

Q4

*Year-end Report
January-December
2017*



Improved billing ratio, but insufficient profitability

Fourth quarter

- Sales amounted to SEK 672.2 million (673.7)
- Organic sales growth excluding exchange rate fluctuations amounted to 0.9%
- EBITA (adjusted) amounted to SEK 17.9 million (20.9) and the adjusted EBITA margin amounted to 2.7 % (0.6)
- Operating profit (EBIT) amounted to SEK 9.3 million (6.0) and the operating margin was 1.4 % (0.9)
- Profit after tax was SEK 6.7 million (0.0)
- Earnings per share before and after dilution were SEK 0.38 (-0.03)
- Cash flow from operating activities totalled SEK 19.9 million (68.2)



Organic sales growth excluding exchange rate fluctuations amounted to 4.1% for the year

January–December

- Sales increased by 5 % to SEK 2,470.1 million (2,341.4)
- Organic sales growth excluding exchange rate fluctuations amounted to 4.1 %
- EBITA (adjusted) amounted to SEK 55.2 million (61.1) and the adjusted EBITA margin amounted to 2.2 % (2.6)
- Operating profit (EBIT) amounted to SEK 25.1 million (27.5) and the operating margin was 1.0 % (1.2)
- Profit after tax was SEK 11.7 million (14.0)
- Earnings per share before and after dilution were SEK 0.71 (1.03)
- Cash flow from operating activities totalled SEK -41.3 million (41.2)
- The Board of Directors proposes that no dividend be paid

KEY FIGURES	Q4 17	Q4 16	2017	2016
Sales	672.2	673.7	2 470.1	2 341.4
Organic growth excluding exchange rate effects, %	0.9	7.1	4.1	4.1
EBITA	12.3	9.1	37.53	39.6
EBITA* (adjusted)	17.9	61.1	55.2	61.1
EBITA- margin* (adjusted)	2.7	2.6	2.2	2.6
Operating profit/loss	9.3	6.0	25.1	27.5
Profit/loss after tax	6.7	0.0	11.7	14.0
Earnings per share before dilution	0.38	-0.03	0.71	1.03
Earnings per share after dilution	0.38	-0.03	0.71	1.03
Cash flow from operating activities	19.9	68.2	-41.3	41.2
Net debt/EBITDA rolling 12 mo, times	2.5	3.4	2.5	3.4

* As of the first quarter of 2017, Rejlers recognises EBITA (adjusted) as operating profit/loss. For the definition, refer to page 18.

Statement by the President and CEO

In the fourth quarter, we continued the change work to increase efficiency, lower the cost base and future-proof our operations. The billing ratio increased in all segments during the quarter, compared with the previous year. Sales for the fourth quarter decreased somewhat compared with the previous year while earnings were negatively impacted by significant impairment losses on projects and one working day less in our markets.

Continued change work

Change work has characterised the greater part of the financial year with the aim of increasing efficiency and creating a stable foundation for long-term, profitable growth. In the fourth quarter, we implemented a re-organisation of the Swedish operations where we are reducing the number of regions from nine to five to lower the cost base through administrative synergies in the long term.

Modest sales growth

The organic sales growth was somewhat modest and amounted to 0.9 per cent for the fourth quarter. It was the segments Rejlers Finland, Rejlers Norway and Rejlers Embriq that contributed positively, while Rejlers Sweden reports a slightly negative growth in the quarter, primarily related to the closure of less profitable areas in the Swedish operations.

Signs of improved efficiency

The quarter's adjusted EBITA amounted to SEK 17.9 million (20.9) and was adjusted by SEK 5.6 million in restructuring costs. The EBITA for the quarter was also impacted by impairment losses on projects of SEK 17.7 million (7.9), mainly in the infrastructure operations in Sweden. We see an improvement in the operating profit in Rejlers Norway of SEK 5.9 million and in Rejlers Embriq of SEK 8.3 million over the previous quarter. The billing ratio increased in all segments in the quarter compared with the previous year and totalled 76.4 per cent (74.6), but we still suffer from weak profitability in some segments and individual contracts, which has a distinctly negative earnings impact. Profitability was also negatively impacted by having one working day less in the quarter.

Good equity/assets ratio

Cash flow from operating activities during the quarter amounted to SEK 19.9 million (68.2), where the change compared with the previous year is mainly attributable to the uneven cash flow in Rejlers Embriq. Rejlers has a good equity/assets ratio and is well equipped to continue the on-going efficiency improvement work. The demand for our services remains strong in all segments and we are continuing work towards our financial targets through a more efficient organisation and operations.

New CEO

Viktor Svensson will take over the role of President and CEO on 22 February. Viktor has extensive experience and thorough expertise in the technical consulting industry and with this a significant understanding of Rejlers' markets and surroundings, our strategy and our business areas.



"In a few weeks, after a total of 16 years as the President and CEO, I am passing the baton to Viktor Svensson. I would like take this opportunity to welcome Viktor and at the same time thank all of our customers and employees for all of these wonderful years at Rejlers."

Financial summary

Profit/loss items and cash flow are compared with the corresponding time period in the previous year. Balance sheet items pertain to the position at the end of the period and are compared with the immediately preceding accounts.

FOURTH QUARTER OCTOBER - DECEMBER 2017

Net sales

Net sales totalled SEK 672.2 million (673.7), a decrease of 0.2 per cent compared to the corresponding quarter the previous year. Organic growth excluding exchange rate fluctuations was 0.9 per cent. Organic growth is decreasing in the Swedish operations, while the growth in the other operations is growing organically.

Adjusted EBITA

As of the first quarter of 2017, Rejlers has used the key performance indicator of adjusted EBITA, which is a measure that Rejlers considers to be relevant for investors who wish to understand profit generation excluding items affecting comparability. The quarter's adjusted EBITA amounted to SEK 17.9 million (20.9) and was adjusted by SEK 5.6 million in restructuring costs. Adjusted EBITA margin amounted to 2.7 per cent (0.6).

Operating profit/loss

Operating profit (EBIT) amounted to SEK 9.3 million (6.0). The decrease is partly attributable to the calendar effect with one less working day during the quarter in Sweden, Norway and Finland, compared with the previous year. The operating profit for the quarter was also impacted by impairment losses on projects totalling SEK 17.7 million (7.9), mainly in the infrastructure operations in Sweden. In Rejlers Norway, there was an improvement of the operating profit of SEK 5.9 million compared with the previous quarter. The billing ratio increased in all segments during the quarter, compared with both the previous year and the first half of 2017.

Financial income and expenses

The quarter's financial income amounted to SEK 2.2 million (1.2) and pertains mainly to currency translations. Financial expenses amounted to SEK 1.3 million (3.8) and are mainly attributable to interest expenses and currency translations.

Tax

The quarter's tax expense amounted to SEK 3.5 million (4.9). The lower tax expense is mainly attributable to a lower tax rate in Norway.

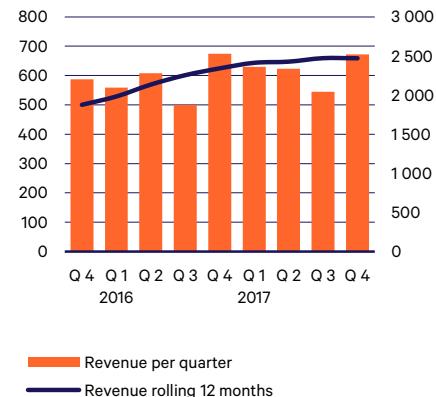
Profit/loss after tax for the period

Profit after tax for the period amounted to SEK 6.7 million (0.0). Earnings per share amounted to SEK 0.38 (-0.03) both before and after dilution.

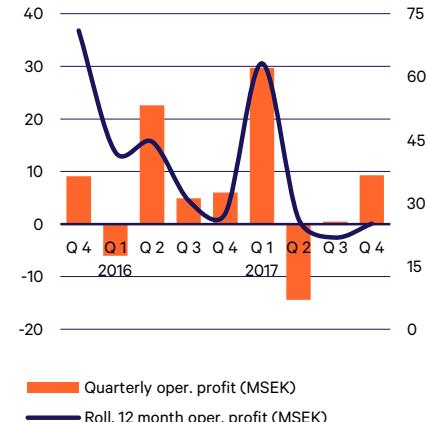
Cash flow

During the quarter, the Group generated a cash flow from the operating activities of SEK 19.9 million (68.2), which was impacted by the uneven cash flow in Rejlers Embriq.

SALES PER QUARTER AND ROLLING 12 MONTHS



OPERATING PROFIT PER QUARTER AND ROLLING 12 MONTHS



THE PERIOD JANUARY-DECEMBER 2017

Net sales

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

Adjusted EBITA

As of the first quarter of 2017, Rejlers has used the key performance indicator of adjusted EBITA, which is a measure that Rejlers considers to be relevant for investors who wish to understand profit generation excluding items affecting comparability. Adjusted EBITA amounted to SEK 55.2 million (61.1) and was adjusted by SEK 17.7 million (21.5) in restructuring costs. Adjusted EBITA margin amounted to 2.2 per cent (2.6).

Operating profit/loss

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

Financial income and expenses

The period's financial income amounted to SEK 4.1 million (7.1) and pertains mainly to currency translations. Financial expenses amounted to SEK 7.7 million (12.4) and are mainly attributable to interest expenses and currency translations.

Tax

The tax expense for the period amounted to SEK 9.8 million (8.2), corresponding to an effective tax rate of 46 per cent (37). The tax expense for the year is affected by higher non-deductible expenses and the tax effect of unrecognised deferred tax on the year's tax loss carry-forwards, as well as a reduced tax rate in Norway.

Profit/loss after tax for the period

Profit after tax for the period amounted to SEK 11.7 million (8.2). Earnings per share amounted to SEK 0.71 (1.03) both before and after dilution.

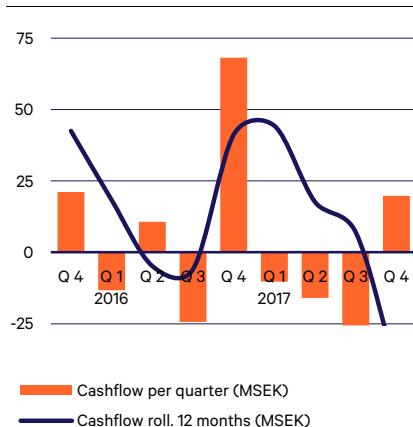
Cash flow

During the period, the Group generated a cash flow from the operating activities of SEK -41.3 million (41.2), largely due to the losses in Norway and the uneven cash flow in Rejlers Embriq.

Financial position

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

Interest-bearing liabilities decreased by SEK 121.6 million since 31 December 2016 to amount to SEK 187.5 million at the end of period. Net debt amounted to SEK 167.2 million, compared with SEK 244.2 million as at 31 December 2016. As of December 31,

OPERATING MARGIN PER QUARTER AND ROLLING 12 MONTHS**CASH FLOW FROM OPERATING ACTIVITIES**

2017, the Group's non-current liabilities have been reclassified to short term as the refinancing must take place in the fourth quarter of 2018. Refinancing negotiations are in progress and are expected to be completed prior to the Annual Report.

The ratio of net debt to EBITDA amounted to 2.5 at the end of the period compared with 3.4 at 31 December 2016. The equity/assets ratio amounted to 52.7 per cent compared with 40.6 on 31 December 2016.

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

Investments

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

Billing ratio

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

Employees

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

Parent Company

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

Seasonal variations

Rejlers is affected by seasonal variations and calendar effects. The respective quarters are relatively comparable over the years, but are affected by minor calendar effects, such as when in time Easter occurs. Sales are normally higher in the first, second and fourth quarters and lower in the third quarter. Similar seasonal variations occur in all geographic markets.

SIGNIFICANT EVENTS DURING THE FOURTH QUARTER AND AFTER THE END OF THE PERIOD

Rejlers makes acquisition within construction and property in Finland

Rejlers Finland has acquired Insinööritoimisto R.J.Virta Oy, a technology consultancy company within HVAC, construction and automation which has operations across Finland. The company has a turnover of EUR 850,000 and will now be integrated as a subsidiary of Rejlers Oy.

New President and CEO of Rejlers

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

NUMBER OF EMPLOYEES AT END OF PERIOD



SIGNIFICANT PROJECTS DURING THE FOURTH QUARTER**Rejlers coordinating geographic data management for the power grid in northern Sweden**

Over the past year, Rejlers has won four contracts within the field of GIS – Geographic Information Systems – for Svenska kraftnät. Rejlers collects and analyses information concerning geography, environment, culture and terrain, which provides an important decision-making input at Svenska kraftnät in their projects relating to stations and power lines. In the most recent assignment, Rejlers played a key role in the coordination of digital geographic information management for all of Svenska kraftnät's projects in northern Sweden.

Rejlers Norway launching new IT cooperation for electricity inspections

The new IT system for electricity inspections has been developed by Cubit AS, which is owned by the IT Company Miles. Rejlers has followed the work closely and contributed in several rounds of tests. Rejlers Norway and Cubit AS have now entered an agreement to offer a comprehensive solution for electricity inspection services in the entire Norwegian market.

Rejlers Embriq signs contract with Dolphin Drilling

Rejlers Embriq has signed a three-year agreement with Dolphin Drilling, a company in the Fred Olsen Group. The contract comprises the delivery and operation of IT services including platforms, networks and support/customer centres.

Rejlers Finland wins contract for Päijänne-Tavastland Central Hospital

Rejlers is responsible for the project engineering of electricity, telecoms, information and security systems, and for the planning of lighting in the expansion of the Päijänne-Tavastland Central Hospital.

OTHER INFORMATION**Rejlers' shares**

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

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

Segment Rejlers Sweden



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

Net sales amounted to SEK 331.3 million (334.2) in the fourth quarter, a decrease of 0.9 per cent compared with the year-before period. Organic growth amounted to -0.9 per cent. Continuation of the positive development in construction, energy and ICT/Telecom and a marginally higher billing ratio were unable to fully compensate for the operations closed during the year.

Adjusted EBITA decreased to SEK 16.0 million (22.6), corresponding to an adjusted EBITA margin of 4.8 per cent (6.8) where the decrease is mainly attributable to impairment losses on projects totalling SEK 17.7 million, mainly in the infrastructure operations. The on-going change work has resulted in improved efficiency in several business areas and the billing ratio increased somewhat during the quarter, compared with both the previous year.

Operating profit for the quarter was SEK 9.1 million (9.5), equivalent to an operating margin of 2.7 per cent (2.8).

The calendar effect in the fourth quarter was negative by one day compared with the corresponding period the previous year.

KEY FIGURES	Q4 17	Q4 16	2017	2016
Sales, SEK million	331.3	334.2	1 202.0	1 226.2
Adjusted EBITA, SEK million	16.0	22.6	55.2	54.6
Adjusted EBITA margin, %	4.8	6.8	4.6	4.5
Operating profit/loss, SEK million	9.1	9.5	40.1	28.0

Segment Rejlers Finland



Rejlers Finland is experiencing improved market conditions with higher public and private construction and a positive development for the operations in energy, industry and infrastructure. During the fourth quarter, Insinööritoimisto R.J.Virta Oy, a technical consulting firm in HVAC, construction and automation, was acquired.

Net sales amounted to SEK 129.3 million (114.9) in the fourth quarter, an increase of 12.5 per cent compared with the year-before period. The growth is mainly attributable to the generally more favourable market conditions and the labour law extension of the working hours by half an hour per employee and week. Organic growth excluding exchange rate fluctuations was 9.6 per cent.

Adjusted EBITA increased to SEK 7.6 million (6.9) corresponding to an adjusted EBITA margin of 5.9 per cent (6.0).

Operating profit for the quarter was SEK 7.0 million (6.2), equivalent to an operating margin of 5.4 per cent (5.4). The improved earnings are mainly attributable to a higher billing ratio as a result of a generally higher demand for our services.

The calendar effect in the fourth quarter was negative by one day compared with the corresponding period the previous year.

KEY FIGURES	Q4 17	Q4 16	2017	2016
Sales, SEK million	129.3	114.9	468.0	389.4
Adjusted EBITA, SEK million	7.6	6.9	32.0	17.7
Adjusted EBITA margin, %	5.9	6.0	6.8	4.5
Operating profit/loss, SEK million	7.0	6.2	29.3	15.0

Segment Rejlers Norway

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

In the fourth quarter, work continued in the action programme, with further cut-backs of administrative personnel and personnel in the telecom operations, to lower the cost base and improve profitability.

Net sales amounted to SEK 87.1 million (88.1) in the fourth quarter, a decrease of 1.0 per cent compared with the year-before period. The decrease is mainly attributable to a generally low order volume and personnel cut-backs in certain less-profitable parts of the operations. Organic growth excluding exchange rate fluctuations was 4.8 per cent.

Adjusted EBITA amounted to SEK 1.2 million (-5.3), corresponding to an adjusted EBITA margin of 1.4 per cent (-6.0).

Operating profit for the quarter turned positive and amounted to SEK 0.4 million (-6.1), equivalent to an operating margin of 0.5 per cent (-6.9). Profit was positively impacted by personnel cut-backs, co-location and a more efficient operation in the ICT/telecom activities. The billing ratio increased strongly during the quarter, compared with the previous year.

The calendar effect in the fourth quarter was negative by one day compared with the corresponding period the previous year.



KEY FIGURES	Q4 17	Q4 16	2017	2016
Sales, SEK million	87.1	88.1	320.0	335.6
Adjusted EBITA, SEK million	1.2	-6.1	-14.7	-10.2
Adjusted EBITA margin, %	1.4	-6.0	-4.6	-3.0
Operating profit/loss, SEK million	0.4	-6.1	-25.6	-13.3

Segment Rejlers Embriq

Rejlers Embriq has a strong position in a growing market in the energy sector and offers a complete range of products, IT services and solutions in energy, infrastructure and energy measurement services in the Nordic countries. During the quarter, the roll-out of smart electricity meters in Netalliansen continued with higher revenues from associated operating contracts. The Connected Stores concept was well received by the customers and involves a digitalisation of retailing, which will lead to minimal stock, optimal logistics and reduced emissions.

Net sales amounted to SEK 145.5 million (144.3) in the fourth quarter, an increase of 0.8 per cent compared with the year-before period. Organic growth excluding exchange rate fluctuations was 0.7 per cent.

Adjusted EBITA increased to SEK 6.0 million (2.7), corresponding to an adjusted EBITA margin of 4.1 per cent (1.9).

Operating profit for the quarter was SEK 6.0 million (2.7), equivalent to an operating margin of 4.1 per cent (1.9). Start-up costs related to the delivery of smart electrical meters to Netalliansen and the initiative in Connected Stores entail an initial margin pressure, which is expected to decline in the coming years.

The calendar effect in the fourth quarter was negative by one day in both Norway and Sweden compared with the corresponding period the previous year.



KEY FIGURES	Q4 17	Q4 16	2017	2016
Sales, SEK million	145.5	144.3	519.9	417.1
Adjusted EBITA, SEK million	6.0	2.7	9.2	15.6
Adjusted EBITA margin, %	4.1	1.9	1.8	3.7
Operating profit/loss, SEK million	6.0	2.7	9.2	15.6

The undersigned provides assurance that this interim report provides an accurate overview of the operations, position and earnings of the Group and the Parent Company, and that it also describes the principal risks and sources of uncertainty faced by the Parent Company and the companies within the Group.

Stockholm, 8 February 2018 Rejlers AB (publ)

Peter Rejler
Board Member, President and CEO

The information in this interim report is such that Rejlers AB (publ) is obliged to publish under the EU Market Abuse Directive and the Swedish Securities Market Act. The information was submitted through the care of the contact person above for publication on 8 February 2018 at 8:00 a.m. CET. This report is also available in Swedish. The English version is a translation of the Swedish original. If there are any differences, the Swedish version takes precedence. The interim report has not been reviewed by the company's auditor.

Group

Condensed income statement

SEK million	OCT-DEC 2017	OCT-DEC 2016	JAN-DEC 2017	JAN-DEC 2016
Net sales	672.2	673.7	2,470.1	2,341.4
Personnel expenses	-381.7	-392.2	-1,448.9	-1,453.7
Other external expenses	-269.7	-262.7	-950.3	-816.4
Depreciation and impairment	-11.6	-13.0	-46.1	-44.2
Participations in associates	0.1	0.2	0.3	0.4
Operating profit/loss	9.3	6.0	25.1	27.5
Net financial income/expense	0.9	-2.6	-3.6	-5.3
Profit/loss after net financial income/expense	10.2	3.4	21.5	22.2
Tax	-3.5	-3.4	-9.8	-8.2
Profit/loss for the period	6.7	0.0	11.7	14.0
Attributable to:				
Parent Company's shareholders	6.4	-0.3	11.7	13.3
Shareholders without a controlling influence	-0.3	0.3	0.0	0.7
Average number of shares	18,087,909	12,921 ,721	16,417,744	12,921 ,721
Earnings per share before and after dilution, SEK	0.38	-0.03	0.71	1.03

Condensed statement of comprehensive income

SEK million	OCT-DEC 2017	OCT-DEC 2016	JAN-DEC 2017	JAN-DEC 2016
Profit/loss for the period	6.7	0.0	11.7	14.0
<i>Items that may be reclassified to the income statement:</i>				
Translation differences of foreign operations, net after-tax	1.2	-2.9	-5.7	28.5
<i>Items that will not be reclassified to the income statement:</i>				
Revaluation of net pension liability	-4.9	4.3	-3.5	4.3
Total other comprehensive income	-3.7	1.4	-9.2	32.8
Comprehensive income for the period	-3.0	1.4	2.5	46.8

Condensed balance sheet

SEK million	31 DEC 2017	31 DEC 2016
Assets		
Non-current assets		
Goodwill	443.8	432.6
Other intangible assets	121.7	121.8
Tangible assets	32.1	37.5
Other non-current assets	51.7	47.6
Total non-current assets	649.3	639.5
Current assets		
Current receivables	747.6	656.0
Cash and cash equivalents	20.3	64.9
Total current assets	767.9	720.9
Total assets	1,417.2	1,360.4
Equity and liabilities		
Equity attributable to shareholders in the Parent Company	737.4	536.2
Non-controlling interests	8.9	16.0
Total equity	746.3	552.2
Non-current liabilities		
Provision for pensions	28.8	20.7
Interest-bearing non-current liabilities ¹⁾	5.4	155.0
Other non-current liabilities	48.7	50.9
Total non-current liabilities	82.9	226.6
Current liabilities		
Interest-bearing current liabilities	153.3	133.4
Other current liabilities	434.7	448.2
Total current liabilities	588.0	581.6
Total liabilities and equity	1,417.2	1,360.4

¹⁾ As of December 31, 2017, the Group's non-current liabilities have been reclassified to short term as the refinancing must take place in the fourth quarter of 2018. Refinancing negotiations are in progress and are expected to be completed prior to the Annual Report.

Condensed changes in equity

SEK million	31 DEC 2017	31 DEC 2016
Equity at start of period	552.2	524.8
Comprehensive income for the period	2.5	46.8
The minority's share of acquired companies		6.9
<i>Changes attributable to transactions with the owners</i>		
Dividends	-0.5	-26.3
New share issue	192.1	-
Total changes attributable to transactions with the owners	191.6	-26.3
Equity at end of period	746.3	552.2
Attributable to:		
Parent Company's shareholders	737.4	536.2
Non-controlling interests	8.9	16.0
Total	742.5	552.2

Condensed cash flow statement

SEK million	OCT-DEC 2017	OCT-DEC 2016	JAN-DEC 2017	JAN-DEC 2016
Cash flow from operating activities before changes in operating capital and tax paid	18.8	12.2	70.9	70.5
Tax paid	8.5	15.7	-8.3	-21.0
Change in working capital	-7.4	40.3	-103.9	-8.3
Cash flow from operating activities	19.9	68.2	-41.3	41.2
Cash flow from investing activities	-15.5	-40.7	-66.7	-71.5
Cash flow from financing activities	-7.1	-7.2	63.2	-19.9
Cash flow for the period	-2.7	20.3	-44.8	-50.2
Cash and cash equivalents at start of period	22.8	45.2	64.9	108.8
Exchange rate differences in cash and cash equivalents	0.2	-0.6	0.2	6.3
Cash and cash equivalents at end of period	20.3	64.9	20.3	64.9

Net liabilities

SEK million	31 DEC 2017	31 DEC 2016
Interest-bearing non-current liabilities	5.4	155.0
Interest-bearing current liabilities	153.3	133.4
Pension provisions	28.8	20.7
Cash and cash equivalents	-20.3	-64.9
Total	167.2	244.2

Parent Company

Condensed income statement

SEK million	OCT-DEC 2017	OCT-DEC 2016	JAN-DEC 2017	JAN-DEC 2016
Sales	11.6	5.6	37.1	22.7
Personnel expenses	-4.7	-4.0	-19.3	-15.0
Other external expenses	-19.7	-7.7	-44.0	-23.6
Depreciation	-0.1	-0.1	-0.3	-0.7
Operating profit/loss	-12.9	-6.2	-26.5	-16.6
Net financial income/expense	26.1	8.5	27.5	10.7
Profit/loss after net financial income/expense	13.2	2.3	1.0	-5.9
Appropriations	13.7	9.0	13.7	8.8
Tax	-0.2	0.0	-0.2	0.2
Profit/loss after tax	26.7	11.3	14.5	3.1

The Parent Company has no items to report in other comprehensive income, which is why this financial statement has been omitted.

Condensed balance sheet

SEK million	31 DEC 2017	31 DEC 2016
Assets		
Non-current assets		
Tangible assets	0.6	0.4
Financial assets	391.9	402.4
Total non-current assets	392.5	402.8
Current assets		
Current receivables	261.8	142.7
Cash and cash equivalents	0.9	50.2
Total current assets	262.7	192.9
Total assets	655.2	595.7
Equity and liabilities		
Equity		
Untaxed reserves	8.3	22.0
Non-current liabilities¹⁾	1.6	152.1
Current liabilities	212.5	195.2
Total liabilities and equity	655.2	595.7

¹⁾ As of December 31, 2017, the Group's non-current liabilities have been reclassified to short term as the refinancing must take place in the fourth quarter of 2018. Refinancing negotiations are in progress and are expected to be completed prior to the Annual Report.

Notes

Note 1 Rejlers Group

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

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

Note 2 Accounting policies

This interim report has been prepared for the Group in accordance with IAS 34 Interim Reporting and RFR 1, Supplementary Accounting Rules for Groups. The same accounting policies were applied as in the most recent annual report for both the Group and the Parent Company. A number of changes in the standards entered into effect in 2017. None of these has materially affected the Group's accounts and reporting. Information according to IAS 34 is provided in both notes and elsewhere in the interim report. The company has done an analysis of the effects from IFRS 9 and IFRS 15. It is the company's assessment that the implementation of these new standards will not have any significant effects besides expanded disclosures.

The Parent Company's reports are prepared in accordance with the Annual Accounts Act and RFR 2, Accounting for Legal Entities.

Note 3 Risks and uncertainty factors

Through its operations, the Group is subject to various financial risks, such as market risk (comprehensive foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management involves striving for minimal unfavourable effects on financial position and performance. The Group's business risks and risk management as well as financial risks are described in detail in the annual report for 2016. No events of material significance occurred during the interim period that affects or changes these descriptions of the Group's risks and the management of them.

Note 4 Items affecting comparability

SEK million	Q4 17	Q4 16	2017	2016
Restructuring costs	5.6	11.8	17.7	21.5

Note 5 Business combinations

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

So far this year, acquisitions have contributed SEK 41.7 million to sales and SEK 6.3 million to operating profit. If the operations had been owned as of 1 January, they would have contributed sales of SEK 50.7 million and an operating profit of SEK 9.0 million.

Net assets of companies acquired at the time of acquisition

SEK million	JAN – DEC	Total
Non-current assets		0.3
Current assets		0.6
Cash and cash equivalents		2.8
Other current liabilities		-1.7
Net identifiable assets and liabilities	2.0	
Goodwill		7.1
Customer values		1.4
Deferred tax on intangible assets		0.3
Purchase price, cash and cash equivalents	10.1	
Less:		
Cash and cash equivalents in acquired companies		-2.8
Net cash outflow during the period	7.3	

Acquisition analyses for the acquired operations are preliminary because the assets have not been fully analysed. The goodwill value, which is not tax deductible in business acquisitions (but is tax deductible in net asset acquisitions), includes the technical skills of staff, acquired customer relationships that are not separable and synergies. Otherwise, the fair value of the assets and liabilities at the time of acquisition corresponds to the carrying amount in the acquired companies. There are no uncertain receivables among the acquired assets. Acquisition-related costs were expensed as other external expenses when they were incurred.

Note 6 Segments

	SALES, SEK MILLION				OPERATING PROFIT, SEK MILLION				OPERATING MARGIN, %			
	Okt-dec	Okt-dec	Jan-dec	Jan-dec	Okt-dec	Okt-dec	Jan-dec	Jan-dec	Okt-dec	Okt-dec	Jan-dec	Jan-dec
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Rejlers Sverige	331.3	334.2	1 202.0	1 226.2	9.1	9.5	40.1	28.0	2.7	2.8	3.3	2.3
Rejlers Finland	129.3	114.9	468.0	389.4	7.0	6.2	29.3	15.0	5.4	5.4	6.3	3.9
Rejlers Norge	87.1	88.1	320.0	335.6	0.4	-6.1	-25.6	-13.3	0.5	-6.9	-8.0	-4.0
Rejlers Embriq	145.5	144.3	519.9	417.1	6.0	2.7	9.2	15.6	4.1	1.9	1.8	3.7
Koncern-gemensamt	11.6	5.6	37.1	22.7	-13.2	-6.3	-27.9	-17.8	-	-	-	-
Elimineringar	-32.6	-13.4	-76.9	-49.6	-	-	-	-	-	-	-	-
Totalt koncernen	672.2	673.7	2 470.1	2 341.4	9.3	6.0	25.1	27.5	1.4	0.9	1.0	1.2
Finansnetto	-	-	-	-	0.9	-2.6	-3.6	5.3	-	-	-	-
Resultat före skatt	-	-	-	-	10.2	3.4	21.5	22.2	-	-	-	-

NOTE 7 Financial instruments

The carrying amount of financial instruments recognised in amortized cost matches the fair value as the duration for financial assets and liabilities is short.

NOTE 8 Related party transactions

Related party transactions take place on market-based terms.

NOTE 9 Pledged assets and contingent liabilities

Pledged assets and contingent liabilities are essentially unchanged compared with the previous year.

NOTE 10 Annual General Meeting

The Annual General Meeting will be held at the Lindhagen Conference Centre, Lindhagensgatan 126 in Stockholm, Sweden on 7 May 2018. Information on the Nomination Committee and the AGM is available on the company's website, www.rejlers.com/se.

NOTE 11 Proposed dividend

Rejlers long-term policy is for around 50 per cent of the company's earnings to be paid out as dividends. The dividend policy remains firm, but in view of the company's financial situation, the Board of Rejlers is proposing to the Annual General Meeting that no dividend be paid for the financial year. No dividend was paid in the previous year either.

Quarterly summary

SEK million	Q1 2015	Q2 2015	Q3 2015	Q4 2015	2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Sales														
Sweden	267.2	276.7	233.9	321.2	1,099.0	309.2	329.9	252.9	334.2	1,226.2	308.7	305.1	256.9	331.3
Finland	83.5	86.1	70.5	96.3	336.4	91.6	97.5	85.4	114.9	389.4	118.8	113.5	106.4	129.3
Norway	81.0	80.1	64.2	73.2	298.5	73.6	99.1	74.8	88.1	335.6	88.1	81.2	63.6	87.1
Embriq	19.9	16.4	14.8	100.2	151.3	87.8	85.9	99.1	144.3	417.1	118.6	127.8	128.0	145.5
Group-wide, etc.	0.6	-2.8	-3.3	-4.2	-9.7	-3.0	-4.2	-11.9	-7.8	-26.9	-4.2	-4.6	-10.0	-21.0
Total	452.2	456.5	380.1	586.7	1,875.5	559.2	608.2	500.3	673.7	2,341.4	630.0	623.0	544.9	672.2
Operating profit/loss														
Sweden	14.5	15.6	14.1	7.2	51.4	-1.4	17.8	2.1	9.5	28.0	23.5	6.4	1.1	9.1
Finland	4.6	4.7	2.0	7.6	18.9	0.3	3.1	5.4	6.2	15.0	10.5	3.7	8.1	7.0
Norway	0.3	0.2	4.5	-1.5	3.5	-7.8	2.1	-1.5	-6.1	-13.3	-4.6	-15.9	-5.5	0.4
Embriq	4.2	2.2	1.2	1.7	9.3	5.8	5.0	2.1	2.7	15.6	4.9	0.6	-2.3	6.0
Group-wide, etc.	-0.7	-2.6	-2.9	-5.9	-12.1	-2.9	-5.4	-3.2	-6.3	-17.8	-4.6	-9.2	-0.9	-13.3
Total	22.9	20.1	18.9	9.1	71.0	-6.0	22.6	4.9	6.0	27.5	29.7	-14.4	0.5	9.3
Operating margin														
Sweden	5.4	5.6	6.0	2.2	4.7	-0.5	5.4	0.8	2.8	2.3	7.6	2.1	0.4	2.7
Finland	5.5	5.5	2.8	7.9	5.6	0.3	3.2	6.3	5.4	3.9	8.8	3.3	7.6	5.4
Norway	0.4	0.2	7.0	-2.0	1.2	-10.6	2.1	-2.0	-6.9	-4.0	-5.2	-19.6	-8.6	0.5
Embriq	21.1	13.4	8.1	1.7	6.1	6.6	5.8	2.1	1.9	3.7	4.1	0.5	-1.8	4.1
Group-wide, etc.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	5.1	4.4	5.0	1.6	3.8	-1.1	3.7	1.0	0.9	1.2	4.7	-2.3	0.1	1.4
Number of employees														
Sweden	1,016	1,018	1,022	1,173	1,173	1,163	1,082	1,089	1,090	1,090	1,070	1,066	1,056	1,048
Finland	447	464	482	482	482	500	501	497	526	526	535	545	562	573
Norway	236	230	231	239	239	249	240	249	244	244	239	236	229	202
Embriq	57	57	56	179	179	155	147	155	156	156	155	157	164	159
Group-wide, etc.	12	11	11	8	8	10	10	11	11	11	12	12	12	12
Total	1778	1,760	1,733	1,742	1,742	2,077	1,980	2,001	2,027	2,027	2,011	2,016	2,023	1,994

Key figures

As of the first quarter of 2017, Rejlers has used the key performance indicator of adjusted EBITA, which is a measure that Rejlers considers to be relevant for investors who wish to understand profit generation excluding items affecting comparability. Definitions for key figures are provided below and in the company's latest annual report.

SEK million	OCT-DEC 2017	OCT-DEC 2016	JAN-DEC 2017	JAN-DEC 2016
IFRS key performance indicators				
Earnings per share before and after dilution, SEK	0.38	-0.03	0.71	1.03
Average number of shares	18,087,909	12,921 ,721	16,417,744	12,921 ,721
Number of shares at end of period	18,087,909	12,921 ,721	18,087,909	12,921 ,721
Operational key performance indicators				
Billing ratio	76.4	74.6	75.2	73.0
Sales per full-time employee	351	349	1,286	1,208
Number of full-time employees	1,915	1,929	1,921	1,939
Number of employees at end of period	1,994	2,027	1,994	2,027
Alternative key figures				
Acquired growth, %	2.0	4.3	2.1	22
Currency effect, %	-3.8	3.5	-0.9	-2
Organic growth, %	0.9	7.1	4.1	4
Adjusted EBITA	17.9	20.9	55.2	61.1
Depreciation/amortisation of acquisition-related items	-3.0	-3.1	-12.4	-12.1
Items affecting comparability	-5.6	-11.8	-17.7	-21.5
Operating profit/loss (EBIT)	9.3	6.0	25.1	27.5
Adjusted EBITA margin, %	2.7	0.6	2.2	2.6
Net liabilities	167.2	244.2	167.2	244.2
Net debt/EBITDA, R12, times	2.5	3.4	2.5	3.4
Equity/assets ratio	52.7	40.6	52.7	40.6
Operating profit/loss per full-time employee, SEK thousand	5	3	13	14
Equity per share at the end of the period	40.77	41.50	40.77	41.50

Definitions

Adjusted EBITA

Operating profit/loss (EBIT) according to the income statement, before items affecting comparability and amortisation and impairment of acquisition related intangible assets.

Adjusted EBITA margin

Adjusted EBITA in relation to net sales.

Items affecting comparability

Significant income and expense items, which are recognised separately due to the significance of their nature and amounts and are also to be viewed as non-recurring or rarely occurring.

Rejlers is one of the Nordic region's largest technical consultants. Our 2,000 experts work with projects in the areas of construction and property, energy, industry, infrastructure and ICT/Telecom. At Rejlers, you will meet specialist engineers with the knowledge, cutting edge expertise and energy to achieve results. We are still experiencing growth and can now be found in 80 locations in Sweden, Finland and Norway. Rejlers had sales of SEK 2.5 billion in 2017 and its class B share is listed on Nasdaq Stockholm.

COMING REPORTS

Interim report, January-March 2018	7 May 2018
Annual General Meeting 2018	7 May 2018
Interim report, January-June 2018	26 July 2018
Interim report, January-September 2018	25 October 2018

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