times the fixed monthly salary. A period of notice of six months applies between the company and other senior executives for a resignation by the employee. For termination by the company, a period of notice of six months normally applies and severance pay of 6-12 monthly salaries. 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 2019 remain in principle unchanged compared to 2018.

**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](http://www.rejlers.com).

**The Rejlers share**

The last price paid for Rejlers Class B on 30 December 2018 was SEK 70.40 per share, an increase of 24 per cent compared with 29 December 2017. The Rejlers share is listed on Nasdaq Stockholm. The Rejlers share is listed on Nasdaq Stockholm.

**Dividends**

Rejlers long-term policy is for around 50 per cent of the company's earnings to be paid out as dividends. Rejlers Board proposes a dividend of the SEK 1.00 per share (0.50) for the 2018 financial year, which corresponds to 118 per cent of earnings per share before and after dilution. The dividend amount totals SEK 18.1 million (9.0).

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 361,174,780
The Board of Directors and CEO propose that a dividend be paid to the shareholders in the amount of	SEK 18,087,909
To be carried forward	SEK 343,086,871

## Risks and risk management

Strategic and operational risks	Description	Handling
<b>Market</b>	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 minimise sensitivity to weakening in individual sectors.
<b>Assignments</b>	Assignment risks include those linked to individual assignments. Rejlers works with different forms of contract. A fixed-price assignment may entail an increased risk if the time required to complete the assignment is miscalculated. Rejlers has a limited proportion of fixed-price assignments. They are managed according to a special decision-making process and require careful supervision. The major proportion of the company's assignments are charged at an hourly rate, and therefore the risk they present is limited.	The quality of assignments is assured in the Group-wide business management system, which is certified to ISO 9001:2008 and ISO 14001:2004 standards in Sweden, Finland and parts of Norway. Rejlers conducts a dialogue with customers prior to, during and after project implementations and customer surveys are also regularly conducted. The majority of Rejlers' customers are recurring with framework agreements and we work in long-term relationships with our customers.
<b>Employees</b>	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.
<b>Acquisitions</b>	The acquisition of a consultancy always entails a risk that personnel will leave the company acquired. A major acquisition puts the organisation under strain and directs attention to internal issues, which may hinder marketing efforts.	In every acquisition, Rejlers always seeks to integrate new employees and operations to create additional value for both the acquiring and the acquired company. By gaining local support within the organisation in respect of potential acquisitions, we also avoid the risk of bad investments.
<b>Media exposure and brand</b>	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.
<b>Corruption</b>	Rejlers is dependent on the company, employees, suppliers and partners respecting and complying with current legislation regarding bribery and corruption. Documents that conflict with current laws can affect Rejlers' reputation and operations.	All of our employees must follow the Rejlers Code of Conduct included in our operations manual. The Code of Conduct contains rules for Rejlers' business conduct and the company's responsibility toward colleagues, customers, shareholders and other stakeholders. Our code of conduct is included in the employment contracts signed by our employees. We also have a system for whistle-blowing where an independent, external party helps us handle received cases.
<b>Human rights</b>	We assess the risk of human rights violations in our own operations to be low. We accept no forms of child labour, forced labour or other human rights violations – neither in Rejlers' own operations or in our supply chain.	Rejlers respects the UN Global compact and its ten principles in regard to human rights, working conditions, consideration for the environment and anti-corruption. These guidelines are to be complied with both internally in the operations and Rejlers works with the company's suppliers to ensure compliance in the supply chain.
<b>Environment</b>	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
<b>Liquidity risk</b>	Rejlers' liquidity is affected by the earnings accrual and the undertakings the Group has with regard to supplementary purchase considerations for acquisitions, loans to credit institutions, interest, etc. Liquidity can also be impacted by the amount of overdue trade receivables.	The Group's finance policy, which is continuously updated, comprises the handling of the Group's liquidity risks. Liquidity forecasts are continuously reported to the Board of Directors of Rejlers AB, including covenant forecasts. Future commitments' relation to earning accrual is continuously monitored and it is checked that procedures for collection of overdue trade receivables are in place.
<b>Currency, and interest-rate risk</b>	Changes in interest rates and foreign exchange rates have an effect on cash flow, earnings and the balance sheet. The Group's expenses and revenues are chiefly in local currencies, i.e. SEK, NOK and EUR. Even in the event of major foreign exchange rate changes we consider the consolidated balance sheet only to be exposed to a minor extent.	The Group's finance policy, which is continuously updated, comprises the handling of the Group's currency and interest-rate risks. The company's liquidity is managed through Group currency accounts in the bank in order to optimise the use of the respective currency and to handle interest expenses regarding the utilisation of overdraft facilities. Interest rate terms for the other bank loans are deemed to be market based and may be negotiated if this changes.
<b>Credit risk</b>	Credit risk entails risks linked to the ability of customers to pay. Rejlers has a major exposure to customers in the public sector where the credit risk is low.	The Group's finance policy, which is continuously updated, comprises the handling of the Group's credit risks. Because customers are invoiced on an ongoing basis, the accrued credit risk is relatively limited even in major assignments. The majority of Rejlers' customers are large and recurring, including in the public sector. We work in long-term relationships with our customers, which reduces credit risk. For new, previously unknown customers, a credit report is obtained and terms of payment can be shortened for customers deemed to have a higher credit risk.

# Corporate Governance Report

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

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

## Shareholders

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

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. Share capital is 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

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 2017 financial year took place on 7 May 2018 in Stockholm. The AGM was attended by 26 shareholders who represented 70.7 per cent of the company's votes and 49.2 per cent of equity. The Meeting was led by the Chairman of the Board at the time, Ivar Verner. The minutes from the Annual General Meeting are available on the company's website [www.rejlers.com/se](http://www.rejlers.com/se).

## The AGM resolved, *inter alia*:

- In accordance with the Board's proposal, to appropriate the company's earnings such that of unappropriated earnings of SEK 347,881,261, a total of SEK 9,043,955 is to be paid to the shareholders in dividend, of which SEK 874,625 in total was paid to holders of Class B shares in dividend and the remainder was carried forward. Accordingly, a dividend was decided on of SEK 0.50 per share, regardless of class. The record date for receipt of the dividend was set at 9 May 2018.
- To adopt the income statement and balance sheet and consolidated income statement and consolidated balance sheet, in accordance with the Board's proposal.
- To discharge the members of the Board and CEO from liability as proposed by the auditor.
- In accordance with the Nomination Committee's proposal, that the Board of Directors shall consist of five (5) ordinary members without deputies for the period until the end of the next Annual General Meeting.
- In accordance with the Nomination Committee's proposal, that the Board of Directors shall consist of the re-election of Peter Rejler, Jan Samuelsson, Annika Steiber and the election of Helena Levander and Patrik Boman for the period until the next AGM.
- The adoption of principles for Nomination Committee assignments and appointments and the guidelines for remuneration of senior executives.
- To set the remuneration of the Board as per the Nomination Committee's proposal, and the remuneration of auditors as per approved invoice

- To authorise the Board to pass a resolution for the issue of a maximum of 600 000 Class B shares without preferential rights for existing shareholders.
- All resolutions at the Annual General Meeting were passed unanimously or by a required majority. The 2019 AGM in respect of the 2018 financial year will be held on 3 May 2019 in Stockholm.

## Nomination Committee

The General Meeting of shareholders 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 2019 AGM consists of Kent Hägglund representing Peter Rejler, Martina Rejler representing Jan Rejler and Mats Andersson representing Nordea Fonder. Mats Andersson accordingly replaces Johan Lannebo, 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 2019 AGM and the Nomination Committee's assignment.

As the basis for the Nomination Committee's work, the chairman of the Board and the CEO submitted a report on the work of the Board during the year. Furthermore, an annual evaluation of the Board was carried out on behalf of the Nomination Committee.

## Diversity

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

## Board of Directors

Rejlers Board and the Chairman of the Board are appointed by the General Meeting. The Board approves Rejlers strategy and objectives, issues steering documents, ensures effective evaluation of operations and monitors the company's development and financial situation. During the 2018 financial year, the Board consisted of five members, who are presented in greater detail on page 9. The Board held eight minuted meetings during the 2018 financial year. Average attendance was 94 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 organisations appointed Björn Lauber and Sten Pettersson as Board members and Tore Gregorsson as a deputy member.

Peter Rejler was elected by the Annual General Meeting as the Chairman of the Board. Jan Samuelsson was elected the Vice Chairman. The Audit Committee consists of Jan Samuelsson (chair), Helena Levander and Peter Rejler. The Board in its entirety forms the Remuneration Committee. The Board decided to discontinue the previously established Investment Committee and let the Board as a whole handle investment issues.

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

### The Board's rules of procedure

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

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

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

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

### Board composition

Name	Function	Independent	Elected	Present
Ivar Verner <sup>1)</sup>	Chairman	Yes	2010	4/4
Thord Wilkne <sup>2)</sup>	Board member	Yes	2007	4/4
Helena Levander	Board member	Yes	2018	4/4
Peter Rejler <sup>3)</sup>	Member/Chairman	No	2010	8/8
Jan Samuelsson	Board member	Yes	2010	8/8
Helena Nordman-Knutson	Board member	Yes	2014	2/4
Patrik Boman <sup>4)</sup>	Board member	Yes	2018	4/4
Annika Steiber	Board member	Yes	2016	8/8
Sten Pettersson	Employee representative	Yes	2009	8/8
Björn Lauber	Employee representative	Yes	1998	7/8
Tore Gregorsson	Employee representative, Deputy	Yes	2016	3/3

1) Chairman until AGM 2018

2) Helena Levander was elected a new Board member at the AGM 2018 and replaced Thor Wilke who declined re-election

3) Dependent in relation to the company through employment as well as major shareholder. Peter Rejler was appointed Chairman at the 2018 Annual General Meeting and succeeded Ivar Verner who declined re-election

4) Patrik Boman was elected a new Board member at the AGM 2018 and replaced Helena Nordman-Knutsson who declined re-election

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 2018, 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 2018 AGM, the Board appointed an Audit Committee, comprising Jan Samuelsson (Chairman), Helena Levander and Peter Rejler. 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.

### 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 2018 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 400,000 to the Chairman of the Board, SEK 300,000 to the Vice Chairman and SEK 230,000 each to the other members who are not Rejlers employees. An additional SEK 220,000 was set aside for committee work.

See Note 31 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.

Viktor Svensson began as the President and CEO of Rejlers on 22 February 2018. Viktor most recently comes from ÅF where he has worked in several different roles over the past 15 years, including as the Vice President of Communications, Vice President of Sales and in recent years as the President of the ÅF Technology Division. Viktor was born in 1975. The President 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, Finland and Norway, 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 Authorised Public Accountant Johan Telander as auditor-in-charge. Deloitte audits all active Rejlers companies in Sweden, Finland and Norway which were wholly owned by Rejlers during 2018. 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 2018 and 2017 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 on news and events that can materially impact the company's valuation and future prospects. Rejlers' policy is to publish orders that are of strategic value
- Presentations for financial analysts, investors and media
- Rejlers' website – [www.rejlers.com](http://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 organisation. The quality management system is supplemented by a series of documented directives, which include a financial manual containing guidelines for accounting and financial management together with the information policy. Rejlers maintains a quality management system that includes procedures, instructions and templates for relevant processes. Rejlers is always busy developing and improving quality and processes in order to meet the standards customers, suppliers and employees expect of a consultancy. The organisational 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 organisation 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 organisation at both function and departmental level in order to ensure relevant knowledge of financial reporting in the organisation. The aim is the ability to guarantee with reasonable certainty that Rejlers' short-term and long-term targets are achieved. The aim of risk management and internal controls in connection with financial reporting is the ability to guarantee with reasonable certainty that the external financial reporting is reliable with regard to interim reporting, annual reporting and the annual accounts, and to ensure that the external financial reporting is prepared in accordance with laws, applicable financial reporting standards and other requirements that must be met by listed companies.

### **Information and communication**

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

### **Control activities**

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

### **Monitoring**

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

Stockholm, 8 April 2019  
Board of Directors Rejlers AB

**CONSOLIDATED INCOME STATEMENT**

Amount SEK million	Note	2018	2017
<b>Operating revenues</b>			
Net sales	5	2,365.2	2,464.7
Other operating revenues	6	1.8	5.4
<b>Total operating revenue</b>		<b>2,367.0</b>	<b>2,470.1</b>
<b>Operating expenses</b>			
Other external expenses	8	-823.4	-950.3
Personnel expenses	7	-1,460.8	-1,448.9
Capitalised work on own account	9	-16.2	-14.9
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	10-13	-31.3	-31.3
Participations in associated company earnings	14	0.8	0.3
<b>Operating profit</b>		<b>36.1</b>	<b>25.1</b>
Financial income	15	4.0	4.1
Financial expenses	16	-10.0	-7.7
<b>Total net financial income/expense</b>		<b>-6.0</b>	<b>-3.6</b>
<b>Profit before tax</b>		<b>30.1</b>	<b>21.5</b>
Tax	17	-13.9	-9.8
<b>PROFIT FOR THE YEAR</b>		<b>16.2</b>	<b>11.7</b>
Attributable to the Parent Company's shareholders		15.4	11.7
Attributable to shareholders without a controlling influence		0.8	0.0
Earnings per share for profits attributable to the Parent Company's shareholders before dilution	18	0.85	0.71
Earnings per share for profits attributable to the Parent Company's shareholders after dilution	18	0.85	0.71

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

Amount SEK million	Note	2018	2017
Profit for the period		16.2	11.7
<b>Items that may be reclassified to the income statement</b>			
Translation differences of foreign operations, net after tax		12.9	-5.6
<b>Items that will not be reclassified to the income statement</b>			
Revaluation of net pension provisions		1.4	-3.5
		<b>30.5</b>	<b>2.6</b>

## CONSOLIDATED BALANCE SHEET

Amount SEK million	Note	2018	2017
<b>ASSETS</b>			
NON-CURRENT ASSETS			
<b>Intangible assets</b>			
Capitalised expenditures for program development	9	52.2	45.4
Software	10	10.2	7.2
Customer values	11	75.6	69.1
Goodwill	12	468.3	443.8
<b>Total intangible assets</b>		<b>606.3</b>	<b>565.5</b>
<b>Property, plant and equipment</b>			
Equipment, tools, fixtures and fittings	13	24.8	32.1
<b>Total property, plant and equipment</b>		<b>24.8</b>	<b>32.1</b>
<b>Financial assets</b>			
Participations in associated companies	14	1.2	0.6
Non-current securities held as non-current assets	19	8.6	7.3
Other non-current receivables	20	3.9	3.7
<b>Total financial assets</b>		<b>13.7</b>	<b>11.6</b>
Deferred tax asset	17	36.5	40.1
<b>Total non-current assets</b>		<b>681.3</b>	<b>649.3</b>
CURRENT ASSETS			
<b>Current receivables</b>			
Inventories		3.6	3.2
Trade receivables	21	410.9	452.3
Current tax assets		37.0	30.8
Other receivables		15.7	18.0
Prepaid expenses and accrued income	22	212.0	243.3
<b>Total current receivables</b>		<b>679.2</b>	<b>747.6</b>
Cash and cash equivalents		38.2	20.3
<b>Total current assets</b>		<b>717.4</b>	<b>767.9</b>
<b>TOTAL ASSETS</b>		<b>1,398.7</b>	<b>1,417.2</b>

Amount SEK million	Note	2018	2017
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		36.2	36.2
Other capital contributed		391.3	391.3
Reserves		6.9	-6.0
Accumulated profit including profit for the year		272.9	316.0
<b>Total equity attributable to Parent Company shareholders</b>		<b>707.3</b>	<b>737.5</b>
Equity attributable to shareholders without a controlling influence		0.0	8.9
<b>Total equity</b>		<b>707.3</b>	<b>746.4</b>
<b>Non-current liabilities</b>			
Non-current liabilities to credit institutions	24	95.5	5.4
Deferred tax liability	17	37.5	40.4
Pension provisions	25	29.1	28.8
Other liabilities		76.0	8.2
<b>Total non-current liabilities</b>		<b>238.1</b>	<b>82.8</b>
<b>Current liabilities</b>			
Current liabilities to credit institutions	24	33.4	153.3
Trade payables		92.5	124.2
Advance payments from customers		0.3	0.3
Current tax liabilities		12.0	21.1
Other liabilities		109.5	101.5
Accrued expenses and deferred income	26	205.6	187.6
<b>Total current liabilities</b>		<b>453.3</b>	<b>588.0</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,398.7</b>	<b>1,417.2</b>

## 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
<b>Opening equity 01/01/2017</b>	<b>25.8</b>	<b>209.6</b>	<b>-0.3</b>	<b>301.1</b>	<b>536.2</b>	<b>16.0</b>	<b>552.2</b>
Comprehensive income for the period			-5.7	8.2	2.5	0.1	2.6
<b>Changes attributable to transactions with the owners</b>							
Acquisition of non-controlling interests				6.7	6.7	-6.7	0.0
New share issue	10.4	181.7	-	-	192.1		192.1
Dividends				0.0	0.0	-0.5	-0.5
	<b>10.4</b>	<b>181.7</b>	<b>-</b>	<b>6.7</b>	<b>198.8</b>	<b>-7.2</b>	<b>191.6</b>
<b>Closing equity 31/12/2017</b>	<b>36.2</b>	<b>391.3</b>	<b>-6.0</b>	<b>316.0</b>	<b>737.5</b>	<b>8.9</b>	<b>746.4</b>
<b>Opening equity 01/01/2018</b>	<b>36.2</b>	<b>391.3</b>	<b>-6.0</b>	<b>316.0</b>	<b>737.5</b>	<b>8.9</b>	<b>746.4</b>
Comprehensive income for the period			12.9	16.8	29.7	0.8	30.5
<b>Changes attributable to transactions with the owners</b>							
Acquisition of non-controlling interests				-50.9	-50.9	-9.2	-60.1
Dividends				-9.0	-9.0	-0.5	-9.5
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-59.9</b>	<b>-59.9</b>	<b>-9.7</b>	<b>-69.6</b>
<b>Closing equity 31/12/2018</b>	<b>36.2</b>	<b>391.3</b>	<b>6.9</b>	<b>272.9</b>	<b>707.3</b>	<b>0.0</b>	<b>707.3</b>

## CONSOLIDATED STATEMENT OF CASH FLOW

Amount SEK million	Note	2018	2017
<b>Cash flow from operating activities</b>			
Operating profit		36.1	25.1
<b>Adjustments for items not included in cash flow</b>			
Depreciation of non-current assets	9-13	47.5	46.1
Restructuring items		27.6	-
Other items		9.6	2.3
<b>Total, items not affecting cash flow</b>		<b>84.7</b>	<b>48.4</b>
Interest paid		-4.6	-4.5
Interest received		0.8	1.8
Income tax paid		-30.7	-8.3
<b>Cash flow from operating activities before change in working capital</b>		<b>86.3</b>	<b>62.5</b>
<b>Change in working capital</b>			
Reduction in inventories		-0.5	2.9
Increase/decrease in trade receivables		39.8	-77.7
Increase in other current receivables		24.2	-23.0
Increase (+) decrease (-) in trade payables		-36.8	-6.8
Increase (+) decrease (-) in other current liabilities		10.1	0.7
<b>Cash flow from operating activities</b>		<b>123.1</b>	<b>-41.4</b>
<b>Investing activities</b>			
Acquisition of property plant and equipment		-5.8	-6.2
Acquisition of intangible assets		-27.2	-29.5
Acquisition of operation after deductions for acquired cash and cash equivalents	28	-33.9	-27.7
Dividends from associated companies		0.3	0.3
Acquisition of other financial assets		-1.3	-3.9
Sale of other financial assets		0.0	0.3
<b>Cash flow from investing activities</b>		<b>-67.9</b>	<b>-66.7</b>
<b>Financing activities</b>			
Loans raised		-	-
Amortisation of loans	31	-28.5	-128.3
New share issue		-	192.0
Dividends paid to shareholders		-9.5	-0.5
<b>Cash flow from financing activities</b>		<b>-38.1</b>	<b>63.2</b>
<b>Cash flow for the year</b>		<b>17.1</b>	<b>-44.9</b>
Cash and cash equivalent at beginning of year		20.3	64.9
Exchange rate differences in cash and cash equivalents		0.8	0.3
<b>Cash and cash equivalent at year end</b>		<b>38.2</b>	<b>20.3</b>

# 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 8 April 2019. 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 3 May 2019.

## 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

IFRS 9 has replaced IAS 39 Financial Instruments: Recognition and Measurement and contains rules on recognition, classification and measurement, impairment, write-off and general rules for hedge accounting. The Group does not apply hedge accounting.

**Classification and measurement:** At initial recognition, financial assets shall be classified according to fair value through profit or loss, amortised 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 since initial recognition, the provision corresponds to the credit loss expected to occur as a result of default within 12 months. For

financial assets where a significant increase of the credit risk has occurred since initial recognition and for those that are uncertain, the provision corresponds to the expected credit losses for the asset's remaining duration.

The standard had no effect on the consolidated financial statements in 2018.

### IFRS 15 Revenue from Contracts with Customers

IFRS 15 has replaced IAS 18 Revenue, IAS 11 Construction Contracts and associated interpretations. The Group applies 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 recognises 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.

In Rejlers' business model, income is categorised according to IFRS 15 at the same level as the segments and is presented in more detail under the segment information. Income mainly consists of the sale of consultancy services which fulfil the criteria for reporting over time. Work is performed on ongoing account or at fixed price and is recognised as income over time at the pace in which the work is done, largely monthly but also according to achieved milestones. In most cases, invoicing is done in the period after the income is entered in the accounts.

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

Rejlers has assessed the effect of the transition to the new accounting standard IFRS 16 Leases, which is applied as of 1 January 2019. Rejlers' initial estimate is that IFRS 16 will have a small positive effect on operating profit and a small effect on profit after financial items. The estimated effects on the balance sheet are presented by the table below. The leasing portfolio contains nearly 250 leases and mainly comprises operating leases for offices, office equipment and vehicles. Existing finance leases previously recognised according to IAS 17 Leases are reclassified according to IFRS 16 to the amounts that were recognised the date immediately before the application of the new standard.

Rejlers has identified leases with options to extend the lease in addition to the ordinary contract period. This means that Rejlers must itself determine the contract period that can be considered reasonable instead of considering the contract period in the leases. As a result of these considerations, the contract period of many lease has been deemed to be longer.

### Subsequent valuation

After the transition to IFRS 16, Rejlers measures all leases in accordance with the cost method, which means that the rights of use are measured at cost less accumulated amortisation and impairment and adjustments as a result of potential restatement of the lease liability that reflects a reassessment or change of the lease. The remeasurement amount is recognised as an adjustment of the right of use, if the carrying amount for the right of use is impaired to zero and there is a further reduction in the valuation of the lease liability, any remaining amount for the remeasurement is recognised in profit or loss.

SEK million	Closing balance at 31 December 2018 before the transition to IFRS 16 Leases	Assessed reclassifications as a result of the transition to IFRS 16 Leases	Assessed adjustments as a result of the transition to IFRS 16 Leases	Assessed adjusted opening balance at 1 January 2019
Right of use	-	-	289.3	289.3
Lease liabilities, interest bearing	-	-	289.3	289.3

### Balance sheet transition effects

Rejlers has chosen to report the transition to the new standard with the simplified method. The relief rule to not prepare a comparative year was applied. The size of the right of use has been measured to correspond to the size of the lease liability at the transition date. A marginal interest rate on loans has been set per country. The usufruct period has been set with knowledge of how termination and extension clauses have been applied. Right of use agreements shorter than 12 months or that expire within 12 months from the transition date are classified as short-term agreements and are thereby not included in the recognised liabilities and rights of use. In addition, right of use agreements (with a new purchase price of less than USD 5,000) have been classified as low-value agreements and are not included in the recognised liabilities or rights of use.

### Segment reporting

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

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

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

### Classifications

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

### Consolidation principles

#### Subsidiaries

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

The acquisition method is used for reporting the Group's business combinations. The purchase price 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 unrealised gains between Group companies are eliminated. Unrealised losses are also eliminated, but any losses are considered to indicate a need to recognise impairment for the transferred asset. The accounting policies in acquired subsidiaries have been changed where applicable to guarantee consistent application of the Group's principles.

#### Associated companies

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

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

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

#### Translation of foreign currencies

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

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

In the consolidated financial statements, subsidiary company accounts have been translated to Swedish kronor, which is the Group's reporting currency.

cy. The translation of foreign subsidiaries' income statements and balance sheets to Swedish currency is carried out as follows:

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

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

### Property, plant and equipment

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

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

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

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

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

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

### Intangible assets

#### Goodwill

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

#### Customer values

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

### Software

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

#### Capitalised expenditures for program development

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

#### Impairment tests for non-financial assets

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

#### Financial 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 recognised 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 recognised in profit or loss.

### Other financial liabilities

Financial liabilities that are not held for trade are measured at accrued cost. Amortised 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.

### Financial instruments, IFRS 9

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

### Classification and measurement

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

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

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

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

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

### Fair value of financial instruments

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

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

### Amortised cost and the effective interest method

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

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

### Impairment

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

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

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

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

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

### Inventories

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

### Taxes

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

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

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

## Remuneration of employees

### Pension obligations

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

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

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

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

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

### Termination benefits

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

### Profit-sharing and bonus plans

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

### Provisions

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

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

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

## Revenue from Contracts with Customers

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

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

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

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

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

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

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

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

### Interest income and dividends

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

### 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 capitalised as part of the cost of the asset where it is

probable that the asset will lead to future economic benefits for the Group and the expenditures can be measured reliably. Other borrowing costs are expensed in the period in which they arise and are classified in their entirety as financial expenses in the income statement. Borrowing is classified as current liabilities, unless the Group is entitled to defer payment of the liability for at least 12 months after the balance sheet date.

### State subsidies

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

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

### Statement of cash flows

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

### Cash and cash equivalents

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

### Parent Company Accounting Policies

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

## NOTE 3. FINANCIAL RISK FACTORS AND OTHER RISKS

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

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

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

Impact on earnings after tax, SEK million <sup>1)</sup>	2018	2017
<b>Exchange rate change EUR/SEK</b>		
+ 10%	3.9	2.9
- 10%	-3.9	-2.9

Impact on earnings after tax, SEK million <sup>1)</sup>	2018	2017
<b>Exchange rate change NOK/SEK</b>		
+ 10%	-0.3	0.2
- 10%	0.3	-0.2

<sup>1)</sup> As the Group does not recognise any value changes in other comprehensive income or equity, a corresponding effect arises in equity.

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

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

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

Impact on earnings after tax, SEK million <sup>1)</sup>	2018	2017
<b>Interest rate change</b>		
+ 1%	-1.5	-1.7
- 1%	1.5	1.7

**Credit risk**, refers to counterparty risk, the risk of a counterparty failing to meet its obligations. This risk is limited in major business deals by checking, before anything else, the counterparty's ability to pay. Rejlers has considerable customer exposure to government and other public authorities where the credit risk is very low. In the case of private-sector clients, an individual assessment of each client's ability to pay is carried out as required. Usually, customers are invoiced monthly, which means exposure on 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 514.3 million (532.2)

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.

	less than 1 year	between 1 and 2 years	between 2 and 5 years	more than 5 years
<b>2018</b>				
Liabilities to credit institutions, SEK million	33.4	95.5	-	-
Trade payables and other liabilities, SEK million	92.5	-	-	-
<b>2017</b>				
Liabilities to credit institutions, SEK million	148.4	-	-	-
Trade payables and other liabilities, SEK million	124.2	-	-	-

### 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 2018, the Group's strategy, which remains unchanged compared to 2017, 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 51 per cent (53). The debt/equity ratio amounted to 0.2 (0.3) at year-end:

	2018	2017
Interest-bearing liabilities	158.0	187.5
Equity attributable to Parent Company shareholders	707.3	737.5
Debt/equity ratio, times	0.2	0.3

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.

The equity/assets ratio for the Group at the end of the year was 51 per cent (53) and the net debt/equity ratio in relation to EBITDA was 1.4 (2.3).

## 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 (13) after tax, equivalent to 16 per cent (16) before tax.

If the estimated discount rate before tax applied for discounted cash flows had been one percentage point lower, the value-in-use for the Group would have grown by approximately SEK 156 million (132).

### Revenue recognition

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

### Income taxes

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

## NOTE 5. SEGMENT INFORMATION

### Income statement in summary per segment, SEK million

	Sweden		Finland		Norway		Group-wide		Eliminations		Group	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
External sales	1,173.7	1,185.2	576.9	462.2	617.0	816.9	-2.4	0.5	-	0.0	2,365.2	2,464.8
Sales between segments	11.3	15.3	0.0	2.7	34.8	22.2	37.4	36.6	-83.5	-76.9	0.0	-0.1
Other income	0.4	1.5	1.2	3.1	0.0	0.8	0.2	0.0	-	0.0	1.8	5.4
<b>Total income</b>	<b>1,185.4</b>	<b>1,202.0</b>	<b>578.1</b>	<b>468.0</b>	<b>651.8</b>	<b>839.9</b>	<b>35.2</b>	<b>37.1</b>	<b>-83.5</b>	<b>-76.9</b>	<b>2,367.0</b>	<b>2,470.1</b>
Depreciation	-11.2	-10.8	-12.0	-10.5	-21.7	-21.3	-2.6	-3.5	0.0	0.0	-47.5	-46.1
Other operating expenses	-1,141.1	-1,151.1	-527.4	-428.2	-633.8	-835.0	-64.6	-61.5	83.5	76.9	-2,283.4	-2,398.9
<b>Operating profit</b>	<b>33.1</b>	<b>40.1</b>	<b>38.7</b>	<b>29.3</b>	<b>-3.7</b>	<b>-16.4</b>	<b>-32.0</b>	<b>-27.9</b>	<b>-</b>	<b>-</b>	<b>36.1</b>	<b>25.1</b>
Financial income	-	-	-	-	-	-	4.0	4.1	-	-	4.0	4.1
Financial expenses	-	-	-	-	-	-	-10.0	-7.7	-	-	-10.0	-7.7
<b>Profit before tax</b>	<b>33.1</b>	<b>40.1</b>	<b>38.7</b>	<b>29.3</b>	<b>-3.7</b>	<b>-16.4</b>	<b>-38.0</b>	<b>-31.5</b>	<b>-</b>	<b>-</b>	<b>30.1</b>	<b>21.5</b>
Investments	10.8	9.2	33.9	27.9	22.2	25.8	-	0.5	-	-	66.9	63.4

Rejlers' operations are divided into three 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 Finland Oy, Matti Leppä Oy, Nurmi Oy, Jimexo Oy and Pivotech Oy and RJ Virta Oy.

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

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

Eliminations refers to transactions between the segments.

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

## NOTE 6. OTHER OPERATING INCOME

SEK million	2018	2017
Income from let premises	0.3	0.2
Capital gains from assets	-	0.0
Other operating income	1.5	5.2
<b>Total</b>	<b>1.8</b>	<b>5.4</b>

## NOTE 7. EMPLOYEES

Full-time employees	2018			2017		
	Women	Men	Total	Women	Men	Total
<b>Parent Company</b>						
Sweden	5	8	13	4	9	13
<b>Subsidiaries</b>						
Sweden	185	767	939	206	826	1,032
Finland	97	257	603	92	467	559
Norway	38	506	295	22	295	317
<b>Consolidated total</b>	<b>325</b>	<b>1,538</b>	<b>1,863</b>	<b>324</b>	<b>1,597</b>	<b>1,921</b>

### Remuneration of the President and CEO

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

### Remuneration of other senior executives

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

### Salaries, other remuneration, pensions and social security contributions – 2018

SEK million	Salary and other remuneration	Variable remuneration	Social security contributions	Pension expenses
Board and other senior executives	19.7	8.1	7.3	5.5
Other employees	1,008.1	5.9	217.6	134.8
<b>Total</b>	<b>1,027.8</b>	<b>14.0</b>	<b>224.9</b>	<b>140.3</b>

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

SEK million	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
<b>Total</b>	<b>1,033.6</b>	<b>7.7</b>	<b>234.7</b>	<b>124.8</b>

### Remuneration of the Board

Remuneration of the Board is paid according to AGM resolution. For the period between the 2017 AGM and the 2018 AGM, a Board fee of SEK 400 thousand (370) will be paid to the Chairman of the Board, SEK 300 thousand (-) to the Vice Chairman and SEK 230 thousand (200) to members of the Board who are not employees of the company. In addition, remuneration is

payable in an amount of SEK 100 thousand (80) to the chairman and SEK 60 thousand (50) to each of the members of the Board's Audit Committee. It was decided that the entire Board would take care of issues that were addressed last year in the 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. Peter Rejlers was succeeded as President and CEO by Viktor Svensson in February 2018.

### Remuneration of the CEO, senior executives – 2018

SEK million	Remuneration of the CEO <sup>1)</sup>	Other senior executives <sup>2)</sup>
Pay and other benefits	6.3	11.9
Variable remuneration	6.3	1.7
Pension contributions	3.3	2.2
Social Security contributions	4.3	3.2
<b>Total</b>	<b>20.2</b>	<b>19.0</b>

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

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

### Remuneration of the CEO, senior executives – 2017

SEK million	Remuneration of the CEO	Other senior executives <sup>1)</sup>
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
<b>Total</b>	<b>4.0</b>	<b>17.5</b>

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

### Remuneration of the Board – 2018

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

1) Withdrew at the 2018 Annual General Meeting

### 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
<b>Total</b>	<b>1,170</b>	<b>255</b>

## NOTE 8. AUDITORS FEES

SEK million	2018	2017
<b>Deloitte</b>		
Remuneration for audit assignment	2.7	2.4
Remuneration for auditing activities in addition to the audit assignment	0.1	0.4
Remuneration for tax consultancy services	-	0.1
Remuneration for other assignments	0.3	0.5
<b>Other auditors</b>		
Remuneration for audit assignment	0.2	0.5
Remuneration for other assignments	-	0.1
<b>Total</b>	<b>3.3</b>	<b>4.0</b>

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. CAPITALISED EXPENDITURES FOR PROGRAM DEVELOPMENT

SEK million	2018	2017
Opening cost	80.1	62.2
Translation difference	2.4	-7.0
Internally developed software for the year	22.1	25.0
Increase via business acquisitions	0.0	-
Sales/retirements	-0.5	-0.1
<b>Closing accumulated cost</b>	<b>104.1</b>	<b>80.1</b>
Opening depreciation	-34.7	-24.7
Translation difference	-1.7	4.8
Depreciation for the year	-16.2	-14.9
Sales/retirements	0.7	0.1
<b>Closing accumulated depreciations</b>	<b>-51.9</b>	<b>-34.7</b>
<b>Closing residual value</b>	<b>52.2</b>	<b>45.4</b>

## NOTE 10. SOFTWARE

SEK million	2018	2017
Opening cost	20.7	30.3
Translation difference	0.8	0.0
Purchases of software	5.5	4.8
Increase via business acquisitions	1.3	0.1
Sales/retirements	-4.9	-14.5
<b>Closing accumulated cost</b>	<b>23.4</b>	<b>20.7</b>
Opening depreciation	-13.5	-25.4
Translation difference	-0.5	0.1
Sales/retirements	4.4	14.5
Depreciation for the year	-3.6	-2.7
<b>Closing accumulated depreciation</b>	<b>-13.2</b>	<b>-13.5</b>
<b>Closing residual value</b>	<b>10.2</b>	<b>7.2</b>
Of which fixtures and fittings financed through financial leasing:		
Closing accumulated cost	0.6	1.1
Closing accumulated depreciation	-0.3	-0.7
<b>Closing residual value</b>	<b>0.3</b>	<b>0.4</b>

## NOTE 11. CUSTOMER VALUES

SEK million	2018	2017
Opening costs	137.8	133.5
Translation difference	1.6	1.7
Customer value through business acquisitions	17.3	2.6
<b>Closing accumulated cost</b>	<b>156.7</b>	<b>137.8</b>
Opening depreciation	-68.7	-54.1
Translation difference	-0.2	-2.2
Depreciation for the year	-12.2	-12.4
<b>Closing accumulated depreciation</b>	<b>-81.1</b>	<b>-68.7</b>
<b>Closing residual value</b>	<b>75.6</b>	<b>69.1</b>

This year's increase through customer values comes from the acquisition of the assets and liabilities of Dynamate and the share acquisitions in Nurmi Oy, Jimexo Oy and Piviotech 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

SEK million	2018	2017
Opening costs	446.3	435.1
Translation difference	7.8	-0.2
Acquisitions	16.7	11.4
<b>Closing accumulated cost</b>	<b>470.8</b>	<b>446.3</b>
Impairment losses brought forward	-2.5	-2.5
Impairment losses for the year	-	-
<b>Accumulated impairment losses carried forward</b>	<b>-2.5</b>	<b>-2.5</b>
<b>Closing residual value</b>	<b>468.3</b>	<b>443.8</b>

### Impairment tests for cash-generating units with goodwill

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

#### 1) 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 is calculated to 16 per cent (16) for Rejlers Sweden, 16 per cent (16) for Rejlers Finland and 16 per cent (16) for Rejlers Norway. 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 and 13 per cent (12) for Rejlers Norway.

SEK million	Book value		Value in use	
	2018	2017	2018	2017
Rejlers Sweden	224.4	224.4	1,011.2	878.0
Rejlers Finland	164.0	141.2	545.8	294.6
Rejlers Norway	79.9	78.1	392.3	367.7
<b>Total</b>	<b>468.3</b>	<b>443.8</b>	<b>1,949.3</b>	<b>1,540.4</b>

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

Sensitivity analysis	Sales growth		Operating margin		WACC before tax	
	2018	2017	2018	2017	2018	2017
SEK million						
Rejlers Sweden	3%	3%	8%	8%	16%	16%
Change in value SEK million +/- 1%	+/-79	+/-102	+/-115	+/- 137	+/- 86	+/-75
Rejlers Finland	3%	3%	8%	8%	16%	16%
Change in value SEK million +/- 1%	+/-37	+/-31	+/-55	+/-55	+/-31	+/-23
Rejlers Norway	3%	3%	8%	8%	16%	16%
Change in value SEK million +/- 1%	+/-32	+/-30	+/- 45	+/-41	+/- 40	+/-16

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

## NOTE 13. EQUIPMENT, TOOLS, FIXTURES AND FITTINGS

SEK million	2018	2017
Opening cost	130.9	130.1
Translation difference	3.5	-2.3
Purchases	10.8	11.0
Increase via business acquisitions	0.3	0.2
Sales/retirements	-29.3	-8.1
<b>Closing accumulated cost</b>	<b>116.2</b>	<b>130.9</b>
	<b>2018</b>	<b>2017</b>
Opening depreciation	-98.8	-92.6
Translation difference	-2.8	2.3
Sales/retirements	25.7	7.8
Depreciation for the year	-15.5	-16.3
<b>Closing accumulated depreciation</b>	<b>-91.4</b>	<b>-98.8</b>
<b>Closing residual value</b>	<b>24.8</b>	<b>32.1</b>

Of which fixtures and fittings financed through financial leasing:

Closing accumulated cost	17.2	24.8
Closing accumulated depreciation	-9.8	-14.9
<b>Closing residual value</b>	<b>7.4</b>	<b>9.9</b>

## NOTE 14. ASSOCIATED COMPANIES

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

SEK million	2018	2017
Opening carrying amount	0.6	0.6
Participation in associated company earnings	0.9	0.3
Withdrawal from associated company	-0.3	-0.3
<b>Closing carrying amount</b>	<b>1.2</b>	<b>0.6</b>

	Corp. ID no.	Registered office	Operations	Share of equity		Group's share of profits for the year, SEK million	
				2018	2017	2018	2017
Mirakelbolaget AB	556835-4350	Stockholm	Program development	50%	50%	0.9	0.3

### Summary of financial information from associated companies, SEK million

	Income		Profit for the year		Assets		Liabilities	
	2018	2017	2018	2017	2018	2017	2018	2017
Mirakelbolaget AB	10.2	8.9	1.7	0.7	6.0	5.0	4.3	1.7

## NOTE 15. FINANCIAL INCOME

SEK million	2018	2017
Interest income	0.8	1.8
Exchange-rate gains	3.1	2.3
Other income from financial items	0.1	0.0
<b>Total</b>	<b>4.0</b>	<b>4.1</b>

## NOTE 16. FINANCIAL EXPENSES

SEK million	2018	2017
Interest expenses	-4.3	-4.4
Exchange-rate losses	-5.4	-3.1
Other financial expenses	-0.3	-0.2
<b>Total</b>	<b>-10.0</b>	<b>-7.7</b>

## NOTE 17. TAX ON PROFIT FOR THE YEAR

SEK million	2018	2017
<b>The following items are included in tax expense:</b>		
Tax on profit for the year	-14.7	15.0
Deferred tax	2.3	-6.4
Adjustment, previous years	-1.5	0.0
<b>Total</b>	<b>-13.9</b>	<b>8.6</b>

SEK million	2018	2017
<b>Profit before tax</b>	<b>30.1</b>	<b>16.4</b>
Tax according to applicable rate 22% (22)	-6.6	3.6
Effect of foreign tax rates	0.9	-1.2
Effect of non-deductible expenses	-3.5	2.5
Effect of tax-exempt income	0.1	-0.3
Effect of changed tax rates	0.2	1.1
Adjustment, previous years	-1.5	-1.7
Other	-3.5	4.6
<b>Reported tax</b>	<b>-13.9</b>	<b>8.6</b>

In the Group, there are tax loss carry-forwards where deferred tax is not booked. The tax loss carry-forwards amount to SEK 45.8 million (34.6) and are estimated to be used in the Swedish operations as soon as the Group contribution limit has been passed in 2021. Of the deficits, SEK 9.6 million (-) pertains to Norway. These deficits can be utilised immediately. The tax loss carry-forwards have no expiration date.

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

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

SEK million	2018	2017
Opening balance	0.9	-6.3
Translation difference	0.7	-1.9
Through business combination	-1.8	-0.3
Recognised in the income statement	-0.4	7.8
Recognised in other comprehensive income	-0.4	1.6
<b>Deferred taxes, net</b>	<b>1.0</b>	<b>0.9</b>

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

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

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
<b>As of 31/12/2017</b>	<b>18.0</b>	<b>14.7</b>	<b>6.6</b>	<b>39.3</b>

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

Deferred tax assets	Tax losses	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	-	-	-
Recognised in other comprehensive income	-	1.6	1.6
Translation difference	-2.2	0.2	-2.0
<b>As of 31/12/2017</b>	<b>41.2</b>	<b>-1.1</b>	<b>40.2</b>

## NOTE 18. EARNINGS PER SHARE

	2018	2017
Profit attributable to the Parent Company's shareholders, SEK million	15.4	11.7
Average number of shares	18,087,909	16,417,744
<b>Earnings per share (SEK per share), before dilution</b>	<b>0.85</b>	<b>0.71</b>
<b>Earnings per share (SEK per share), after dilution</b>	<b>0.85</b>	<b>0.71</b>

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

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

SEK million	2018	2017
Opening cost	7.3	3.8
Purchases for the year	1.2	3.6
Sales during the year	0.0	0.0
Translation difference	0.1	-0.1
<b>Closing accumulated cost</b>	<b>8.6</b>	<b>7.3</b>

## NOTE 20. OTHER NON-CURRENT RECEIVABLES

SEK million	2018	2017
Opening cost	3.7	3.8
Increase for the year	0.2	0.3
Decrease for the year	0.0	-0.3
Translation difference	0.0	-0.1
<b>Total</b>	<b>3.9</b>	<b>3.7</b>

## NOTE 21. TRADE RECEIVABLES

SEK million	2018	2017
Trade receivables	415.1	457.2
Reservation for expected credit losses	-4.2	-4.9
<b>Total</b>	<b>410.9</b>	<b>452.3</b>

Age analysis, SEK million	2018	2017
Non-overdue receivables	379.5	409.6
Overdue < 30 days	25.4	33.9
Overdue 30–90 days	5.0	4.7
Overdue > 90 days	5.2	8.9
<b>Total</b>	<b>415.1</b>	<b>457.2</b>

Provisions for expected credit losses, SEK million	2018	2017
Provisions at beginning of year	-4.9	-7.8
Translation differences	-0.1	0.1
Reserves during the year	0.1	2.2
Verified losses	0.7	0.6
<b>Provisions at year-end</b>	<b>-4.2</b>	<b>-4.9</b>

## NOTE 22. PREPAID EXPENSES AND ACCRUED INCOME

SEK million	2018	2017
Prepaid rent	10.0	11.0
Accrued leasing charges	0.0	2.4
Accrued income	173.2	192.1
Other items	28.8	37.8
<b>Total</b>	<b>212.0</b>	<b>243.3</b>

## 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.

SEK million	2018	2017
Within one year	105.4	99.9
Between one to five years	105.1	150.9
More than 5 years	0.0	0.1
<b>Total</b>	<b>210.5</b>	<b>250.9</b>
Expensed leasing fees	18.7	17.4

## NOTE 24. LIABILITIES TO CREDIT INSTITUTIONS

Non-current, SEK million	2018	2017
Bank loans	91.3	-
Financial leasing	4.2	5.4
<b>Total</b>	<b>95.5</b>	<b>5.4</b>

Current, SEK million	2018	2017
Bank loans	28.5	148.4
Financial leasing	4.9	4.9
<b>Total</b>	<b>33.4</b>	<b>153.3</b>

The Group has an overdraft facility with a limit of SEK 150 million (50). The overdraft is entirely unutilised. 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.

At the end of 2018, the company refinanced its loans 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, SEK million	2018	2017
Within one year	33.6	148.4
1-2 years	30.7	-
2-3 years	29.0	-
3-4 years	28.5	-
4-5 years	5.8	-

### Conditions and repayment plans

	Loan amount in currency	Reported amount (SEK million)	Interest rate, %	Final payment year	Fixed interest period
Bank loans SEK	119.8	119.8	1.3	2020	30 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 2018 financial year, the company has not had access to information enabling it to account for its proportionate share of the plan's commitments, plan assets and costs, with the result that it has not been possible to recognise the plan as a defined-benefit plan. The ITP 2 pension plan secured through an insurance policy with Alecta is therefore recognised as a defined-contribution plan. Premiums for the defined-benefit retirement and family pension are individually calculated and depend, inter alia, on salary, previously earned pension and expected remaining length of service.

Anticipated premiums for the next reporting period for ITP 2 pensions with Alecta amount to SEK 25.9 million (26.4). The Group's share of the total expenses for the plan and of the total number of members in the plan total 0.16883 per cent (0.1674) and 0.12814 per cent (0.1447) 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 2018, Alecta's surplus in the form of the collective consolidation level was 142 per cent (154).

### Norway

There are defined benefit pension plans for employees hired before 2007 in Rejlers Norge AS, Rejlers Elsikkerhet AS and Rejlers Embriq AS; 29 (29) gainfully employed and 38 (32) retired individuals are covered by the plan. The pension plan provides a defined future pension based on number of years of service and salary level at the time of retirement. Plan assets are managed by an external asset manager.

### Finland

There are no defined-benefits pension plans in Finland.

### Defined-benefits pension plans in the balance sheet

SEK million	2018	2017
Present value of defined-benefits liabilities	-173.6	-165.0
Fair value of plan assets	144.5	136.2
<b>Total</b>	<b>-29.1</b>	<b>-28.8</b>
Pension provisions	29.1	28.8
<b>Reported in the balance sheet</b>	<b>29.1</b>	<b>28.8</b>

### Change in defined-benefits pension obligation

SEK million	2018	2017
Opening balance	-165.0	-164.3
Acquired pension obligations	-	-
Service cost for current year	-0.1	-0.5
Interest expenses	-3.8	-3.9
Yield from plan assets	-3.7	-9.6
Actuarial gains and losses	-2.9	-1.1
Changes in plans	-	-
Compensations paid	5.4	5.1
Payroll tax on pension funds paid	-0.2	-0.2
Translation difference	-3.3	9.5
<b>Total defined-benefits obligations</b>	<b>-173.6</b>	<b>-165.0</b>

### Change in the fair value of plan assets

SEK million	2018	2017
Opening balance	136.1	143.5
Acquired plan assets	-	-
Charges from the employer	2.7	2.0
Yield from plan assets, excluding interest	3.2	3.5
Actuarial gains and losses	4.5	1.6
Compensations paid	-5.4	-5.1
Employer's contributions on pensions paid	0.1	-0.5
Translation difference	3.3	-8.9
<b>Total plan assets</b>	<b>144.5</b>	<b>136.1</b>

### Allocation of plan assets

	2018	2017
Cash and cash equivalents	4%	9%
Shares	4%	20%
Interest-bearing securities	80%	59%
Properties	12%	12%
<b>Total</b>	<b>100%</b>	<b>100%</b>

### Actuarial assumptions

	2018	2017
Discount rate, %	2.3	2.6
Expected future annual pay increase, %	2.5	2.5

### Sensitivity analysis, %

	2018	2017
Discount rate +1%/-1%	18.4	17.1
Future annual pay increase +1%/-1%	1.4	1.5

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 7.4 years (5.9). Pension plan contributions are estimated at SEK 4.2 million (4.0) 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

SEK million	2018	2017
Accrued pay	110.2	114.1
Accrued social security contributions	29.9	23.6
Deferred income	16.5	18.3
Other	49.0	31.6
<b>Total</b>	<b>205.6</b>	<b>187.6</b>

## NOTE 27. PLEDGED ASSETS AND CONTINGENT LIABILITIES

SEK million	2018	2017
<b>Overdraft facilities</b>		
Floating charges	64.0	64.0
<b>Liabilities to credit institutions</b>		
Fixtures and fittings with financial leasing	14.7	54.4
Other bank guarantees	18.6	16.9
<b>Contingent liabilities</b>		
Rental responsibility	39.7	25.4
<b>Total</b>	<b>137.0</b>	<b>160.7</b>

## NOTE 28. BUSINESS COMBINATIONS

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

Acquisitions 2018	Transaction	Date	Part, trans	Part after	Purchase consideration, SEK million
Dynamate's consulting division	Assets+ liabilities	01/04/2018	100.0%	100.0%	8.3
A Pitkänen Oy	Assets+ liabilities	01/06/2018	100.0%	100.0%	1.5
Enease Oy	Assets+ liabilities	01/07/2018	100.0%	100.0%	1.0
Nurmi Oy	Shares	14/06/2018	100.0%	100.0%	1.6
Pivotech Oy	Shares	31/10/2018	100.0%	100.0%	3.1
Jimexo Oy	Shares	05/11/2018	100.0%	100.0%	16.9
<b>Total</b>					<b>32.4</b>

## The acquired businesses' contributions to sales and earnings

SEK million	2018	2017
Contribution to sales in accounts for the year	34.1	41.7
Contribution to sales if the business had been owned for the full year	79.4	50.7
Contribution to operating profit in accounts for the year	2.5	6.3
Contribution to operating profit if the business had been owned for the full year	4.8	9.0

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

SEK million	2018	2017
Non-current assets	1.7	0.3
Current assets	11.3	0.6
Cash and cash equivalents	7.4	2.8
Other current liabilities	-9.0	-1.7
Non-current liabilities	-	-
<b>Net identifiable assets and liabilities</b>	<b>11.4</b>	<b>2.0</b>

Goodwill	16.7	7.0
Customer values	17.3	1.4
Deferred tax on intangible assets	-1.8	-0.3
<b>Total</b>	<b>43.6</b>	<b>10.1</b>

## Purchase consideration, SEK million

Less:		
Cash and cash equivalents in acquired companies	-7.4	-2.8
Estimated additional purchase prices	-3.8	-
Supplemental purchase amounts paid	-0.3	-
<b>Decrease in cash and cash equivalents (+), increase (-)</b>	<b>32.1</b>	<b>7.3</b>

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 17.3 million (2.6) and goodwill of SEK 16.7 million (11.4). 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). Supplementary purchase considerations will be paid in 2019-2021.

## NOTE 29. FINANCIAL INSTRUMENTS BY CATEGORY

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

2018	Financial assets measured at fair value via the income statement	Loan and trade receivables	Other financial liabilities	Total carrying amount	Total fair value
Financial investments	8.6	-	-	8.6	8.6
Non-current receivables	-	3.9	-	3.9	3.9
Trade receivables	-	410.9	-	410.9	410.9
Other current receivables	-	52.7	-	52.7	52.7
Cash and cash equivalents	-	38.2	-	38.2	38.2
<b>Total</b>	<b>8.6</b>	<b>505.7</b>	<b>-</b>	<b>514.3</b>	<b>514.3</b>
Non-current interest-bearing liabilities	-	-	95.5	95.5	95.5
Other non-current liabilities	-	-	64.7	64.7	64.7
Current interest-bearing liabilities	-	-	33.4	33.4	33.4
Other current liabilities	-	-	122.2	122.2	122.2
Trade payables	-	-	92.5	92.5	92.6
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>408.3</b>	<b>408.3</b>	<b>408.3</b>
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
<b>Total</b>	<b>7.3</b>	<b>525.0</b>	<b>-</b>	<b>532.3</b>	<b>532.3</b>
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
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>415.1</b>	<b>415.1</b>	<b>415.1</b>

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	
	2018	2017	2018	2017
Associated companies	0.1	0.1	-	0.2
Rejler family	-	-	-	-

## NOTE 31. LIABILITIES ATTRIBUTABLE TO INVESTING ACTIVITIES

	2017	Cash flow	Non-cash items		2018
			Reclassifications	Other changes	
Non-current liabilities to credit institutions	5.4	0	91.3	-1.2	95.5
Current liabilities to credit institutions	153.3	-28.5	-91.3	-0.1	33.4
<b>Reconciliation of liabilities attributable to financing activities</b>	<b>158.7</b>	<b>-28.5</b>	<b>0</b>	<b>-1.3</b>	<b>128.9</b>

	2016	Cash flow	Non-cash items		2017
			Reclassifications	Other changes	
Non-current liabilities to credit institutions	155.0	0	-148.4	-1.2	5.4
Current liabilities to credit institutions	133.4	-128.3	148.4	-0.2	153.3
<b>Reconciliation of liabilities attributable to financing activities</b>	<b>288.4</b>	<b>-128.3</b>	<b>0</b>	<b>-1.4</b>	<b>158.7</b>

## NOTE 32. PROPOSED ALLOCATION OF PROFIT

Non-restricted equity in the Parent Company amounts to:	SEK 361,174,780
The Board of Directors and CEO propose that a dividend be paid to the shareholders in the amount of:	SEK 18,087,909
to be carried forward	SEK 343,086,871

**INCOME STATEMENT – PARENT COMPANY**

Amount SEK million	Note	2018	2017
<b>Operating revenues</b>			
Net sales	B, C	35.8	37.1
<b>Total operating revenue</b>		<b>35.8</b>	<b>37.1</b>
<b>Operating expenses</b>			
Other external expenses	C, D	-32.3	-44.3
Personnel expenses	E	-34.5	-19.3
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	K, L	-0.2	-0.3
<b>Operating profit</b>		<b>-31.2</b>	<b>-26.8</b>
<b>Profit/loss from financial items</b>			
Profit-sharing, Group companies	F	26.8	30.5
Other interest income and similar profit/loss items	G	5.0	2.8
Interest expenses and similar profit/loss items	H	-5.8	-5.5
<b>Profit after financial items</b>		<b>-5.2</b>	<b>1.0</b>
Appropriations	I	8.3	13.7
Tax on profit for the year	J	0.0	-0.2
<b>PROFIT FOR THE YEAR</b>		<b>3.1</b>	<b>14.5</b>

**STATEMENT OF COMPREHENSIVE INCOME – PARENT COMPANY**

Amount SEK million	Note	2018	2017
Profit for the year		3.1	14.5
<b>Comprehensive income for the year</b>		<b>3.1</b>	<b>14.5</b>

## BALANCE SHEET – PARENT COMPANY

Amount SEK million	Note	2018	2017
<b>ASSETS</b>			
NON-CURRENT ASSETS			
<b>Intangible assets</b>			
Capitalised expenditures for program development	K	0.0	0.0
<b>Total intangible assets</b>		<b>0.0</b>	<b>0.0</b>
<b>Property, plant and equipment</b>			
Equipment, tools, fixtures and fittings	L	0.4	0.6
<b>Total property, plant and equipment</b>		<b>0.4</b>	<b>0.6</b>
<b>Financial assets</b>			
Participations in associated companies	M	0.0	0.0
Participations in Group companies	N	445.3	387.4
Other non-current receivables		4.5	4.5
<b>Total financial assets</b>		<b>449.8</b>	<b>391.9</b>
<b>Total non-current assets</b>		<b>450.2</b>	<b>392.5</b>
CURRENT ASSETS			
<b>Current receivables</b>			
Receivables from Group companies		198.6	248.2
Other receivables		1.7	2.67
Current tax assets		10.0	9.8
Prepaid expenses and accrued income	O	1.1	1.2
<b>Total current receivables</b>		<b>211.4</b>	<b>261.9</b>
Cash and cash equivalents		8.6	0.9
<b>Total current assets</b>		<b>220.0</b>	<b>262.8</b>
<b>TOTAL ASSETS</b>		<b>670.2</b>	<b>655.3</b>

Amount SEK million	Note	2018	2017
<b>EQUITY</b>			
<b>Restricted equity</b>			
Share capital		36.2	36.2
Statutory reserve		29.6	29.6
<b>Total restricted equity</b>		<b>65.8</b>	<b>65.8</b>
<b>Non-restricted equity</b>			
Accumulated profit or loss		-5.5	-11.0
Share premium account		363.6	363.6
Profit for the year		3.1	14.5
<b>Total non-restricted equity</b>		<b>361.2</b>	<b>367.1</b>
<b>Total equity</b>		<b>427.0</b>	<b>432.9</b>
Untaxed reserves	P	0.0	8.3
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Liabilities to credit institutions		91.3	0.0
Other non-current liabilities		61.6	1.6
<b>Total non-current liabilities</b>		<b>152.9</b>	<b>1.6</b>
<b>Current liabilities</b>			
Trade payables		1.1	11.4
Liabilities with Group companies		49.8	48.9
Liabilities to credit institutions		28.5	148.4
Other liabilities		0.0	0.0
Accrued expenses and deferred income	Q	10.9	3.8
<b>Total current liabilities</b>		<b>90.3</b>	<b>212.5</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>670.2</b>	<b>655.3</b>

**CHANGES IN EQUITY – PARENT COMPANY**

Amount SEK million	Restricted equity		Non-restricted equity		Total equity
	Share capital	Statutory reserve	Share premium account	Accumulated profit or loss	
<b>Opening balance 01/01/2017</b>	<b>25.8</b>	<b>29.6</b>	<b>182.0</b>	<b>-11.0</b>	<b>226.4</b>
Profit for the year	-	-	-	14.5	14.5
<b>Transactions with shareholders</b>					
New share issue	10.4	-	181.6	-	192.0
<b>Closing balance 31/12/2017</b>	<b>36.2</b>	<b>29.6</b>	<b>363.6</b>	<b>3.5</b>	<b>432.9</b>
<b>Opening balance 01/01/2018</b>	<b>36.2</b>	<b>29.6</b>	<b>363.6</b>	<b>3.5</b>	<b>432.9</b>
Profit for the year	-	-	-	3.1	3.1
<b>Transactions with shareholders</b>					
Dividend in respect of 2017	-	-	-	-9.0	-9.0
<b>Closing balance 31/12/2018</b>	<b>36.2</b>	<b>29.6</b>	<b>363.6</b>	<b>-2.4</b>	<b>427.0</b>

**CASH FLOW – PARENT COMPANY**

Amount SEK million	Note	2018	2017
<b>Cash flow from operating activities</b>			
Operating profit		-31.2	-26.5
Adjustment for items not included in cash flow			
Depreciation of non-current assets		0.2	0.3
<b>Total, items not affecting cash flow</b>		<b>0.2</b>	<b>0.3</b>
Dividends from Group companies		5.1	4.5
Interest received		2.0	1.7
Interest paid		-2.6	-4.1
Income tax paid		-0.2	-0.2
<b>Cash flow from operating activities before change in working capital</b>		<b>-26.7</b>	<b>-24.3</b>
<b>Change in working capital</b>			
Increase/decrease in current receivables		50.7	-106.2
Increase/decrease in accounts payable		-10.2	10.1
Increase/decrease in other current liabilities		7.4	-15.6
<b>Cash flow from operating activities</b>		<b>21.2</b>	<b>-136.0</b>
<b>Investing activities</b>			
Sale of subsidiaries		2.1	-
Investments in other financial assets		-	-2.9
Acquisition of tangible assets		-0.8	-0.5
<b>Cash flow from investing activities</b>		<b>1.3</b>	<b>-3.4</b>
<b>Financing activities</b>			
New share issue		-	192.0
Amortisations	S	-28.5	-128.3
Group contributions received		22.0	26.0
Dividend paid		-9.0	-
<b>Cash flow from financing activities</b>		<b>-15.5</b>	<b>89.7</b>
<b>Cash flow for the year</b>		<b>7.0</b>	
Cash and cash equivalent at beginning of year		0.9	50.2
Exchange rate differences in cash and cash equivalents		0.7	0.4
<b>Cash and cash equivalent at year end</b>		<b>8.6</b>	<b>0.9</b>

## 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 2018 and 2019 financial year have not/will not have any material impact on the Parent Company's financial statements.

### Changes in accounting principles

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

## NOTE B. INCOME

SEK million	2018	2017
Accrued fees	35.6	37.1
Other revenue attributable to consultancy activities	0.2	-
<b>Total</b>	<b>35.8</b>	<b>37.1</b>

## NOTE C. PURCHASES AND SALES BETWEEN GROUP COMPANIES

SEK million	2018	2017
Purchases (as a % of Other external expenses)	21	44
Sales (as a % of Total operating income)	100	100

## NOTE D. AUDITORS FEES

SEK million	2018	2017
Remuneration for audit assignment	1.2	1.2
Remuneration for auditing activities in addition to the audit assignment	-	0.2
Remuneration for tax consultancy services	-	-
Remuneration for other assignments	0.3	0.1
<b>Total</b>	<b>1.5</b>	<b>1.5</b>

## NOTE E. EMPLOYEES

Average number of employees	2018	2017
Men	5	9
Women	4	4

### Salaries, other remuneration, pensions and social security contributions, 2018

SEK million	Salary and other remuneration	Variable remuneration	Social security contributions	Pension expenses
Board and CEO	7.8	6.1	4.3	3.3
Other employees	6.4	-	3.4	1.5
<b>Total</b>	<b>14.2</b>	<b>6.1</b>	<b>7.7</b>	<b>4.8</b>

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

SEK million	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
<b>Total</b>	<b>11.4</b>	<b>-</b>	<b>4.3</b>	<b>2.3</b>

## NOTE F. PROFIT-SHARING, GROUP COMPANIES

SEK million	2018	2017
Dividend from subsidiaries	4.8	4.5
Group contributions	22.0	26.0
<b>Total</b>	<b>26.8</b>	<b>30.5</b>

## NOTE G.

## OTHER INTEREST INCOME AND SIMILAR PROFIT/LOSS ITEMS

SEK million	2018	2017
Exchange-rate gains	2.7	0.8
Dividends from associated companies	0.3	0.3
Interest income, external	0.1	-
Interest income, internal	1.9	1.7
<b>Total</b>	<b>5.0</b>	<b>2.8</b>

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

SEK million	2018	2017
Exchange-rate losses	-3.2	-1.4
Interest expense, external	-2.5	-4.0
Interest expense, internal	-0.1	-0.1
<b>Total</b>	<b>-5.8</b>	<b>-5.5</b>

## NOTE I. APPROPRIATIONS

SEK million	2018	2017
Tax allocation reserve for the year	0.0	-0.4
Tax allocation reserve reversal for the year	8.2	14.0
Change to accelerated depreciation for the year	0.1	0.1
<b>Total</b>	<b>8.3</b>	<b>13.7</b>

## NOTE J. TAX ON PROFIT FOR THE YEAR

SEK million	2018	2017
The following items are included in tax expense:		
Tax on profit for the year	0.0	0.2
<b>Total</b>	<b>0.0</b>	<b>0.2</b>
<b>Profit before tax</b>	<b>3.1</b>	<b>14.7</b>
Tax according to applicable rate 22% (22)	0.7	3.2
<b>TAX EFFECT OF:</b>		
Expenses, non-deductible	-0.8	-3.2
Income not liable to tax	0.1	0.2
<b>Reported tax</b>	<b>0.0</b>	<b>0.2</b>

## NOTE K. CAPITALISED EXPENDITURES FOR PROGRAM DEVELOPMENT

SEK million	2018	2017
Opening cost	3.9	3.9
<b>Closing accumulated cost</b>	<b>3.9</b>	<b>3.9</b>
Opening depreciation	-3.9	-3.9
Depreciation for the year	-	-
<b>Closing accumulated depreciation</b>	<b>-3.9</b>	<b>-3.9</b>
<b>Closing residual value</b>	<b>0.0</b>	<b>0.0</b>

## NOTE L. EQUIPMENT, TOOLS, FIXTURES AND FITTINGS

SEK million	2018	2017
Opening cost	1.6	1.3
Purchases	-	0.6
Disposal	-	-0.3
<b>Closing accumulated cost</b>	<b>1.6</b>	<b>1.6</b>
Opening depreciation	-1.0	-0.9
Disposal	-	0.2
Depreciation for the year	-0.2	-0.3
<b>Closing accumulated depreciation</b>	<b>-1.2</b>	<b>-1.0</b>
<b>Closing residual value</b>	<b>0.4</b>	<b>0.6</b>

## NOTE M. PARTICIPATIONS IN ASSOCIATED COMPANIES

	Corp. ID no.	Registered office	Operations	Share of equity		Book value, SEK million	
				2018	2017	2018	2017
Mirakelbolaget AB	556835-4350	Stockholm	Program development	50%	50%	0.0	0.0

## NOTE N. PARTICIPATIONS IN GROUP COMPANIES

Book value, SEK million	2018	2017
SWEDEN (REGISTERED OFFICE STOCKHOLM)		
Rejlers Sverige AB	100.7	100.7
Rejlers Energitjänster AB	0.1	0.1
ComIT Rejlers AB	-	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
Rejlers Embriq AS	143.6	83.6
<b>Total</b>	<b>445.3</b>	<b>387.4</b>

All of the companies in the table above are wholly owned by Rejlers AB, except for Rejlers Embriq AS, which is owned at 90.5%. ComIT Rejlers AB was merged with Rejlers Energitjänster AB in 2018.

## NOTE O. PREPAID EXPENSES AND ACCRUED INCOME

SEK million	2018	2017
Prepaid rent	0.1	-
Accrued income	0.2	0.3
Other	0.8	0.9
<b>Total</b>	<b>1.1</b>	<b>1.2</b>

## NOTE S. LIABILITIES ATTRIBUTABLE TO FINANCING ACTIVITIES

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

	2016	Cash flow	Non-cash items	
			Reclassifications	2017
Non-current liabilities to credit institutions, SEK million	148.4	-	-148.4	-
Current liabilities to credit institutions, SEK million	128.3	-128.3	148.4	148.4
<b>Reconciliation of liabilities attributable to financing activities, SEK million</b>	<b>276.7</b>	<b>-128.3</b>	<b>-</b>	<b>148.4</b>

## NOTE P. UNTAXED RESERVES

SEK million	2018	2017
Tax allocation reserve 15	-	1.5
Tax allocation reserve 16	-	6.0
Tax allocation reserve 17	-	0.3
Tax allocation reserve 18	-	0.4
Accelerated depreciation	0.0	0.1
<b>Total</b>	<b>0.0</b>	<b>8.3</b>

## NOTE Q. ACCRUED EXPENSES AND DEFERRED INCOME

SEK million	2018	2017
Accrued pay	4.6	1.0
Accrued social security contributions	1.3	0.9
Other	5.0	1.9
<b>Total</b>	<b>10.9</b>	<b>3.8</b>

## NOTE R. CONTINGENT LIABILITIES

SEK million	2018	2017
Contingent liabilities	None	None

# 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, 8 April 2019 Rejlers AB (publ)

**Peter Rejler**  
Chairman

**Jan Samuelsson**  
Vice Chairman

**Annika Steiber**  
Board member

**Helena Levander**  
Board member

**Patrik Boman**  
Board member

**Björn Lauber**  
Employee representative

**Sten Pettersson**  
Employee representative

**Viktor Svensson**  
President and CEO

Our audit report was submitted on 11 April 2019  
Deloitte AB

**Johan Telander**  
Authorised 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 carried out our audit of the annual report and consolidated financial statements for Rejlers AB (publ) for the financial year 01/01/2018 - 31/12/2018 with the exception of the corporate governance report on pages 16-19. The company's annual report and consolidated financial statements are included in this document on pages 12-50.

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 2018 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 2018 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. Our opinions do not include the corporate governance report on pages 16-19. 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.

### Period allocation and measurement for revenue recognition of fixed-price projects

#### Assessment of risk

Revenue recognition of fixed-price projects means that assessments must be made. Rejlers applies percentage of completion to fixed-price projects, which corresponds to the invoice price less any deviations between the work-up rate and the degree of completion.

Revenue recognition and measurement of fixed-price 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 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 15, 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 the structure of significant key controls in the revenue process, mainly with regard to confirmation and follow-up of assignments;
- data analyses for a number of selected projects to ensure that all accrued time is reflected in the invoicing and subsequent payment;
- review of internal and external documentation that forms the basis of the management's assessment of outstanding assignment risks in on-going projects; and
- review that requisite disclosures have been provided in the financial statements.

### 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 1-11. 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.

A further description of our responsibility for the audit of the annual accounts and consolidated financial statements is available on the website of the Supervisory Board of Public Accountants: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description forms part of the audit report.

#### **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 2018–31 December 2018.

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 organisation and the management of its affairs. This includes continuously assessing the company's financial situation, and ensuring that the company's organisation 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. A more detailed description of our responsibility for the auditing of the administration can be found on the website of the Swedish Supervisory Board of Public Accountants: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description forms part of the audit report.

#### **Auditor's review of the corporate governance report**

It is the Board of Directors who is responsible for the corporate governance report on pages 16-19 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 2019  
Deloitte AB

**Johan Telander**  
Authorised Public Accountant

# Annual General Meeting 2019

The Annual General Meeting of Rejlers AB (publ) will be held on Friday, 3 May 2019, at 2:00 p.m. at the Lindhagen Conference Centre, Lindhagensgatan 126 in Stockholm.

## **Registration**

Shareholders registered in the shareholders' ledger administered by Euroclear Sweden AB on Friday, 26 April 2019, have the right to participate. Those intending to participate in the AGM must register no later than Friday, 26 April 2019, either by phone: +46 (0)73-440 41 63, by e-mail to [arsstamman@rejlers.se](mailto: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](http://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 3 May 2019 to gain the right to participate in the AGM. Shareholders must inform nominees of this well in advance of 3 May 2019.

## **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 1.00 per share be paid to shareholders. The proposed record day is 7 May 2019, with a payment date of 10 May 2019. The share is traded without right to dividend as of 6 May 2019.

**Photo:** Peter Jönsson  
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**REJLERS AB (PUBL)**

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