



BURE
Annual Report 2017



AGM on 3 May 2018

The Annual General Meeting will be held at 4:00 p.m. at IVA Conference Centre, Wallenbergsalen, Grev Turegatan 16, in Stockholm.

Doors open at 3:00 p.m. Coffee and light refreshments will be served prior to the meeting. For further details, please see page 77, or go to our homepage: bure.se.

Financial calendar 2018

Interim report January – March 26 April

Interim report January – June 16 Augusti

Interim report January – September 8 November

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Content

2	Bures portfolio companies
4	The year in brief
5	Comments from the Chairman and CEO
8	Bure's operations
12	Long-term sustainability through active ownership
17	Portfolio development in 2017
19	Bure's net asset value
21	Listed holdings
24	Unlisted portfolio companies
27	The Bure share – historical overview 1993 – 2017
30	Corporate governance
34	Board of Directors
36	Employees
37	Five-year overview
38	Administration report
43	Group Statement of comprehensive income
44	Group Balance sheets
46	Parent Company Income statements
47	Parent Company Balance sheets
48	Group Statement of changes in equity
49	Parent Company Statement of changes in equity
50	Cash flow statement
51	Notes
70	Auditor's report
74	GRI Index
76	Definitions
77	Shareholder information

Welcome to investment company Bure

We have nine portfolio companies, of which the majority are technology-based with a strong focus on international markets.

Bure invests for the long term in listed and unlisted companies.

Bure's assets amounted to approx. SEK 8 billion at the end of 2017.

The company has been listed on the Nasdaq Stockholm Mid Cap since 1993.



CAVOTEC – is a leading engineering group that designs and manufactures automated connection and electrification systems for ports, airports and industrial applications worldwide.



Building companies is our passion and our focus.

MEDCAP – owns and develops companies in the Life Sciences sector.



BURE FINANCIAL SERVICES – is a wholly owned subsidiary that invests in financial operations and assets.



BURE GROWTH – is a wholly owned subsidiary that invests in development companies.

A good owner creates the necessary conditions for successful and responsible companies to succeed.



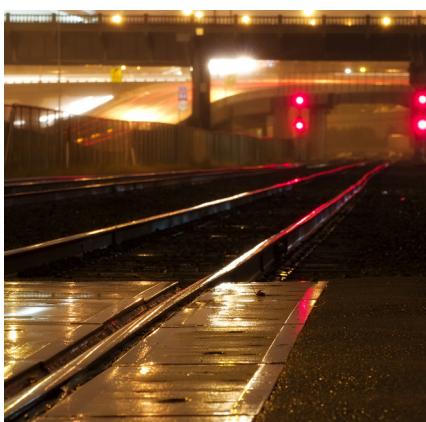
MYCRONIC – develops and manufactures world-class production equipment for electronics and display manufacture.



VITROLIFE – is an internationally active medtech group. Vitrolife develops, produces and markets products for fertility treatment.



XVIVO PERfusion – is a medical technology company focused on developing optimised solutions for organ, tissue and cell preservation in connection with transplantation.



Our goal is to create strong returns for our shareholders

INVESTMENT AB BURE – is a wholly owned subsidiary that owns and manages leasing of locomotives.



MERCURI INTERNATIONAL – is Europe's leading sales and management training consultancy, with operations worldwide.

The year in brief

Net asset value grew 11.7 per cent including repurchased share dividend throughout the year, and Bure enters 2018 as a stronger company.

Shareholder value

- Net asset value increased 11.7 per cent to SEK 111.7 per share, including add-back of the share dividend.
- Bure's net asset value was SEK 7,743M (7,054).
- Total return on the Bure share was -3.3 per cent, compared to an increase of 9.5 per cent for the SIX Return Index.
- Consolidated profit after tax was SEK 834M (1,173). Basic earnings per share was SEK 12.03 (16.92).
- The Board proposes that the 2018 AGM approve an ordinary dividend of SEK 1.50 (1.50), and an extraordinary dividend of SEK 0.50 (0.50) per share.

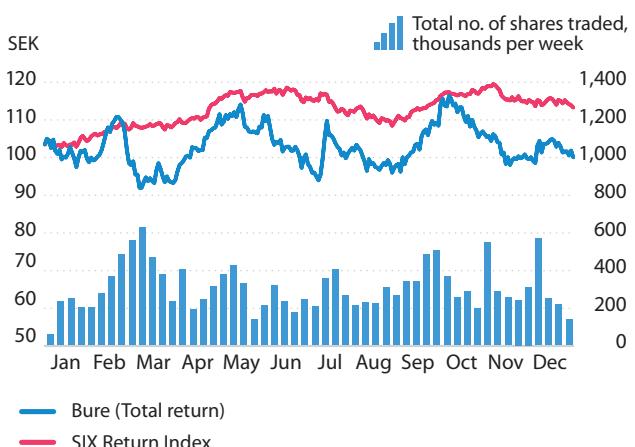
Investment activities

- Bure Growth acquired 18.2 per cent of shares in the security company Yubico.
- Bure acquired additional shares in Cavotec, and increased its holding to 20.1 per cent.
- Exit gain of SEK 93M from the divestment of shares in Vitrolife.
- Exit gain of SEK 138M from the divestment of the holding in Catella.
- Exit loss of SEK -28M from the divestment of the holding in Vigmed Holding.

Company performance

- In general, the portfolio companies performed strongly and ended the year stronger than the beginning of the year. The two largest holdings, Mycronic and Vitrolife, registered revenue of more than SEK 3Bn and SEK 1Bn, respectively.

Bure's total return in 2017



Net asset value per share at 31 December 2017 SEK M

Listed portfolio companies

Cavotec	366
MedCap	139
Mycronic	2,492
Vitrolife	2,815
Xvivo Perfusion	460
Total	6,271

Unlisted portfolio companies

Bure Financial Services	51
Bure Growth	199
Investment AB Bure	175
Mercuri International Group	114
Total	539

Treasury

Total net asset value	7,743
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Comments from the Chairman and CEO



Henrik Blomquist, CEO, chats with Patrik Tigerschiöld, Chairman.



Continued strong growth

In 2017, Bure's net asset value per share increased 11.7 per cent including add-back of the share dividend. Most of this increase was driven by the growth in value of Vitrolife, which jumped 61 per cent during the year.

The year in review

Henrik: Most of our portfolio companies reported strong results for 2017. It was especially pleasing that operations in Bure's most important portfolio companies developed extremely well. Both Vitrolife and Mycronic reported record results, and during the year Vitrolife became Bure's single largest holding. The company grew organically by more than 20 per cent, which means that the company continues to take market share globally, in part driven by the successful launch of EmbryoScope+. 2017 was also the year when the company's sales surpassed one billion kronor, a milestone.

It was a fantastic year for Mycronic. Order intake, turnover and revenue all reached record levels. Despite this, the value of the share fell. During the year, the company delivered on its strategy of offering its customers a more comprehensive product selection in surface-mounting technology. Thanks to

"We are recognised on the investment market as a good owner, one that takes on the key responsibilities of building companies for the long term."

Henrik Blomquist

their new products and new marketing initiatives, together with several acquisitions, Mycronic's potential markets have increased substantially.

Portfolio companies Mercuri, Xvivo and MedCap also presented strong financial statements for 2017. It was particularly encouraging that Mercuri reversed a trend of falling revenues with growth of five per cent. An increase in larger international projects were among the factors that led to the rise in revenue.

Were there any significant changes to the portfolio during the year?

Henrik: During the year, Bure increased its holdings in several companies. In May, we announced an increase in our holding in Cavotec to more than 20 per cent. The year's single largest new investment was made in IT security business Yubico. The company is run by two Swedish entrepreneurs who, after establishing the company in Sweden, moved to San Francisco determined to make the Internet secure. Today, Yubico is a world leader in so-called two-factor authentication. Secure identification and authentication is crucial for companies to which the Internet is business-critical. Yubico's solution is now standard at many of the largest Internet companies, and has gained important reference customers in conventional industrial sectors. Cyber security is an extremely interesting segment and my hope is that Bure can help Yubico continue to grow profitably.

Last year, Bure divested its holding in Catella. Overall, this was an extremely favourable transaction for Bure, with an annual return of 52 per cent.

Last year was good for Bure, but were there any disappointments among the portfolio companies?

Patrik: During the year, the generational change continued at Cavotec. New CEO, Mikael Norin, joined the company. Unfortunately, the company's results for 2017 were weak and affected by write-downs in its US operations. I hope that the company's strong market position and capacity for innovation will see it regain its profitability and capacity to grow in the years ahead.

Henrik: We divested one of our smaller holdings in Vigmed to an industrial buyer. As a result, the company found a good home, but overall this was not a good deal for Bure. Lauritz.com was the year's big disappointment. We had high hopes of taking the company to the next level with the help of a new management team. Unfortunately, the board failed to reach agreement on how that was to be achieved, which undermined the chances of implementing change, ultimately leading to my stepping down from the board.

You claim that "Bure's role" is important in new investments, can you elaborate on that?

Henrik: I see Bure as having two roles. Partly that of investor, and partly that of owner. The philosophy of ownership is the

cornerstone of Bure's business model. It is as an owner that Bure can be involved in building successful companies.

Alongside conventional analysis focused on what a company can achieve in the long term, we put a lot of time and thought into how Bure can participate in fulfilling a company's potential. It's rarely about a "quick fix", rather it's almost always about the crafting of long-term and conscious teamwork. The investment process itself is therefore less a part of our work in relation to our ownership role. Clarifying and anchoring the ownership role and the development process are extremely important for the success of companies.

Patrik: A key question that applies to the companies both for new investments and those with existing holdings is leadership. For Bure, it is of the utmost importance to ensure that the right type of leadership is in place. Different phases in a company's development require different types of experience and leadership. This is a considerable and difficult challenge that demands a lot of time and dedication.

Are sustainability issues important to Bure?

Henrik: During the year, Bure expanded its sustainability reporting. Sustainable development and sound business ethics are important to Bure, both in its investment process and in its ownership philosophy. The starting point for this year's enhanced reporting is the materiality analysis we conducted with a number of stakeholders such as the Board of Directors, colleagues, owners, portfolio companies, etc. The aim was to ensure that Bure has the right focus in its sustainability work as well as gathering stakeholder input.

Bure has greatest influence through ownership control. Bure's long-term strategy is to be a good owner and we stand for responsible ownership. By promoting sustainable growth for the business and in co-owned companies, we are able to create competitive advantage, and higher returns for Bure's shareholders in the long-term.

Despite an increase in asset value, the Bure share fell in 2017 – why?

Patrik: The overall goal has always been to create the best possible growth in net asset value per share. This is why last year's performance was so frustrating. Net asset value increased but the share price fell. From Bure having no discount to net asset value at year-end 2016, net asset value per share was on a par with the share value, the discount to net asset value at year-end 2017 was 12 per cent. A slight comfort is that the discount to net asset value for many investment companies on the stock market increased during the year. In the past, during periods of high discount to net asset values, Bure has purchased treasury shares – an option that may once again be topical.

Looking ahead, what do you think 2018 has to offer?

Patrik: We are now in a period of economic recovery that has gathered strength and breadth in recent years. Many companies are reporting increased revenue and rising profits. It's easy to pat yourself on the back, but probably the main reason for this success is, in fact, general economic conditions. Although some caution should be exercised, it's important to exploit opportunities and develop the companies' positions for future success.



"We devote a great deal of time to ensuring that portfolio companies have the leadership teams suited to respective companies' particular stages of development."

Patrik Tigerschiöld

Henrik: Recovery from the 2008/09 crisis is now into its tenth year. There should therefore be little doubt that we are in the latter stage of the economic cycle. A rapid slowdown in demand is, however, hard to justify and I therefore remain positive about market conditions for our portfolio companies. Having said that, we should be a touch careful with the stock market. Strong profit growth can justify relatively high valuation multiples, but it is difficult to see a similar development of valuation multiples going forward that we've seen in recent years. Therefore, it'll be important in 2018 to attempt to identify investment situations that correspond with this relatively complicated expectation horizon.

Stockholm in March 2018

Patrik Tigerschiöld
Chairman

Henrik Blomquist
CEO

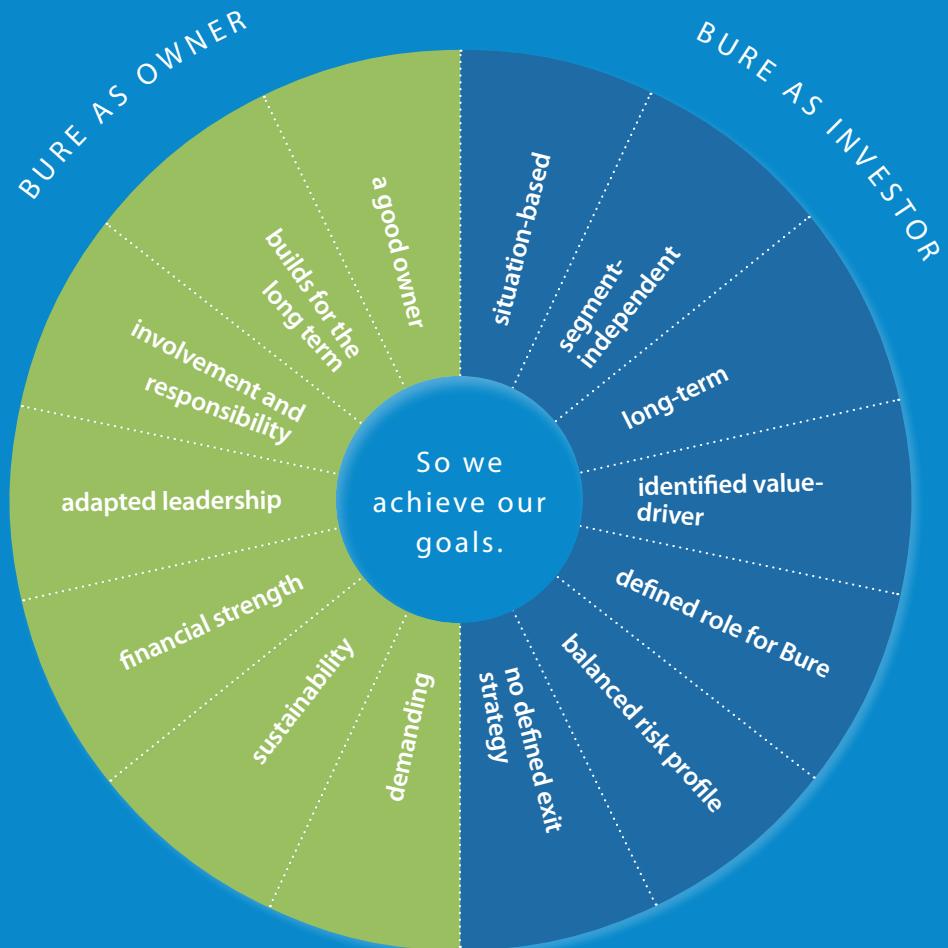
Bure's operations

Our business model

Bure is an investment company and a good owner. By actively building successful companies and operations for the long term, Bure generates healthy returns for its shareholders.

Our objectives

To create long-term total returns for Bure shareholders, and to be an attractive investment alternative on the stock market.



Bure as owner

A good owner

The foundation of Bure's business model is the ownership philosophy that has evolved throughout our 25-year history. The philosophy is shaped by in-depth engagement and a strong presence in our portfolio companies. This allows us to build extensive expertise of the industries where we are active. The current portfolio includes several companies in which we have been involved for many years and have contributed to successful performance. We base our overall ownership philosophy on the following cornerstones:

Building for the long term:

A long-term approach is a vital ingredient in building successful companies. Short-term speculation can lead to decisions that undermine the long-term prospects of portfolio companies. The courage to invest, have patience and show respect creates the right conditions for building industrially successful companies, and thereby substantial value. However, building for the long-term should not be equated with acting slowly. On the contrary, a long-term approach places greater demands on procedural work and business evaluation that builds structural capital and competitive advantage

Adapted leadership:

In our experience, companies at various stages of maturity require different types of leadership to be successful over time. We do not believe that a single type of leadership is suitable for every situation. This puts demands on us as principle owners to be responsive and open to change at all times by continuously evaluating what type of leadership our portfolio companies need. Understanding what sort of leadership a company has in its particular circumstances is critical to our success.

Commitment and responsibility:

As a principal owner, we operate according to clearly defined goals that focus on respective holdings' long-term business strategies and value drivers. This requires Bure to maintain a strong presence in portfolio companies, primarily through active board participation. With ownership comes responsibility. Bure's Code of Conduct describes what we consider to be responsible behaviour and ownership, which we encourage our portfolio companies to respect. The Code of Conduct contains clear commitments regarding, *inter alia*, ethics, human rights, employment issues, and environmental impact.

Financial strength:

A good owner possesses the financial strength and capacity to always support and assist its portfolio companies achieve their established objectives.

Overview Bures portfolio companies

Holding at 31 December 2017	Bure's ownership	Bure as the largest single shareholder	Number of board members from Bure	Chairman from Bure	Year of original investment
Listed portfolio companies					
Cavotec	20.1%	Yes	1	No ¹⁾	2014
MedCap	23.0%	No	1	No	2013
Mycronic	29.9%	Yes	1	Yes	1986/2009 ²⁾
Vitrolife	20.8%	No	1	No	1984/2000 ³⁾
Xvivo Perfusion	18.7%	Yes	2	Yes	2000/2012 ⁴⁾
Unlisted portfolio companies					
Bure Financial Services	100.0%	Yes	3	Yes	2014
Bure Growth	100.0%	Yes	3	Yes	2015
Investment AB Bure	100.0%	Yes	2	Yes	2012 ⁵⁾
Mercuri International	99.1%	Yes	1	Yes	1998

1) The Cavotec nomination committee has proposed that the Annual General Meeting on 12 April 2018 appoints Patrik Tigerschiöld as chairman.

2) Refers to the original investment in Mydata and the merger with Mycronic.

3) Refers to the original investment in Fermentech Medical and the merger with Vitrolife.

4) Refers to the original investment and Lex Asea distribution from Vitrolife.

5) Refers to locomotive investment.

Bure as investor

A situation-based investor

Bure identifies and monitors interesting sectors and companies, and evaluates potential investments opportunistically. Among other things, Bure looks out for special situations that fall outside models used by other investors. We look for investment opportunities in a variety of sectors, asset classes, cycles and development phases. Our goal is to identify different paths to profitable investments, and to evaluate potential companies based on the unique circumstances in which companies find themselves at the time of investment.

To succeed, a long-term approach needs relationships and networks to be in "the right place" when the time is right to make a sound investment. We also need to be nimble and have an active decision making process in place to take advantage of opportunities as they emerge.

When evaluating businesses and potential investments, Bure analyses business potential from the point of view of structure, market, business model, financial position, and management team and board. It is also important to clearly identify which role Bure is to play in the short- and long-term.

Overall investment criteria

In new and existing investments, Bure uses a structured approach that includes the clear identification of different value drivers.

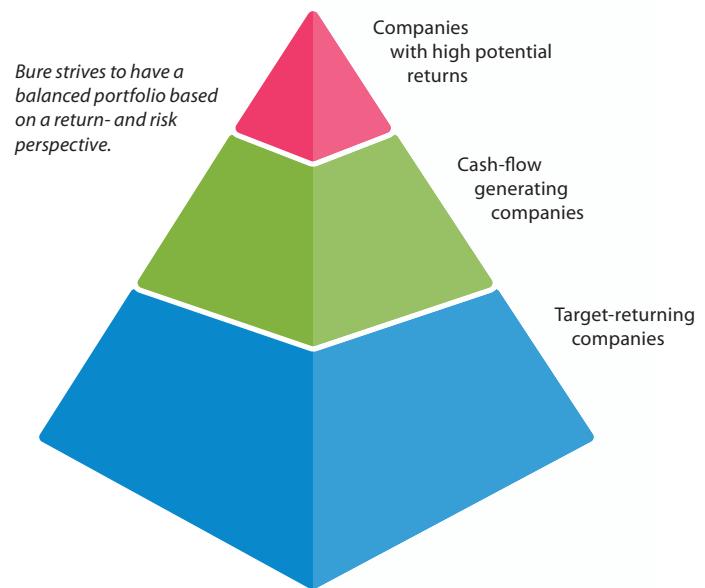
Bure's overall investment criteria are:

- Each investment shall generate an annual Internal Rate of Return (IRR) of more than 12 per cent.
- The holding shall be significant and have sufficient potential to contribute to Bure's long-term growth.
- Bure shall be a sufficiently large owner with a clearly defined role to actively influence the short and long term.

Active and long-term ownership with no established exit strategy

Bure assess each investment and business opportunity over a period of three to five years, although the investment horizon can be longer. If interesting new business opportunities arise over time for a given company, Bure can prolong its ownership of the company. The current portfolio contains several operations where Bure has been involved for many years and has contributed to building successful companies.

Bure has no established exit strategy, and is not under any obligation to divest portfolio companies within a certain period of time. Exits can take place, for example, when a new owner can contribute to a company's development. As an owner, it is critical that Bure has a long-term strategy and an owner agenda, i.e. clear objectives and action plans for respective portfolio companies. Bure evaluates these on an on-going basis, with an emphasis on value, potential, and risk.

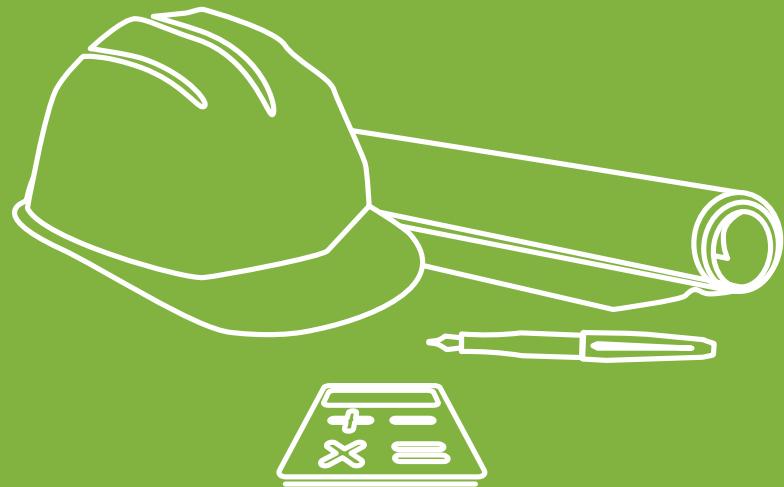


Target scenario for the portfolio

Under the auspices of Bure's business model, a target scenario for the portfolio has been defined to balance the portfolio from the point of view of risk. The chart to the right provides a schematic illustration of how Bure's portfolio could be composed.

The three categories are:

- **Target-returning companies** – meet Bure's basic investment criteria with a target IRR of 12 per cent.
- **Cash-generating companies** – often companies with stable business models and direct returns.
- **Companies with considerable potential returns** – often have greater operational risk (e.g. technological or market risk).



A good owner

A good owner creates security and confidence in the future, and gives businesses time to develop. A good owner is active, based on deep commitment and a strong presence in portfolio companies.

Long-term sustainability through active ownership

Bure seeks to be recognised on the investment markets as a good owner, one that takes on the key responsibilities of building companies for the long term. We believe that there is a strong link between sustainability and long-term value creation. To contribute to sustainable development is part of our investment philosophy, and we strive to create awareness of sustainability issues in our portfolio companies and in our own operations.

Bure's operations and the opportunity to influence

The cornerstones of our business model are strong commitment and presence in portfolio companies. The current portfolio includes several companies in which we have been involved for many years and have contributed to successful performance.

As an owner, Bure has considerable influence on portfolio companies, and works actively through board representation to support the establishment of relevant policies for respective companies, and ensure that operations are conducted responsibly and ethically. Our own direct sustainability work is important, but with a small number of employees and only one office, this is less meaningful from an actuating perspective.

This is Bure's first sustainability report, which complies with General Reporting Initiative Standards (see reference index on page 74). Work on reviewing and setting targets will continue in 2018/19.

Guidelines, policies and management

The Bure Board of Directors has decided an internal framework that defines guidelines for how Bure shall act as a responsible company, owner and employer, which also reflect the 10 principles of the Global Compact.

Our guidelines and policies are described in our *Code of conduct*. Together with our *policies for responsible ownership and responsible investment, environmental policy and whistleblower policy*, the Code sets the guidelines for how Bure shall act as a responsible company, owner and employer. The document is available on Bure's website: www.bure.se/en/sustainability.

Employees and other Bure representatives have a responsibility to follow the policies and guidelines, and what they entail in relevant contexts. The internal framework is reviewed annually and updated when necessary. Bure's CFO is responsible for the co-ordination and development of the company's sustainability activities.

Material analysis 2017

In the spring of 2017, an in-depth material analysis was conducted involving the Bure board, employees and external stakeholders including shareholders, portfolio companies and others.

Bure's stakeholders

Owners	Board of Directors
Employees	Portfolio companies

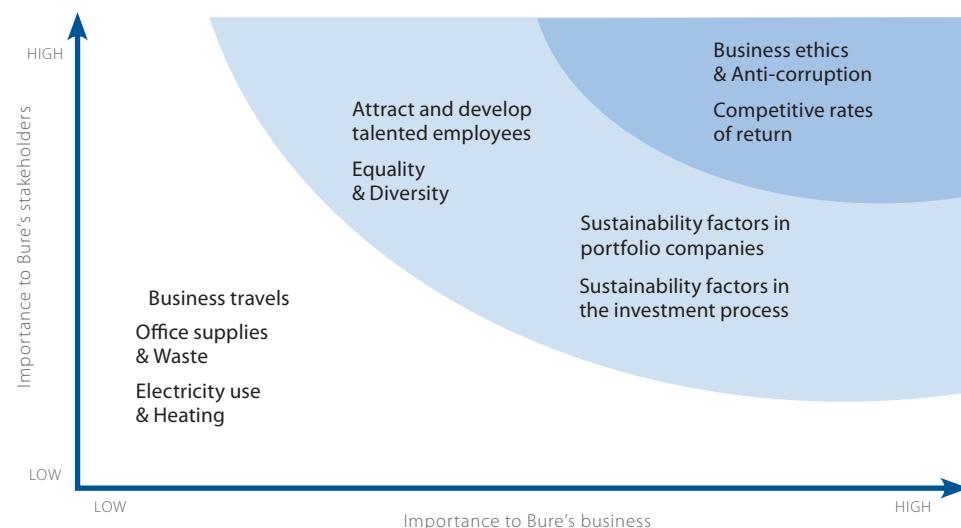
The analysis focused partly on aspects of Bure's direct operations, and partly on Bure as an owner and investor. The purpose of the material analysis was to ensure that Bure has the right focus in its sustainability efforts and take stakeholders' views into account.

The analysis resulted in a matrix in which Bure's most significant sustainability issues are shown internally and externally.

Bures prioritized sustainability issues based on the material analysis

Bure stakeholders include owners, the Board of Directors, portfolio companies and employees (y-axis).

The material group for Bure's business operations is made up of the CEO and CFO (x-axis).



Responsible ownership and responsible investment

Sustainability considerations in the investment process

Our ambition is to create long-term value by owning and developing companies with strong market positions. Risk analysis and opportunities linked to sustainability are a key aspect of our investment process and are crucial to Bure's continued success, above all from a risk minimisation perspective. Expectations of Bure's owners are also included in how we position ourselves. Environmental, Social and Governance (ESG) factors are therefore a natural element in Bure's process for the analysis of new investment opportunities.

All investment objects are evaluated in relation to the 10 principles of the Global Compact and our policies for responsible ownership and responsible investment that have been developed to support this work. Our investment policy describes, *inter alia*, Bure's excluding criteria.

Bure does not invest in companies:

- with not insignificant operations in the development of weapons and the production of weapons
- that contribute to severe environmental damage
- with global supply chains with considerable risk in terms of working environments and working conditions (primarily the textile sector and basic mechanical machining)
- that produce or distribute pornography
- in the tobacco sector

Our guidelines for new investments are included as a part of Bure's annual strategy review. This review includes these guidelines as part of our overall business monitoring that encompasses global trends and market conditions are analysed.

Indicators and results for 2017

- All investments made in 2017 were subject to an ESG screening.

Sustainability factors in portfolio companies

We build companies for the long term, and stand for responsible ownership. A clear link exists between long-term value creation and sustainable business models. Our goal is to promote sustainable development in the business, and in the companies that Bure co-owns. Bure is a responsible owner and works to ensure that applicable laws and regulations are followed. Sustainability work is of paramount importance, and potential mistakes can result in lower returns for Bure, and ultimately damage reputation and credibility, which can negatively impact Bure's business opportunities. At the same time, the reverse is true – sustainability in portfolio companies can create competitive advantage, and by extension, higher returns for Bure shareholders.

Bure influences portfolio companies through its corporate governance. Bure has board representatives in all its portfolio companies, often including board chairman positions. Bure promotes transparent company culture in portfolio companies. The active pursuance of ESG issues is included in the tasks of board members representing Bure. Portfolio companies' environmental and other sustainability work shall, according to Bure's policies, be included in respective boards' agendas and be subject to on-going evaluation. The issues that are pursued by different companies are determined by specific situations and business orientation, i.e. focusing on respective companies' material sustainability issues. There is greater scope to influence day-to-day activities in wholly owned companies.

Bure's Code of Conduct, policy for responsible investment, environmental policy and whistleblower policy were communicated to portfolio companies during the year. In 2017, Bure also held a workshop that focused on sustainability issues with representatives from the majority of portfolio companies. Bure also sees an opportunity for regular activities to enable management issues, including sustainability, to be discussed and experiences exchanged.

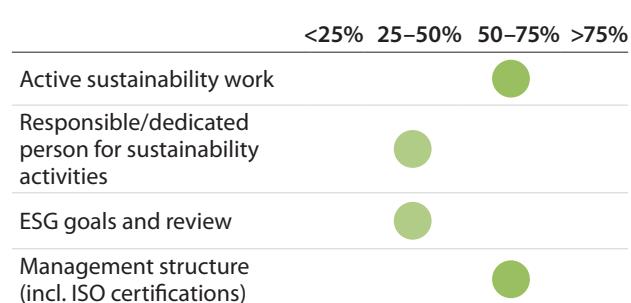
Activities of portfolio companies are reviewed by board representation and in Bure's regular meetings with company management teams.

From 2017, Bure will present the status of portfolio companies' sustainability activities according to the criteria outlined below.

Indicators and results 2017

- In 2017, Bure interacted with all portfolio companies regarding sustainability (100%).
- Portfolio companies actively conducting sustainability work¹⁾

Portfolio companies actively conducting sustainability work in 2017



1) Portfolio companies were reviewed on an individual basis, and results were subsequently aggregated. Companies reviewed were Cavotec, MedCap, Mycronic, Vitrolife, Vivo Perfusion and Mercuri. Portfolio companies not included were smaller businesses or companies with relatively recently established operations.

Sustainability in the parent company Bure Equity

Business ethics and anti-corruption

Work on sound business ethics and anti-corruption are the most important areas of our operations for Bure's internal and external stakeholders (see Material Analysis). Upholding good business ethics and zero tolerance of corruption are decisive factors for Bure's continued success. Abuse of insider information is included in this area, and is an area where the greatest risk lies, as Bure's business makes extremely limited purchases and limited on-going business relationships.

In June 2017, the Board of Directors of Bure Equity introduced a new code of conduct and whistleblower policy. New employees are informed of the policies and sign both policies when they join the company, together with an insider policy that regulates employee trading in financial instruments. Independent lawyers provide Bure employees with training in laws and regulations related to capital markets, including market abuse, on an on-going basis. Bure employees are subject to additional restrictions over and above existing legislation related to the trading of listed financial instruments, which is regulated by Bure's insider policy, and which in some cases requires the approval of the CEO. Furthermore, in 2017, Bure put in place an anonymous whistleblower function with the help of an outside law firm.

Work in this area is evaluated continuously and all suspected cases of corruption and unethical behaviour are taken extremely seriously. The leadership team also conducts evaluations in this area on an annual basis, which include policy documents, internal work done, and processes that are reviewed and updated when necessary.

Indicators and results (GRI 205-2, 205-3)

- During 2017, all employees have been informed about the board's established policies, and are advised about changes to applicable laws (100%).
- In 2017, no incidents of corruption have occurred. During the year, Bure's whistleblower function did not receive any notifications.

Competitive returns

According to the material analysis, Bure's capacity to achieve competitive returns is its second most important area of activity. Our goal is to create a long-term total return for our shareholders and to be a competitive investment option on the stock market. Returns are a result of Bure's operations and create opportunities for Bure to continue its work of developing portfolio companies and make new investments. Good returns are necessary for us to pursue our agenda as a "good owner". According to Bure, a good owner has the financial strength and capacity to always be able to support and help portfolio companies achieve their stated aims. According to Bure's business model, a good owner should be long-term, show commitment and responsibility, ensure that portfolio companies have leadership adapted to respective companies' development phase, and have financial strength.

Bure's strategy to achieve competitive returns is to invest in a balanced portfolio of companies with an overall minimum return of 12 per cent for each company. Bure has no exit strategy. Rather, it evaluates ownership priorities for respective companies in its annual strategy work. It is Bure's aim to establish ownership priorities for each company and focus on the most pressing issues in the three to five years ahead. Through an active board presence, we attempt to promote the ownership agenda in respective companies.

Bure has board representatives in all its portfolio companies, often including board chairman positions. We take an active role in board work, and regularly follow-up activities in portfolio companies, and take action where deemed necessary. We report to the Bure board about our work in portfolio companies on a monthly basis. These public companies also have a good level of transparency due to quarterly reporting.

Indicators and results 2017

Bure highlights two measures that we deem relevant to gauge competitive returns – growth in net asset value and total return. Growth in net asset value indicates how successful we have been in the management of Bure's assets. The market's judgement of our work is measured in turn by total return for the Bure share. Total return is share price development including reinvested dividends. See The Bure Share – historical overview 1993–2017 on pages 27–28 and Five Year Overview on page 37.

Attract and develop talented employees

Bure's current and future success is determined by its employees. It is therefore of the utmost importance to be able to attract people with the right skill sets and give employees opportunities to grow and develop.

Bure is a small organisation with seven employees and senior investment advisors. Currently, we have no formal structures or guidelines in place in terms of training and additional skill set development. Rather, employees are given the opportunity to, on their own initiative, research training courses on an on-going basis. For example, employees have taken the Executive Education Program, a course in board work and have regularly attended seminars. All employees have annual career development discussions that primarily focus on employees' development and remuneration.

In 2018, Bure will introduce training requirements as a part of the annual operational review, and as a recurring point in career development discussions. As part of this, Bure will establish guidelines for further development and review of these initiatives.

Indicators and results 2017 (GRI 404-3)

- During 2017, all employees (100%) have received an evaluation and review of their performance and career development.

Equality and diversity

Bure's stakeholders raised equality and diversity in the material analysis as an important aspect of sustainability activities. Respect is one of Bure's core values, and Bure's Code of Conduct stipulates that the Bure company shall be a workplace that offers all individuals the same opportunities in a company culture free from discrimination and abuse. We are aware of the risk of having an overly homogenous staff can lead to a one-sided perspective on opportunity and risk. Bure strives to increase the number of women it employs. In 2018/19 we plan to evaluate how this issue should be followed-up.

The Bure Board of Directors and organisation is currently comprised of men and women, with a majority of men.

Indicators and results 2017 (GRI 405-1, 102-7)

Equality	Women	Men
The Bure Equity Board of Directors	2	5
Bure Equity Employees	1	6

Listed portfolio companies

Cavotec	2	5
MedCap	1	4
Mycronic	2	3
Vitrolife	2	4
Xvivo Perfusion	1	5

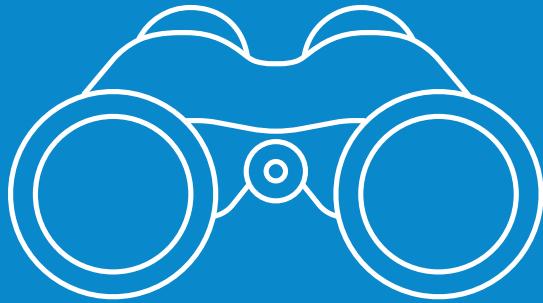
Bure has decided that the following two areas should not be considered as material for the parent company's operations:

Environment

Bure's influence in the environmental sphere can be described as non-material in relation to the influence the company has in other areas through its ownership management. The company and its seven employees' immediate environmental impact is limited to impact from office operations and business travel. Furthermore, the material analysis suggests that the company's environmental impact cannot be considered as material.

Human rights

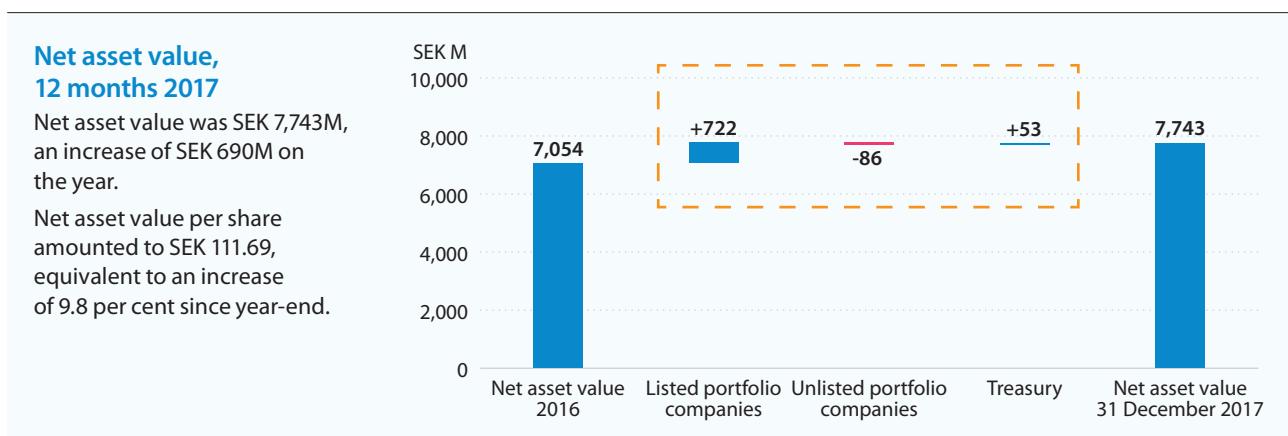
Bure supports the UN's Global Compact and pursues issues related to human rights in its subsidiaries and portfolio companies through its ownership management and board representation. Bure's immediate operations are conducted in Sweden and according to applicable requirements and rules that result from that, it has been judged that human rights are not an area of material focus.



Long-term

A long-term approach is critical to a company's success. Bure's ownership philosophy is built on a long-term approach and helps businesses to achieve their full potential.

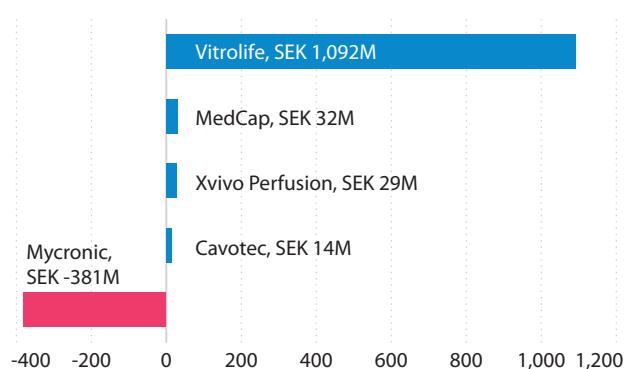
Portfolio development in 2017



Listed portfolio companies, 12 months 2017

The value of listed portfolio companies increased during the year by SEK 722M to SEK 6,271M. Of this value growth, value changes and exit gains/losses accounted for SEK 786M, and reclassifications and net investments for SEK-63M.

Listed portfolio companies value development and exit gains/losses, 12 months 2017



Vitrolife's value growth and exit gain was SEK 1,092M. The holding in Vitrolife amounted to SEK 2,815M at year-end. During the year, 0.2 million shares were divested for SEK 100M with an exit gain of SEK 93M. The share price rose 61.0 per cent during the year.

The value of the holding in MedCap increased SEK 33M to SEK 139M. The value change consisted of value growth of SEK 32M and the acquisition of shares for SEK 1M. The share price rose 29.7 per cent during the year.

The value of the holding in Xvivo Perfusion increased SEK 29M to SEK 460M at year-end. The share price rose 6.8 per cent during the year.

The value of the holding in Cavotec increased SEK 86M to SEK 366M. The value change consisted of value growth of SEK 14M and the acquisition of shares for SEK 72M. The share price rose 7.9 per cent during the year.

The value of the holding in Mycronic decreased SEK 381M to SEK 2,492M at year-end. The share price fell 13.3 per cent during the year.

During 2017, Lauritz.com was reclassified from being a listed portfolio company to a financial investment.

Listed portfolio companies accounted for 81.0 per cent of net asset value, compared to 78.7 per cent at year-end 2016.

Unlisted portfolio companies, 12 months 2017

The value of unlisted portfolio companies decreased by SEK 86M to SEK 539M, compared to SEK 625M at year-end 2016. This value change is explained primarily by the divestment of shares in Catella and Vigmed Holding, as well as the transfer of cash and cash equivalents from Investment AB Bure to the parent company. Net investments excluding the transfer of cash and cash equivalents from Investment AB Bure to the parent company amounted to SEK -31M.

Bure Financial Services' net asset value fell SEK 201M to SEK 51M due to the divestment of the holding in Catella. The holding was divested for SEK 193M with an exit gain of SEK 138M. Bure Financial Services received share dividends of SEK 7M from Catella and SEK 10M from Fondita.

Bure Growth's net asset value increased SEK 162M to SEK 199M. During the period, 18.2 per cent of Yubico and 22.5 per cent of My Driving Academy Sweden was acquired. Bure Growth also acquired additional shares in BioLamina. The holding in Vigmed Holding was divested for SEK 8M with an exit loss of SEK 28M.

Investment AB Bure's net asset value fell to SEK 175M compared to SEK 222M at year-end 2016, primarily due to the transfer of cash and cash equivalents of SEK 32M to the parent company.

Mercuri's net asset value of SEK 114M was unchanged on the year.

Unlisted portfolio companies accounted for 7.0 per cent of net asset value, compared to 8.9 per cent at year-end 2016.

Treasury, 12 months 2017

The value of assets in Treasury increased by SEK 53M to SEK 934M. Assets in Treasury decreased primarily as a result of the acquisition of shares in BioLamina, Cavotec, MedCap, My Driving Academy and Yubico, a dividend of SEK 139M paid to Bure shareholders, and administrative costs of SEK 42M. During the period, Bure has received dividends of SEK 95M,

proceeds from the divestment of the holding in Carnegie of SEK 24M and SEK 301M from the sale of shares in Catella, Vitrolife and Vigmed Holding. Assets in Treasury accounted for 12.1 per cent of net asset value, compared to 12.5 per cent at year-end 2016.

The Bure share

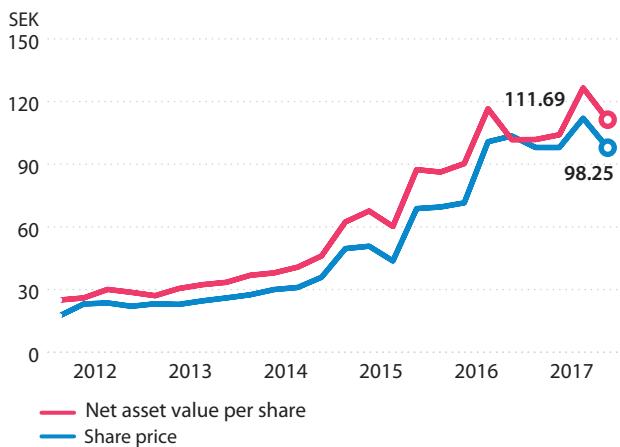
The number of shares outstanding in Bure amounts to 69,332,710. The 2017 AGM authorised Bure's Board of Directors to decide on the buyback of up to 10 per cent of the total number of shares outstanding. At 31 December 2017, no buybacks had been made.

Bure's share price on 31 December 2017 was SEK 98.25, which is equal to a total return of -3.3 per cent since year-end.

	31 Dec 2017	31 Dec 2016	31 Dec 2015
Share price, SEK	98.3	103.5	68.8
Dividend per share, SEK	2.0	2.0	1.0
Total return since year-end¹⁾	-3.3%	54.7%	95.4%
Net asset value per share, SEK	111.69	101.7	87.4
Development of NAV per share	9.8%	16.4%	89.6%
SIX Return Index	9.5%	9.6%	10.4%

1) Including dividends of SEK 2.00 per share for 2017 and 2016 and SEK 1.00 per share for 2015

Increase in Bure's net asset value and market price per share



Portfolio companies 2017 and 2016¹⁾

Listed SEK M	2017	2016
CAVOTEC		
Net sales	2,046	2,003
EBIT ²⁾	-173	116
EBIT margin	-8.5%	5.8%
Holding	20.1%	16.6%
MEDCAP		
Net sales	533	598
EBIT	12	0
EBIT margin	2.3%	0.0%
Holding	23.0%	22.7%
MYCRONIC		
Net sales	3,001	2,319
EBIT	848	691
EBIT margin	28.3%	29.8%
Holding	29.9%	29.9%
Vitrolife		
Net sales	1 046	856
EBIT	341	249
EBIT margin	32.6%	29.1%
Holding	20.8%	21.7%
XIVO PERFUSION		
Net sales	148	138
EBIT	7	3
EBIT margin	4.8%	2.0%
Holding	18.7%	20.7%
Unlisted SEK M	2017	2016
BURE FINANCIAL SERVICES		
Net sales	11	27
EBIT	11	27
EBIT margin	100.0%	100.0%
Holding	100.0%	100.0%
BURE GROWTH		
Net sales	1	-15
EBIT	1	-15
EBIT margin	100.0%	n/m
Holding	100.0%	100.0%
Investment AB Bure		
Net sales	11	31
EBIT	-11	7
EBIT margin	n/m	23.4%
Holding	100.0%	100.0%
Mercuri INTERNATIONAL		
Net sales	443	424
EBIT ³⁾	21	37
EBIT margin	4.6%	8.7%
Holding	99.1%	99.1%

1) MedCap refers to the truncated financial year May – December 2016 and 2017.

2) Operating profit excluding items affecting comparability was SEK 95M. Items affecting comparability poster were SEK 266M including a write-down of goodwill in the Airports & Industry business unit of SEK 176M. Tax reforms in the US also resulted in a write-down of deferred tax assets of SEK 64M.

3) Mercuri's operating profit before amortisation of intangible surplus amounted to SEK 32M in 2017, which corresponds to an EBITA margin of 7.2 per cent.

Bure's net asset value

Net asset value per share amounted to SEK 111.69 (101.74) at year-end, corresponding to an increase of 9.8 per cent. In addition, shareholders have also received an ordinary dividend of SEK 1.50 per share, and an extraordinary dividend of SEK 0.50 per share.

Net asset value increased SEK 690M to SEK 7,743M in 2016. In addition, Bure paid dividends of SEK 139M.

SEK M	31 Dec 2016					31 Dec 2017		
	% of capita	Net asset value	Value change, (+/-) ¹⁾	Invest-ment	Disposal/Reclassifi-cation	Net asset value	% of net asset value	Net asset value per share, SEK
²⁾ LISTED	Cavotec	20.1%	279	14	72	–	366	4.7% 5.3
	Lauritz.com ³⁾	11.3%	37	–	–	-37 ³⁾	–	–
	MedCap	23.0%	106	32	1	–	139	1.8% 2.0
	Mycronic	29.9%	2,873	-381	–	–	2,492	32.2% 35.9
	Vitrolife ⁴⁾	20.8%	1,823	1,092	–	-100	2,815	36.3% 40.6
	Xvivo Perfusion	18.7%	430	29	–	–	460	5.9% 6.6
Total listed holdings		5,548	786	74	-137	6,271	81.0%	90.4
³⁾ UNLISTED	Bure Financial Services ⁵⁾	100.0%	252	-8	–	-193	51	0.7% 0.7
	Bure Growth ⁶⁾	100.0%	37	–	170	-8	199	2.6% 2.9
	Investment AB Bure ⁷⁾	100.0%	222	-16	–	-32	175	2.3% 2.5
	Mercuri International Group ⁸⁾	99.1%	114	–	–	–	114	1.5% 1.6
	Total unlisted holdings	625	-23	170	-233	539	7.0%	7.8
Total holdings		6,173	762	243	-370	6,809	87.9%	98.2
⁴⁾ TREASURY	Cash and cash equivalents and short-term/financial investments ⁹⁾	873	61	–	–	933	12.1%	13.5
	Other assets ¹⁰⁾	8	-7	–	–	1	0.0%	0.0
	Summa treasury	881	53	–	–	934	12.1%	13.5
	Total treasury	7,054	690¹¹⁾	–	–	7,743	100.0%	111.7

1) Value change including exit gains/losses.

2) Number of shares per 31 December 2017: Cavotec 15,759,837; MedCap 3,081,017; Mycronic 29,317,163; Vitrolife 4,517,857; and Xvivo Perfusion 4,891,483.

3) During 2017, Lauritz.com was reclassified from being a listed portfolio company to a financial investment.

4) In the second quarter of 2017, 191,933 shares were divested in Vitrolife for SEK 100M. The entry value of the shares was SEK 7M and the exit gain amounted to SEK 93M. The divestment resulted in previously booked fair value change of SEK +76M related to the divested Vitrolife shares were written down.

5) In the first half of 2017, all shares in Catella were divested for SEK 193M. The entry value of the shares was SEK 55M and the exit gain amounted to SEK 138M. The divestment resulted in previously booked fair value change of SEK +146M related to the Catella holding were written down.

6) In the first half of 2017, all shares in Vigmed Holding were divested for SEK 8M. The entry value of the shares was SEK 36M and the exit gain amounted to SEK -28M. The divestment resulted in previously booked fair value change of SEK -28M related to the Vigmed holding were written down.

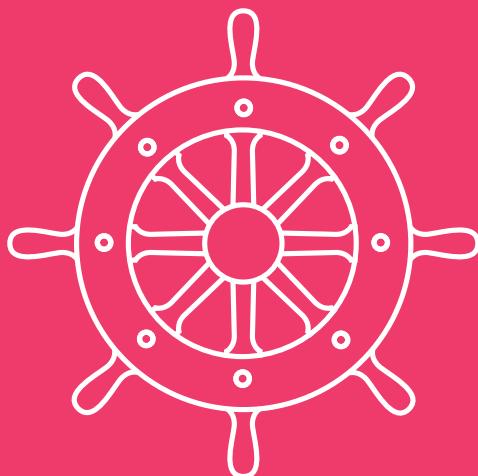
7) Relates to net assets. During 2017 SEK 32M in cash and cash equivalents have been transferred to the parent company.

8) Relates to book value of equity and interest-bearing receivables.

9) Cash and cash equivalents, fonder and short-term investments in market-listed assets.

10) Relates to other unlisted companies, interest-bearing receivables and other net assets.

11) Sum value change, investments and divestments during the period.



Adapted leadership

When a company develops, its conditions change. Bure puts great emphasis on continually appoint leadership teams that give every portfolio company the opportunities to achieve their full potential.

Listed holdings



www.cavotec.com

Cavotec is a leading engineering group that designs and manufactures automated connection and electrification systems for ports, airports and industrial applications worldwide.

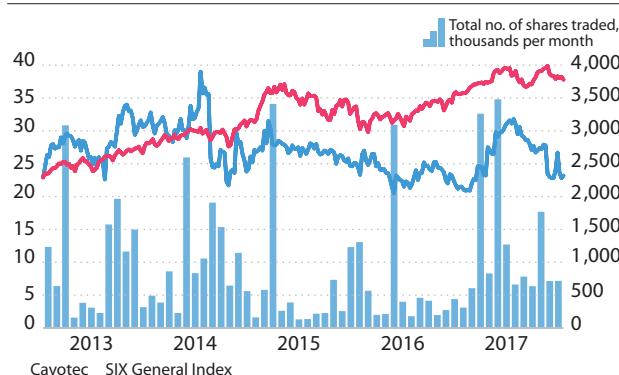
Key figures EUR m	2017	2016	2015
Net sales	212	212	232
Operating expenses	-230	-199	-225
EBIT	-18.0	12.3	7.6
EBIT margin	-8.5%	5.8%	3.3%
Net financial items	-4.9	-1.0	5.2
Profit/loss before tax	-23.1	11.3	12.8
Income tax expense	-8.7	-4.8	-6.7
Profit/loss for the period	-31.8	6.5	6.1
Net loan debt (-)/receivable (+)	-20	-23	-25
Total assets	211	244	260
Equity	104	145	140
Cash flow from operating activities	13	10	0
Average no. of employees	970	942	1,063

Facts at 31 December 2017	Largest shareholders
Book value: SEK 366M	Bure Equity 20.1%
Acquisition date: 2014	Others 79.9%
Board member from Bure: Patrik Tigrerschiöld, board member	

The year in brief

- Net sales were unchanged in 2017 on the previous year.
- Operating profit amounted to EUR -18.0M (12.3). Operating profit excluding items affecting comparability was EUR 9.6M. Items affecting comparability amounted to EUR 27.6M, including a goodwill write-down in the Airports & Industry unit of EUR 18.3M. Tax changes in the US resulted in a revaluation of tax loss carryforwards of EUR 6.6M.
- The share price rose 7.9 per cent in 2017.

Cavotec share price performance, 5 years



MEDCAP

www.medcap.se

Share of Bure's
net asset value 1.8%

MedCap owns and develops companies with significant expansion potential in the Life Sciences sector.

Key figures SEK M	May-17 ¹⁾ – Dec-17	May-16 ¹⁾ – Dec-16	May-16 – Apr-17
Net sales	533	598	852
Operating expenses	-521	-599	-849
EBIT	12.3	-0.2	2.9
EBIT margin	2.3%	0.0%	0.3%
Net financial items	-3.1	-2.7	-4.0
Profit/loss before tax	9.2	-2.9	-1.1
Income tax expense	-6.8	-0.4	2.1
Profit from remaining operations	2.4	-3.4	1.0
Profit from discontinued operations	–	–	-0.3
Profit/loss for the period	2.4	-3.4	0.7
Net loan debt (-)/receivable (+)	-105	-132	-88
Total assets	600	581	563
Equity	267	289	292
Cash flow from operating activities	28	44	81
Average no. of employees	324	296	332

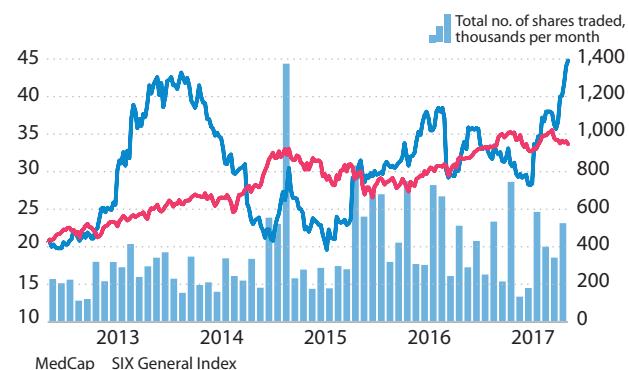
1) Shortened fiscal year.

Facts at 31 December 2017	Largest shareholders
Book value: SEK 139M	Bengt Julander 23.7%
Acquisition date: 2012	Bure Equity 23.0%
Board member from Bure: Karl Tobieson, board member	Others 4.3%

The year in brief

- Net sales for the shortened fiscal year 2017 was SEK 533M (598). Net sales excluding life sciences increased 21 per cent to SEK 411M (341).
- Operating profit was SEK 12.3M (-0.2). Following the company's strategic review, it was decided to write-down all goodwill associated with the Life Sciences segment, which amounted to SEK 13M. Operating profit before amortization, depreciation and items affecting comparability, (EBITDA), was SEK 42.2M (18.4).
- The share price rose 29.7 per cent in 2017.

MedCap share price performance, 5 years



MYCRONIC

www.mycronic.com

Mycronic creates world-class production equipment for electronics and display manufacture.

Share of Bure's net asset value **32.2%**

Key figures

SEK M	2017	2016	2015
Net sales	3,001	2,319	1,815
Operating expenses	-2,153	-1,628	-1,275
EBIT	848.0	691.0	540.3
EBIT margin	28.3%	29.8%	29.8%
Net financial items	-8.6	-1.6	0.2
Profit/loss before tax	839.4	689.4	540.5
Income tax expense	-213.1	-163.1	-98.0
Profit/loss for the period	626.3	526.3	442.5
Net loan debt (-)/receivable (+)	800	198	898
Total assets	3,239	2,755	1,742
Equity	1,800	1,412	1,268
Cash flow from operating activities	984	462	661
Average no. of employees	962	577	495

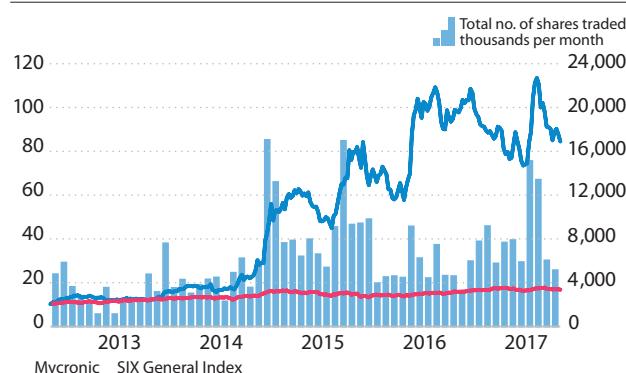
Facts at 31 December 2017

Largest shareholders		
Book value: SEK 2,492M	Bure Equity	29.9%
Acquisition date: 2010 via Skanditek	Fjärde AP-fonden	9.2%
Board member from Bure: Patrik Tigerschiöld, chairman	Robur Fonder	8.0%
	Others	52.9%

The year in brief

- Order intake in 2017 was SEK 3,567M, an increase of 45 per cent compared to 2016. Total order book at year-end was SEK 1,927M (1,342).
- Net sales in 2017 were SEK 3,001M (2,319), an increase of 44 per cent.
- Operating profit increased to SEK 848.0M (691.0), amounting to an operating margin of 28.3 per cent (29.8).
- The share price fell 13.3 per cent in 2017.

Mycronic share price performance, 5 years



Vitrolife

www.vitrolife.com

Vitrolife is an internationally active medtech group that develops, produces and markets fertility treatment products.

Key figures

SEK M	2017	2016	2015
Net sales	1,046	856	722
Operating expenses	-705	-607	-496
EBIT	340.9	248.8	226.1
EBIT margin	32.6%	29.1%	31.3%
Net financial items	0.1	0.1	0.7
Profit/loss before tax	340.9	248.9	226.8
Income tax expense	-76.3	-57.7	-43.5
Profit/loss for the period	264.6	191.2	183.4
Net loan debt (-)/receivable (+)	396	151	152
Total assets	1,422	1,250	1,059
Equity	1,229	1,020	845
Cash flow from operating activities	312	181	194
Average no. of employees	355	328	320

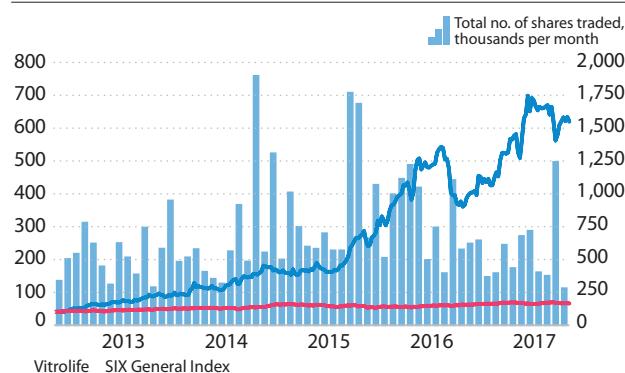
Facts at 31 December 2017

Largest shareholders		
Book value: SEK 2,815M	William Demant	21.6%
Acquisition date: 2010 via Skanditek	Invest A/S	
Board member from Bure: Patrik Mattsson, board member	Bure Equity	20.8%
	Capital Group	4.5%
	Others	53.1%

The year in brief

- Net sales in 2017 increased 22 per cent to SEK 1,046M (856). In local currencies, sales increased 19 per cent.
- Operating profit increased to SEK 340.9M (248.8), amounting to an operating margin of 32.6 per cent (29.1). Operating profit before amortization, depreciation and items affecting comparability, (EBITDA), amounted to SEK 408M (303), a margin of 39 per cent (35).
- The share price rose 61.0 per cent in 2017.

Vitrolife share price performance, 5 years





www.xvivoperfusion.com

Share of Bure's
net asset value **5.9%**

Xvivo Perfusion AB is an internationally active medical technology company focused on developing optimised solutions for organ, tissue and cell preservation in connection with transplantation.

Key figures

SEK M	2017	2016	2015
Net sales	148	138	120
Operating expenses	-141	-135	-113
EBIT	7.1	2.7	7.2
EBIT margin	4.8%	2.0%	6.0%
Net financial items	0.3	0.3	0.2
Profit/loss before tax	7.5	3.0	7.4
Income tax expense	-1.2	-1.5	-2.3
Profit/loss for the period	6.3	1.5	5.1
Net loan debt (-)/receivable (+)	195	25	41
Total assets	539	349	204
Equity	504	316	185
Cash flow from operating activities	22	13	9
Average no. of employees	30	28	21

Facts at 31 December 2017

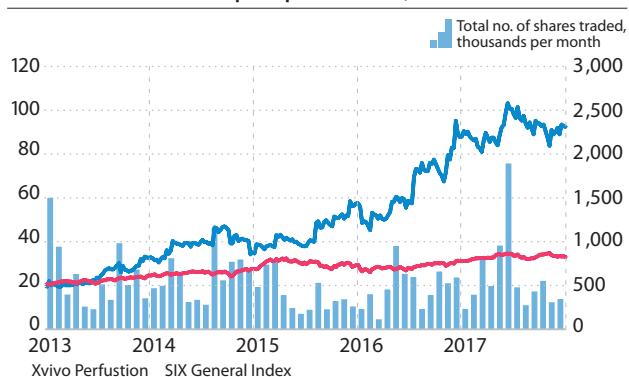
Largest shareholders

Book value: SEK 460M	Bure Equity	18.7%
Acquisition date: Lex Asea distribution from Vitrolife in 2012	Eccenovo	5.6%
Board member from Bure: Fredrik Mattsson, chairman Gösta Johannesson, board member	Robur Fonder	5.5%
	Others	70.2%

The year in brief

- Net sales in 2017 amounted to SEK 148M (138), an increase of 7.4 per cent. Sales excluding capital goods increased 15 per cent to SEK 141M (123).
- Operating profit was SEK 7.1M (2.7) amounting to an operating margin of 4.8 per cent (2.0). Adjusted operating profit amounted to SEK 24.8M (26.4), representing a margin of 17 per cent.
- The share price rose 6.8 per cent in 2017.

Xvivo Perfusion share price performance, since October 2012



Unlisted portfolio companies



Share of Bure's net asset value **0.7%**

www.bure.se

Bure Financial Services is a wholly owned subsidiary that invests in financial operations and assets. The company owns 20.1 per cent of Fondbolaget Fondita and 33.0 per cent of Idevall & Partners Holding.

Key figures – Bure Financial Services Group			
SEK M	2017	2016	2015
Revenue/value adjustments	11.0	26.9	105.3
Operating expenses	0.0	0.0	0.0
EBIT	11.0	26.9	105.3
EBIT margin	100.0%	100.0%	100.0%
Net financial items	0.0	0.0	0.0
Profit/loss before tax	11.0	26.9	105.3
Income tax expense	0.0	0.0	0.0
Profit/loss for the period	11.0	26.9	105.3
Net loan debt (-)/receivable (+)	135	-75	-88
Total assets	187	250	234
Equity	187	175	146
Cash flow from operating activities	17	14	17
Average no. of employees	0	0	0

Facts at 31 December 2017		Largest shareholders	
Book value: SEK 51M	Bure Equity	100.0%	
Acquisition date: Established 2014			
Board member from Bure: Patrik Tiggerschiöld, chairman Henrik Blomquist, board member Max Jonson, board member			

The year in brief

- Revenue/value adjustments of SEK 11.0M relate to participations in associated companies of SEK 12.2M, dividends from Catella of SEK 7.0M, and the proceeds from the divestiture of the holding in Catella.
- In 2017, the holding in Catella was divested for SEK 193.2M. The entry value of the shares was SEK 54.9M, resulting in an exit gain of SEK 138.2M. The divestiture resulted in a previously booked fair value change of SEK +146.4M due to the Catella holding being written down.



Share of Bure's net asset value **2.6%**

www.bure.se

Bure Growth is a wholly owned subsidiary that invests in development companies. The company owns 29.1 per cent of BioLamina, 26.2 per cent of Life Genomics, 22.5 per cent of My Driving Academy Sweden, and 18.2 per cent of Yubico.

Key figures – Bure Growth Group			
SEK M	2017	2016	2015
Revenue/value adjustments	1.0	-15.4	-15.0
Operating expenses	0.0	0.0	0.0
EBIT	1.0	-15.4	-15.0
EBIT margin	100.0%	n/m	n/m
Net financial items	0.5	0.0	0.0
Group contributions	-0.5	–	–
Profit/loss before tax	1.0	-15.4	-15.0
Income tax expense	0.0	0.0	0.0
Profit/loss for the period	1.0	-15.4	-15.0
Net loan debt (-)/receivable (+) ¹⁾	-177	-35	-38
Total assets	197	33	43
Equity	20	-2	5
Cash flow from operating activities	0	0	0
Average no. of employees	0	0	0

1) Of which, a liability of SEK 176.8M to the Parent Company at 31 December 2017.

Facts at 31 December 2017		Largest shareholders	
Book value: SEK 199M	Bure Equity	100.0%	
Acquisition date: Established 2015			
Board member from Bure: Henrik Blomquist, chairman Fredrik Mattsson, board member Max Jonson, board member			

The year in brief

- Revenue/value adjustments of SEK 1.0M relate to participations from associated companies of SEK 0.6M, and the proceeds from the divestiture of the holding in Vigmed Holding.
- In 2017, the holding in Vigmed Holding was divested for SEK 7.9M. The entry value of the shares was SEK 35.5M, and the exit loss amounted to SEK 27.6M. The divestiture of Vigmed Holding resulted in a reversal of a previously booked fair value change of SEK -28.0M.
- During 2017, Bure Growth acquired 18.2 per cent of Yubico, 22.5 per cent of My Driving Academy Sweden, and increased its holding in BioLamina to 29.1 per cent.

Investment AB Bure

www.bure.se

Investment AB Bure is a wholly owned subsidiary that owns and is responsible for the leasing of locomotives. Operations started in 2012.

Key figures

SEK M	2017	2016	2015
Net sales	11.2	31.0	33.9
Operating expenses	-22.1	-23.8	-12.6
EBIT	-10.9	7.2	21.2
EBIT margin	neg	23.4%	62.7%
Net financial items	-2.9	-3.5	-4.0
Appropriations	-	64.1	-17.3
Profit/loss before tax	-13.8	67.8	0.0
Income tax expense	0.0	0.0	0.0
Profit/loss for the period	-13.8	67.8	0.0
Net loan debt (-)/receivable (+) ¹⁾	-102	-90	-109
Total assets	186	231	226
Equity	68	81	64
Cash flow from operating activities	-9	23	25
Average no. of employees	0	0	0

1) Of which, a liability of SEK 107.0M to the Parent Company at 31 December 2017.

Facts at 31 December 2017

	Largest shareholders	
Book value: SEK 175M ¹⁾	Bure Equity	100.0%
Acquisition date: Established 2012		
Board member from Bure:		
Henrik Blomquist, chairman		
Philip Nyblaeus, board member		

1) Refers to net assets in Investment AB Bure.

The year in brief

- Net sales amounted to SEK 11.2M (31.0), and consisted of insurance claims. The company's locomotives did not generate any rental income during the year.
- Operating profit was SEK -10.9M (7.2), of which SEK 6.9M related to depreciation of book value of the company's locomotives.

Share of Bure's
net asset value **2.3%**



Share of Bure's
net asset value **1.5%**

www.mercuri.se

Mercuri International is a leading sales and management training consultancy with a global coverage.

Key figures

SEK M	2017	2016	2015
Net sales	443	424	452
Operating expenses	-411	-387	-424
EBITA	31.9	36.7	27.8
EBITA margin	7.2%	8.7%	6.2%
Impairment of intangible assets	-11.4	-	-
EBIT	20.5	36.7	27.8
EBIT margin	4.6%	8.7%	6.2%
Net financial items	-13.6	1.5	-7.7
Profit/loss before tax	6.9	38.2	20.1
Income tax expense	-5.8	-8.3	-11.6
Profit/loss for the period	1.1	29.9	8.5
Net loan debt (-)/receivable (+) ¹⁾	-35	-41	-73
Total assets	338	335	326
Equity	130	127	94
Cash flow from operating activities	14	38	18
Average no. of employees	265	256	274

1) Of which, a liability of SEK 58.8M to the Parent Company at 31 December 2017.

Facts at 31 December 2017

	Largest shareholders	
Book value: SEK 114M ¹⁾	Bure Equity	99.1%
Acquisition date: 1998	Others	0.9%
Board member from Bure:		
Henrik Blomquist, chairman		

1) Refers to the book value of equity and interest-bearing receivables.

The year in brief

- Net sales increased 4.6 per cent to SEK 443M (424) in 2017.
- EBITA was SEK 31.9M (36.7), and the EBITA margin was 7.2 per cent (8.7%).
- During 2017, a goodwill write-down was made relating to the Calemi subsidiary of SEK 11.4M. Net financial items includes a write-down of a financial claim of SEK 8M.
- Cash flow for 2017 was SEK 14M, and net loan liability decreased to SEK 35M.
- The average number of employees increased during the year due to new hires made by Mercuri, including 30 consultants and sales people.



Commitment and responsibility

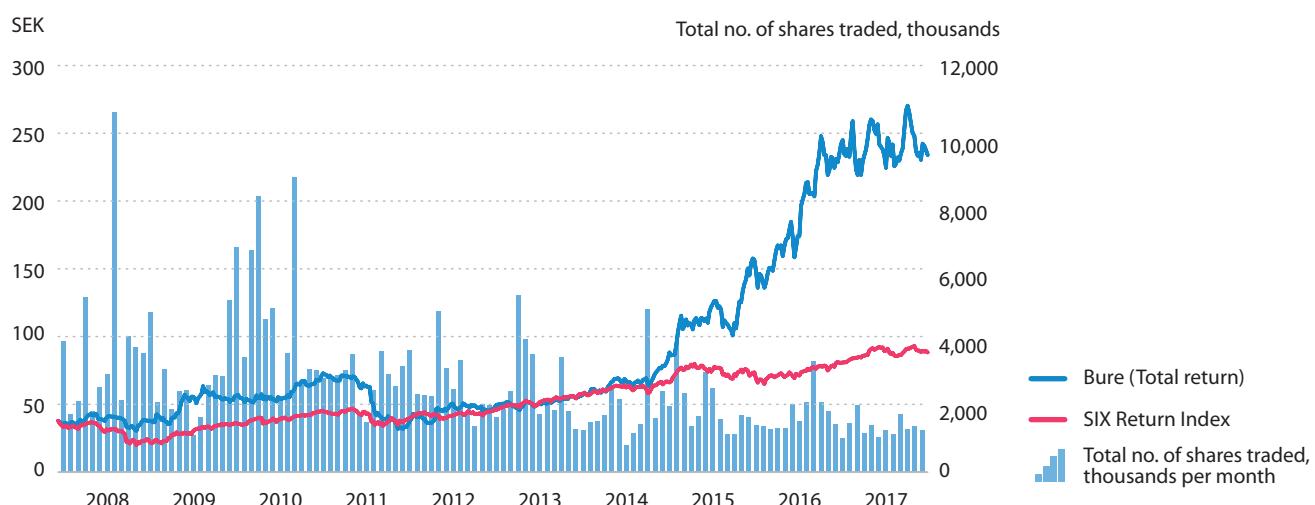
As an owner, Bure maintains a strong presence and supports the companies we invest in. Bure is always active on the boards of our portfolio companies and also devotes a great deal of time outside of board meetings.

The Bure share – historical overview 1993 – 2017

One of Bure's foremost goals is to generate a high and sustainable total return for Bure's shareholders.

Total return is a measure of how the stock market values Bure's share and net asset value, as well as distributions of assets to Bure's shareholders. These distributions can take the form of cash dividends and shares in companies or the redemption and buyback of shares.

10-year total return performance



Total return

Bure defines total return including distribution of companies as Bure's share price performance, cash dividends, and the market value of companies that have been distributed. The method is based on the reinvestment of cash and dividends in Bure shares. In the case of companies that are distributed, shareholders are assumed to retain received shares until the date on which the shares are due to be delisted, after which point, proceeds are reinvested in Bure shares.

Total return at 31 December 2017

	Bure Equity, %	SIX RX index, %
1 year	-3.3%	9.5%
3 years	192.3%	32.5%
5 years	405.2%	96.4%
10 years	517.4%	133.0%

Growth in net asset value

Net asset value is the sum of Bure's net assets and can be described as the result of long-term company building. Net asset value includes listed assets that are measured at fair market value, while unlisted assets are normally measured at cost. For unlisted assets, this means that value is not realised until the assets are sold or generate dividends for Bure.

Shareholder-friendly measures

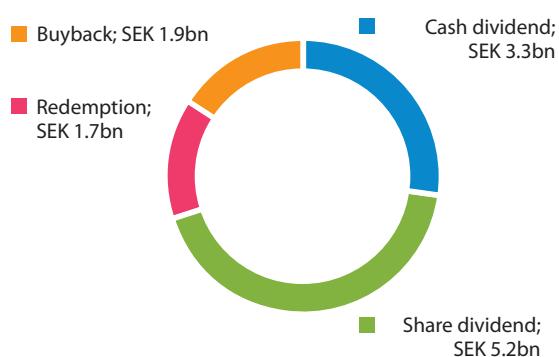
Bure uses several shareholder-friendly measures that enable shareholders to benefit from the value of Bure's assets over and above the stock market's valuation of the Bure share.

Cash dividends, for example, involve the distribution of cash, while company distributions involve the distribution of shares in specific companies to shareholders. Since 1993, Bure has distributed SEK 3.3Bn in cash as well as shares in Capio, Observer, (later Cision), and AcadeMedia to the value of SEK 5.2Bn on the distribution date – a total of SEK 8.5Bn.

Other types of distribution include share redemptions and share buybacks. In simple terms, this increases the value of remaining shares. Over the years, Bure has conducted redemptions and buybacks of share and warrants for SEK 3.6 Bn.

Since it started trading, Bure has thus distributed a total of SEK 12.1Bn to its shareholders – equivalent to 1.8 times market capitalisation at year-end 2017.

Total distribution to Bure's shareholders 1993–2016: SEK 12,1Bn.



The Bure share is listed on the Nasdaq Stockholm in the Mid Cap segment.

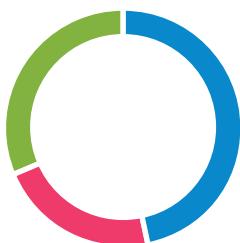
Share capital

Bure's share capital at 31 December 2017 amounted to SEK 535.5M, divided between 69,332,710 ordinary shares. Each share has a quota value of SEK 7.72. All shares grant equal voting rights to the company's assets and profits.

Shareholders

The number of Bure shareholders at 31 December 2017 was 22,445 (21,190), according to Euroclear Sweden. Of Bure's shareholders, 75.5 per cent (73.3) held fewer than 500 shares each. Foreign investors accounted for 31.3 per cent (33.1) of all shareholders. At year-end, the ten largest shareholders held 57.0 per cent (54.6) of share capital and votes in Bure.

Ownership structure



- Swedish private investors: 46.9%
- Swedish institutions: 21.9%
- Foreign investors: 31.3%

Share price performance

The Bure share price fell 5.1 per cent in 2017. The share price at year-end was SEK 98.25 (103.50). The highest price paid for the share was SEK 115.00, and the lowest was SEK 90.75. In 2017, the Bure share produced a total return of -3.3 per cent. Total return is a measure of total share price performance including reinvested dividends.

The total return of Bure's share can be compared to the total return of the SIX Return Index that amounted to 9.5 per cent. At year-end 2017, Bure had a market capitalisation of SEK 6,812M.

Bure's largest shareholders at 31 December 2017

Shareholder	No. of shares	Holding
Nordea Investment Funds	8,849,218	12.8%
Patrik Tigerschiöld	7,933,405	11.4%
Familjen Björkman inkl. stiftelser	6,226,012	9.0%
Ted Tigerschiöld	3,746,052	5.4%
Stephanie Tigerschiöld	3,712,073	5.4%
Fjärde AP-Fonden	2,510,913	3.6%
SIX SIS AG, W8IMY	2,391,534	3.4%
SEB Investment Management	1,600,677	2.3%
CBNY-Norges Bank	1,280,184	1.8%
CBNY-DFA-INT SML CAP V	1,260,649	1.8%
Total 10 largest shareholders	39,510,717	57.0%
Others	29,821,993	43.0%
Total	69,332,710	100%

Trading volume

In 2017, a total of 16,009,630 shares (21 013 912) were traded on the Nasdaq Stockholm for a combined value of SEK 1,632M (1,748), equivalent to a turnover of 23 per cent (30) of Bure's shares. The average trading volume per trading day was 63,783 shares (82,732). A total of 117,530 trades (101,783) of the Bure share were cleared during the year.

Dividends in 2017 and 2018

In 2017, Bure paid an ordinary dividend of SEK 1.50 per share, and an extraordinary dividend of SEK 0.50 per share for the financial year 2016. The Board of Directors proposes that the 2018 AGM approve an ordinary dividend of SEK 1.50 per share, and an extraordinary dividend of SEK 0.50 per share for the financial year 2017.

Share buybacks

The 2017 AGM authorised the Board, during the period until the next AGM, to acquire treasury shares corresponding to a maximum of 10 per cent of all shares outstanding in the company. In 2017, Bure had not utilised its authorisation to repurchase shares.

Employee share ownership

Bure encourages an alignment of interests between employees and the company's shareholders. Within the framework of the long-term incentive plan, all employees have the opportunity to invest an amount equal to 5.6 per cent of their basic salary, (before tax), in Bure shares. All employees participated in the programme in 2017 with an aggregate investment of SEK 0.5M that was matched by Bure. The personal investment means that the plan has an up- and downside potential that equates the interests of the employees with those of other shareholders. At 31 December 2017, employee ownership amounted to 124,762 shares. For more information on employee shareholdings, please see the "Employees" section of this report.

Distribution of shareholdings at 31 December 2017

Size of holding	No. of shareholders	No. of shares	Holding
1 – 500	16,954	2,002,650	75.5%
501 – 1,000	2,568	2,060,919	11.4%
1,001 – 5,000	2,263	5,006,328	10.1%
5,001 – 10,000	314	2,341,608	1.4%
10,001 – 15,000	107	1,353,795	0.5%
15,001 – 20,000	52	959,657	0.2%
20,001 –	187	55,607,753	0.8%
Total	22,445	69,332,710	100%

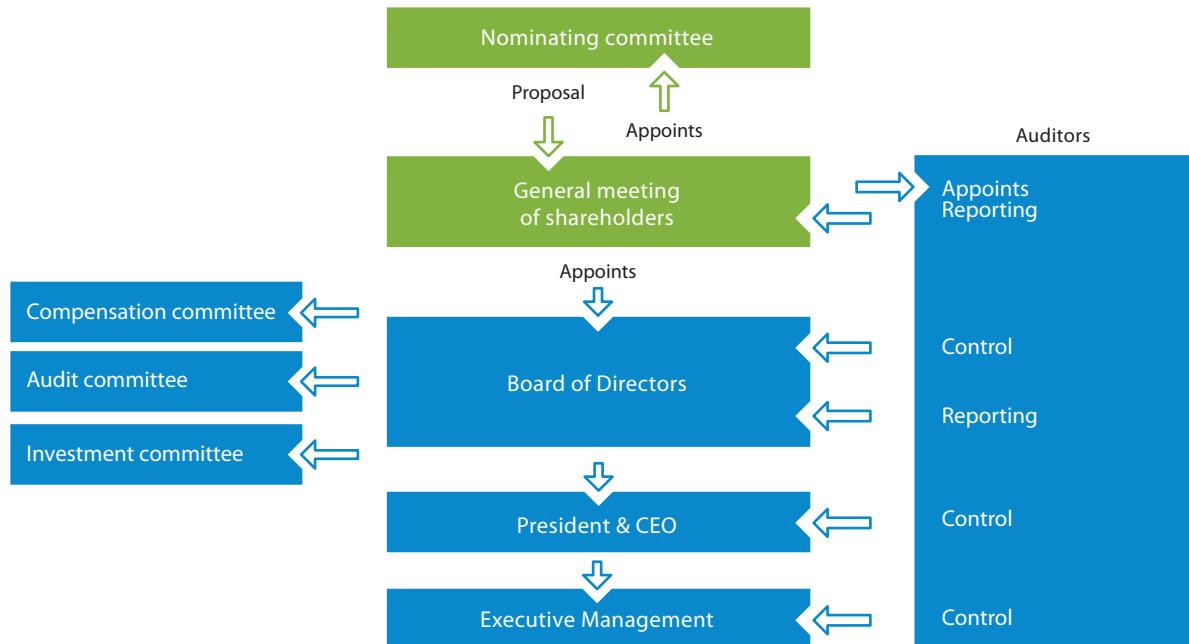


Financial strength

Bure has the financial strength and capacity to provide its portfolio companies the long-term economic support they need.

Financial robustness is crucial for a company to execute its strategy and achieve its targets.

Corporate governance



Corporate governance report 2017

Corporate governance in Bure Equity AB is regulated by Swedish law, primarily the Swedish Companies Act, and the Nasdaq Stockholm's Rules for Issuers. Bure also applies the revised rules of the Swedish Code of Governance ("the Code") from 1 December 2016. These rules are applied successively to the extent prescribed by the Code, and in line with statements and recommendations issued by advisory organisations, (such as the Swedish Corporate Governance Board), on specific issues related to the Code. Bure applied the Code and reports no deviations from the Code for the financial year 2017, aside from that regarding the company's special audit function, (see "Deviations from the Code" below). For more information about corporate governance issues that are not covered in this corporate governance report, please go to www.bure.se.

Share capital

Bure has been listed on the Nasdaq Stockholm since 1993. At year-end, Bure's share capital amounted to SEK 535.5M, divided between 69,332,710 ordinary shares. The company's ordinary shares grant the right to one vote per share. All shares grant entitlement to an equal share of the company's assets and dividends.

At year-end 2017, Bure had 22,445 shareholders according to Euroclear Sweden. The 10 largest shareholders accounted for 57.0 per cent of the shares. Nordea Investment Funds was Bure's single largest shareholder with 12.8 per cent of the shares. The percentage of shares held by physical persons or legal entities outside Sweden was 31.1. The 2017 AGM authorised the Board, during the period until the next AGM, to acquire up to 10 per cent of the outstanding shares in the company. Bure did not utilise the authorisation to repurchase shares in 2017.

General meeting of shareholders

The general meeting of shareholders is Bure's highest decision-making body, and shall be held in Stockholm or Gothenburg once a year before the end of June. According to the company's Articles of Association, notice of the general meeting shall be published no more than six weeks, and no fewer than four weeks prior to the meeting, and no more than six weeks, and no fewer than three weeks prior to an extraordinary general meeting. Notice shall always be given through an announcement in Sweden's official gazette, Post- and Inrikes Tidningar, and in Swedish daily Svenska Dagbladet.

To have a matter addressed at an AGM, shareholders shall submit a written request to the Board in good time so that the matter can be included in the notice to attend the meeting. Bure's Articles of Association contain no restrictions regarding the number of votes each shareholder may exercise at the meeting. All shareholders who are registered on Euroclear Sweden's shareholder register, and who have notified the company of their intention to attend the meeting by the specified date have the right to participate in the meeting and exercise the votes for their total shareholdings. Shareholders may be accompanied by assistants at the meeting if shareholders notify the company in advance.

The 2017 Annual General Meeting

The 2017 AGM was held on 3 May in Stockholm. The meeting was attended by 168 shareholders, proxies and assistants, representing 45.3 per cent of votes and share capital. Bure's Board of Directors, management and auditor were present. The CEO's address was published in full on the Bure website the day after the AGM. During the AGM, the auditor was appointed for a mandate period of one year.

Nomination committee

The composition of the nomination committee was announced on 19 September 2017. The committee was appointed in accordance with the instructions that were approved by Bure's 2017 AGM. These require the Chairman of the Board, no later than the end of the third quarter, to ensure that the company's three largest shareholders are given the opportunity to each appoint one member to the nomination committee. Should any of these three shareholders waive their right to appoint a member to the committee, the shareholder next in order of voting power will be contacted and asked whether they wish to appoint a member to the committee. The mandate period is one year. Furthermore, the Chairman of the Board shall be a member of the nomination committee. No compensation is paid for work done on the nomination committee.

The nomination committee consists of:

- Erik Durhan, representing Nordea Investment Funds
- Patrik Tigerschiöld representing the Tigerschiöld family
- Per Björkman representing the Björkman family. The committee appointed Per Björkman as its chairman.

The nomination committee shall prepare and submit proposals to the AGM regarding:

- Election of a meeting chairman
- Election of and fees for the Chairman of the Board and other board members
- Election of and fees for the auditor and deputy auditor (as applicable)
- Principles for the appointment of the next nomination committee.

Ahead of the 2018 AGM, the nomination committee held four minuted meetings. To evaluate those requirements that will be made of the board due to the company's current position and future direction, the nomination committee has discussed the size and composition of the board in terms of, for example, industry experience, competence, international experience, and diversity. A key starting point for this work has been the principle that the composition of the board shall reflect and provide scope for the different skill sets needed to support Bure's long-term operations. In addition, the nomination committee has considered the board's gender balance. The nomination committee strives to achieve an even gender balance in the composition of the board. The committee's proposal means that the number of women on the board, corresponding to 33 per cent, is higher compared to last year. Its proposals, its report on its work prior to the AGM, and other information regarding proposed members will be published on the company's website at the same time as the notice to attend the AGM.

The Board of Directors

All members of the Board are appointed by shareholders at the AGM to serve a period of one year from the AGM until the end of the next AGM. According to the Articles of Association, Bure's Board of Directors shall consist of no fewer than five and no more than nine members.

The Board is responsible for the company's organisation and management of the company's affairs, but not for its operational activities. The Board's tasks include the assessment of the company's financial situation, the adoption of a procedural plan, the appointment of a CEO, and to define the separation of duties.

The AGM on 3 May 2017 elected Patrik Tigerschiöld (re-election) as Chairman, and elected Hans Börck (re-election), Carl Björkman (re-election), Bengt Engström (re-election), Charlotta Falvin (re-election), Sarah McPhee (re-election) and Mathias Uhlén (re-election) as regular Board members. Information about Board members and the CEO is presented at the end of the corporate governance report. CFO Max Jonson has served as Secretary of the Board. The CEO is not a member of the Board. Of the company's seven Board members, five are independent in relation to the company, its management and the company's major shareholders; one is independent in relation to the company, its management and the company's major shareholders; and one is dependent in relation to the company, its management and the company's major shareholders.

A description of Board members' and the CEO's shareholdings and other assignments is provided in the "Board of Directors and Employees" section of this report.

Duties of the Board

The duties of the Board include the development of the company's strategy and business plan in such a way that the long-term interests of shareholders are served in the best possible way. The Board's work is governed by a procedural plan that was adopted at a statutory meeting of the Board on 3 May 2017. The work of the Board follows an annual plan containing fixed decision points adopted at statutory meetings of the Board. In brief, the procedural plan states that the Board is responsible for the company's organisation and management of its affairs. The procedural plan includes information regarding the separation of duties between the Board, the Chairman, the CEO, and the Board's committees.

The Board continuously monitors the company's and Group's financial position so that the Board fulfils its monitoring obligations required by law, Nasdaq Stockholm's Rules for Issuers, and sound Board practice. The procedural plan states that it is the responsibility of the Board to decide on matters that fall outside the sphere of operational activities or that are of major significance, such as material financial commitments and agreements and significant changes in the organisation.

Bure's Board establishes and documents the company's goals and strategies on an annual basis, along with marketing, and strategic and budgetary issues. The Board establishes the company's finance policy, authorisation rights, order of delegation and decision-making procedures. The Board has formulated specific instructions regarding the responsibilities and powers of Bure's CEO, and receives reports and updates on operations from management on an on-going basis. Information material and decision data ahead of Board meetings is typically distributed one week prior to Board meetings.

The company's auditors attend at least one board meeting a year to report on the annual audit and provide their

evaluation of the company's internal control mechanisms. The auditors present their observations from the annual audit directly to the Board. At least once a year, the auditors meet the Board in the absence of management.

Work of the Board in 2017

According to the Articles of Association, the Board shall hold at least six meetings a year, and shall meet more frequently if required to do so. In the past financial year, the Board held eleven meetings, consisting of nine ordinary meetings, one statutory meeting, and one additional meeting. See Board attendance in the table below. Key issues dealt with during the financial year included:

- Financial monitoring of operations
- Discussions and decisions regarding the portfolio
- Preparation of the dividend proposal
- Development of the company's strategic direction
- Authorisation for the repurchase of treasury shares
- Auditing, investments and compensation committee matters, as described in "Board committees" below.

The company's auditor participated in two board meetings, partly without the presence of management representatives.

Total Board fees in Bure Equity AB, as approved by the 2017 AGM, is SEK 2,450,000, of which SEK 800,000 is paid the Chairman.

Evaluation of the Board

An external systematic evaluation is conducted at regular intervals. The evaluation provides Board members with an opportunity to give their views on working procedures, Board materials, their own and other Board members' performance. The aim of this is to develop the work of the Board, and provide the Nomination Committee with a relevant basis to take decisions.

Board committees

The Board's procedural plan includes instructions regarding the audit committee, compensation committee, and the investment committee. The work of the audit and compensation committees is performed by all members of the Board.

Audit committee

The audit committee is responsible for issues concerning auditing, internal control, and review of interim and financial reports. The committee is also tasked with evaluating

the work of the auditors, and preparing the election of new auditors when appropriate. The audit committee met the company's auditors on two occasions during the year.

Compensation committee

The compensation committee is responsible for compensation in the shape of salaries, pensions and bonuses, and other terms of employment for the CEO and staff who report directly to the CEO. Decisions regarding compensation principles for the CEO and management were adopted at the AGM 3 May 2017.

Investment committee

To actively manage Bure's cash and cash equivalents and short-term investments, the Board has appointed an investment committee. The committee's main task is to continuously evaluate the management of investments in terms of risk and return. The investment committee consists of Patrik Tigerschiöld, Hans Börck and CEO Henrik Blomquist. The investment committee functions according to the company's finance policy. In the past financial year, the investment committee held one meeting at which all members were in attendance.

Principles for compensation to senior executives

The AGM adopts principles for the compensation of senior executives. Proposals are prepared by the compensation committee. The overarching principle is to offer competitive compensation and terms of employment. Overall compensation packages consist of fixed based salary, variable salary, pension benefits and other benefits. The principles that were applied in 2017 are outlined in the administration report. Information about compensation to the CEO and other senior executives during 2017 is provided in Note 35.

Financial reporting

Bure's financial reporting is based on applicable laws, regulations, rules, agreements and recommendations for companies listed on the Nasdaq Stockholm. A more detailed description of applicable accounting principles is provided in Note 1 of this report. The auditor's report for the financial year 2017 is also included in the annual report. The Board ensures that the company's financial and accounting structures are correctly dimensioned and have sufficient resources.

Every year, the Parent Company issues instructions regarding the financial information to be reported by the subsidiaries and other portfolio companies. This information includes

Attendance at Board meetings in 2017

	Board meetings	Compensation, SEK th	Shareholding
Patrik Tigerschiöld, Chairman	11/11	800	7,933,405
Hans Börck	10/11	275	25,000
Carl Björkman	11/11	275	2,945,412
Bengt Engström	11/11	275	7,000
Charlotta Falvin	10/11	275	0
Sarah McPhee	10/11	275	6,500
Mathias Uhlén	9/11	275	36,500

income statements, balance sheets, cash flow statements and other key figures. The subsidiaries are required to submit a more extensive reporting package at year-end. This reporting takes place in the group-wide accounting system.

According to the requirements of the listing agreement with Nasdaq Stockholm, Bure provides financial information in the form of interim reports, a year-end report, an annual report, and press releases regarding significant events.

Deviations from the Code of Corporate Governance

According to section 7.3 of the Code, the Board of Directors is required to evaluate the need for a special audit function, (internal audit) on an annual basis. The Board's assessment is that Bure currently has no need for this function. Relevant instructions are in place, and the Board continuously ensures that responsible individuals in the organisation have the requisite expertise and resources to fulfil their duties in the preparation of financial reports. Bure holds seats on the boards of its portfolio companies via a representative for its respective holdings. Depending on the holding, it is also possible to appoint more than one member to represent Bure.

Bure's holdings are currently spread across a variety of industrial sectors and geographical areas. It is therefore deemed more appropriate to make this decision for each holding rather than setting up internal audit functions at group level. The need to establish an internal audit function in the Parent Company must therefore be regarded as minor.

Information about the auditors

Bure has appointed Öhrlings PricewaterhouseCoopers AB ("PwC") as its independent auditor. PwC has appointed Michael Bengtsson, 58, as Auditor in Charge. In addition to Bure Equity AB, Michael is auditor for the Bonnier group, Indutrade AB, and Sweco AB. For information on compensation to PwC, please see Note 9.

The Board's description of internal control of financial control for the financial year 2017

Under the Swedish Companies Act and the Swedish Code of Corporate Governance, the Board of Directors is responsible for internal control at the company. This description has been prepared in accordance with the Swedish Code of Corporate Governance, section 7.4, and is thereby limited to internal control in relation to financial reporting. This description is not part of the formal annual report.

Control environment

The procedural plan for the Board, and instructions for the CEO, ensure clearly delineated roles and responsibilities that promote effective management of the company's risk. Furthermore, the Board has established several normative documents for internal control, which, among other things, emphasise the importance of having clear and documented instructions and policies in the Parent Company and its subsidiaries. Management regularly reports to the Board according to established routines. Management is responsible for the system of internal controls that is necessary for the management of significant risk associated with day-to-day operations. This includes guidelines that promote

understanding and awareness among company executives of the importance of their respective roles in maintaining good internal control.

Risk assessment and control activities

In assessing the risk for irregularities in the company's financial reporting, Bure has developed a model in which several areas exposed to elevated risk for significant error have been identified. Particular attention has been paid to the development of controls to prevent and detect deficiencies in these areas. Areas where material deficiencies are identified are dealt with immediately.

Information and communication

Significant guidelines, manuals et., pertinent to financial reporting are continuously updated and communicated to relevant employees. Employees can communicate important information to management and the Board via formal and informal channels. For external communication, guidelines are in place to ensure that the company meets the highest standards in complete and accurate reporting to the market.

Monitoring

The Board continuously monitors and evaluates information provided by company management. This includes ensuring that action is taken in relation to any deficiencies and recommendations identified in internal and external audits.

Stockholm, 27 March 2018

The Board of Directors of Bure Equity AB (publ.)

Board of Directors



Patrik Tigerschiöld, Stockholm, born in 1964, M.Sc. Business and Economics
Board Chairman since 2013 (also during 2004–2009) CEO during 2010–April 2013*
Chairman of Mycronic AB, the Association for Generally Accepted Principles in the Securities Market, the Swedish Association of Listed Companies and Bure Financial Services AB.
Board member of Board member of Cavotec SA, Fondbolaget Fondita Ab and Idevall & Partners Fonder AB.
Member of Ingenjörsvetenskapsakademien (IVA).
Shareholding in Bure, own and held by related parties: 7,933,405.
Independent in relation to the company and its management.
Independent in relation to the company's major shareholders.



Hans Biörck, Stockholm, born in 1951, M.Sc. Business and Economics.
Board member since 2012.
Chairman of Skanska AB.
Board member of Trelleborg AB, Dunkerska Stiftelserna and Svenska Handelsbanken AB.
Shareholding in Bure, own and held by related parties: 25,000.
Independent in relation to the company and its management.
Independent in relation to the company's major shareholders.



Carl Björkman, Stockholm, born in 1970, M.Sc. Engineering.
Board member since 2010.
Chairman of Cality Invest AB.
Board member of Bällsta Mekaniska AB, FPG Media AB, Hermanders AB, Johan Björkmans Allmännyttiga Stiftelse för Ekonomisk Forskning, Motus Weighing AB and Stäketsholms Förvaltnings AB.
Shareholding in Bure, own and held by related parties: 2,945,412.
Independent in relation to the company and its management.
Independent in relation to the company's major shareholders.



Bengt Engström, Stockholm, born in 1953, M.Sc. Engineering.
Board member since 2014.
Chairman of Scandinavian Executive AB, Nordic Flanges Group AB (publ) and Real Holding AB.
Board member of ScandiNova AB, Scanfil Oy, Prevas AB, Advania AB, Opticos AB, KTH Executive School and Avaj International Holding AB.
Shareholding in Bure, own and held by related parties: 7,000.
Independent in relation to the company and its management.
Independent in relation to the company's major shareholders.

* Employed by Skanditek 1999 – 2010



Charlotta Falvin, Genarp, born in 1966, M.Sc. Business and Economic.

Board member since 2015.

Chairman of Lunds Tekniska Högskola (LTH), Malmö Startups och SHB södra regionbank.

Board member of CLX Communications AB, Invisio Communications AB, NetInsight AB, the Chamber of Commerce and Industry of Southern Sweden and member of the Advisory Board of the SKJ Centre for Entrepreneurship at Lund University.

Shareholding in Bure, own and held by related parties: 0.

Independent in relation to the company and its management.

Independent in relation to the company's major shareholders.



Sarah McPhee, Stockholm, born in 1954, BA, MA and M.Sc. Economics from the Stockholm School of Economics.

Board member since 2016.

Chairman of SNS, Fjärde AP-fonden och Houdini Sportswear AB.

Board member of Klarna AB and Axel Johnson Inc.

Shareholding in Bure, own and held by related parties: 6,500 st.

Independent in relation to the company and its management.

Independent in relation to the company's major shareholders.



Mathias Uhlén, Stockholm, born in 1954, Ph.D. Engineering and Professor of Microbiology, KTH Royal Institute of Technology.

Board member since 2010.

Chairman of Atlas Antibodies AB, Antibodypedia AB och ScandiBio Therapeutics AB.

Board member of Affibody Medical AB, Novozymes A/S and Stockholm City Science Foundation.

Member of the Royal Swedish Academy of Sciences (KVA), the Royal Swedish Academy of Engineering Sciences (IVA) and the National Academy of Engineering (NAE) in the USA.

Shareholding in Bure, own and held by related parties: 36,500 st.

Independent in relation to the company and its management.

Independent in relation to the company's major shareholders.

Employees



From left: Max Jonson, Henrik Blomquist, Elisabet Hellman, Trolle Sahlström, Oskar Hörnell, Philip Nyblaeus, Gösta Johannesson and Fredrik Mattsson.

Henrik Blomquist

Stockholm, born in 1971, Economic studies

President and Chief Executive Officer

Employed since 1999*

Experience of investment operations and corporate development.

Chairman of Mercuri International Group AB, Investment AB Bure, Bure Growth AB and Cavena Image Products AB.

Board member of MedCap AB, Bure Financial Services AB and others.

Shareholding in Bure, own and held by related parties: 47,807.

Gösta Johannesson

Stockholm, born in 1959

Senior Advisor

Consultant since April 2013

Chairman of Idevall & Partners Fonder AB.

Board member of Xvivo Perfusion AB, Yubico AB, Axiell Group AB, Interflora AB and others.

Shareholding in Bure, own and held by related parties: 5,000.

Max Jonson

Stockholm, born in 1968

Chief Financial Officer

Employed since 2013

Board member of Bure Financial Services AB, Bure Growth AB, BioLamina AB.

Shareholding in Bure, own and held by related parties: 16,520.

Philip Nyblaeus

Stockholm, born in 1982

Investment manager

Employed since 2011

Board member of Vigmed Holding AB and Investment AB Bure.

Shareholding in Bure, own and held by related parties: 4,375.

Elisabet Hellman

Stockholm, born in 1957

Executive Assistant

Employed since January 2016

Shareholding in Bure, own and held by related parties: 1,595 st.

Fredrik Mattsson

Stockholm, born in 1972

Investment Director

Employed since 2009*

Chairman of Xvivo Perfusion AB and BioLamina AB.

Board member of Vitrolife AB, Bure Growth AB and others.

Shareholding in Bure, own and held by related parties: 49,860.

Oskar Hörnell

Stockholm, born in 1987

Analyst

Employed since 2015

Board member of My Driving Academy Sweden AB.

Shareholding in Bure, own and held by related parties: 3,505 st.

Trolle Sahlström

Stockholm, born in 1988

Analyst

Employed since January 2017

Adjunct board member of Mercuri International Group AB.

Shareholding in Bure, own and held by related parties: 1,100 st.

* Employed by Skanditek until 2010.

Five-year overview

Data per share ¹⁾	2017	2016	2015	2014	2013
Net asset value, SEK ²⁾	111.7	101.7	87.4	46.1	33.5
Share price, SEK	98.3	103.5	68.8	35.9	26.0
Share price as a percentage of net asset value	88%	102%	79%	78%	78%
Parent Company basic equity per share, SEK	108.4	98.4	82.9	42.3	30.6
Parent Company equity per share excl. buybacks, SEK	108.4	98.4	84.7	45.0	32.6
Consolidated basic equity per share, SEK	112.5	102.4	85.6	43.4	31.6
Consolidated equity per share excl. buybacks, SEK	112.5	102.4	87.5	46.2	33.7
Parent Company basic earnings per share, SEK ³⁾	12.0	15.7	40.4	12.7	6.4
Consolidated diluted earnings per share, SEK ³⁾	12.0	16.9	42.0	12.8	6.6
Number of shares, thousands	69,333	69,333	70,834	76,082	81,102
Number of outstanding options/warrants, thousands	–	–	–	–	1,359
Total number of shares incl. outstanding options/warrants, thousands	69,333	69,333	70,834	76,082	82,461
Number of shares excluding share buybacks, thousands	69,333	69,333	69,333	71,397	76,052
Average basic number of shares, thousands	69,333	69,333	70,042	74,947	78,649
Key figures					
Dividend, SEK per share	2.0	2.0	1.0	1.0	0.5
of which, extraordinary dividend, SEK per share	0.5	1.0	–	0.5	–
Direct return	2.0%	1.9%	1.5%	2.8%	1.9%
Total return	-3.3%	54.7%	95.4%	43.0%	21.0%
Market capitalisation, SEK M	6,812	7,176	4,870	2,731	2,109
Net asset value, SEK M	7,743	7,054	6,060	3,291	2,545
Return on equity	11.6%	17.1%	62.2%	33.5%	21.8%
Administrative expenses/Net asset value	0.55%	0.66%	0.68%	1.23%	1.21%
Parent Company profit and financial position					
Exit gains/losses, SEK M	117	0	417	132	2
Profit/loss after tax, SEK M	834	1,086	2,829	953	503
Total assets, SEK M	7,528	6,835	5,895	3,233	2,659
Equity, SEK M	7,517	6,822	5,874	3,216	2,479
Equity/assets ratio	100%	100%	100%	99%	93%
Cash and cash equivalents and short-term investments, SEK M	799	873	1,040	473	683
Consolidated profit and financial position					
Net sales, SEK M	443	455	486	537	549
Exit gain/loss, SEK M	228	2	416	132	2
Profit/loss after tax, SEK M	834	1,173	2,940	961	507
Total assets, SEK M	7,971	7,271	6,281	3,545	2,814
Equity, SEK M	7,802	7,101	6,065	3,302	2,560
Equity/assets ratio	98%	98%	97%	93%	91%
Net loan debt (-)/receivable (+), SEK M	678	669	986	626	552
Average number of employees	272	262	280	336	612

1) All historical data per share have been adjusted for shares in issue with a time-weighting factor as prescribed by IAS 33.

2) Net asset value consists of the market value of Bure's listed holdings and the Parent Company's book value of unlisted holdings, net assets and cash and cash equivalents.

3) No dilutive effect at 31 December 2017.

Administration report

The Board of Directors and the CEO of Bure Equity AB (publ), corporate identity number 556454-8781, domiciled in Stockholm, hereby submit the annual report and consolidated annual report for the 2017 financial year.

Operations and focus

Bure is a long-term principal owner of operating companies. Bure was established in 1992 and was listed on Nasdaq Stockholm in 1993. By actively developing a diversified portfolio of professionally managed companies and operations, Bure's objective is to create value and returns for its shareholders.

Key events of 2017

Acquisitions and divestments

Bure acquired an additional 2.8 million shares in Cavotec for SEK 72M, increasing its holding to 20.1 per cent.

Bure acquired an additional 0.04 million shares in MedCap for SEK 1M, increasing its holding to 23.0 per cent.

Bure Growth acquired 18.2 per cent of shares in the security company Yubico.

Bure Growth acquired 22.5 per cent of My Driving Academy Sweden.

Bure acquired an additional 0.15 million shares in BioLamina for SEK 11M, increasing its holding to 29.1 per cent.

Bure divested 0.2 million shares in Vitrolife for SEK 100M, generating an exit gain of SEK 93M.

Bure Financial Services divested all its shares in Catella for SEK 193M, generating an exit gain of SEK 138M.

Bure Growth divested all its shares in Vigmed Holding for SEK 8M, generating an exit loss of SEK 28M.

Consolidated profit and financial position

Results for the full year

Consolidated operating income was SEK 1,345M (1,626).

Subsidiaries' net sales amounted to SEK 443M (455).

Dividends amounted to SEK 85M (139), of which Catella accounted for SEK 7M, Cavotec SEK 7M, Mycronic SEK 59M, and Vitrolife SEK 12M.

Exit gains/losses totalled SEK 228M (2), of which the divestment of Catella accounted for SEK 138M and the divestment of shares in Vitrolife SEK 93M, SEK 24M in contingent consideration from the divestment of Carnegie Holding, and SEK -28M from the divestment of the holding in Vigmed Holding.

Capital gains/losses from short-term investments amounted to SEK -11M (2).

Fair value changes amounted to SEK 569M (1,016), of which listed portfolio companies accounted for SEK 692M. Of this amount, Cavotec accounted for SEK 14M, MedCap SEK 32M, Mycronic SEK -381M, Vitrolife SEK 999M, and Xvivo Perfusion SEK 29M, adjustment of fair value changes made during previous periods related to the divestment of the holding in Catella and Vigmed Holding, and short-term investments for SEK -123M. During the period, Lauritz.com was reclassified from being a portfolio company to a financial investment.

Shares in profit/loss of associated companies amounted to SEK 14M (8).

Consolidated operating profit for the period was SEK 852M (1,162).

During the year, a goodwill write-down of SEK 11M was made in relation to Celemi, a subsidiary of Mercuri.

Net financial items totalled SEK -12M (5). This amount included a write-down of a financial receivable of SEK 8M.

Consolidated profit/loss after financial items was SEK 840M (1,167).

Profit/loss after tax was SEK 834M (1,173).

Other comprehensive income included translation differences of SEK 5M (2).

Financial position

Consolidated equity at the end of the year amounted to SEK 7,802M (7,101), and the equity/assets ratio was 98 per cent (98). At 31 December 2017, the Group had a reported net loan receivable of SEK 678M (669), which consisted of interest-bearing assets of SEK 706M (698), and interest-bearing liabilities of SEK 28M (30). Consolidated equity per share at the end of the year was SEK 112.52, compared to SEK 102.42 per share at 31 December 2016.

Parent Company profit and financial position

Results for the full year

Profit/loss after tax was SEK 834M (1,086).

Dividends amounted to SEK 79M (133), of which Cavotec accounted for SEK 7M, Mycronic SEK 59M, and Vitrolife SEK 12M.

Exit gains/losses amounted to SEK 117M (0), of which the divestment of shares in Vitrolife accounted for SEK 93M, and SEK 24M in contingent consideration from the divestment of Carnegie Holding.

Capital gains/losses on short-term investments totalled SEK -11M (2).

Fair value changes amounted to SEK 687M (989), of which listed portfolio companies accounted for SEK 692M, of which Cavotec accounted for SEK 14M, MedCap SEK 32M, Mycronic SEK -381M, Vitrolife SEK 999M, and Xvivo Perfusion SEK 29M, an impairment loss on shares in Bure Growth of SEK 1M, and a change in the value of short-term investments of SEK -5M. During the period, Lauritz.com was reclassified from being a portfolio company to a financial investment.

Administrative expenses amounted to SEK 42M (46). Net financial items totalled SEK 4M (7).

Financial position

Equity in the Parent Company at the end of the year was SEK 7,517M (6,822), and the equity/assets ratio was 100 per cent (100). At the end of the period, the Parent Company had reported a net loan receivable of SEK 680M (798), which consisted of interest-bearing assets of SEK 680M (798), and interest-bearing liabilities of SEK 0M (0). External interest-bearing receivables amounted to SEK 1M (8). Receivables from subsidiaries totalled SEK 343M (309).

Employees and salaries

Information about the average number of employees and the salaries and benefits of senior executives is provided in Notes 34–35.

Bure's loss carryforwards

At the end of 2017, the Bure Group had loss carryforwards of SEK 923M, of which SEK 596M related to the Parent Company. In Sweden, losses amounted to SEK 849M, and are perpetual. The deferred tax asset based on loss carryforwards in the Group has been valued at SEK 7M (8).

Significant risks and uncertainties

In view of rapid changes in the financial markets, particular emphasis is placed on monitoring the effects of these on Bure's investments and their valuations.

Liquidity risk is the risk that the Group will be unable to finance loan payments or other financial obligations as they fall due either with its own funds or with new financing. No significant changes in the Parent Company or Group's risk and uncertainty factors occurred during the year. At the end of the year, the Group had a net loan receivable of SEK 678M (669).

Financial risk management

The Group is exposed to a number of financial risks, including share price risk, currency risk, interest rate risk and liquidity risk. Bure has a number of basic principles to manage risk. Bure's finance policy states that the Parent Company shall be essentially debt-free. Further-more, each portfolio company shall be financially independent of the Parent Company. This means that the Parent Company is not financially liable for obligations of portfolio companies, and that portfolio companies are responsible for their own financing arrangements. Financing of respective portfolio companies shall be appropriate to each company's specific situation. A more detailed description of the Group's management of financial risk can be found in Note 21, Financial Instruments.

To actively manage Bure's cash and cash equivalents and short-term investments, the Board of Directors has established an investment committee. The committee's main responsibility is to evaluate the management of investments in terms of risk and return. The committee is comprised of Patrik Tigerschiöld, Hans Biörck, and CEO Henrik Blomquist. The committee's mandate is regulated by the company's finance policy.

Underlying costs are normally generated in the same currency as revenues, limiting transaction exposure. Since the Group has investments outside Sweden through its subsidiaries, the consolidated statement of financial position and statement of comprehensive income are exposed to exchange differences due to the translation of foreign subsidiaries' financial statements.

Sensitivity analysis for the Group

The Group's results are affected by a variety of factors. Factors described in this report should be considered indicative, and in no way include compensatory measures that can be taken in response to specific developments. Bure's sensitivity to financial factors can be primarily broken down into share price risk, interest rate sensitivity and currency sensitivity. Share price risk relates to the risk that the value of listed shares is subject to change. Based on the market value of listed holdings of SEK 6,557M at 31 December 2017, an average decrease in the price of listed portfolio companies of 1 per cent would have an estimated effect on consolidated profit of SEK 66M. In the short term, a 1 per cent change in the interest rate would affect Group consolidated profit by SEK 7M. Sensitivity to different currencies is deemed to be relatively limited. The most important currency for the Group, apart from the Swedish krona, is the Euro (EUR). The share of the Group's subsidiaries' net sales in EUR is 57 per cent. A 5 per cent change in the value of the EUR would have an estimated effect on profit of SEK 1M. The estimated effect on profit due to changes in Bure's sales varies depending upon the company to which the change relates. In some companies, the short-term marginal effect of a change in sales is relatively substantial. This depends on the causes of such changes. For example, a considerable difference exists between a volume effect and a price effect. Listed portfolio companies with significant international sales have currency exposure primarily in EUR and USD.

Financial targets and strategy

Bure's business model is to acquire, develop and divest operating companies in a way that gives Bure's shareholders a good return on invested capital and enables the portfolio companies to continuously develop their respective businesses in a successful manner. The goal is for the potential value growth of each individual investment to clearly contribute to long-term growth in Bure's market capitalisation. Each individual investment shall have an annual internal rate of return (IRR) of more than 12 per cent. The Parent Company shall be essentially debt-free and the portfolio companies shall have a level of debt over time that is adequate in relation to their assessed operational risk.

Ownership structure and the Bure share

Bure is listed on the Nasdaq Stockholm. At 31 December 2017, Bure's largest shareholders were Nordea Investment Funds with 12.8 per cent, Patrik Tigerschiöld with 11.4 per cent, and the Björkman family including foundations with 9.0 per cent. At 31 December 2017, Bure had 22,445 shareholders according to Euroclear Sweden.

Share capital and number of shares

Bure's share capital at 31 December 2017 amounted to SEK 535.5M, divided between 69,332,710 shares, equal to a quota value of SEK 7.72. The Articles of Association contain no restrictions on the right to transfer shares nor, to the Board of Directors' knowledge, is the company party to any significant agreements that will have any impact, be altered or cease to apply if control over the company changes as a result of a public tender offer.

Treasury shares

Bure's 2017 AGM resolved to authorise Bure's Board of Directors to acquire up to 10 per cent of the total number of shares in Bure Equity AB. At 31 December 2017, no buyback of shares had been carried out. Bure does not hold any of its own shares.

Authorisation for the repurchase of treasury shares

The Board of Directors will propose that the AGM give the Board renewed authorisation, until the date of the 2019 AGM, to repurchase treasury shares in a number equal a maximum of 10 per cent of the total number of shares outstanding in the company.

Principles for compensation and other terms of employment for senior executives

The principles for compensation were adopted by the AGM of Bure on 3 May 2017 and are as follows:

Compensation to the CEO and other senior executives shall consist of basic salary, variable salary and pension. Other senior executives refer to the CFO and one investment manager.

The relationship between basic and variable salary (bonus) shall be proportionate to the executive's responsibilities and authorities.

The maximum amount of variable salary for the CEO is equal to 100 per cent of basic annual salary. For other senior executives, the maximum amount of variable salary is equal to between 70 and 100 per cent of basic annual salary.

Variable salary for the CEO and other senior executives is based on the outcome of four quantitative parameters in relation to predetermined targets.

The quantitative parameters are linked to predetermined targets for a selection of the portfolio companies, Bure's share price performance and net asset value development per share.

Other senior executives also have a discretionary parameter where the outcome is evaluated against individually set goals.

Bure also offers a long-term share savings program for all employees. All employees are given the opportunity, within the framework of the long-term incentive plan, to invest an amount equal to 5.6 per cent of fixed basic salary (before tax) in Bure shares. All employees took part in the plan for 2017 with an aggregate invested amount of SEK 0.5M, which was matched by Bure. The personal investment means that the plan has an up- and downside potential that equates the interests of the employees with those of other shareholders.

All pension benefits are of the defined contribution type. For additional information see Note 35, Compensation to senior executives.

Related party transactions

In 2017 the Board Chairman provided consulting services to Bure under a contract.

Subsequent events

No significant subsequent event has taken place after the end of the year.

Future outlook

Due to the nature of its business, Bure makes no forecasts about future earnings.

Proposed appropriation of profits

The company's annual report will be submitted for adoption by the Annual General Meeting on 3 May 2018. The following funds are at the disposal of the AGM according to the Parent Company balance sheet:

Retained earnings	SEK 6,147,640,969
Profit for the year	SEK 833,667,199
	SEK 6,981,308,168

The Board proposes that the profits be appropriated as follows:

To be paid to the shareholders as an ordinary dividend of SEK 1.50 per share and an extraordinary dividend of SEK 0.50 per share, for a total of	SEK 138,665,420
To be carried forward to new account	SEK 6,842,642,748

It is the Board's assessment that the proposed dividend is justifiable in view of the demands imposed by the operations' nature, scope and risks on the amount of equity in the Parent Company and the Group, as well as the consolidation requirements, liquidity and financial position in general.

The undersigned hereby certify that the consolidated financial statements and the annual report have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted for use in the European Union and with the application of generally accepted accounting principles, and give a true and fair view of the financial position and results of the Group and the Parent Company, and that the administration report gives a true and fair view of the development of operations, financial position and results of the Group and the Parent Company and describes the significant risks and uncertainties to which the Group companies are exposed.

Stockholm den 27 March 2018

Patrik Tigerschiöld
Chairman

Hans Börck

Carl Björkman

Bengt Engström

Charlotta Falvin

Sarah McPhee

Mathias Uhlén

Henrik Blomquist
CEO

Our auditor's report was submitted on 12 April 2018
Öhrlings PricewaterhouseCoopers AB

Michael Bengtsson
Authorised Public Accountant

Statement of comprehensive income

Note	SEK M	Group		
		2017	2016	
Remaining operations				
Operating income				
2	Net sales	443.3	455.1	
	Other operating income	16.0	3.1	
32	Dividends:			
	Portfolio companies	77.9	132.0	
	Other companies	7.0	6.0	
	Short-term and financial investments	0.4	0.7	
3, 14	Exit gains	227.9	2.4	
	Capital gains on short-term investments	-10.9	2.2	
5	Fair value:			
	Portfolio companies	692.5	1,049.5	
	Other companies	-118.4	-0.4	
	Short-term and financial investments	-4.7	-32.8	
4	Shares of profit/loss of associates	13.9	8.5	
	Total operating income	1,345.0	1,626.3	
Operating expenses				
8, 9	Other external expenses	-186.6	-178.5	
34, 35	Personnel costs	-278.9	-268.9	
10, 12, 13	Depreciation and impairment of property, plant and equipment	-12.1	-16.0	
11	Depreciation and impairment of intangible fixed assets	-11.4	0.0	
	Other operating expenses	-3.6	-0.4	
	Total operating expenses	-492.6	-463.9	
	Operating profit/loss	852.4	1,162.4	
6	Interest income and similar profit/loss items	3.0	8.4	
6	Interest expenses and similar profit/loss items	-15.4	-3.5	
	Profit/loss after financial items	839.9	1,167.3	
7	Income tax expense	-5.8	5.8	
	Profit/loss after tax	834.1	1,173.1	
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
	Translation differences	4.8	2.4	
	Other comprehensive income for the year, net after tax	4.8	2.4	
	Comprehensive income for the year	838.9	1,175.5	
	Profit/loss attributable to non-controlling interests	0.0	0.3	
	Profit/loss attributable to owners of the Parent Company	834.1	1,172.8	
	Comprehensive income attributable to non-controlling interests	0.0	0.3	
	Comprehensive income attributable to owners of the Parent Company	838.9	1,175.2	
	Average basic number of shares outstanding, thousands ¹⁾	69,333	69,333	
	Attributable to owners of the Parent Company, SEK	12.03	16.92	
23	Basic earnings per share, SEK¹⁾	12.03	16.92	

1) No dilutive effect at 31 December 2017 or 2016.

Balance sheets

Note	SEK M	Group		
		31 Dec 2017	31 Dec 2016	
NON-CURRENT ASSETS				
Intangible assets				
10	Patents, licenses, etc.	4.0	3.6	
11	Goodwill	92.5	101.2	
	Total intangible assets	96.5	104.8	
Property, plant and equipment				
12	Buildings, land and land improvements	1.1	1.1	
13	Equipment, tools, fixtures and fittings	184.8	192.6	
	Total property, plant and equipment	186.0	193.8	
Financial assets				
21, 22, 29	Financial assets at fair value through profit or loss	6,270.6	5,548.2	
21, 22, 30	Investments accounted for using the equity method	114.6	88.2	
21, 22	Other non-current securities	149.4	208.9	
15, 21, 22, 25	Other non-current receivables	8.3	21.6	
7	Deferred tax assets	7.0	7.6	
	Total financial assets	6,549.9	5,874.5	
	Total non-current assets	6,832.4	6,173.0	
CURRENT ASSETS				
21, 22	Inventories, etc.	3.3	3.4	
15, 22, 25	Trade receivables	108.7	83.7	
	Other current receivables	1.9	12.8	
	Current tax assets	9.5	8.8	
16	Prepaid expenses and accrued income	24.5	19.4	
21, 22	Short-term investments	286.3	284.5	
22, 25	Cash and cash equivalents	704.1	685.3	
	Total current assets	1,138.4	1,097.9	
	TOTAL ASSETS	7,970.7	7,270.9	
	<i>of which, interest-bearing</i>	<i>705.9</i>	<i>698.1</i>	

Note	SEK M	Group	
		31 Dec 2017	31 Dec 2016
EQUITY			
24	Share capital	535.5	535.5
	Other contributed capital	714.6	714.6
	Retained earnings including profit for the year	6,550.4	5,850.2
	Total equity attributable to owners of the Parent Company	7,800.5	7,100.3
	Equity attributable to non-controlling interests	1.0	1.1
	Total equity	7,801.5	7,101.3
LIABILITIES			
Non-current liabilities			
7	Deferred tax liability	0.0	0.0
17	Provisions	30.7	31.0
21, 22, 25	Liabilities to credit institutions	0.8	0.8
21, 22	Other non-current liabilities	0.9	0.9
	Total non-current liabilities	32.4	32.8
	<i>of which, interest-bearing</i>	26.9	25.4
Current liabilities			
21, 22, 25	Liabilities to credit institutions	1.1	4.3
22	Prepayments from customers	9.8	11.7
22	Trade payables	23.6	14.6
7	Current tax liabilities	4.1	4.0
	Other current liabilities	19.4	23.8
18, 22	Accrued expenses and deferred income	78.9	78.4
	Total current liabilities	136.8	136.8
	<i>of which, interest-bearing</i>	1.1	4.3
	TOTAL LIABILITIES	169.2	169.6
TOTAL EQUITY AND LIABILITIES			
		7,970.7	7,270.9

Income statements

Note	SEK M	Parent Company		
		2017	2016	
OPERATING INCOME				
Investing activities				
32	Dividends:			
	Portfolio companies	77.9	132.0	
	Other companies	0.5	0.7	
	Short-term and financial investments	0.4	0.7	
3	Exit gains/losses	117.4	0.0	
	Capital gains/losses on short-term investments	-10.9	2.2	
5	Fair value:			
	Portfolio companies	692.5	1,049.5	
	Other companies	-1.0	-27.8	
	Short-term and financial investments	-4.7	-32.8	
	Other operating income	1.0	1.2	
	Total operating income	873.1	1,125.8	
Operating expenses				
34, 35	Personnel costs	-18.7	-21.6	
8, 9	Other external expenses	-23.5	-24.1	
13	Depreciation of property, plant and equipment	-0.7	-0.8	
	Total expenses	-42.9	-46.6	
	Operating profit/loss before financial items	830.2	1,079.2	
Financial income and expenses				
6	Interest income and similar profit/loss items	5.3	7.4	
6	Interest expenses and similar profit/loss items	-1.8	-0.6	
	Total financial income and expenses	3.5	6.9	
	Profit/loss before tax	833.7	1,086.1	
	Income tax expense	0.0	0.0	
	Profit/loss for the year¹⁾	833.7	1,086.1	
23	Average basic number of shares outstanding, thousands ²⁾	69,333	69,333	
	Basic earnings per share, SEK ²⁾	12.02	15.66	
	Average number of employees	7	6	

1) Corresponds to comprehensive income.

2) No dilutive effect at 31 December 2017 or 2016.

Balance sheets

Note	SEK M	Parent Company		
		31 Dec 2017	31 Dec 2016	
NON-CURRENT ASSETS				
Property, plant and equipment				
13	Equipment, tools, fixtures and fittings	3.5	4.2	
	Total property, plant and equipment	3.5	4.2	
Financial assets				
14, 22, 27, 28	Investments in group companies	104.3	85.3	
14, 22, 29	Financial assets at fair value through profit or loss	6,270.7	5,548.3	
14, 30	Investments accounted for using the equity method	0.0	0.0	
15, 22, 25	Other non-current receivables	2.4	5.5	
	Total financial assets	6,377.4	5,639.0	
	Total non-current assets	6,380.9	5,643.3	
CURRENT ASSETS				
Current receivables				
22, 25	Receivables from group companies	342.7	308.7	
15, 22, 25	Other current receivables	0.5	3.9	
	Current tax assets	1.4	1.2	
16	Deferred expenses and accrued income	3.6	4.8	
	Total current receivables	348.2	318.6	
21, 22, 25	Short-term investments	286.3	284.5	
22, 25	Cash and cash equivalents	512.4	588.0	
	Total current assets	1,146.9	1,191.1	
	TOTAL ASSETS	7,527.8	6,834.4	
	<i>of which, interest-bearing assets</i>	679.7	797.6	
EQUITY				
Restricted equity				
24	Share capital	535.5	535.5	
	Total restricted equity	535.5	535.5	
Non-restricted equity				
	Retained earnings	6,147.6	5,200.2	
	Profit/loss for the year	833.7	1,086.1	
	Total non-restricted equity	6,981.3	6,286.3	
	Total equity	7,516.8	6,821.8	
LIABILITIES				
Non-current liabilities				
22	Other non-current liabilities	0.9	0.9	
	Total non-current liabilities	0.9	0.9	
CURRENT LIABILITIES				
22	Trade payables	2.2	1.6	
22	Other current liabilities	0.4	0.3	
18, 22	Accrued expenses and deferred income	7.4	9.7	
	Total current liabilities	10.0	11.7	
	<i>of which, interest-bearing liabilities</i>	–	–	
	Total liabilities	10.9	12.6	
	TOTAL EQUITY AND LIABILITIES	7,527.8	6,834.4	

Statement of changes in equity

SEK M	Share capital	Other contributed capital	Retained earnings incl. profit for the year	Non-controlling interests	Total equity
Equity at 1 January 2016	535.5	714.6	4,813.6	0.8	6,064.5
Profit/loss for the year	–	–	1,172.8	0.3	1,173.1
Other comprehensive income	–	–	2.4	–	2.4
Cancellation of shares	-11.3	–	–	–	-11.3
Bonus issue	11.3	–	–	–	11.3
Cash dividend	–	–	-138.7	–	-138.7
Equity at 31 December 2016	535.5	714.6	5,850.2	1.1	7,101.3
Equity at 1 January 2017	535.5	714.6	5,850.2	1.1	7,101.3
Profit/loss for the year	–	–	834.1	0.0	834.1
Other comprehensive income	–	–	4.8	–	4.8
Cash dividend	–	–	-138.7	–	-138.7
Equity at 31 December 2017	535.5	714.6	6,550.4	1.1	7,801.5

Statement of changes in equity

SEK M	Share capital	Non-restricted equity	Total equity
Equity at 1 January 2016	535.5	5,338.9	5,874.4
Profit/loss for the year	–	1,086.1	1,086.1
Cancellation of shares	-11.3	–	-11.3
Bonus issue	11.3	–	11.3
Cash dividend	–	-138.7	-138.7
Equity at 31 December 2016	535.5	6,286.3	6,821.8
Equity at 1 January 2017	535.5	6,286.3	6,821.8
Profit/loss for the year	–	833.7	833.7
Cash dividend	–	-138.7	-138.7
Equity at 31 December 2017	535.5	6,981.3	7,516.8

Cash flow statement

Note	SEK M	Group		Parent Company	
		2017	2016	2017	2016
Operating activities					
10, 11, 12, 13	Profit/loss after financial items	839.9	1,167.3	833.7	1,086.1
	Amortisation and depreciation of property, plant and equipment and intangible assets	23.6	16.0	0.7	0.8
	Fair value of portfolio companies	-692.5	-1,049.5	-692.5	-1,049.5
	Fair value of short and long-term investments	123.1	33.2	4.7	32.6
	Subsidiary impairment	-	-	1.0	28.0
4	Shares of profit/loss of associates	-13.9	-8.5	0.0	0.0
	Other non-cash items, net	4.5	9.0	0.0	0.0
	Paid tax	-5.7	-9.0	-0.2	0.0
	Cash flow from operating activities before changes in working capital	279.1	158.5	147.4	97.9
Cash flow from changes in working capital					
	Change in inventories	0.1	0.1	-	-
	Change in current receivables	-22.9	11.5	0.9	-0.6
	Change in provisions	-1.9	-2.6	-	-
	Change in current liabilities	3.1	2.6	-1.6	-0.6
	Cash flow from changes in working capital	-21.7	11.6	-0.7	-1.2
	Cash flow from operating activities	257.3	170.0	146.7	96.6
Investing activities					
10, 11, 12, 13	Acquisition of other non-current assets	-4.5	-10.1	0.0	-0.2
10, 11, 12, 13	Disposal of other non-current assets	0.3	0.8	0.0	0.0
14	Investments in portfolio companies	-243.4	-145.5	-93.6	-148.0
14	Disposal of portfolio companies	134.1	0.0	43.6	0.4
	Loans granted	-0.4	-0.1	-169.0	-7.9
	Amortisation of receivables	17.4	16.1	141.8	30.9
	Investments in short-term investments, net	-6.6	-214.6	-6.6	-214.6
	Cash flow from investing activities	-103.0	-353.5	-83.7	-339.5
Financing activities					
	Borrowings	1.6	3.6	0.0	-7.7
	Amortisation of liabilities	-3.2	-35.0	0.0	7.7
	Dividends to shareholders	-138.7	-138.7	-138.7	-138.7
	Cash flow from financing activities	-140.2	-170.1	-138.7	-138.7
	Cash flow for the year	14.1	-353.5	-75.7	-381.5
	Cash and cash equivalents at beginning of year	685.3	1,036.4	588.0	969.5
	Cash flow for the year	14.1	-353.5	-75.7	-381.5
	Translation differences	4.8	2.4	0.0	0.0
	Cash and cash equivalents at end of year	704.1	685.3	512.4	588.0
	Interest paid	1.0	2.8	0.9	0.1
	Interest received	2.5	2.9	1.3	6.1

Notes

Note 1 – Accounting policies

General information

Bure Equity AB (publ), corporate identity number 556454-8781, is domiciled in Stockholm. Its head office visiting address is Nybrogatan 6, Stockholm. The Parent Company is listed on the Nasdaq Stockholm. These consolidated financial statements were approved by the Board of Directors on 27 March 2018.

Basis of presentation

The consolidated financial statements are presented in compliance with the International Financial Reporting Standards (IFRS), as endorsed by the EU. In addition to IFRS, the Swedish Financial Board's recommendations RFR 1, Supplementary Accounting Rules for Groups, and RFR 2, Accounting for Legal Entities, are applied.

The consolidated financial statements have been prepared according to the acquisition method of accounting, aside from financial assets measured at fair value through profit for the year. The preparation of financial statements according to IFRS requires management to make estimates and assumptions. Areas involving a high degree of judgement or complexity, or areas where assumptions and estimates affect the reported statement of comprehensive income or the financial position statement are described in Note 11.

Basis of consolidation

The consolidated financial statements are presented according to IAS 27, Consolidated and Separate Financial Statements, with the application of the acquisition method as stated in IFRS 3, Business Combinations. The consolidated financial statements include the Parent Company and all companies in which the Parent Company has a controlling influence, normally comprising companies in which Bure directly or indirectly holds more than 50 per cent of the voting rights. Companies acquired during the year are consolidated from the date of acquisition. Companies sold during the year are consolidated until the date of sale. Associated companies are consolidated according to IAS 28, Investments in Associates, with the help of the equity method, or are measured at fair value through profit for the year in the case of listed companies. Associated companies normally consist of companies in which Bure has a significant influence, i.e. where the share of votes is between 20 and 50 per cent. For the holding in Valot Group, the equity method is not used since Bure has a marginal share of the value change in equity. Under the equity method, the Group's historical cost for the shares, plus the Group's share of profit/loss of the associated company less dividends received, is recognised in the consolidated statement of financial position under "Investments accounted for using the equity method". In the consolidated statement of comprehensive income, "Shares of profit/loss of associates" comprises Bure's share in the net profit/loss of associated companies according to the equity method. Listed holdings are accounted for as financial instruments under the heading "Financial assets at fair value through profit or loss" in the statement of financial position and are measured at fair value through comprehensive income in accordance with IAS 39 and IAS 28, item 1.

Share of and transactions with non-controlling interests

Non-controlling interests (NCIs) refer to the portion of profit/loss and net assets in partially owned subsidiaries that is attributable to other owners. The NCI's share in profit or loss is recognised in the consolidated statement of comprehensive income and the NCI's share in net assets is recognised in equity in the consolidated statement of financial position. Information is provided regarding the amount of each item that is attributable to owners of the Parent Company and to NCIs. On the sale of NCIs where the consideration received differs from the carrying amount of the sold share in net assets, the resulting gain or loss is recognised in equity.

Foreign currency translation

Items included in the financial statements of the Group's subsidiaries are measured using the currency of the primary economic environment in which the subsidiary operates (the functional currency). The consolidated financial statements are presented in Swedish kronor (SEK), which is the functional and presentation currency of the Parent Company. Transactions in foreign currencies are translated to the functional currency at the rate of exchange ruling on the transaction date. Foreign exchange gains/losses arising on translation of monetary assets and liabilities denominated in foreign currency are translated at the closing day rate of exchange and recognised in profit or loss. Goodwill and other intangible assets arising on the acquisition of a foreign operation are treated as assets of such operations and are translated at the closing day rate of exchange.

The assets and liabilities of foreign subsidiaries are translated at the closing day rate of exchange and all income and expenses are translated at the average rate during the year. Estimated translation differences are recognised in other comprehensive income. Goodwill and negative goodwill arising from business combinations with respect to assets in foreign currency are translated at the current rate of exchange. Exchange gains or losses on financial assets and liabilities are recognised in financial income or expense. Exchange gains or losses on operating assets and liabilities are recognised in operating profit or loss.

Business combinations

Business combinations are reported according to the acquisition method of accounting, whereby all acquired assets and liabilities are measured at their fair values on the acquisition date. These fair values also include the share in assets and liabilities attributable to non-controlling interests. Identifiable net assets also consist of assets, liabilities, and provisions that are not recognised in the balance sheet of the acquired business.

No provisions may be made for planned restructuring measures related to an acquisition, so-called restructuring reserves. The difference between the fair value of consideration given and the fair value of net assets acquired is recorded as goodwill to the extent that no other identifiable and separable intangible assets have been identified. Any goodwill arising from a business combination ultimately consists of the synergies that an acquired business is expected to give rise to in its existing operations.

Business combinations cont.	All intangible assets identified in relation to business combinations, excluding goodwill, are amortised on a straight-line basis. Each individual intangible asset, (except for goodwill), is amortised over its estimated useful life, which is reviewed regularly. If an intangible asset is deemed to have an indefinite life, it is not amortised. An intangible asset is assessed to have an indefinite life when all relevant circumstances have been considered, and there is no foreseeable limit to the period over which the asset is expected to generate net cash flows. The useful life of goodwill is generally assumed to be indefinite. There are no other assets with indefinite lives in the Group.
Goodwill	Goodwill arising from business combinations is recognised as a non-current asset and is tested for impairment at least annually. Since it is not possible to test goodwill for impairment separately from other assets, goodwill must be allocated to cash-generating units in which a separable cash flow can be identified. Other assets and liabilities in the Group may also be allocated to these cash-generating units. The cash-generating units to which goodwill has been allocated correspond to the lowest level of the Group at which goodwill is monitored. The lowest organisational level in accordance with the standard may not be higher than a segment as described in IFRS 8, Operating Segments. An impairment loss is recognised in the consolidated statement of comprehensive income when the recoverable amount of a cash-generating unit falls below its carrying amount. When the recoverable amount of a cash-generating unit is lower than its carrying amount, an impairment loss is first recognised through a reduction in goodwill. If this value is in turn lower than the difference between the recoverable amount and carrying amount, impairment losses should be recognised on other assets on a pro rata basis.
Intangible assets (excl. goodwill)	The intangible assets recognised in the statement of financial position are those that have either been acquired as part of a business combination (see above), separately purchased, or internally generated. Intangible assets are capitalised in the statement of financial position when it is probable that the economic benefits attributable to the asset will accrue to Bure, and the cost of the asset can be reliably measured. The Group currently does not conduct research and development activities, for which reason no internally generated intangible assets are recorded in the statement of financial position.
Property, plant and equipment	Items of property, plant and equipment are recognised at cost less accumulated depreciation and impairment losses. Depreciation is calculated on the depreciable amount, normally comprising historical cost less any estimated residual value at the end of the useful life of an asset. Depreciation is carried out on a straight-line basis over the estimated useful life of an asset. Other intangible assets: 20 – 33 per cent. Other machinery and equipment: 20 – 33 per cent. Computers: 33 per cent. Locomotives: 3.3 per cent.
Leasing	Leases are classified as either financial or operating leases. A lease is classified as a financial lease if it substantially transfers all the risks and rewards incident to ownership of the asset to the lessee. All other leases are classified as operating leases. A financial lease is recorded as a non-current asset and a financial liability in the statement of financial position. Financial lease payments consist of interest and straight-line depreciation. A leased asset is depreciated according to the same principles as separately acquired assets. For operating leases, the lease payments are charged to the consolidated statement of comprehensive income on a straight-line basis over the term of the lease. Certain smaller financial leases for company cars and office equipment are recorded as operating leases.
Financial instruments	Classification of financial assets and liabilities. The fair value of all financial assets and liabilities have been measured in accordance with IFRS 13. Fair value is assessed to be equal to the carrying amounts of trade and other receivables, other current receivables, cash and cash equivalents, trade and other payables and borrowings. Carrying amount less impairment approximates fair value for trade receivables and trade payables. For non-current non-interest-bearing liabilities, fair value has been estimated through discounting of future cash flows using current market interest rates over the term of the liabilities. The Group's financial assets and liabilities are measured according to the following hierarchy: Level 1: Quoted prices in active markets for identical assets or liabilities. Level 2: Inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3: Unobservable inputs for the asset or liability. At each balance sheet date, management conducts a review to look for objective evidence that a financial asset may be impaired. For available-for-sale financial assets, an impairment loss is recognised if the identified decrease in fair value is significant and permanent.
Impairment of financial assets	The Group is exposed to a variety of financial risks such as share price risk, currency risk, interest rate risk and general liquidity risk. Bure's overall risk objective is regulated in the Parent Company's finance policy. Because the subsidiaries are mutually autonomous, each has adopted its own finance policy. A more detailed description of financial risk management is provided in Note 21, Financial instruments.
Financial risk management	Inventories are stated at the lower of cost and net realisable value.
Inventories	

Provisions	A provision is recognised when the Group has a present obligation, (legal or constructive), that has risen due to a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount can be estimated reliably. In cases where the company expects a provision to be reimbursed by another party, for example within the framework of an insurance agreement, the reimbursement is recognised as a separate asset only when it is virtually certain that the reimbursement will be received. If the cash outflow to settle an obligation is expected to occur after more than 12 months, the future payment should be measured at discounted present value using a discount rate that reflects short-term market expectations with consideration to transaction-specific risks. The cost of the provision is capitalised in comprehensive income. A provision to a restructuring reserve is recognised in the period when the Group has a legal or constructive obligation to carry out the plan and those affected have a valid expectation. A provision is recognised only for direct expenditures that are caused by the restructuring and are an effect of remaining contractual obligations without lasting economic benefits, or that consist of a fine resulting from termination of the obligation.
Revenue recognition	Revenue arising from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Income from the sale of services is recognised when it can be measured reliably, when it is probable that the economic benefits associated with the transaction will accrue to the company, and when the expenses expected to arise as a result of the transaction can be measured reliably. Revenue from service contracts is recognised when total income and expenses in a completed project can be measured reliably, and it is probable that the economic benefits associated with a specific transaction will accrue to the company. The stage of completion of a contract is determined by comparing the proportion of contract costs incurred to date with the estimated total contract costs. In accordance with the rules of the percentage of completion method, estimated revenue for work in progress, less progress billings, is recorded under "Receivables". In cases where progress billings exceed costs incurred, these are recorded under "Liabilities" as prepayments from customers.
Borrowing costs	Borrowing costs are expensed in the period in which they are incurred. In cases where borrowing costs arise in relation to the acquisition, construction or production of a qualifying asset, these costs are capitalised as part of the cost of the asset.
Pensions	Contributions payable under defined contribution pension plans are recognised as an expense in the period in which they arise.
Non-current assets held for sale and discontinued operations (IFRS 5)	A non-current asset/liability or disposal group for which the carrying amount will be recovered primarily through a sale and not through use is reported in a separate category in the statement of financial position as "Non-current assets held for sale" or "Discontinued operations". A discontinued operation is a component of an entity that either has been disposed of or is classified as held for sale according to a coordinated plan and represents a separate line of business or a major business within a geographical area of operations. The application of IFRS 5 has had no other effect on the prior period financial reports than a change in the presentation of the statement of comprehensive income, statement of financial position and cash flow statement. For discontinued operations, this means that profit/loss after tax from discontinued operations is stated on a separate line in the comprehensive income statement.
Operating segments	Bure's operations are monitored and supervised by the group management based on the individual company holdings, which are therefore regarded as operating segments. Buying and selling between the operating segments is limited.
Income taxes	Deferred tax assets and liabilities are recognised when there are temporary differences between the carrying amounts and tax bases of assets and liabilities. Deferred tax assets relating to loss carryforwards are recognised to the extent that it is deemed probable that there will be sufficient taxable profits against which to utilize these loss carryforwards. The year's reported tax expense consists of tax payable on the year's taxable profit, (current tax), and deferred tax. Bure's share in the income tax of associates is included in "Shares of profit/loss of associates".
Cash flow statement	Cash and cash equivalents refer to bank deposits.
Critical accounting estimates and judgments	In preparing the financial statements, the Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely correspond to actual results. The estimates and assumptions that are associated with a significant risk for material adjustments in the carrying amounts of assets and liabilities in the next financial year are described below.
Impairment of property, plant and equipment and intangible assets	Property, plant and equipment and intangible assets, aside from those with indefinite useful lives, are depreciated/amortised over the period when they are expected to generate economic benefits, i.e. their useful working life. If there is an indication of impairment, the asset's recoverable amount is calculated, and consists of the higher of the asset's fair value less costs to sell and its value in use. An impairment loss is recognised when the recoverable amount of an asset is lower than its carrying amount. The recoverable amount is determined on the basis of the management's estimates, for example future cash flows.

Impairment of property, plant and equipment and intangible assets (cont'd)	Goodwill and intangible assets with indefinite useful lives are tested for impairment at least annually or more frequently when an indication of a decline in value is present. To test these assets, they must be allocated to cash-generating units and their respective useful lives must be calculated. The necessary calculations require the management to estimate the expected future cash flow attributable to the defined cash-generating units and to choose a suitable discount rate for use in discounting this cash flow. The Group has evaluated the estimates where changes could have a significant impact on the fair value of the assets and would therefore require the recognition of an impairment loss. Among other things, these estimates are related to the expected rate of inflation and the choice of discount rate. The assumptions applied in impairment tests, including a sensitivity analysis, are described in more detail in Note 11.
Deferred tax assets	Deferred tax is calculated on the basis of temporary differences between the tax base and carrying amount of an asset or liability and on unutilised loss carryforwards. Deferred tax assets are recognised only when it is probable that these can be utilised against future profits. The probability that loss carryforwards can be utilised against future profits is assessed through calculation of expected future cash flows. This assessment is made in relation to impairment testing of shares in subsidiaries. In cases where the actual outcome differs from the estimates or when management adjusts these estimates, this can lead to changes in the value of deferred tax assets.
Provisions for doubtful debts	Trade receivables are initially measured at fair value and subsequently at the amount in which they are expected to be settled. Provisions for doubtful debts are made after individual and systematic assessment of each customer/counterparty's ability to pay, and when there is objective evidence that the Group will not be able to collect the amount due. Losses tied to doubtful debts are recognised in comprehensive income within other operating expenses. In cases where the previously reserved amount is recovered, the provision is reversed.
Valuation of associates	Unlisted associated companies are valued according to the historical cost method. For holdings in unlisted companies, cash flow and market valuations are performed regularly to calculate the recoverable amount. Value changes are determined through impairment testing after the application of the valuation rules established by the Board.
Parent Company accounting policies	Unless otherwise stated, the Parent Company applies the same accounting policies as the Group, with the addition of the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities. Any deviations between the policies applied by the Parent Company and the Group are a result of limitations in the scope for IFRS conformity in the Parent Company due to its application of the Swedish Annual Accounts Act.
Financial assets	Shares in subsidiaries and unlisted associated companies are measured in accordance with the acquisition method of accounting. For holdings in subsidiaries and unlisted associated companies, recoverable value is determined through ongoing cash flow and market value analyses. Fair value changes are determined through impairment testing after application of the valuation rules established by the Board. Listed associated companies are accounted for as financial instruments under the heading "Financial assets at fair value through profit or loss" in the Parent Company's balance sheet, and are measured at fair value through the income statement in accordance with IAS 39 and IAS 28, item 1.
Tax	The equity share of untaxed reserves is included in retained earnings. The tax share of untaxed reserves has been recognised as deferred tax liabilities within non-current liabilities.
New accounting principles for the Group that enter force on 1 January 2018	New accounting principles that come into effect on 1 January 2018 can be summarised as follows: IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 contains a model for the classification and valuation of financial instruments, a forward-looking write-down model for financial assets and substantially revised requirements for hedge accounting. Classification and valuation under IFRS 9 is based on the business model a company applies for the management of financial assets and characteristics of contractual cash flows accrued from financial assets. The change has no effect on the valuation of Bure's financial instruments. IFRS 15 Revenue from Contracts with Customers is a new revenue standard that replaces existing standards and guidance relating to revenue reporting. Under the new standard, income statements shall correspond to how contracted goods or services are transferred to customers, along with the amount corresponding to the value of the compensation that the company expects to receive in exchange for such goods or services. The new standard does not have any material effect on the Group's net sales, either in terms of amounts or periodicity. On initial application, the translation will be applied retroactively with a combined effect of an initial application as an adjustment to the opening balance of capitalised earnings.

Note 2 – Segment information

Reporting by operating segment

Since Bure already previously reported its segments in a similar manner, no changes have been made in the grounds for segmentation or in calculation of profit/loss by segment compared to the previous year's annual report. Consolidation adjustments relating to positive and negative goodwill have been attributed to the respective companies. Transactions between the various segments are insignificant in scope and account for less than 0.1 per cent of total sales. Dormant companies or companies not classified as portfolio companies are reported under the heading "Other companies". No customer accounted for more than 10 per cent of net sales during the periods.

SEK M	Mercuri		Investment AB Bure		Bure Financial Services		Bure Growth		Other companies		Eliminations etc.		Parent Company		Total		
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	
Net sales																	
Total net sales	443	424	0	31	0	0	0	0	0	0	0	0	0	0	443	455	
Profit/loss																	
Shares of profit/loss	1	2	–	–	12	9	1	-2	–	–	–	–	–	–	14	8	
Profit/loss by segment	20	32	-11	7	–	–	–	–	–	–	–	–	–	1	1	10	41
Administrative expenses	–	–	–	–	–	–	–	–	–	–	–	–	–	-43	-47	-43	-47
Fair value/impairment losses	–	–	–	–	-146	13	28	-13	–	–	1	28	687	989	569	1,016	
Dividends	–	–	–	–	7	5	–	–	–	–	-1	–	79	133	85	139	
Exit gains/losses/capital gains/losses on short-term investments	–	3	–	–	138	–	-28	–	–	–	0	0	106	2	217	5	
Operating profit/loss	21	37	-11	7	11	27	1	-15	0	0	1	28	830	1,079	852	1,162	
Net financial items															-12	5	
Income tax expense															-6	6	
Profit/loss after tax															834	1,173	

SEK M	Mercuri		Investment AB Bure		Bure Financial Services		Bure Growth		Other companies		Eliminations etc.		Parent Company		Total		
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	
Assets																	
Assets	252	250	158	203	135	202	128	6	0	0	-344	-312	7,528	6,835	7,856	7,183	
Equity holdings in associates	15	14	–	–	52	48	48	25	–	–	–	–	–	–	–	115	88
Total asset	267	264	158	203	187	250	176	31	0	0	-344	-312	7,528	6,835	7,971	7,271	
Liabilities																	
Unallocated liabilities	208	209	118	149	0	76	177	35	0	0	-344	-312	11	13	169	170	
Total liabilities	208	209	118	149	0	76	177	33	0	0	-344	-312	11	13	169	170	
Investments	4	6	0	0	0	0	0	0	0	0	0	0	0	0	4	6	
Amortisation/depreciation	16	4	7	11	0	0	0	0	0	0	0	0	1	1	24	16	

SEK M	Sweden		Rest of Europe		North America		Asia		Other markets		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Sales by market	42	73	251	293	29	28	51	49	70	13	443	455
Assets by market	7,693	6,994	210	205	18	20	44	48	6	3	7,971	7,271
Investments by market	1	2	2	3	0	0	0	1	0	0	4	5

Breakdown of net sales by type	Net sales	
SEK M	2017 2016	
Operating income		
Sale of goods	43	39
Service contracts	378	396
Other sales	22	21
Total net sales	443	455
Other operating income	–	3
Total net sales	443	455
Total operating income	443	458

Note 2 – Segment information, cont.

IFRS 15 Revenue from Contracts with Customers is a new revenue standard that replaces existing standards and guidance on revenues. The standard does not have any material effect on the Group's net sales, either in terms of amounts or periodicity. From 1 January, the Group will classify revenues as: consultancy income, licensee income, and other income. The table below shows how net sales would have been reported had the new standard been applied in 2017.

	2017
Consultancy income	355
Licensing income	58
Other income	31
Net sales	443

Note 3 – Exit gains/losses

SEK M	Group		Parent Company	
	2017	2016	2017	2016
Carnegie Holding	24.0	–	24.0	–
Catella	138.2	–	–	–
Vigmed Holding	-27.6	–	–	–
Vitrolife	93.4	–	93.4	–
Other holdings	–	2.4	–	–
Total	227.9	2.4	117.4	–

Note 4 – Share of profit/loss of associates

SEK M	Group		Parent Company	
	2017	2016	2017	2016
BioLamina	3.4	-1.0	–	–
Fondbolaget Fondita	11.4	9.1	–	–
Idevall & Partners Holding	0.8	-0.2	–	–
My Driving Academy	-0.9	–	–	–
Life Genomics	-1.9	-1.3	–	–
Others	1.1	1.8	–	–
Total	13.9	8.5	–	–

Note 5 – Fair value adjustments/changes

SEK M	Group		Parent Company	
	2017	2016	2017	2016
Cavotec	13.9	-30.8	13.9	-30.8
MedCap	31.8	9.7	31.8	9.7
Mycronic	-381.1	461.7	-381.1	461.7
Vitrolife	998.6	463.9	998.6	463.9
Xvivo Perfusion	29.3	144.9	29.3	144.9
Catella	-146.4	12.7	–	–
Vigmed Holding	28.0	-13.2	–	–
Bure Growth	–	–	-1.0	-28.0
Short-term investments	-4.7	-32.8	-4.7	-32.8
Skanditek	–	–	–	0.2
Total	569.4	1,016.3	686.8	989.0

Note 6 – Interest and similar profit/loss items

SEK M	Group		Parent Company	
	2017	2016	2017	2016
Income from financial assets measured at fair value through comprehensive income in the Group and through profit or loss in the Parent Company				
Net exchange differences in financial receivables/liabilities	-0.8	4.3	-0.5	-0.5
Income from the issue of call options	0.5	–	–	–
Impairment of financial receivables	-8.2	–	–	–
Impairment receivables	-2.4	–	–	–
Interest income	1.0	2.5	5.3	7.4
Interest expense	-2.5	-2.0	-1.3	-0.1
Total interest and similar profit/loss items	-12.5	4.9	3.5	6.9

Operating profit includes no foreign exchange differences relating to current assets.

Note 7 – Income taxes

At the end of 2017, the Bure Group had loss carryforwards amounting to SEK 923M, of which SEK 596M related to the Parent Company. In Sweden, losses totalled SEK 849M, and are perpetual. The deferred tax asset based on loss carryforwards in the Group has been valued at SEK 7M (8), which is almost exclusively attributable to loss carryforwards in subsidiaries that are expected to be offset against future profits. All loss carryforwards are fully available. The entry tax-deductible items consist primarily of non-taxable unrealised gains on listed financial assets.

SEK M	Group	
	2017	2016
Current tax	-4.8	-5.2
Deferred tax	-1.0	11.0
Total	-5.8	5.8
Items included in deferred tax		
Deferred tax assets:		
Taxed deficit	6.6	6.9
Temporary differences	0.4	0.7
Total	7.0	7.6
Deferred tax liabilities:		
Untaxed reserves	0.0	0.0
Group surplus value	0.0	0.0
Temporary differences	0.0	0.0
Total	0.0	0.0
Deferred tax, net	7.0	7.6
Composition of tax expense		
Reported profit before tax	836.9	1,169.6
Effect of associated companies, net	-3.0	-2.3
Reported profit before tax	839.9	1,167.3
Tax according to the applicable tax rate, 22.0% (22.0%)	-184.8	-256.8
Other non-deductible expenses	-1.3	-1.1
Non-taxable income	0.2	0.4
Tax-deductible items	181.8	247.6
Activation of loss carryforwards	0.0	0.0
Effect of changed tax rates	0.0	14.9
Utilisation of previously uncapitalised loss carryforwards	1.3	1.5
Effect of uncapitalised loss carryforwards	-0.4	-2.0
Effect of different tax rate in foreign country	-2.1	0.7
Reversal of previously capitalised loss carryforwards	0.0	0.0
Adjustment of taxes for prior years	0.0	0.0
Other	-0.7	0.6
Total	-5.8	5.8
SEK M	Group	
	2017	2016
Gross change in deferred tax		
At beginning of year	7.6	10.0
Changed tax rate	0.0	0.0
Divested companies	0.0	0.0
Translation differences	-0.6	-2.4
Statement of comprehensive income	0.0	0.0
Operations under settlement	0.0	0.0
At end of year	7.0	7.6

Note 8 – Leases

	Mkr	Group		Parent Company	
		2017	2016	2017	2016
Annual lease payments (operating)					
Cars		3.2	3.2	0.1	0.1
Premises		15.0	13.8	1.9	2.0
Other equipment		2.0	2.4	0.0	0.1
Total		20.2	19.5	2.0	2.1
		Group		Parent Company	
		2018	2019–2024	> 2024	2018
Operating leases					
Cars	2.6	3.4	–	0.1	0.1
Premises	12.7	18.3	–	1.9	1.9
Other equipment	1.7	4.8	–	0.0	0.0
Total	17.0	26.5	0.0	2.0	2.0
Finance leases					
Cars	0.5	0.4	–	–	–
Total	0.5	0.4	0.0	0.0	0.0

Note 9 – Fees to auditors

	SEK M	Group		Parent Company	
		2017	2016	2017	2016
Fees to PwC					
Auditing fees		1.8 ¹⁾	1.9	0.4	0.4
Other services mandated by law		0.1 ¹⁾	0.1	0.1	–
Tax advisory services		0.5 ¹⁾	0.1	0.3	0.1
Other services		0.0	0.2	0.0	0.0
Total fees to PwC		2.4	2.2	0.7	0.5
Fees to other auditors					
Auditing fees		0.2	0.2	–	–
Consulting services		0.2	0.3	–	–
Total fees to other auditors		0.5	0.6	0.0	0.0

Note 10 – Patent, licensor, m.m.

SEK M	Group	
	2017	2016
Opening balance	21.3	18.6
The year's acquisitions	1.7	2.4
Disposals/reclassifications	0.0	0.0
Translation differences	0.2	0.3
Closing balance	23.2	21.3
Opening amortisation	-17.8	-12.8
Disposals/reclassifications	–	–
The year's amortisation	-1.3	-2.4
The year's impairment losses	–	-2.3
Translation differences	-0.2	-0.2
Closing accumulated amortisation	-19.2	-17.8
Carrying amount	4.0	3.6

Note 11 – Goodwill

	Group	
SEK M	2017	2016
Opening balance	582.6	568.7
The year's acquisitions	–	–
Disposals/reclassifications	–	–
Translation differences	22.0	14.0
Closing balance	604.6	582.6
Opening amortisation	-94.7	-93.7
The year's acquisitions	–	–
Disposals/reclassifications	–	–
Translation differences	-0.8	-1.0
Closing accumulated amortisation	-95.5	-94.7
Opening impairment losses	-386.7	-377.6
Disposals/reclassifications	–	–
The year's impairment losses	-11.4	–
Translation differences	-18.5	-9.1
Closing accumulated impairment losses	-416.6	-386.7
Carrying amount	92.5	101.2

The recoverable amount of the Group's goodwill items in 2017 has been determined based on calculations of value in use. These calculations are based on estimated future cash flows with consideration to financial budgets approved by management.

SEK M	Goodwill	Growth forecast period	Terminal growth rate	EBIT forecast period	Discount rate ¹⁾
Mercuri International Group AB	92.5	4.4%	1.0%	8.5%	12.0%

The valuations that have provided the basis for the value testing do not represent fair market value, but are instead estimated in accordance with IAS 36 to determine the recoverable amount of cash-generating units. Based on the above, the goodwill values in the table can be considered well founded. The forecast period is five years. The recoverable amount exceeds the carrying amount. If, for example, the growth or EBIT assumption should change by one percentage point, Bure's goodwill values could be lower than their reported carrying amounts. A sensitivity analysis of significant variables for goodwill has the following effects on the estimated value:

Mercuri International Group AB Variable	Change, %-points	Effect on value
Growth, terminal period	-1%	SEK -29M
Discount rate	1%	SEK -14M

The recoverable amount exceeds the carrying amount even with consideration to the above changes. The growth assumption is based on an assessment of general economic development in combination with industry-specific assumptions.

1) Refers to the discount rate before tax. The discount rate for the comparison year was 8.8 per cent.

Note 12 – Buildings, land and land improvements

	Group	
SEK M	2017	2016
Opening balance	1.6	6.9
Sales/reclassifications	0.0	-5.3
Translation differences	0.0	0.1
Closing balance	1.7	1.6
Opening depreciation	-0.5	-4.9
Sales/reclassifications	0.0	4.5
The year's depreciation	0.0	-0.1
Translation differences	0.0	0.0
Closing accumulated depreciation	-0.5	-0.5
Carrying amount	1.1	1.1

There are no future commitments for property investments. There are no finance leases connected to properties in the Group.

Note 13 – Equipment, tools, fixtures and fittings

The reported values do not include any equipment financed through lease contracts. There are no contracts outstanding concerning acquisition of equipment.

SEK M	Group		Parent Company	
	2017	2016	2017	2016
Opening balance	278.3	279.1	10.2	10.1
The year's acquisitions	2.8	4.2	0.0	0.2
Disposals/Reclassifications	-1.8	-6.5	–	–
Translation differences	0.8	1.6	0.0	0.0
Closing balance	280.2	278.3	10.2	10.2
Opening depreciation	-85.7	-78.9	-6.0	-5.3
Disposals/Reclassifications	1.5	4.8	–	–
The year's depreciation	-10.8	-10.2	-0.7	-0.8
Translation differences	-0.3	-1.4	–	–
Closing accumulated depreciation	-95.3	-85.7	-6.8	-6.0
Carrying amount	184.8	192.6	3.5	4.2

Note 14 – Acquisitions and divestitures

Acquisitions in 2017

Bure acquired an additional 2.8 million shares in Cavotec for SEK 72M, increasing its holding to 20.1 per cent.

Bure acquired an additional 0.04 million shares in MedCap for SEK 1M, increasing its holding to 23.0 per cent.

Bure Growth acquired 18.2 per cent of shares in the security company Yubico.

Bure Growth acquired 22.5 per cent of My Driving Academy Sweden.

Bure acquired an additional 0.15 million shares in BioLamina for SEK 11M, increasing its holding to 29.1 per cent.

Divestitures in 2017

Bure divested 0.2 million shares in Vitrolife for SEK 100M, generating an exit gain of SEK 93M.

Bure Financial Services divested all its shares in Catella for SEK 193M, generating an exit gain of SEK 138M.

Bure Growth divested all its shares in Vigmed Holding for SEK 8M, generating an exit loss of SEK 28M.

Acquisitions in 2016

Bure Growth acquired shares in Life Genomics AB, which offers genetic tests to the healthcare sector and the general public. The investment amounted to SEK 7M, and the holding is 28.1 per cent.

Bure acquired an additional 2.75 million shares in Cavotec for SEK 55.1M, and increased its holding to 16.6 from 13.1 per cent.

Bure acquired 4.6 million shares in Lauritz.com for SEK 68.9M, corresponding with a holding of 11.3 per cent.

Bure acquired an additional 0.07 million shares in MedCap for SEK 11.2M, increasing its holding to 22.7 per cent from 20.0 per cent.

Note 15 – Other non-current and current receivables

SEK M	Group		Parent Company	
	2017	2016	2017	2016
Other non-current receivables				
Non-current receivables, interest-bearing	1.8	5.4	1.5	4.6
Non-current receivables, non interest-bearing	6.6	16.2	0.9	0.9
Total other non-current receivables	8.3	21.6	2.4	5.5
Other current receivables				
Current receivables, interest-bearing	–	3.7	–	3.7
Current receivables, non interest-bearing	1.9	9.1	0.5	0.2
Total other current receivables	1.9	12.8	0.5	3.9

Note 16 – Prepaid expenses and accrued income

SEK M	Group		Parent Company	
	2017	2016	2017	2016
Accrued interest income	1.2	0.5	2.7	0.5
Accrued income	9.4	9.3	–	3.2
Other accrued income	0.0	0.0	–	–
Prepaid expenses	8.9	9.5	0.9	0.5
Other items	4.9	0.2	–	0.6
Total	24.5	19.4	3.6	4.8

Note 17 – Provisions

SEK M	Parent Company		
	2017	2016	
Opening provisions	31.0	30.1	
Provisions during the year			
Mercuri International Group	2.4	4.6	
Total	2.4	4.6	
Utilised/dissolved during the year			
Mercuri International Group	-3.5	-5.2	
Total	-3.5	-5.2	
Translation differences	0.8	1.6	
Closing provisions	30.7	31.0	
	2018	2019	>2019
Pension provisions	1.0	–	25.1
Restructuring reserve	–	–	–
Other provisions	1.8	–	2.7
Total	2.8	0.0	27.8
Estimated reversal of provisions in the Group			

Note 18 – Accrued expenses and deferred income

SEK M	Group		Parent Company	
	2017	2016	2017	2016
Accrued vacation pay	8.7	8.4	0.9	0.7
Accrued social security expenses	11.2	13.0	1.2	2.1
Deferred income	2.7	2.4	–	–
Other accrued expenses	56.3	54.7	5.3	7.0
Total	78.9	78.4	7.4	9.7

Note 19 – Pledged assets

SEK M	Group		Parent Company	
	2017	2016	2017	2016
Shares in subsidiaries and associates	80.1	73.0	–	–
Blocked bank accounts	0.4	0.4	–	–
Total pledged assets	80.6	73.4	–	–

Note 20 – Contingent liabilities

Contingent liabilities in the Group amounted to SEK 0.4M (0.4) and pertained to surety and guarantee commitments furnished by the subsidiaries.

There is no contingent consideration in the Group that has not already been capitalised. Bure has no remaining commitments to acquire additional shares in subsidiaries.

Note 21 – Financial instruments

Financial risks – objectives and policies

Price risk

Currency risk

Interest rate risk

Credit risk

Provisions to the reserve for doubtful debts are made after individual assessment of each customer's ability to pay.

The Group is exposed to a number of different financial risks through its operations. Bure is an investment company with an important overall objective that is regulated in the Parent Company's finance policy. The Parent Company shall be essentially free from debt, and the subsidiaries shall have independent financing to ensure their financial autonomy from the Parent Company and other group companies. Consequently, the subsidiaries shall also be able to independently manage their own liquidity risk. A separate finance policy has been established for each individual subsidiary. The policy document provides guidelines for management of cash, surplus liquidity, debt financing and handling of currency and interest rate risk.

Price risk on shares refers to the risk for possible changes in the value of shares listed on an exchange. Based on the market value of listed holdings of SEK 6,557M on 31 December 2017, a change of 1 per cent in the price of listed portfolio companies would affect the Group's profit before tax by SEK 66M.

Currency risk refers to the risk that the Group's commercial flows (transaction risk) will be affected by exchange rate fluctuations. Transaction risk in the Group is limited, since nearly all income is matched by expenses in the same currency. Because the Bure Group has investments outside Sweden via its subsidiaries, the Group's statements of financial position and comprehensive income are exposed to translation risk arising on the translation of the financial statements of foreign subsidiaries. This risk is normally not hedged. The most significant currency aside from the SEK is the EUR. A change of +/-5 per cent in the EUR rate would have an impact on the subsidiaries' profit before tax of SEK +/-1M.

The Group is exposed to interest rate risk through changes in the interest rate on assets and liabilities with variable interest due to movements in market interest rates. Fixed interest liabilities are also exposed to interest rate risk, but to a significantly lesser degree since the interest rate changes when the loans mature and are extended on new terms. A change of 1 per cent in the interest rate for the Group would have an estimated short-term impact on consolidated profit before tax of SEK 7M. Interest rate risk in borrowings can be maintained at a desired level through the use of derivatives such as swaps, forwards and options. At present, there are no hedges of interest rate risk.

Credit risk is the risk that Bure's counterparties will be unable to meet their payment obligations and that any collateral furnished will not cover the amount due, thereby causing Bure to incur a financial loss. Bure's policy is to carry out a credit assessment of all customers with which it does business. The maximum credit exposure on the balance sheet date was SEK 2M. There are no significant concentrations of credit risk in the Group.

Age structure of trade receivables SEK M	Trade receivables	2017			2016		
		Reserves	Net receivable	Secured by collateral	Trade receivables	Reserves	Net receivable
Not yet due	77.1	–	77.1	–	63.3	–	63.3
Past due 1– 30 days	18.5	–	18.5	–	12.0	–	12.0
Past due 31– 60 days	5.7	–	5.7	–	3.9	–	3.9
Past due 61– 90 days	4.1	–	4.1	–	3.2	–	3.2
Past due 91–180 days	3.9	–	3.9	–	2.0	–	2.0
Past due >180 days	1.2	-1.9	-0.7	–	1.8	-2.6	-0.7
Total	110.6	-1.9	108.7	–	86.2	-2.6	83.7

Specification of reserve for doubtful debts

SEK M	2017	2016
Opening balance	2.6	4.0
The year's provisions	2.0	0.7
Written-off amount	-2.5	-2.0
Reversal of unutilised reserves	-0.1	-0.2
Foreign exchange effects	0.0	0.1
Total	1.9	2.6

Liquidity risk is the risk that the Group will be unable to finance loan payments and other liquidity flows as they fall due either with its own funds or with new financing. In order to maintain sufficient liquidity, Bure maintains a liquidity reserve that is at least adequate to cover one year's forecasted liquidity requirement and other liquidity needs in the existing company structure. The liquidity reserve consists of available cash and cash equivalents and short-term investments. That portion of the liquidity reserve that exceeds the liquidity requirement as defined above may according to Bure's policy be invested over a longer investment horizon, distributed to the shareholders or used in buyback programmes.

Group maturity structure for external liabilities at 31 December 2017.

Interest-bearing liabilities	<1 months	<3 months	3–12 months	1–5 year	> 5 year	Total
Short-term loans from institutions	–	–	1.1	–	–	1.1
Long-term loans from institutions	–	–	–	0.8	–	0.8
Long-term pension liabilities	–	–	0.0	–	26.1	26.1
Total	0	0	1.1	0.8	26.1	28.0
Non interest-bearing liabilities	<1 months	<3 months	3–12 months	1–5 year	> 5 year	Total
Trade payables	9.7	13.9	–	–	–	23.6
Other external liabilities	–	18.4	1.0	–	–	19.4
Total	9.7	32.3	1.0	0.0	0.0	43.0

Fair value and carrying amount of financial assets and liabilities

The fair value of all financial assets and liabilities has been calculated in accordance with IFRS 13. Fair value is assessed to be equal to carrying amount for trade receivables and other receivables, other current receivables, cash and cash equivalents, trade payables and other liabilities, and borrowing. Carrying amount less impairment losses comprises an approximate fair value for trade receivables and payables. For non-current interest-free liabilities, fair value has been calculated by discounting future cash flows by the applicable market interest rates with regard to the maturity of the liability.

The Group's financial assets and liabilities are measured in accordance with the following hierarchy:

Level 1: According to quoted prices in active markets for identical assets and liabilities.

Level 2: According to directly or indirectly observable market inputs for the asset or liability that are not included in Level 1.

Level 3: According to inputs for the asset or liability that are not observable in the market.

Fair value hierarchy SEK M	2017			2016				
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Financial assets at fair value through profit or loss	6,270.6	–	–	6,270.6	5,511.3	–	–	5,511.3
Investments accounted for using the equity method	–	–	114.6	114.6	–	–	88.2	88.2
Other non-current securities	149.4	–	–	149.4	208.9	–	–	208.9
Other non-current receivables	0.9	–	7.4	8.3	0.9	–	20.7	21.6
Short-term investments	286.3	–	–	286.3	321.5	–	–	321.5
Total financial assets	6,707.2	–	122.0	6,829.2	6,042.5	–	108.8	6,151.4
Financial liabilities								
Liabilities to credit institutions	–	–	1.9	1.9	–	–	5.1	5.1
Other non-current liabilities	0.9	–	–	0.9	0.9	–	–	0.9
Accrued expenses and deferred income	–	–	78.9	78.9	–	–	78.4	78.4
Prepayments from customers	–	–	9.8	9.8	–	–	11.7	11.7
Total financial liabilities	0.9	–	90.6	91.5	0.9	–	95.1	96.0

Note 22 - Classification of financial assets and liabilities

Group, SEK M	At fair value through profit or loss	Loans and receivables	Financial assets held for sale	Other financial liabilities
Financial assets				
Financial assets at fair value through profit or loss	–	–	6,270.6	–
Investments reported according to the equity method	–	–	114.6	–
Other non-current securities	–	–	149.4	–
Other non-current receivables	–	8.3	–	–
Trade receivables	–	108.7	–	–
Other current receivables	–	1.9	–	–
Short-term investments	286.3	–	–	–
Cash and bank	–	704.1	–	–
Total financial assets	286.3	823.1	6,534.6	–
Financial liabilities				
Liabilities to credit institutions	–	–	–	1.9
Other non-current liabilities	–	–	–	0.9
Accrued expenses and deferred income	–	–	–	78.9
Prepayments from customers	–	–	–	9.8
Trade payables	–	–	–	23.6
Total financial liabilities	–	–	–	115.1
 Parent Company, SEK M				
Parent Company, SEK M	At fair value through profit or loss	Loans and receivables	Financial assets held for sale	Other financial liabilities
Financial assets				
Shares in group companies	–	–	104.3	–
Financial assets at fair value through profit or loss	–	–	6,270.6	–
Other non-current receivables	–	2.4	–	–
Receivables from group companies	–	342.7	–	–
Other current receivables	–	0.0	–	–
Short-term investments	286.3	–	–	–
Cash and bank	–	512.4	–	–
Total financial assets	286.3	857.5	6,374.9	0.0
Financial liabilities				
Other non-current liabilities	–	–	–	0.9
Accrued expenses and deferred income	–	–	–	7.4
Other current liabilities	–	–	–	0.4
Trade payables	–	–	–	2.2
Total financial liabilities	–	–	–	11.0

Note 23 – Earnings per share

Bure reports earnings per share in accordance with IAS 33, Earnings Per Share. Earnings per share are reported both before and after dilution.

Earnings per share are calculated by dividing net profit/loss by the weighted average number of shares outstanding during the year. In the Group, profit attributable to owners of the Parent Company is used for calculation of earnings per share.

In the event of a negative result, the net loss is divided only by the weighted average number of shares outstanding.

Specification of applied parameters	2017	2016
Profit for the year in the Parent Company, SEK M	833.7	1,086.1
Consolidated profit for the year, SEK M	834.1	1,173.1
Average number of shares outstanding	69,332,710	69,332,710
Basic earnings per share in the Parent Company, SEK ¹⁾	12.02	15.66
Basic earnings per share in the Group, SEK ¹⁾	12.03	16.92

1) No dilutive effect at 31 December 2017 or 31 December 2016.

Note 24 – Equity

According to the Articles of Association, the share capital shall amount to no less than SEK 300,000,000 and no more than SEK 1,200,000,000. Information about changes in equity is provided below.

	2017			2016		
	No. of shares	Quota value	Share capital	No. of shares	Quota value	Share capital
Number of registered shares						
Registered number at 1 January	69,332,710	7.72	535,518,034	70,833,710	7.56	535,518,034
Cancellation of treasury shares	–	–	–	-1,501,000	–	-11,347,882
Bonus issue	–	–	–	–	–	11,347,882
New share issues	–	–	–	–	–	–
Registered number at 31 December						
31 December	69,332,710	7.72	535,518,034	69,332,710	7.72	535,518,034

Description and reporting of repurchase of treasury shares

Bure's AGM 2017 authorised the Board of Directors to acquire treasury shares to a maximum number of up to 10 per cent of the total number of shares outstanding.

At 31 December 2017, the repurchase mandate has not been utilised.

Share dividend

The 2017 AGM approved an ordinary dividend to shareholders of SEK 1.50 per share and an extraordinary dividend of SEK 0.50 per share. The total amount distributed was SEK 138.7M.

Restricted and non-restricted equity

According to Swedish law, shareholders' equity must be divided into non-restricted and restricted equity, of which restricted equity is not available for distribution to shareholders. Restricted equity in parent companies consists of share capital, statutory reserves and revaluation reserves. In Bure's case, the statutory reserve consists of capital contributed in relation to the company's formation. The statutory reserve also includes the former share premium reserve, which must be transferred to the statutory reserve in accordance with the new Swedish Companies Act.

Non-restricted equity includes retained earnings and net profit for the year, which are available for distribution to shareholders.

Consolidated equity consists of share capital, other contributed capital and retained earnings including profit for the year.

Other contributed capital in the Group refers to capital contributed by shareholders.

Retained earnings includes translation reserves that in turn include currency differences arising from the translation of financial statements from foreign operations and profit for the year.

Note 25 – Financial position

Net loan receivables: cash and cash equivalents, interest-bearing investments and short and long-term receivables minus short and long-term interest-bearing liabilities.

SEK M	Group		Parent Company	
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
Cash and cash equivalents	704.1	685.3	512.4	588.0
+ Interest-bearing investments	0.0	3.8	0.0	3.8
+ Current interest-bearing receivables	0.0	3.7	165.8	201.1
+ Non-current interest-bearing receivables	1.8	5.4	1.5	4.6
Interest-bearing assets	705.9	698.1	679.7	797.6
- Current interest-bearing liabilities	1.1	4.3	–	–
- Non-current interest-bearing liabilities	26.9	25.4	–	–
Interest-bearing liabilities	28.0	29.6	0.0	0.0
Net loan receivable at end of year	677.8	668.5	679.7	797.6

Note 26 – Events after the end of the reporting period

The board proposes an ordinary dividend of SEK 1.50 per share, and an extraordinary dividend of SEK 0.50 per share, amounting to SEK 138.7M.

Note 27 – Participations in group companies, the year's change

Impairments in 2017 and 2016 relate to holdings in Bure Growth of SEK 1.0M and SEK 28.0M respectively.

SEK M	Parent Company	
	2017	2016
Opening balance	1,189.3	1,384.2
Acquisitions/additions	20.0	10.4
Write-up	–	0.2
Divestiture	–	-205.5
Closing balance	1,209.3	1,189.3
Opening impairment losses	-1,104.1	-1,281.2
Divestiture	–	205.1
Impairment losses	-1.0	-28.0
Closing accumulated impairment losses	-1,105.1	-1,104.1
Carrying amount	104.3	85.3

Note 28 – Shares in group companies

Portfolio company SEK M	No. of shares	% of capital/ votes	Carrying amount in Parent Company	Corporate ID number	Domicile
Bure Financial Services AB	50,000	100.0	0.1	556943-6420	Stockholm
Bure Growth AB	50,000	100.0	21.0	556935-7550	Stockholm
Mercuri International Group AB	998,500	99.1	54.9	556518-9700	Stockholm
Investment AB Bure	1,000	100.0	28.0	556561-0390	Stockholm
Total portfolio companies			103.9		
Other companies					
Skanditek Aktiebolag	8,000	100.0	0.4	556541-9065	Stockholm
Total Other companies			0.4		
Total			104.3		

Note 29 – Financial assets at fair value through profit or loss

Values correspond to the Group's net asset value in respective holdings.

SEK M	No. of shares	% of capital/votes	Carrying amount in Parent Company	Carrying amount in Group	Corporate ID number	Domicile
Cavotec SA	15,759,837	20.1	365.6	365.6	CH-501.3.015.724-3	Lugano, Switzerland
MedCap AB	3,081,017	23.0	138.6	138.6	556617-1459	Stockholm
Mycronic AB	29,317,163	29.9	2,492.0	2,492.0	556351-2374	Stockholm
Vitrolife AB	4,517,857	20.8	2,814.6	2,814.6	556354-3452	Göteborg
Xvivo Perfusion AB	4,891,483	18.7	459.8	459.8	556561-0424	Göteborg
Carrying amount			6,270.7	6,270.7		
Other financial information						
SEK M			Assets	Liabilities excl. equity	Revenue	EBIT
Cavotec SA			2,075	1,046	2,046	-173
MedCap AB ¹⁾			600	333	533	12
Mycronic AB			3,239	1,439	3,001	848
Vitrolife AB			1,422	193	1,046	341
Xvivo Perfusion AB			539	35	148	7

1) Financials for MedCap's shortened financial year 1 May to 31 December 2017.

Note 30 – Investments accounting for using the equity method

SEK M	No. of shares	% of capital/votes	Carrying amount in Parent Company	Carrying amount in Group	Corporate ID number	Domicile
BioLamina AB ¹⁾	597,418	29.1	–	35.7	556764-1872	Stockholm
Dipylon Medical AB ²⁾	20,138	36.1	0.0	0.0	556241-3749	Stockholm
Fondbolaget Fondita Ab ³⁾	654	20.1	–	49.8	0899688-5	Helsingfors
Idevall & Partners Holding AB ³⁾	660,000	33.0	–	2.3	559018-1193	Stockholm
Life Genomics AB ¹⁾	106,924	26.2	–	3.7	556993-1891	Göteborg
My Driving Academy Sweden AB ¹⁾	300	22.5	–	8.3	556943-1587	Stockholm
Valot Group AB	35,000	35.0	0.0	0.0	556784-4005	Stockholm
Others⁴⁾			–	14.7		
Carrying amount			0.0	114.6		

1) Shares are owned by subsidiary Bure Growth AB.

2) The number of shares includes participations owned by the Skanditek Aktiebolag subsidiary. Skanditek Aktiebolag owns 2,269 shares in Dipylon Medical. Dipylon Medical AB is in the process of liquidation.

3) The shares are held by the subsidiary Bure Financial Services AB.

4) Refers to participations owned by Mercuri International Group AB.

Note 31 – Related party transactions

Bure's related parties are the members of the Board and companies closely related to them, Bure's subsidiaries, associated companies and the management in the Parent Company.

In 2017 the Board Chairman has provided consulting services to Bure under a contract.

For salaries and compensation to senior executives, see Note 35. Aside from fees from the Parent Company, non-executive Board members in the Parent Company have not received fees from subsidiaries in the Group.

Purchases and sales between the Parent Company and group companies are insignificant in scope. Profit in the Parent Company includes intra-group interest income SEK 4.4M (5.0) and interest expenses of SEK 0.0M (0.0).

Note 32 – Dividends received

1) The dividend of SEK 0.5M from Bure Growth refers to a group contribution which is booked as a dividend from a subsidiary in the Parent Company.

Mkr	Group		Parent Company	
	2017	2016	2017	2016
Bure Growth ¹⁾	–	–	0.5	–
Catella	7.0	5.3	–	–
Cavotec	7.1	3.4	7.1	3.4
Mycronic	58.6	117.3	58.6	117.3
Vitrolife	12.2	11.3	12.2	11.3
Valot	–	0.7	–	0.7
Dividends from short-term investments	0.4	0.7	0.4	0.7
Total	85.3	138.7	78.8	133.4

Note 33 – Average number of employees

	No. of employees	2017		2016	
		of whom, women		of whom, women	
Parent Company	7	1		6	1
Subsidiaries	265	133		256	129
Total Group	272	134		262	130
Parent Company					
Sweden	7	1		6	1
Subsidiaries					
Sweden	51	28		49	29
United Kingdom	18	6		14	4
Finland	33	24		36	11
Germany	30	9		28	8
France	50	22		46	20
USA	13	9		11	7
China	29	17		30	17
Other countries	41	18		42	19
Total Group	272	134		262	116

Note 34 – Salary, other compensation and social security expenses

Pension costs are stated including payroll tax.

SEK M	2017			2016		
	Salary and other comp.	Social security expenses	Pension costs	Salary and other comp.	Social security expenses	Pension costs
Parent Company	14.3	4.3	2.6	13.8	5.6	1.5
Subsidiaries	193.9	42.2	13.0	182.5	39.1	12.9
Total Group	208.2	46.5	15.5	196.3	44.7	14.4

Note 35 – Compensation to senior executives

1) Other benefits refer to company car benefits.

	Basic annual salary/ Board fees		Variable comp./bonus		Other benefits ¹⁾		Pension costs		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	Board Chairman	0.8	0.8	–	–	–	–	–	0.8	0.8
Other Board members	1.7	1.7	–	–	–	–	–	–	1.7	1.7
CEO	2.9	2.8	0.6	2.2	0.1	0.1	1.0	0.6	4.5	5.8
Other senior executives	2.6	3.0	0.8	1.9	–	–	0.7	0.6	4.0	5.5
	7.9	8.3	1.4	4.1	0.1	0.1	1.6	1.2	11.0	13.7

Board of Directors

The 2017 AGM resolved that Board fees would be paid in a total amount of SEK 2,450,000 (2,450,000), of which SEK 800,000 (800,000) to be paid to Patrik Tigerschiöld, the Board Chairman, and SEK 275,000 (275,000) to each of the other Board members, including Hans Björck, Carl Björkman, Bengt Engström, Charlotta Falvin, Sarah McPhee and Mathias Uhlén. The Board consisted of a total of seven members during 2017 (7). No special fees have been paid for work on the Board's committees. The Board chairman received consultancy fees of SEK 2.5M during 2017.

Chief Executive Officer	CEO Henrik Blomquist had a contractual annual salary of SEK 2.9M. Bonuses have been paid totalling SEK 0.6M, (excluding social security payments), for 2017. Pension premiums are defined contributions, and correspond to 30 per cent of pension-qualifying salary, which consists of basic salary. The CEO's retirement age is 65. Bonuses may be paid up to a maximum of 100 per cent of annual salary. Bonus payments are not pension-qualifying. The CEO has a 12-month notice period in the event of termination by the company, and is required to provide 12 months' notice to the company in the event of his resignation. The CEO is entitled to termination benefits equal to 12 monthly salaries in the event of termination by the company. Termination benefits are not payable in the event of the CEO's retirement. Decisions regarding the salary and benefits of the CEO are made by the Board of Directors.
Other senior executives	Other senior executives include the CFO and one investment manager. Pension premiums are defined contributions and correspond to a maximum of 20.7 per cent of annual salary. Pension costs refer to costs excluding payroll tax that have been charged to this year's profit. The retirement age for these senior executives is 65. Bonus for these senior executives may be paid up to a maximum of between 70 and 100 per cent of annual salary. These senior executives have a notice period of three to six months in the event of termination by the company, and three to six months in the event of their own resignation. Termination benefits are not payable in the event of retirement. Decisions regarding the salary of these senior executives are made by the CEO following consultation with the Board of Directors.
Variable compensation (bonus)	In 2017, Bure had a variable compensation system for all employees in which the maximum variable salary component was 40 – 100 per cent of basic salary. Eighty per cent of bonus payments were based on quantitative targets related to Bure's net asset value and share price performance, and the year's focus regarding portfolio companies. The remaining 20 per cent was based on discretionary assessment. For information about the preparatory and decision-making process applied by the company, please see the administration report. Details of senior executives' share holdings: Henrik Blomquist, CEO, 47,807 shares. Max Jonson, CFO, 16,520 shares. Fredrik Mattsson, Investment Manager, 49,860 shares.

Note 36 – Gender distribution among senior executives

In the operational subsidiaries, 20 per cent (20) of the board members, presidents and senior executives are women.

Parent Company	2017	2016
Total no. of women on Board of Directors	2	2
Total no. of women in management	1	–
Total no. of men on Board of Directors	5	5
Total no. of men in management	6	5
Total no. of people on Board of Directors	7	7
Total no. of people in management	7	6

Note 37 – Appropriation of profits

The company's annual report will be submitted for adoption by the Annual General Meeting on 3 May 2018.

The following funds are at the disposal of the AGM according to the Parent Company balance sheet:	
Retained earnings	SEK 6,147,640,969
Profit for the year	SEK 833,667,199
	SEK 6,981,308,168

The Board proposes that the profits be appropriated as follows:

Shareholders received an ordinary dividend of SEK 1.50, and an extraordinary dividend of SEK 0.50, totalling SEK 138.7M.	SEK 138,665,420
To be carried forward to new account	SEK 6,842,642,748

It is the Board's assessment that the proposed dividend is justifiable in view of the demands imposed by the operations' nature, scope and risks on the amount of equity in the Parent Company and the Group, as well as the consolidation requirements, liquidity and financial position in general.

Auditor's report

To the general meeting of the shareholders of Bure Equity AB (publ), corporate identity number
556454-8781

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Bure Equity AB (publ) for the year 2017. The annual accounts and consolidated accounts of the company are included on pages 38-69 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2017 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2017 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

Our opinions in this report on the annual accounts and the consolidated accounts are consistent with the content of the additional report that has been presented to the Audit Committee of SEK in accordance with the audit regulation (537/2014) Article 11.

Basis for Opinions

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

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

Our audit approach

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to

fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

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

Key audit matter	How our audit addressed the Key audit matter
<p><i>Valuation of financial instruments</i></p> <p>Bure's assets consist mainly of listed shares. For most financial instruments as Bure is a part of an active market with marketprices exists.</p> <p>To a lesser extent there are holdings where the valuation is based on other market data than market prices in the same instrument.</p> <p>In a portfolio of financial instruments as Bures there are normally several valuation issues that needs to be established to ensure an proper valuation of listed and unlisted financial instruments in accordance with IFRS</p>	<p>We have tested and evaluated the design and effectiveness of Bures controls regarding pricing and monitoring of the pricing of financial instruments.</p> <p>For those instruments that are listed, we evaluated Bures controls for the collection of prices from external sources and we have conducted testing of prices by reconciliation against external sources.</p> <p>For those instruments that are not listed, we evaluated the models and the market data Bure used for the valuation.</p> <p>We have also conducted testing of the valuation of unlisted instruments against independent data sources.</p>

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-37. The Board of Directors and the Managing Director are responsible for this other information.

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

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

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibility

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

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

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Bure Equity AB (publ), for the year 2017 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

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

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

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

Auditor's responsibility

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

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

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



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

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

Öhrlings PricewaterhouseCoopers AB was appointed as the auditor of Bure Equity AB (publ) by the annual general meeting on 3 May 2017, and has been the company's auditor since 2012.

Stockholm the 12 April 2018
Öhrlings PricewaterhouseCoopers AB

Michael Bengtsson
Authorized Public Accountant

GRI index

Bure's sustainability audit relates to the 2017 calendar year, and is compiled according to Global Reporting Initiative (GRI) Standards for sustainability reporting. It is the first time Bure has compiled a sustainability report according to GRI, and Bure intends to publish such a report on an annual basis. The index below indicates where GRI information can be found in the Bure 2017 annual report. The audit includes Bure as an investment company, i.e. the parent company Bure Equity AB. As a company

owner, Bure has significant influence over portfolio companies and actively works through board representation to encourage the establishment of relevant policies in respective companies and that operations are conducted responsibly and ethically. Bure's direct influence is considered very minor in relation to portfolio companies, which is why the auditing of Bure's role as a responsible investor and owner is given the highest priority.

GRI 102: General Disclosures

Disclosure	Page	Comments, limitations
1. Organizational profile		
102-1 Name of the organization	51, back cover	
102-2 Activities, brands, products, and services	8–10	
102-3 Location of headquarters	51, back cover	
102-4 Location of operations	55–56, 68	
102-5 Ownership and legal form	27–28, 51	
102-6 Markets served	55–56, 68	
102-7 Scale of the organization	19, 36, 43, 68–69	
102-8 Information on employees and other workers	36, 68–69	Staff data compiled from Bure's HR platform
102-9 Supply chain		Most of Bure's purchases comprise of goods and services for Bure's offices, as well as purchasing of consultancy services to support investment operations from local suppliers
102-10 Significant changes to the organization and its supply chain		No significant changes occurred during the year
102-11 Precautionary Principle or approach		A precautionary principle is applied and relates to the evaluation and management of sustainability risk related to investments
102-12 External initiatives		The Bure board has decided to introduce an internal framework that defines guidelines for how Bure shall act as a responsible company, owner and employer, one that also reflects the ten principles of the Global Compact (Bure has not signed up to the Global Compact)
102-13 Membership of associations		The Centre for Business and Policy Studies, the Stockholm Chamber of Commerce, the Swedish Academy of Board of Directors (Stockholm), the Swedish Society of Financial Analysts
2. Strategy		
102-14 Statement from senior decision-maker	5–6	
3. Ethics and integrity		
102-16 Values, principles, standards, and norms of behaviour	8–10, 12–15	
4. Governance		
102-18 Governance structure	30–33	
5. Stakeholder engagement		
102-40 List of stakeholder groups	12	Bure Equity AB has not entered into a collective agreement
102-41 Collective bargaining agreements		
102-42 Identifying and selecting stakeholders	12	
102-43 Approach to stakeholder engagement	12	
102-44 Key topics and concerns raised	12	

Disclosure	Page	Comments, limitations
6. Reporting practice		
102-45 Entities included in the consolidated financial statements	66–67	
102-46 Defining report content and topic Boundaries	51–54	
102-47 List of material topics	12–15	
102-48 Restatements of information		This is Bure's first sustainability report compiled according to GRI.
102-49 Changes in reporting		This is Bure's first sustainability report compiled according to GRI.
102-50 Reporting period		Calendar year
102-51 Date of most recent report		This is Bure's first sustainability report compiled according to GRI.
102-52 Reporting cycle		Calendar year
102-53 Contact point for questions regarding the report		Max Jonson, CFO, +46 (0) 8 614 00 20
102-54 Claims of reporting in accordance with the GRI Standards	12, 74–75	
102-55 GRI content index	74–75	
102-56 External assurance		The sustainability report is not externally audited
7. Topic specific disclosures		
Financial indicators		
<i>Competitive returns</i>		
103-1 – 103-3 Sustainability management	12, 8–9, 27, 30–33	Relates to the Bure Group
In-house indicator	19, 27	
<i>Anti-corruption</i>		
103-1 – 103-3 Sustainability management	12–15, 30–33	Relates to the Bure Equity parent company
205-2 Communication and training in policies and procedures to combat corruption	12–15	
205-3 Confirmed incidents of corruption and measures taken	12–15	
Social indicators		
103-1 – 103-3 Sustainability management	12–15, 36, 68–69	Relates to the Bure Equity parent company
Training and education		
404-3 Proportion of employees who receive regular evaluation, performance review and career development support	14–15	
<i>Diversity and equality</i>		
102-7 Organisation by age and gender	15, 68–69	Relates to Bure and portfolio companies
405-1 Diversity among the board, management and employees	15, 34–36, 68–69	
Responsible investors and owners		
103-1 – 103-3 Sustainability management	8–10, 12	Relates to Bure and portfolio companies
In-house indicator	13	
In-house indicator	13	

Definitions

Basic earnings per share	Profit/loss after tax divided by the average number of shares outstanding during the year. For the Group, net profit less the non-controlling interests' share in profit for the year.
Diluted earnings per share	Profit after tax divided by the average number of shares outstanding during the year after dilution. For the Group, net profit less non-controlling interests' share in profit for the year. The average number of shares after full dilution is calculated according to the rules in IFRS, IAS 33 Earnings per Share.
Direct return	Dividend proposed to the AGM and extra dividends paid during the year divided by the share price at 31 December.
EBIT	Operating profit before goodwill impairment and amortisation of excess values arising on consolidation plus amortisation/depreciation of non-current assets.
Equity/asset ratio	Equity in relation to total assets. As of the transition to IFRS on 1 January 2005, non-controlling interests are included in total equity.
Equity per share	Equity divided by the number of shares outstanding. As of the transition to IFRS on 1 January 2005, non-controlling interests are included in total equity.
Growth	Increase in net sales in relation to net sales for the previous year. The key figure thus includes both organic and acquisition-driven growth.
IRR	Internal Rate of Return.
Market capitalisation	Share price multiplied by the total number of shares outstanding.
Net asset value	The market value of Bure's listed holdings (valued at fair values) plus the book value of unlisted holdings and cash and cash equivalents.
Net loan liability	Same definition as net loan receivable, but is used when interest-bearing liabilities exceed interest-bearing assets.
Net loan receivable	Financial interest-bearing assets minus interest-bearing liabilities.
Return on equity	Profit/loss after tax divided by average equity.
Share buyback	For several years, Swedish companies have been permitted to repurchase up to 10 per cent of their own outstanding shares, provided that this is approved by the Annual General Meeting within the framework of non-restricted equity.
Total return	The total of the year's share price growth and reinvested dividends divided by the share price at the beginning of the year.

Shareholder information

Financial calendar 2018

Interim report January – March	26 April
Annual General Meeting	3 May
Interim report January – June	16 August
Interim report January – September	8 November

Distributionspolicy

Bure's annual report is sent by mail to all persons who so request. Interim reports are distributed only in digital form. To subscribe, visit <http://www.bure.se/investors/>

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Annual General Meeting of Bure Equity AB (publ)

The Annual General Meeting will be held on 3 May 2018, at 4:00 p.m. at IVA Conference Centre, Wallenbergssalen, Grev Turegatan 16, in Stockholm. The doors will open at 3:00 p.m. Coffee will be served prior to the meeting.

Participation

Shareholders who wish to participate in the AGM must be entered in the register of shareholders maintained by Euroclear Sweden AB no later than 26 April 2018.

In order to participate in the AGM, shareholders whose shares are registered in the name of a nominee must temporarily re-register the shares in their own names with Euroclear Sweden AB.

Shareholders must notify their nominees well in advance to ensure that an entry is made in the register of shareholders by 26 April 2018.

Notification

Notice of participation must be received by Bure no later than 12:00 p.m. on 26 April 2018 via
Mail: Bure Equity AB, Nybrogatan 6, SE-114 34 Stockholm
E-mail: arsstamma@bure.se
Phone: +46 (0)8 614 00 20
Fax: +46 (0)8 614 00 38

The notification should include the shareholder's name, personal/corporate identity number, address, telephone number and special mention if the shareholder wishes to be accompanied by an assistant (no more than two).

Shareholders who wish to be represented by a proxy must submit a dated form of proxy. The original proxy document must be sent to the company at the above address well in advance of the AGM. Persons representing a legal entity must enclose a copy of the registration certificate or other appropriate document.

An entrance card will be sent by mail after 26 April 2018.



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