

"We are increasing shareholder value through a more efficient, growing and more learning Rejlers."

APRIL-JUNE

- Net sales increased by 9.7% to SEK 698.5 million (636.4)
- Organic sales growth excluding exchange rate fluctuations amounted to -2.3% (1.0)
- Adjusted EBITA, excluding restructuring costs, increased to SEK 43.5 million (32.3) and adjusted EBITA margin was 6.2% (5.1)
- Restructuring costs amounted to SEK 18.4 million
- EBITA amounted to SEK 25.1 million (32.3) and the EBITA margin was 3.6% (5.1)
- Operating profit (EBIT) amounted to SEK 18.8 million (24.7) and the operating margin was 2.7% (3.9)
- Net profit after tax amounted to SEK 9.8 million (15.9)
- Net financial items amounted to an expense of SEK 6.1 million (2.9)
- Earnings per share before dilution amounted to SEK 0.50 (0.87) and after dilution to SEK 0.49 (0.87)

JANUARY-JUNE

- Net sales increased by 15.5% to SEK 1,440.2 million (1,246.8)
- Organic sales growth excluding exchange rate fluctuations amounted to 2.1% (0.7)
- Adjusted EBITA, excluding restructuring costs, increased to SEK 87.8 million (71.0) and adjusted EBITA margin was 6.1% (5.7)
- Restructuring costs amounted to SEK 18.4 million
- EBITA amounted to SEK 69.4 million (71.0) and the EBITA margin was 4.8% (5.7)
- Operating profit (EBIT) amounted to SEK 55.4 million (60.2) and the operating margin was 3.8% (4.8)
- Net profit after tax amounted to SEK 36.1 million (44.1)
- Net financial items amounted to an expense of SEK 9.8 million (2.2)
- Earnings per share before dilution amounted to SEK 1.83 (2.41) and after dilution to SEK 1.79 (2.41)

APRIL-JUNE:

698.5

Net sales, SEK million

43.5

Adjusted EBITA, SEK million



SIGNIFICANT EVENTS DURING THE QUARTER

Alta Kraftlag in Norway chooses Quant Insight. With Quant Insight, Alta Kraftlag gains a tool that reduces the turnaround time for handling network failures, provides proactive maintenance analytics, and helps the company to make more accurate decisions about future investments.

Rejlers is recruiting in the railway sector in Finland. At the end of 2019, Rejlers in Finland signed a framework agreement with the Finnish Transport Infrastructure Agency (FTIA) and is now investing in extensive new recruitment to meet the higher demand in the sector.

Kavli chooses Rejlers as a comprehensive supplier of IT services. The agreement covers a broad range of IT services for the entire Kavli Group and makes Rejlers an important partner in the work of realising Kavli's ambitions in Industry 4.0.

Rejlers improves energy efficiency in Skurup Municipality through sustainable efficiency enhancements and upgrades to the municipality's property portfolio. The project will contribute to lower energy use, reduced costs and an improved indoor environment for the municipality's properties.

Rejlers is now expanding its service portfolio with Management Consulting directed at the energy industry. The focus is on helping energy companies to make important strategic decisions associated with the conditions of the energy landscape of the future.

Rejlers is entering Ericsson's partner programme Industry 4.0 through the role as a systems integrator with extensive experience and technical expertise in such areas as industry, infrastructure, civil engineering work, energy, telecom, IT and safety.

0.50

Earnings per share before dilution, SEK



The journey of change is continuing

Rejlers grew by 10 per cent in the second quarter at the same time that we implemented an action programme to ensure continued good profitability in a rapidly changing market situation as a result of the on-going COVID-19 pandemic. Our adjusted EBITA (EBITA excluding non-recurring costs) for the second quarter is SEK 43.5 million (32.4) with an improved margin of 6.2 per cent (5.1).

Industry market hardest hit

The economic crisis in the wake of the pandemic impacted Rejlers' markets in the second quarter, primarily our business focused on manufacturing industries. The areas of energy, telecommunications, smart buildings and infrastructure have fared better. Overall, we are pleased with the order bookings in the current market situation. This is evidence of successful sales work and that Rejlers' brand is seen as secure in turbulent times among the Nordic buyers of expert engineering services. Our country organisations have been affected to varying degrees. I am satisfied with the development in Sweden and Norway while our relatively large industry exposure encumbered earnings in Finland.

Action programme

In the second quarter, we launched and implemented an action programme to secure our long-term profitability. It has included cost reductions, short-term lay-offs and unfortunately also terminations of 70 employees in Sweden and Finland. Terminations were made where it was deemed that demand will not return in the median or long term due to the pandemic's effects. Quarterly earnings are charged SEK 18.4 million in non-recurring costs for adaptations to the new circumstances attributable to the terminations.

High attractiveness and new investments

Most pleasing of it all is that Rejlers is continuing to take market shares and win new business with both new and existing customers. For example, in the quarter we won a new contract with a leading global company in medical engineering and with the Swedish Armed Forces. The pharmaceutical and defence industries are already two new strategically selected investment areas for the future. It is also pleasing that the interest in Rejlers as an employer is steadily growing. We are continuing to attract qualified consultants and managers for the journey we have begun towards the future.

Personal reflections

In the global COVID-19 crisis, we at Rejlers have adapted our organisation and our way of doing business to new conditions. There must always be preparedness for subsidence in the economy and, considering that we had essentially gone through ten years of economic expansion, the downturn might have occurred anyway even without the ruthless advance of the corona virus. Given that we are still in the midst of the pandemic, it is difficult today to say what the final effects will be – but the most important is that our goal remains. In 2025, Rejlers will be a more profitable, larger and more niched company with continuous learning as a guiding star.

Stockholm, 16 July 2020

Viktor Svensson



"Most pleasing of it all is that Rejlers is continuing to win business with both new and existing customers."



We are on the way

STRATEGY

- **Growth:** Doubling Rejlers' size by 2025, average growth of 10% per year
- **Market:** Extra focus on Energy, a catalyst for future growth
- **Offering:** Increasing the percentage of projects and comprehensive solutions
- **Geography:** Continuously growing in Sweden, Finland and Norway plus one new market by 2025

VISION

- **Home of the learning minds**

Rejlers is a platform for continuous learning, development and growth. This way, we will be on the leading edge of development, be able to attract the best talents, maintain a competitive network and secure profitability.

FINANCIAL TARGETS

10 / 10 / ☺

- 10% EBITA margin
- 10% average annual growth

CORE VALUES

**OPEN SOURCE
CULTURE**

**LOVE the
CHALLENGE**

**BRILLIANT
NETWORKS**

**HOME of the
LEARNING
MINDS**

Financial summary

APRIL–JUNE 2020

Income and profit

Sales and earnings were negatively impacted by the COVID-19 pandemic during the quarter. Rejlers has quickly implemented a number of changes to manage the situation, such as short-term lay-offs, permanent terminations, cost savings and a rapid adjustment to working from home.

Rejlers has received government assistance linked to COVID-19, mainly in Finland and Sweden. The Swedish grants from the Swedish Agency for Economic and Regional Growth are deemed to be reasonably secure and are recognised as other income. The Finnish grants for short-term lay-offs are paid by Finnish authorities directly to those laid off and thereby entail reduced personnel costs. During the quarter, around 4 per cent of the number of full-year employees were temporarily laid off.

Net sales increased to SEK 698.5 million (636.4), an increase of 9.7 per cent compared to the year-before period. Organic growth excluding exchange rate fluctuations was -2.3 per cent.

The quarter's EBITA was negatively impacted by restructuring costs for terminated personnel, SEK 18.4 million. Adjusted EBITA, excluding restructuring costs, increased to SEK 43.5 million (32.3) and adjusted EBITA margin was 6.2 per cent (5.1). EBITA amounted to SEK 25.1 million (32.3) and the EBITA margin was 3.6 per cent (5.1). Operating profit (EBIT) amounted to SEK 18.8 million (24.7) and the operating margin was 2.7 per cent (3.9).

The quarter's financial income amounted to SEK 7.5 million (1.0), pertaining mainly to currency translations. Financial expenses amounted to SEK 13.6 million (3.9) and are mainly attributable to increased interest expenses and currency losses. Interest expenses were impacted by IFRS 16 Leases by SEK 1.4 million (1.2). The quarter's tax expense amounted to SEK 2.9 million (5.9).

The profit after tax for the quarter was SEK 9.8 million (15.9). Earnings per share before dilution was SEK 0.50 (0.87) and SEK 0.49 (0.87) after dilution.

SALES BY COUNTRY Q2, %



NET SALES, SEK MILLION



EBITA, SEK MILLION*



*EBITA and the EBITA margin for Q2 2020 are adjusted for non-recurring costs and are thereby adjusted EBITA and adjusted EBITA margin.

KPI	Apr–June 2020	Apr–June 2019	Jan–June 2020	Jan–June 2019	Jan–Dec 2019
Net sales, SEK million	698.5	636.4	1,440.2	1,246.8	2,557.1
Organic growth excluding exchange rate effects, %	-2.3	1.0	2.1	0.7	8.2
Adjusted EBITA, SEK million	43.5	32.3	87.8	71.0	138.0
Adjusted EBITA margin, %	6.2	5.1	6.1	5.7	5.4
EBITA, SEK million	25.1	32.3	69.4	71.0	138.0
EBITA margin, %	3.6	5.1	4.8	5.7	5.4
Operating profit/loss (EBIT), SEK million	18.8	24.7	55.4	60.2	103.5
Profit/loss after tax, SEK million	9.8	15.9	36.1	44.1	77.6
Earnings per share before dilution, SEK	0.50	0.87	1.83	2.41	4.19
Earnings per share after dilution, SEK	0.49	0.87	1.79	2.41	4.16
Cash flow from operating activities, SEK million	170.8	91.5	217.8	176.2	245.9
Net debt/EBITDA rolling 12 mo.**, multiple	1.1	1.3	1.1	1.3	1.5

** Net debt/EBITDA rolling 12 mos. excl. IFRS 16 Leases is 0.3.

JANUARY–JUNE 2020

Income and profit

Net sales increased to SEK 1,440.2 million (1,246.8), an increase of 15.5 per cent compared to the year-before period. Organic growth excluding exchange rate fluctuations was 2.1 per cent.

The period's EBITA was negatively impacted by restructuring costs for terminated personnel, SEK 18.4 million. Adjusted EBITA, excluding restructuring costs, increased to SEK 87.8 million (71.0) and adjusted EBITA margin was 6.1 per cent (5.7) EBITA amounted to SEK 69.4 million (71.0). EBITA margin amounted to 4.8 per cent (5.7). Operating profit (EBIT) amounted to SEK 55.4 million (60.2) and the operating margin was 3.8 per cent (4.8). EBIT was impacted by acquisition expenses of SEK 0.9 million (2.2).

Financial income during the period amounted to SEK 16.6 million (4.3) and relates mainly to currency translations. Financial expenses amounted to SEK 26.4 million (6.5) and are mainly attributable to increased interest expenses and currency losses. Interest expenses were impacted by IFRS 16 Leases by SEK 2.9 million (2.6). The tax expense for the period amounted to SEK 9.5 million (13.9).

Cash flow and financial position

Cash flow during the period is strong despite COVID-19. To secure good liquidity, Rejlers has implemented a number of measures, including a lower dividend, an overdraft facility increased to SEK 250 million, stopped repayment of loans and increased control of accounts receivable. During the period, no bad debt losses arose due to COVID-19 and the assessment and valuation of assets and liabilities are unchanged compared with earlier quarters.

During the period, the Group generated a cash flow from operating activities of SEK 217.8 million (176.2) including IFRS 16 Leases. The cash flow from operating activities is impacted by the reduced accounts receivable. Consolidated cash and cash equivalents at the end of the period amounted to SEK 221.3 million, compared with SEK 142.0 million as of 31 December 2019.

Interest-bearing liabilities decreased by SEK 23.5 million since 31 December 2019 to SEK 495.6 million at the end of period; see page 15. Considering IFRS 16 Leases of interest-bearing liabilities, the leasing component amounts to SEK 244.3 million and decreased by SEK 12.0 million compared with 31 December 2019. Current interest-bearing liabilities amount to SEK 107.5 million and non-current liabilities amount to SEK 97.2 million. The distribution between current and non-current liabilities is adapted to achieve an effective interest level.

Net debt amounted to SEK 301.1 million, compared with SEK 405.5 million as of 31 December 2019. Net debt is also affected by the leasing effect; see page 15. The ratio of net debt to EBITDA rolling 12 months amounted to 1.1 at the end of the period compared with 1.5 at 31 December 2019. The ratio of net debt to EBITDA rolling 12 months excluding IFRS 16 Leases is 0.3. Covenant reporting to Danske Bank includes pro forma EBITDA for the acquisition of 12 months, which entails a positive effect on the covenant. The equity/assets ratio amounted to 44.2 per cent compared with 44.2 on 31 December 2019.

Equity per share was SEK 46.66 at the end of the period compared to SEK 47.25 as of 31 December 2019. The Group's overdraft facilities of SEK 250.0 million (150.0) are unutilised.

Investments

Assessed valuations of goodwill and intangible assets considering COVID-19 constitute no risk of impairment.

Investments in property, plant and equipment amounted to SEK 9.7 million (2.4), mainly relating to equipment and IT equipment. Investments in intangible assets,

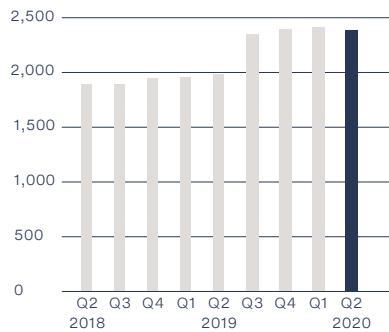
EBITA MARGIN, %*



CASH FLOW FROM OPERATING ACTIVITIES, SEK MILLION



NUMBER OF EMPLOYEES AT END OF PERIOD



*EBITA and the EBITA margin for Q2 2020 are adjusted for non-recurring costs and are thereby adjusted EBITA and adjusted EBITA margin.



mainly attributable to the development of IT platforms, amounted to SEK 19.6 million (12.7). Investments in subsidiaries and businesses amounted to SEK 17.4 million (3.2). Depreciation/amortisation amounted to SEK 89.3 million (72.2).

Utilisation

The utilisation amounted to 77.2 per cent (77.0).

Employees

At the end of the period, there were 2,390 employees (1,983). There were 2,311 full-year employees (1,895).

Parent Company

Net sales for the Parent Company during the interim period amounted to SEK 17.8 million (17.9) and loss before tax amounted to SEK 14.6 million (6.2).

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 and fourth quarters and lower in the second and third quarter. Similar seasonal variations occur in all geographic markets.

The Share

The total number of shares in Rejlers AB is 19,687,909, of which 1,749,250 Class A shares (ten votes per share) and 17,938,659 Class B shares (one vote per share). In 2019, the Group issued designated convertibles to employees in senior positions. The convertible programmes amount to SEK 48,400,000 with durations of three and five years.

Impact from the COVID-19 pandemic

The COVID-19 pandemic has led to a global economic crisis that affected Rejlers' operations in the second quarter. The effects have been different between different industries. While the impact has been limited in the areas of energy, telecommunications, properties and infrastructure, some of the operations that focus on industry customers have been much more negatively impacted. However, there are rays of

hope even in this area, as sectors such as Life Science and the Defence Industry have managed better than others.

Rejlers has met the rapidly changed situation in the market with multiple measures to secure profitability. In addition to efforts in new areas and intensified investments in sales, the measures have included cost reductions in a number of areas, temporary short-term lay-offs, around 4 per cent of the number of full-year employees and terminations of some 70 people. The criterion for the terminations has primarily been that the demand for the services in question has not been deemed to return in the median or long term.

The pandemic has also led to our employees, with the aim of reducing the risk of the spread of infection, rapidly adopting alternative ways of working and meeting remotely. For a company on the leading edge of digitalisation, such as Rejlers, this transition has been able to take place with a minimum impact on the business.

Rejlers' financial position remains stable and the inflow of new business continued during the second quarter. In these uneasy times, it becomes a protection that many of our projects are critical to society and that we have a well-diversified customer portfolio. Today, it cannot be foreseen with certainty what total impact COVID-19 will have, but we are monitoring the development carefully and are ready to take more steps if it becomes necessary as a result of the crisis.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

Rejlers signs framework agreement with Mälarenergi

Rejlers is deepening its partnership with Mälarenergi by signing a framework agreement through until the end of 2021, with an option for extension of up to two years. The framework agreement covers electricity grid-related services and meets the requirements and needs that Mälarenergi will have during the period as regards investments in its electricity grid.

Rejlers responsible for design as Vasakronan creates Gothenburg's new landmark

Rejlers has been commissioned to lead the electrical design work for property company Vasakronan's development of the Kromet block, a future new landmark in Gothenburg. Rejlers will be responsible for designing the block's electrical, telecommunications, control, safety and photovoltaic systems during the programme phase.

Rejlers technical partner in modernisation of three Swedish hospitals

Rejlers has won a contract for the electrical design of the power plants for the expansion of three hospitals in Sörmaland, one of the largest ever construction projects in the county. The contract encompasses the design of electrical systems, selectivity planning and testing, with Rejlers contributing experienced its project management team and local teams of specialists.

Business overview

REJLERS SWEDEN

The development in Sweden in the second quarter of the year was overwhelmingly positive in terms of the underlying operations. Adjusted EBITA for Rejlers Sweden was SEK 21.6 million (11.4). The quarter was charged non-recurring costs for terminated personnel of SEK 9.9 million, which yielded an EBITA of SEK 11.7 million (11.4).

The divisions were impacted by the COVID-19 pandemic and its consequences to varying degrees. For Energy and Communication & Security, the impact has been limited and the market remained stable. Buildings encountered a more uncertain market, but nonetheless succeeded in achieving good earnings during the quarter. For Industry & Infra, the market picture was divided. The manufacturing and automotive industries were generally very negatively impacted, which had consequences for Rejlers Sweden. However, the Life Science and process industries continue to have an unchanged market situation.

Rejlers Sweden has met the quarter's challenges with strategic sales and a focus on the right customers and implemented structural changes to achieve a staffing that meets the customers' needs, particularly within Industry. The organisation has also been adjusted to achieve lower overhead costs and thereby greater competitiveness.

The establishment of the new business areas Life Science and Civil within Industry & Infra has been successful and the initial development has been strong. Also within Energy, Rejlers has further developed its offering through a management consulting initiative where we, among other things, help the customers through the energy transition.

Two new division heads took office during the quarter, Sara Kimell at Energy and Niklas Siljeblad at Communications & Security. They now have the task of both strengthening Rejlers' existing business and developing it further in new and existing areas.

Strategically important business was won in all areas during the quarter. Notable among them is a major electrical engineering design project for Vasakronan, a project for hydro power for Statkraft, a new framework agreement for consulting services in power grids with Mälarenergi and the SINFRA framework agreement with the country's municipalities regarding infrastructure.

EBITA, SEK MILLION*



*EBITA for Q2 2020 is adjusted for non-recurring costs and is thereby adjusted EBITA

KPI	Apr-June 2020	Apr-June 2019	Jan-June 2020	Jan-June 2019	Jan-Dec 2019
Net sales, SEK million	335.3	297.5	677.6	597.9	1,196.6
Adjusted EBITA, SEK million	21.6	11.4	46.2	37.4	62.1
Adjusted EBITA margin, %	6.4	3.8	6.8	6.3	5.2
EBITA, SEK million	11.7	11.4	36.3	37.4	62.1
EBITA margin, %	3.5	3.8	5.4	6.3	5.2
Operating profit/loss, SEK million	10.1	9.9	32.8	34.7	55.1

REJLERS FINLAND

Rejlers' earnings in Finland were weak during the second quarter of the year in a market with varying growth. Adjusted EBITA for Rejlers Finland was SEK 12.3 million (19.8). The quarter was charged non-recurring costs for terminated personnel of SEK 4.5 million, which yielded an EBITA of SEK 7.8 million (19.8).

Within Buildings, Energy and Infrastructure, the development was stable despite the on-going pandemic. For Industry, which accounts for the largest part of sales in Finland, the conditions were worse due to extensive uncertainty in the export industry. For example, planned maintenance of industrial facilities is being postponed.

Rejlers Finland handled the situation quickly with greater focus on sales, adapted working models and measures to secure profitability. Structural changes were implemented with the aim of achieving staffing that meets the customers' needs, especially in Industry.

Through an important recruitment, Kirsi Hautala took over as the new division head for Buildings in Finland. Kirsi Hautala is now a member of Rejlers Finland's management group. She most recently comes from the position as the Managing Director for WSP Finland.

Among the quarter's new assignments is the power grid distributor Kajave Oy's largest network investment project ever, where Rejlers as a strategic partner is responsible for project management, site monitoring, safety coordination and documentation. Another important agreement that was signed is the extension of the framework agreement with Järvi-Suomen Energia.

KPI	Apr-June 2020	Apr-June 2019	Jan-June 2020	Jan-June 2019	Jan-Dec 2019
Net sales, SEK million	233.2	186.2	491.0	357.4	780.6
Adjusted EBITA, SEK million	12.3	19.8	28.6	33.1	72.6
Adjusted EBITA margin, %	5.3	10.6	5.8	9.3	9.3
EBITA, SEK million	7.8	19.8	24.1	33.1	72.6
EBITA margin, %	3.3	10.6	4.9	9.3	9.3
Operating profit/loss, SEK million	5.2	19.0	17.4	31.6	57.3

REJLERS NORWAY

Earnings in Norway during the quarter were strong and EBITA for Rejlers Norway for the quarter amounted to SEK 13.8 million (6.8). Challenges linked to the pandemic marked the quarter, but strong efforts by employees and management meant that the Norwegian organisation through a rapid adjustment was able to minimise the consequences to the operations.

Alternative business within electrical safety was developed during the second quarter to resolve the total stop of physical inspections implemented in March due to the risk of infection, which entailed a retained charging level.

Buildings and Energy delivered good earnings with good growth and a good margin. Several new projects were contracted during the quarter.

During the period, the customers' use of smart grid services such as Quant increased, as well as operation of smart electrical meters, partly thanks to the successful integration of the SmartHub acquisition. New customers were also added, such as Alta Kraftlag, which now began using the operations and analysis service Quant Insight.

Demand for Rejlers' digital services remained strong during the quarter and agreements were reached and assignments commenced with several new customers, including a large customer in the Swedish retail market. The IT consulting department continued to grow and the number of employees increased during the period.

KPI	Apr-June 2020	Apr-June 2019	Jan-June 2020	Jan-June 2019	Jan-Dec 2019
Net sales, SEK million	134.3	166.3	279.6	315.0	633.1
EBITA, SEK million	13.8	6.8	25.4	17.9	31.6
EBITA margin, %	10.3	4.1	9.1	5.6	5.0
Operating profit/loss, SEK million	13.0	3.8	23.7	14.1	25.4

EBITA, SEK MILLION*



*EBITA for Q2 2020 is adjusted for non-recurring costs and is thereby adjusted EBITA

EBITA, SEK MILLION





Rejlers offering

Rejlers AB is one of the largest technical consulting firms in the Nordic region. Our service offerings are founded on continuous learning and knowledge sharing.

Rejlers' qualified engineers offer both cutting-edge expertise and breadth of knowledge. We are a valuable partner that helps our customers meet their challenges and find new opportunities.

Rejlers position within the consulting industry, brings together the best of two worlds. Like larger actors, we have extensive depth and breadth in our expertise, but at the same time we offer fast decision-making pathways and extensive adaptive ability. Our goal is to always deliver the maximal business advantage to our customers.

We welcome the most complex questions and handle them in a way that adds new perspectives and value for our customers. Our most valuable asset is the learning mindset of our employees. This means that we never stop learning, and that we are constantly exchanging our knowledge.

We offer services to customers in the Industry, Infrastructure, Energy and Buildings sectors. Based on our classic engineering background, over the years we have expanded with expertise in digital services, safety and operations. We provide all this core expertise in customised solutions for customers in all four sectors.



INDUSTRY

We help customers with everything from complete solutions for new products and systems to detail design, project management, streamlining and process automation, and the digitisation of physical stores. Projects related to AR/VR, digital twins, Smart Industry and IoT are particularly current.



INFRASTRUCTURE

We work extensively in the infrastructure sector – for example, with modernisation, planning and system development for railways, local rail transport, power grids, telecommunications, airports, road infrastructure and ports, as well as with urban development services related to land, water, roads and the environment. The electrification of various kinds of infrastructure is particularly current.



ENERGY

We offer services and smart digital solutions to customers in all stages of the energy supply chain; the network companies are our largest customers. For example, we help to modernise, streamline and automate existing facilities and build new ones. Extra current right now is the renovation of power grids as a part of the energy transition to fossil-free electricity production.



BUILDINGS

We create value for construction and property actors in the fields of renovation, new production, monitoring, inspection and early planning. Important areas include building automation and energy streamlining. With our broad expertise, we can also contribute to the creation of smart buildings. Extra current right now is the digitalisation of properties.



Other information

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 Parent Company's reports are prepared in accordance with the Annual Accounts Act and RFR 2, Accounting for Legal Entities. The same accounting policies were applied as in the most recent annual report for both the Group and the Parent Company.

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 2019. During the interim period, COVID-19 constituted a risk due to lower demand in certain sectors, which impacted Rejlers in the second quarter of 2020. COVID-19 does not change the description of the Group's risks and their handling. Read more about how COVID-19 has impacted Rejlers and the handling of the risks on page 6, under the heading "Impact from the COVID-19 pandemic".

Business combinations

DURING THE PERIOD, THE FOLLOWING ACQUISITIONS WERE CARRIED OUT

Period	Segment	Annual net sales	FTE
Jan.-June	NO, FI	SEK 31 million	18

ACQUIRED COMPANY'S NET ASSETS AT THE TIME OF THE ACQUISITION

SEK million
Non-current assets
Financial assets
Accounts receivable, other receivables
Cash and cash equivalents
Accounts payable, loans and other liabilities
Net identifiable assets and liabilities
Goodwill
Customer value
Deferred tax
Purchase sum
Transaction costs, deduction
Cash and cash equivalents (acquired)
Net outflow, Group

Delta-KN Oy

Rejlers' solid expertise and services in electrical engineering for building services were supplemented with an acquisition of Delta-KN Oy, which was signed on 20 February 2020. Delta-KN Oy is an electrical engineering company in the construction sector. The acquisition is a part of Rejlers' growth strategy and means that the company is strengthening its offering in Buildings in Finland. The knowledge of the people who are being transferred to Rejlers will be immediately offered to the customers. The company was consolidated as of 1 March 2020 and expects full-year sales of around EUR 0.5 million with a margin of 5%.

Smarthub AS in Norway.

Rejlers acquired Smarthub AS in Norway. SmartHub AS provides the collection, quality control, distribution and handling of data from around 153,000 smart electricity meters for ten grid companies in Møre and Romsdal, Norway. The agreement signed means that Rejlers will take over 100% of the shares in the company, including the operations agreements the company has with the ten grid companies. Rejlers is thereby strengthening its position as a leading independent service provider of IoT infrastructure (Internet of Things) in the Nordic region. The company was consolidated as of 1 January 2020 and expects full-year sales of around NOK 14 million with a margin of 16%.

RR Management Oy

Rejlers acquired the rail management business within RR Management Oy. RR Management Oy is a company that specialised in construction and management. Through the acquisition, Rejlers will be able

to develop the rail regulation services. The asset acquisition occurred in January 2020 and expects full-year sales of around EUR 1.1 million with a margin of 20%.

Related party transactions

Related party transactions take place on market-based terms.

Pledged assets and contingent liabilities

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

Future-oriented information

All future-oriented statements in this report are based on the company's best assessment at the time of publication. As with all forecasts, such assumptions contain risks and uncertainties that may mean that the actual outcome is different than the expected development.

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, 16 July 2020 Rejlers AB (publ).

Peter Rejler
Chairman

Jan Samuelsson
Vice chairman

Lisa Rejler
Board member

Helena Levander
Board member

Patrik Boman
Board member

Viktor Svensson
President and CEO

The interim report has not been reviewed by the company's auditor.

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 16 July 2020 at 12:00 p.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.

CONDENSED INCOME STATEMENT

Amount SEK million	Apr-June 2020	Apr-June 2019	Jan-June 2020	Jan-June 2019	Jan-Dec 2019
Net sales	698.5	636.4	1,440.2	1,246.8	2,557.1
Other income	7.2	1.8	8.4	2.7	4.6
Personnel costs ¹⁾	-467.1	-390.1	-947.5	-779.1	-1,566.7
Other external expenses	-175.9	-183.0	-356.4	-334.3	-727.3
Participations in associated company earnings	0.5	0.5	0.9	0.7	1.2
EBITDA	63.2	65.6	145.6	136.8	268.9
Depreciation/amortisation and impairment of non-current assets ²⁾	-38.1	-33.3	-76.2	-65.8	-130.9
EBITA	25.1	32.3	69.4	71	138.0
Acquisition-related items ³⁾	-6.3	-7.6	-14.0	-10.8	-34.5
Operating profit/loss (EBIT)	18.8	24.7	55.4	60.2	103.5
Net financial income/expense	-6.1	-2.9	-9.8	-2.2	-7.3
Profit/loss after net financial income/expense	12.7	21.8	45.6	58.0	96.2
Tax	-2.9	-5.9	-9.5	-13.9	-18.6
PROFIT FOR THE PERIOD	9.8	15.9	36.1	44.1	77.6
Attributable to the Parent Company's shareholders	9.8	15.7	36.1	43.6	77.6
Attributable to shareholders without a controlling influence	-	0.3	-	0.5	-
Average number of shares	19,687,909	18,087,909	19,687,909	18,087,909	18,487,909
Number of shares at end of period	19,687,909	18,087,909	19,687,909	18,087,909	19,687,909
Number of shares after dilution	20,131,231	18,087,909	20,131,231	18,087,909	19,944,751
Earnings per share before dilution, SEK	0.50	0.87	1.83	2.41	4.19
Earnings per share after dilution, SEK	0.49	0.87	1.79	2.41	4.16

¹⁾ Includes restructuring costs of SEK 18.4 million

²⁾ Impairment and depreciation of property, plant and equipment and amortisation of intangible assets excluding goodwill and those related to acquisitions.

³⁾ Impairment and amortisation of goodwill and intangible assets related to acquisitions, revaluation of supplemental purchase amounts and gains/losses in the divestment of subsidiaries and operations, as well as acquisition and integration expenses.

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

Amount SEK million	Apr-June 2020	Apr-June 2019	Jan-June 2020	Jan-June 2019	Jan-Dec 2019
Profit for the period	9.8	15.9	36.1	44.1	77.6
Items that may be reclassified to the income statement					
Translation differences of foreign operations, net after-tax	-16.2	5.4	-18.2	16.9	13.3
Items that will not be reclassified to the income statement					
Revaluation of net pension provisions	-	-	-	-	1.3
TOTAL OTHER COMPREHENSIVE INCOME	-16.2	5.4	-18.2	16.9	14.6
COMPREHENSIVE INCOME FOR THE PERIOD	-6.4	21.3	17.9	61.0	92.2

CONDENSED BALANCE SHEET

Amount SEK million	30 June 2020	30 June 2019	31 Dec 2019
Assets			
Non-current assets			
Goodwill	566.4	479.7	565.6
Other intangible assets	269.1	141.9	271.2
Property, plant and equipment	28.1	15.7	20.3
Rights of use	254.1	244	272.0
Other non-current assets	77.0	52.9	68.3
Total non-current assets	1,194.7	934.2	1,197.4
Current assets			
Current receivables	661.8	656.6	764.2
Cash and cash equivalents	221.3	140.6	142.0
Total current assets	883.1	797.2	906.2
TOTAL ASSETS	2,077.8	1,731.40	2,103.6
Equity and liabilities			
Equity attributable to shareholders in the Parent Company	918.6	750.6	930.2
Non-controlling interests	-	0.3	-
Total equity	918.6	750.9	930.2
Non-current liabilities			
Provision for pensions	26.8	33.1	28.4
Interest-bearing non-current liabilities	290.9	247.9	303.7
Other non-current liabilities	115.6	104.9	118.3
Total non-current liabilities	433.3	385.9	450.4
Current liabilities			
Interest-bearing current liabilities	204.7	128.0	215.4
Other current liabilities	521.2	466.6	507.6
Total current liabilities	725.9	594.6	723.0
TOTAL LIABILITIES AND EQUITY	2,077.8	1,731.40	2,103.6

CONDENSED CHANGES IN EQUITY

Amount SEK million	30 June 2020	30 June 2019	31 Dec 2019
Equity at start of period	930.2	707.3	707.3
Comprehensive income for the period	17.9	61	92.2
Cash issue private placement	-	-	147.1
Conversion rights for convertible debt instruments	-	0.7	1.7
Changes attributable to transactions with the owners			
Dividends	-29.5	-18.1	-18.1
Total changes attributable to transactions with the owners	-29.5	-18.1	-
Equity at end of period		750.9	930.2
Attributable to the Parent Company's shareholders	918.6	750.6	930.2
Attributable to non-controlling interests	-	0.3	-
Total	918.6	750.9	930.2

CONDENSED CASH FLOW STATEMENT

Amount SEK million	Apr-June 2020	Apr-June 2019	Jan-June 2020	Jan-June 2019	Jan-Dec 2019
Cash flow from operating activities before changes in operating capital and tax paid	52.4	46.2	115.7	126.6	237.1
Tax paid	-0.2	-9.8	-8.8	-12.9	-20.6
Change in working capital	118.6	55.1	110.9	62.5	29.4
Cash flow from operating activities	170.8	91.5	217.8	176.2	245.9
Cash flow from investing activities	-13.8	-10.1	-44.5	-20.1	-317.6
Cash flow from financing activities	-55.6	-25.5	-93.4	-54.1	176.9
Cash flow for the period	101.4	55.9	79.9	102.0	105.3
Cash and cash equivalents at start of period	121.4	84.7	142.0	38.2	38.2
Exchange rate differences in cash and cash equivalents	-1.5	-	-0.6	0.4	-1.5
Cash and cash equivalents at end of period	221.3	140.6	221.3	140.6	142.0

Cash flow including IFRS 16 Leases

NET INDEBTEDNESS

Amount SEK million	30 June 2020	30 June 2019	31 Dec 2019
Non-current liabilities, credit institutions	97.2	76.9	101.9
Convertible debentures	46.6	23.3	46.3
Non-current lease liability	147.1	147.6	155.5
Current liabilities, credit institutions	107.5	28.8	114.6
Current lease liability	97.2	99.2	100.8
Pension provisions	26.8	33.1	28.4
Cash and cash equivalents	-221.3	-140.6	-142.0
Total	301.1	268.3	405.5

ACQUISITION-RELATED ITEMS

Amount SEK million	Apr-June 2020	Apr-June 2019	Jan-June 2020	Jan-June 2019	Jan-Dec 2019
Impairment and amortisation of goodwill and intangible assets related to acquisitions	-6.3	-3.4	-13.1	-6.6	-16.4
Profit/loss from divestment of subsidiaries and operations	-	-2.0	-	-2.0	-2.5
Integration expenses	-	-	-	-	-9.5
Acquisition expenses	-	-2.2	-0.9	-2.2	-6.1
Total	-6.3	-7.6	-14.0	-10.8	-34.5

Parent Company

CONDENSED INCOME STATEMENT

Amount SEK million	Apr-June 2020	Apr-June 2019	Jan-June 2020	Jan-June 2019	Jan-Dec 2019
Sales	8.9	8.9	17.8	17.9	37.1
Personnel expenses	-11.5	-8.1	-21.9	-18.1	-36.4
Other external expenses	-5.3	-6.9	-12.0	-12.7	-27.1
Depreciation	-0.4	-	-0.7	-0.1	-0.1
Participations in associated company earnings	0.4	0.4	0.4	0.4	0.4
Operating profit/loss	-7.9	-5.7	-16.4	-12.6	-26.1
Net financial income/expense	-2.3	-1.1	1.8	6.4	33.7
Profit/loss after net financial income/expense	-10.2	-6.8	-14.6	-6.2	7.6
Appropriations	-	-	-	-	-
Tax	-	-	-	-	0.9
Profit/loss after tax	-10.2	-6.8	-14.6	-6.2	8.5

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

CONDENSED BALANCE SHEET

Amount SEK million	30 June 2020	30 June 2019	31 Dec 2019
Assets			
Non-current assets			
Property, plant and equipment	3.9	2.2	3.3
Financial assets ¹⁾	523.4	451.4	522.7
Total non-current assets	527.3	453.6	526.0
Current assets			
Current receivables	142.7	126.2	377.4
Cash and cash equivalents	185.1	103.6	94.1
Total current assets	327.8	229.8	471.5
TOTAL ASSETS	855.1	683.4	997.5
Equity and liabilities			
Equity	523.8	403.3	566.0
Non-current liabilities	205.7	161.8	210.0
Current liabilities	127.6	118.3	221.5
TOTAL LIABILITIES AND EQUITY	855.1	683.4	997.5

Segment overview

Amount SEK million	Apr-June 2020	Apr-June 2019	Jan-June 2020	Jan-June 2019	Jan-Dec 2019
Net sales					
Sweden	335.3	297.5	677.6	597.9	1,196.6
Finland	233.2	186.2	491.0	357.4	780.6
Norway	134.3	166.3	279.6	315.0	633.1
Group wide	-4.3	8.9	-8.0	17.9	37.1
Eliminations	-	-22.5	-	-41.4	-90.3
Consolidated total	698.5	636.4	1,440.2	1,246.8	2,557.1
Adjusted EBITA					
Sweden	21.6	11.4	46.2	37.4	62.1
Finland	12.3	19.8	28.6	33.1	72.6
Norway	13.8	6.8	25.4	17.9	31.6
Group wide	-4.2	-5.7	-12.4	-17.4	-28.3
Consolidated total	43.5	32.3	87.8	71.0	138.0
Adjusted EBITA margin, %					
Sweden	6.4	3.8	6.8	6.3	5.2
Finland	5.3	10.6	5.8	9.3	9.3
Norway	10.3	4.1	9.1	5.6	5.0
Consolidated total	6.2	5.1	6.1	5.7	5.4
EBIT					
Sweden	10.1	9.9	32.8	34.7	55.1
Finland	5.2	19.0	17.4	31.6	57.3
Norway	13.0	3.8	23.7	14.1	25.4
Group wide	-9.5	-8.0	-18.5	-20.2	-34.3
Consolidated total	18.8	24.7	55.4	60.2	103.5
Net financial income/expense	-6.1	-2.9	-9.8	-2.2	-7.3
Profit/loss before tax	12.7	21.8	45.6	58.0	96.2
Number of employees					
Sweden	1,076	996	1,076	996	1,109
Finland	1,022	706	1,022	706	994
Norway	282	269	282	269	280
Group wide	10	12	10	12	10
Consolidated total	2,390	1,983	2,390	1,983	2,393
Growth Q2 2020, %			Acquired	Currency effect	Organic
Sweden			12.4	-	0.3
Finland			33.2	0.6	-8.6
Norway			4.3	-9.8	-13.7
Consolidated total			14.4	-2.4	-2.3
Growth 2020, accumulated, %			Acquired	Currency effect	Organic
Sweden			9.2	-	4.1
Finland			35.0	1.9	0.5
Norway			2.4	-7.6	-6.0
Consolidated total			14.8	-1.4	2.1

Key performance indicators

Beginning in the second quarter of 2016, Rejlers has applied the new European Securities and Markets Authority (ESMA) guidelines for Alternative Performance Measures. In brief, an alternative performance measure is a financial measure over historical or future earnings trends, financial position or cash flow that are not defined or specified in IFRS. To support the analysis by company management and other stakeholders of the Group's development, Rejlers presents certain key performance indicators that are not defined in IFRS. Company management believes that this information facilitates an analysis of the Group's development. These additional measurements are supplementary information to IFRS and do not replace key performance indicators defined in IFRS. Rejlers' definitions of measurements not defined in IFRS may differ from other companies' definitions. All of Rejlers' definitions are included below. Calculations of key performance indicators that cannot be reconciled against new items in the income statement and balance sheet are found on the company's website, www.rejlers.com.

	Apr–June 2020	Apr–June 2019	Jan–June 2020	Jan–June 2019	Jan–Dec 2019
IFRS key performance indicators					
Earnings per share before dilution, SEK	0.50	0.87	1.83	2.41	4.19
Earnings per share after dilution, SEK	0.49	0.87	1.79	2.41	4.16
Average number of shares	19,687,909	18,087,909	19,687,909	18,087,909	18,487,909
Number of shares at end of period	19,687,909	18,087,909	19,687,909	18,087,909	19,687,909
Operational key performance indicators					
Utilisation, %	78.1	76.5	77.2	77.0	76.8
Adjusted EBITA, SEK million	43.5	32.3	87.8	71.0	138.0
Adjusted EBITA margin, %	6.2	5.1	6.1	5.7	5.4
EBITA, SEK million	25.1	32.3	69.4	71.0	138.0
EBITA margin, %	3.6	5.1	4.8	5.7	5.4
Operating profit/loss (EBIT), SEK million	18.8	24.7	55.4	60.2	103.5
Sales per full-time employee, SEK thousand	303	332	623	651	1,278
Operating profit/loss per full-time employee, SEK thousand	8	13	23	31	52
Number of full-time employees	2,299	1,912	2,311	1,895	2,001
Number of employees at end of period	2,390	1,983	2,390	1,983	2,393
Alternative performance measures					
Acquired growth, %	14.4	3	14.8	2.9	3.9
Currency effect, %	-2.4	2.1	-1.4	1	0.1
Organic growth, %	-2.3	1	2.1	1.5	8.2
Depreciation/amortisation of acquisition-related items, SEK million	-6.3	-3.4	-13.1	-6.6	-16.4
Net indebtedness, SEK million	301.1	268.3	301.1	268.3	405.5
Net debt/EBITDA, R12, times	1.1	1.3	1.1	1.3	1.5
Equity/assets ratio, %	44.2	43.4	44.2	43.4	44.2
Equity per share at the end of the period, SEK	46.66	41.5	46.66	41.5	47.25

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CALENDAR

Interim Report January – September	23 Oct 2020
Year-end Report January-December 2020	5 February 2021

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