Hifab

Annual Report 2017

2017 in brief

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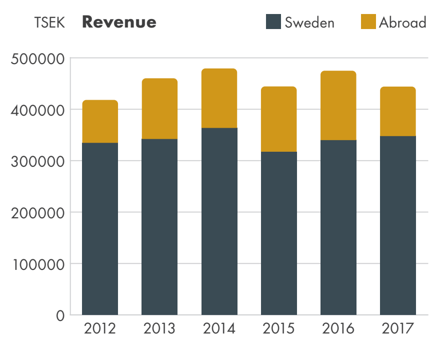
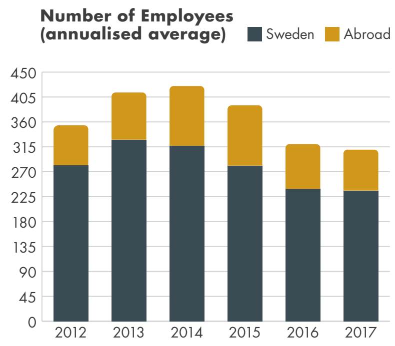
Cover photo: Carl Bredberg

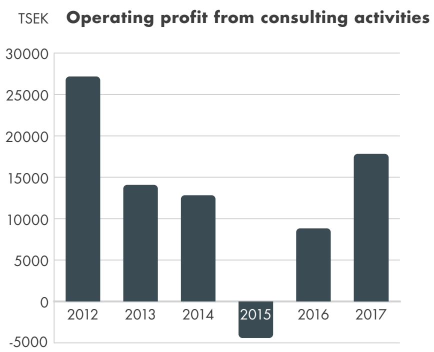
Q1

Full service facility for Möller Eiendom
Hifab has been commissioned by Möller Eiendom to lead the construction of a new vehicle facility in Uppsala. Hifab supports Möller Eiendom throughout the project, from the development of specifications, procurement and construction management at all stages until delivery of a completed facility.

Extension of the Tvärbanan light rail line – Kistagrenen
The Tvärbanan light rail line in Stockholm will be extended eight kilometres between Norra Ulvsunda and Helenelund. The start of construction is scheduled for the end of 2017 and the entire route is to be completed by 2023. Hifab's activities includes responsibility for procurement, coordination of contracts and coordination of management restructuring.







Q2

Changes in the composition of Hifab's Board of Directors

Rikard Appelgren is new Chairman of the Board of Directors of Hifab. Rikard has extensive experience from the consultancy industry, including as CEO of WSP. As Chairman of the Board, Rikard's ambition is to focus on issues of profitability and the importance of cultivating good client relations.

Tomas Hermansson, new Board Member. President and CEO of Bonnier Fastigheter AB since 2007, member of the Board of Fastighetsnytt, and former management positions within Klövern AB, Fabege and Skanska, among others.

David Tunberger, new Board Member. Venture Manager at Traction. He has served in various senior positions in Swedish and international companies.

Project management of traffic centres for the Swedish Transport Administration

The Swedish Transport Administration implements a change in traffic management activities in order to facilitate continued development towards modern traffic management. This means that the activities have changed needs in terms of premises. Hifab, as project manager, leads the work with the rebuilding in three traffic management centres and is working on preparatory measures at the traffic management centre in Stockholm.

Manage and optimise production of electricity for Kraftringen

Hifab has had a long-term cooperation with Kraftringen, one of southern Sweden's largest energy companies. Together with Kraftringen, the assignment is to monitor, control and optimise energy production.

Possible participation in unethical business practices

The World Bank, together with Hifab, is conducting a review of a World Bank-financed project in Laos. Awaiting what the investigation finally shows, a temporary sanction has been issued. The sanction means that Hifab is not able to participate in World Bank-financed tenders.

Q3

Malin Sandkulla, new HR Manager

Malin Sandkulla is the new Human Resources Manager at Hifab. Most recently, Malin was the Nordic HR Director at Intertek and former HR Manager for Energo and HR-Business Partner at WSP and Sweco. In her new role, Malin will be engaged in efforts to make good managers better and work with improved conditions for our committed employees.

BREEAM certification of Vacse's property portfolio

Vacse is a participant within the segment of public property with buildings such as police stations, detention centres, detention centres and district courts throughout Sweden. In the coming years, Vacse will have its entire property portfolio certified according to the BREEAM In-Use environmental certification system. As a part of the project, Hifab is contributing specialist expertise and certified assessors.

Q4

Remote monitoring and control of Dhaka's power grid

In Bangladesh, Hifab has broadened its client portfolio and received its first assignment in the energy sector. Hifab is to control and monitor the delivery of the first remote monitoring system for the electrical power grid in central Dhaka. The client is Dhaka Electric Supply Company Limited.

Assist BuildX with specialist expertise in Swedish regulations

Hifab has entered into a cooperative relationship with BuildX. The company helps selected foreign contractors to submit tenders for public procurement. Hifab's assignment is to assist BuildX and the contractor with technical knowledge based on Swedish rules and standards, primarily in residential housing construction.

Five year summary for the Hifab Group

	2013	2014	2015	2015 [1]	2016	2017
Profit & Loss Statement, TSEK						
Revenues	460,253	479,367	444,310	444,310	474,940	444,095
Operating profit in the consultancy activities	14,084	12,831	39,904	4,415	8,832	17,829
Profit after gains/losses from financial items	13,712	13,119	75,532	4,443	7,566	17,249
Taxes	3,280	2,861	10,077	977	2,006	4,208
Profit for the year attributable to the parent company's shareholders	10,432	10,258	65,455	3,466	5,560	13,041
Balance Sheet, TSEK						
Subscribed but not paid-up capital	-	-	21,090	-	-	-
Fixed assets	28,264	25,685	34,775	25,709	34,842	30,323
Current assets	150,956	177,231	191,087	159,533	155,167	149,855
Shareholders' equity, attributable to the parent company's shareholders	77,563	81,630	57,315	66,070	62,965	76,111
Minority interests	44	44	44	44	44	44
Long-term liabilities	2,956	1,487	14,904	904	10,657	6,373
Current liabilities	98,657	119,755	174,689	118,224	116,343	97,650
Total assets	179,220	202,916	246,952	185,242	190,009	180,178
Earnings per share (SEK)	0.34	0.34	-2.15		0.09	0.21

1) Excluding non-recurring effect of the Judgment from the Court of Appeals.

From vision to reality

We provide services for project management and strategic consulting in the construction, engineering, and infrastructure branches. We lead projects and processes towards established goals and actively contribute to our clients' successes.

Our vision is to be the market's leading project management consultancy in Sweden – our clients' and employees' first choice. Internationally, we offer project management to public sector and commercial clients, with projects in more than ten countries, located all around the world.

Our employees have the skills and expertise required to be able to plan and manage all types of infrastructure and facilities projects. All employees have access to our combined expertise via internal networks and IT support. Our clients are located all over the country and retain us as specialists or for entire project management organisations.

Our core values are based on the three values: **professionalism, collaboration, and commitment**. Responsibility goes hand in hand with our entire company and all of our operating activities. We have therefore chosen to join the UN Global Compact initiative.

Patrik Schelin, CEO, Hifab Group AB

Words from the CEO

Over the past year, we have worked according to a long-term strategy plan, where we implemented comprehensive efforts to make structured improvements. We see clear progress in our goal of being the market's leading project management company, our clients and employees' first choice.

A company on the move
2017 was a really good year for Hifab. After a few challenging years, we have taken a big step forward. We have won several significant assignments that are in line with our strategy: to be involved early on in the process and to take responsibility throughout the implementation of the project. Our financial performance has improved significantly and we can see that the positive result trend continues for the seventh quarter in a row.

We had a good start to the year, which was somewhat dampened due to a temporary slowdown in foreign operating activities. The reason for this was due to projects being postponed and delayed procurements in some major assignments. After the end of the year, these assignments were underway and began to produce revenues by the end of the year.

The Group's revenues declined slightly during the year as a direct consequence of the global slowdown, while the revenues in the Swedish operating activities increased slightly. All in all, this shows robustness and ability to handle change, plus the operating activities' potential when it will be up to full speed again.

The order book in both Swedish and international operating activities has improved during the year, compared with the previous year.

Anniversary year
2017 has been an anniversary year for Hifab in several ways. 70 years ago, in 1947, Hifab was founded by Bror Hultström and it was 30 years ago that we commenced our business operations in Bangladesh. Together with our clients, partners and employees, we have conducted several successful anniversary celebrations at our offices; from north to south in Sweden, and at our regional office in Dhaka, Bangladesh.

Stable outlook
In the future, we assess the Swedish market as still strong and stable with some declining growth primarily in the housing segment.

The ongoing urbanisation in and around our major cities, as well as extensive infrastructure initiatives throughout the country, will dominate investments in Sweden for a long time to come. The international market is also considered to be strong, with Hifab being actively engaged in projects in Asia, Africa and Eastern Europe.

In the coming years we have laid the foundation for our continued development. As a natural part of development work and the improved financial position, growth will be an important part. We will continue to build Hifab via organic growth, but also look at appropriate acquisitions that can both strengthen and complement us.

We would like to express our appreciation for the confidence shown in us over the years, and for everyone's contribution that has shaped the amazing company Hifab is today. Together we stand strong and well equipped for an exciting and bright future!

1940s

On 16 November 1947, Bror Hultström founded the company Hultströms Intecknings- och Fastighetsaktiebolag – which later took on the shortened name Hifab.

1950s

The first major prestige project for Hifab was the project management of Hötorgsskraporna no. 3 and 4. Hötorgshusen became the breakthrough project for the company and for the concept about acting as an independent project manager focusing on quality.

Hifab was responsible for the construction project management at the construction of a number of EPA department stores – a low-cost concept that derived its inspiration from the United States.

1960s

Hifab grew very quickly and during the 60s, offices were opened in several places in Sweden, including Gothenburg and Malmö. Today we are represented throughout the country.

The American hotel chain Sheraton was established in Stockholm, its first city in Europe. Hifab acted as project manager and successfully managed to reduce construction costs from SEK 95 to SEK 63 million.

1970s

Hifab International was formed and one of the first international projects involved project and construction management of the construction of two hospitals in Vietnam. Presentably projects are underway in about ten developing countries, within sectors such as infrastructure, climate and environment, electricity supply and organisational development.

Hifab was responsible for project management in the expansion of Uddevallavarvet – one of the largest state industrial investments in the 70s in Sweden.

1980s

1987 - Hifab opens offices in Bangladesh. Hifab became involved in projects focusing on rural development and measures for the creation of employment opportunities.

The next Sheraton hotel was built in Malmö – today Scandic Triangeln hotel. Hifab had an extensive commission with the establishment of the city's new venue among of shopping, entertainment and cultural events.

In the late 80s, a complex renovation and extension of the Jakobsbergs Centrum began under the direction of Hifab. This was one of several similar projects, where older shopping malls were converted into modern indoor galleries.

Hifab through the decades

The actual business idea was born in the late 1940s. Hifab's founder, Bror Hultström, became involved in a major construction project, and was charged with managing the project and monitoring the interests of the developer. Bror began to acquire as much knowledge as possible about construction management by consulting the professionals who were active in the construction industry.

Bror was not able to find any consultant who was completely independent and only had the best interests of the developer in mind. In other words, the enormously large construction industry lacked a knowledgeable counterpart party who could act as representative for the client's requirements, needs, and interests. In 1947, he founded Hifab – which became the country's first independent construction project manager and developer's representative. In the role of representative, Hifab was entirely independent from designers, contractors and suppliers. The company was therefore able to recommend the most favourable arrangement for the client and objectively procure and manage the available resources within each project. This independence in particular was the key to the successes that would come later on, and this independence still remains an important pillar of Hifab's operating activities.

1990s

During the 1990s, new areas of expertise were developed at Hifab, such as facilities and environmental projects.

One of Hifab's first major infrastructure projects was in connection with the extensive expansion of Henriksdal's wastewater treatment plant. The plant is Sweden's largest and is 300,000 m² and has about 18 km of tunnels.

Within the expansive infrastructure sector, Hifab received several assignments: the most extensive was project management of the motorway between Söderhall and Rösa, the first part of the Dennispaket.

Hifab International won its first assignments for international development banks.

Certified in accordance with ISO 9001 quality standards, since 1996.

2000s

Hifab acted as project manager in the rebuilding of Centralposthuset (Central Post Office Building) when the building was renovated and became efficient office space for the Government Office´s 800 employees.

Södra länken (The Southern Link) is Sweden's largest road tunnel; 6 kilometres long of which 4.6 kilometres are in a tunnel. Hifab participated in the assignment with a project management organisation.

In 2008, the company was listed on OMX First North.

In the early 2000s, KTH's main library was completed, an award-winning project involving Hifab acting as project managers.

Hifab International took over the international consultants from IVO/Fortum in Finland and founded Hifab Oy. This resulted in a powerful presence on the electrification market in Africa.

Citytunneln (The City Tunnel) in Malmö is a 17 km long railway link, of which approx. 6 km is a bored tunnel under central Malmö. Hifab was the construction manager for two of the stations on the line.

Certified in accordance with ISO 14001, since 2001.

2010s

Förbifart Stockholm (The Stockholm Bypass) is a new extension of E4, west of Stockholm, and of the road's 21 km, approx. 18 km runs in a tunnel. Hifab is responsible for construction management of the Kungens Kurva interchange.

During five intensive years, major renovations have taken place around the heart of Stockholm – Sergels torg. In total, 31,000 m² of sealing layer has been replaced and the structure has been strengthened. Hifab has been in charge of the management of the project since 2014.

New Karolinska Solna (NKS) is a project where the end result will be one of the world's most sustainable university hospitals, in which the healthcare and medical services will be integrated with research and education. Hifab's assignment involves ensuring function, capacity and performance in accordance with the agreement.

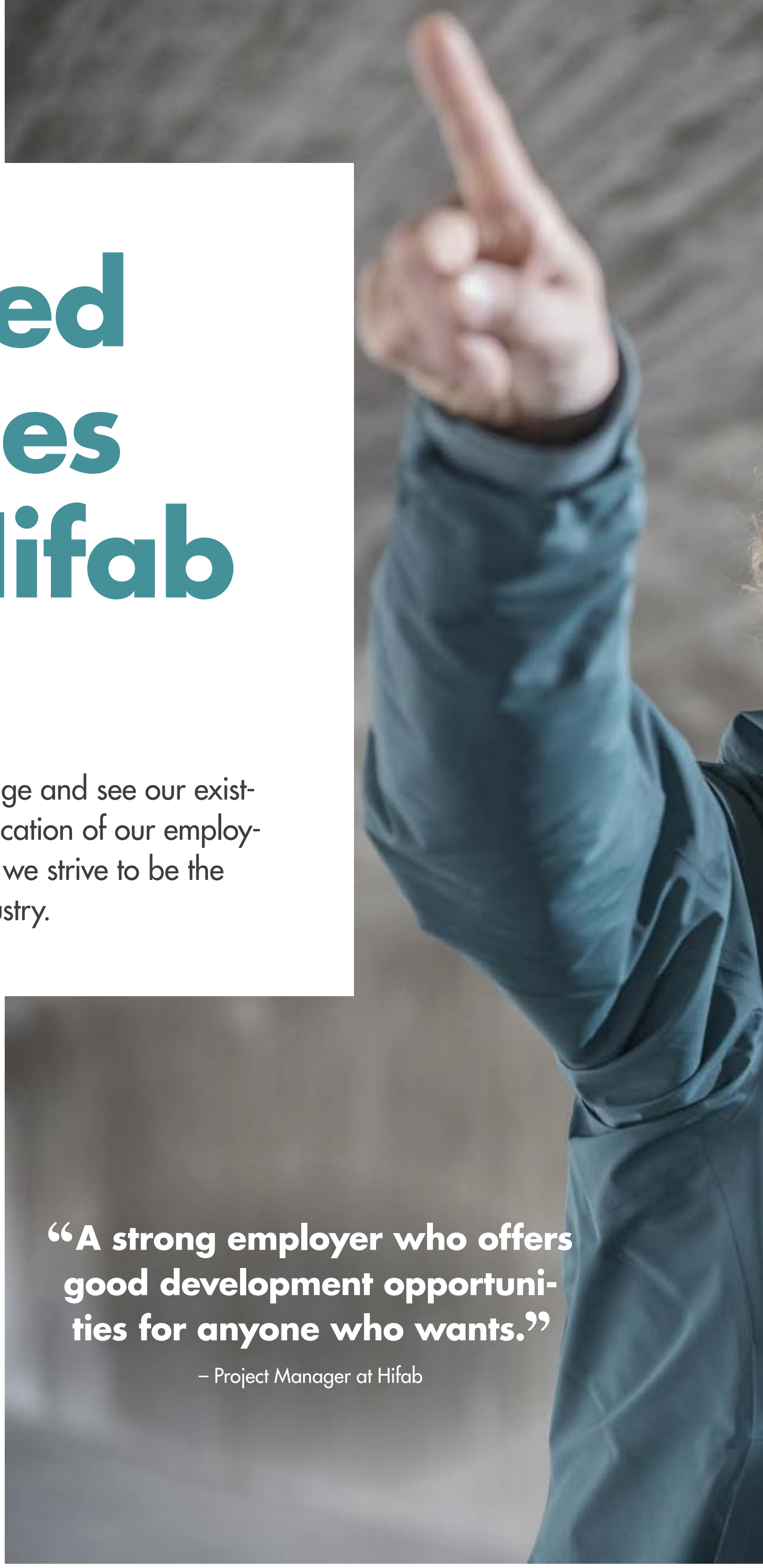
Hifab is becoming increasingly involved in infrastructure projects in Africa, including an electrification project in Mozambique, rural roads in Liberia and railways in Ethiopia.

In 2017 Hifab celebrated 70 proud years.

Committed employees propel Hifab forward

For Hifab, the highest priority is to engage and see our existing employees grow. The skills and dedication of our employees are the very key to our success and we strive to be the most attractive employer within our industry.

We are prepared to retain our competent personnel and the starting point is that our employees will develop in their assignments and grow in their roles. As a complement, we also actively work with clear career paths and offer opportunities for personal growth. Over the last few years, we have developed Hifab Pro, which is a collective term for our educational and training efforts. Hifab Pro ensures that all our employees have the requisite knowledge in order to be able to implement projects, while at the same time gaining the skills development needed for the fast-paced world in which we live. We also provide our new employees with a thorough introduction to what it's like to work at Hifab, what it's like to be a consultant, along with a review of our history and core values.



> **"A strong employer who offers good development opportunities for anyone who wants."**
>
> – Project Manager at Hifab

Clear leadership and satisfied clients

In order to become the most attractive employer requires a stable foundation to stand on, where clear leadership is an important part of the jigsaw puzzle. Hifab's managers are provided the opportunity to strengthen their leadership and skills in connection with our educational and training initiatives. Making good managers better creates the preconditions for dedicated employees, which in turn lead to a positive working environment, where many people enjoy working with us and want to stay. An additional bonus is that we are able to attract more employees to the company. With a business inspired by commitment and dedication, we can help our clients succeed in their projects and investments. We are committed to cultivating good relationships, thereby creating satisfied clients who return to us for additional assignments.

Mentoring programmes benefit from exchanging experiences

Hifab runs a very highly-valued mentoring programme where the sharing of experience and working together takes place

“We are a large company with broad expertise and yet the family feeling permeates the company.”

– Project Manager at Hifab

between employees. It is of utmost importance that we take advantage of our employees’ knowledge and with the mentoring programme, we want to achieve and secure a natural transfer of expertise. Mentorship is a form of personal and professional development for a mentee where the mentor invests time, personal experience and knowledge in helping a colleague to grow and gain other approaches and perspectives. In turn, the mentor develops his/her coaching skills and ability, and obtains the benefit of learning another person’s way of thinking and gaining insight into their perspectives. We all have something to learn from each other – together we become stronger!

Key figures:

Number of employees in the Group (annualised average)	**310** (320)
Distribution between women and men in the Group	**30% women** **70% men**
Distribution between female and male managers in the Group	**41% women** **59% men**
Number of employees in Sweden (annualised average)	**236** (245)
Median age in Sweden	**46 years** (45 years)

We are unique and focused

Continued strong demand

The market in the coming year is considered to be still strong. Construction investments are largely concentrated on major cities, where regional expectations are still positive or neutral. However, some client segments may indicate minor signs of slowdown.

We have a unique offer

In order to meet the market effectively, a clear focus and results-orientated coordination of our marketing efforts is required. We prioritise the clients and assignments where we get paid for the expertise we contribute with and the benefits we bring to the project. Coming into a project at an early stage is important in order to ensure efficient planning and thus successful results. Our starting point is to be responsible for entire organisations and to use the interaction between generalists and specialists.

Unlike our multidisciplinary competitors, we are specialised in planning and managing projects. Unlike other specialised project management companies, we have a national presence and ability to follow our clients across the country.

Strategic partnerships

For us as a project manager, it is self-evident to be independent in relation to individual suppliers or products. Our clients have different needs and suppliers who can take greater responsibility for the project's implementation and success are increasingly in demand. We gladly enter into strategic alliances and partnerships, in order to ensure that our clients always recieve specially customised solutions and thus the desired end results.

A globalised market

The Swedish market is affected by a strong wave of globalisation and is no longer satisfied simply with the local supply of contractors and project designers. Accessibility, capacity and expertise are crucial to the success of the projects, and can be found in other parts of the world. It is especially important that the foreign suppliers understand the local rules of the game and conditions in Sweden. A local consultancy company with a local presence, who does not compete for the same assignments, becomes an interesting partner.

For 40 years, Hifab's international operating activities have been focused on development projects all around the world. At present, we are engaged in assignments in Asia, Africa and Eastern Europe with the focus on infrastructure development and modernisation within the energy field.

A long-term sustainable Hifab

Our ambition is to be an active partner in the development of a sustainable society. We contribute to the UN's global sustainable development goals by conducting our operating activities in a responsible manner. At Hifab, all employees are responsible for their own business relationships and ensuring that they comply with relevant laws, voluntary agreements and our own Code of Conduct. We place the same high demands on collaborative partners as we place on our own employees.

Code of Conduct

In 2017, we started work on implementing a new Code of Conduct. The objective is to guide and clarify to our employees how we act with each other and others in our daily lives. Our Code of Conduct is based on the principles of the UN Global Compact initiative, where Hifab has been a signed up member since 2016.

Sustainability Report

Our sustainability report shows how we work in the long-term on sustainability issues in the economic, the environmental and social responsibility sectors. The purpose is to provide a balanced picture of our work and therefore we describe both positive aspects and challenges. Over the course of the year, we have been working on further developing the sustainability report and, among other things, renewing the company's materiality analysis. The materiality analysis forms the basis for prioritising our efforts in our sustainability work. Four focus areas have been identified as particularly important: our services, our provision of expertise, our skills development, and our core values.

If you would like to learn more about our sustainability work, you can find our sustainability report at www.hifab.se

Domestic projects

Illustration: White arkitekter

Renovation of the University Hospital of Umeå

Västerbotten County Council has developed a 5-year plan for the renovation of University Hospital of Umeå. Prior to the upcoming renovation, large parts of the health and social care activities will move to temporary care pavilions – modules that are specially adapted for the hospital activities.

Hifab has been involved from the very start. The initial assignment included the needs assessment and local planning process to determine how the modules should be adapted for the complicated healthcare equipment. Hifab has also acted as project manager for the construction of the 140 modules in total with an area of approximately 6,500 m². The end result of the hospital's renovation will be healthy premises, well-adapted to meet tomorrow's healthcare and medical needs.

Hifab project manages the Future Laboratory

So as to strengthen Karolinska Institutet's position in the field of research, parts of the main building in the university campus in Flemingsberg are to be converted into a modern laboratory. The laboratory of the future will include i.a. a newly-built research centre and provide more up-to-date laboratory and training facilities. The premises and equipment will serve as shared resources for more effective utilisation and increased joint collaborations between research, healthcare and education.

Hifab is the project manager on behalf of Akademiska Hus, which is the developer. Hifab also contributes with specialist expertise with installations. The new laboratory facilities are installation-dense and in-depth specialist expertise is needed in order to have good coordination of the complex systems that are to be installed.

Illustration: LINK arkitektur

Framework agreement with Statens institutionsstyrelse

Hifab has signed a framework agreement with the Statens institutionsstyrelse, SiS (National Board of Institutional Care). SiS is engaged in individually adapted compulsory care, and provides social care and treatment to young people with serious psychosocial problems as well as adults with substance abuse problems. SiS also receives adolescents who have been sentenced by a court to restricted institutional care for young persons. Its operations are in an expansive phase and over the next few years will expand and complement their existing premises. Hifab is the project manager for the development projects in Kalix, Hässleholm, Lidköping and Uddevalla. With its nationally distributed organisation and the fact that we have offices in 12 locations in Sweden, Hifab has a special advantage in the implementation of the assignment.

Illustration: The National Board of Institutional Care

Photo: Boliden

Unique deep repository for process waste

The mining and metal company Boliden is establishing a deep storage facility for the disposal of mercury and other hazardous process residues and wastes. The deep repository is to be established under the company's own Rönnskär copper smelter, in Skelleftehamn.

Hifab has been responsible for coordinating the preliminary investigation work and contributing specialist knowledge with the environmental and barrier studies. The project includes surveys of bedrock as well as technical and work environment aspects of management and disposal of waste. The objective of the deep repository is that the hazardous waste should be buried deeply, in safe and secure storage, and will be inaccessible indefinably in the future.

Photo: Coop

Reprofiling of Coop's shops

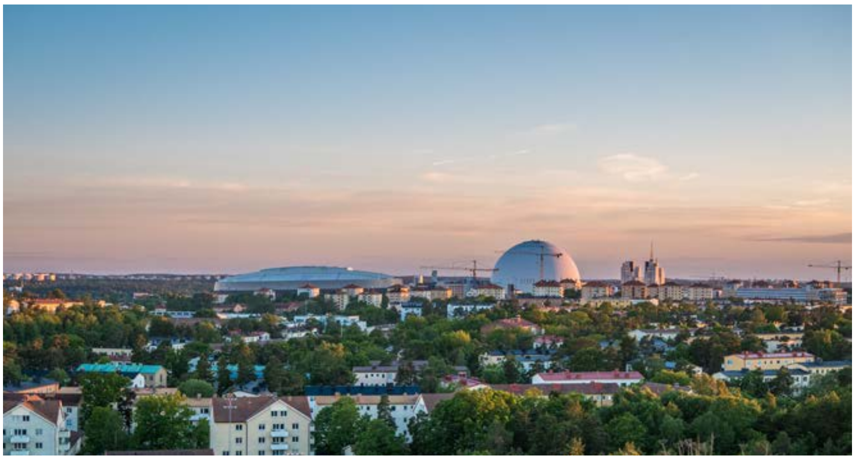
Since autumn 2015, Coop has been working on reprofiling its shops across the country. There will be three new formats: Stora Coop, Coop and Lilla Coop. In Greater Stockholm, Hifab project managers will be engaged when the supermarket chain expands more than 100 shops in the region. Hifab's commission and responsibilities includes coordination of the refurbishment and interior furnishings, purchases, sign laws and permits, calculations and financial follow-ups of each shop. Often the work is done in parallel with the shops remaining open for business – an intensive and challenging task.

Futuristic walking and cycling bridge in Helsingborg's old port

With the H+ urban renewal project, the old port and industrial area in Helsingborg will be converted into new residential housing, offices and shops. Hifab has been hired as a project manager when a futuristic walking and cycling bridge will be built to connect the new quarter with the city centre. The bridge will be about 200 metres long, and will allow pedestrians and cyclists to get from the new quarter to trains, buses and ferries departing from Helsingborg Central Station, Knutpunkten, in a few minutes.

Illustration: Ramböll

Domestic projects



The modernisation of Ericsson Globe

The area around the Globe is a vital part of Stockholm's realisation of Söderstaden, where sports, culture and leisure time activities should be combined with establishments in the field of retail trade, offices and services. Ericsson Globe, which dominates the area, was opened in 1989 and over the years has been subjected to a significant amount of wear and tear. A modern and flexible arena will be able to respond to increased demands for sports and cultural events, and Hifab has been assigned the task of developing a plan for modernisation and maintenance of Globen, Annexet and Hovet. Hifab is engaged with a multi-functional team, which entails being involved with everything from overall project managers to specialists for the development of advanced acoustics and ventilation solutions.

Photo: Pixprovider

Energy mapping to reduce environmental impact

Västerhuset AB owns and manages approximately 40 properties in the cities of Jönköping and Skövde. The assignment for Hifab is to streamline energy usage in the portfolio.

At Hifab, we have broad expertise for managing environmental and energy issues. As a part of the assignment, our specialists have carried out an energy survey and made a compilation of Västerhus's energy use. The project has included zero-level analyses and proposals for measures that affect the energy use of buildings. The objective is to reduce energy costs and to obtain a reduced environmental impact.

Extension of Östrand pulp mill – a gigantic industrial investment

The expansion of the Östrand pulp mill is one of the largest industrial investments in Sweden through the ages and the largest in the Norrland region ever. When the plant is completed in spring of 2018, SCA Östrand will receive the largest production line in the world for bleached softwood sulphate pulp (the pulp is used in the production of hygiene paper and printing papers). The plant will generate up to 600 new jobs in the logistics chain: raw materials to the plant and then the finished product out to the customer. Electricity consumption in the production process decreases by 27% per tonne of pulp.

Hifab has acted as construction manager for parts of the gigantic project, including the plant's heart and hub – the operating centre from where all production is controlled.

The ground at the old wastewater treatment plants will be as new

Borås is in an expanding phase, with a fast-growing population. In order to better cope with increased needs, and to comply with more stringent requirements for wastewater treatment, the city's old wastewater treatment plant will be replaced with a new one. The Gässlösa wastewater treatment plant was built back in 1934, and its installations are now being installed bit by bit. Hifab is assisting Borås Energi och Miljö with making an environmental inventory of the land and buildings. The inventory maps out the substances and deposits that may have spread out in the ground during the past 100 years. The land must be restored, so as to accommodate new usage, for instance residential housing.

Certification of boiler operators

Hifab offers specialised engineering services in energy, environmental and process engineering directed at the CHP industry via DU-Teknik. DU-Teknik also offers expertise enhancement to clients in the form of educational initiatives. A recent updated regulation from the Swedish Work Environment Authority means that all energy companies in Sweden must certify operating personnel who are responsible for monitoring of the boiler plants that supply a city with energy. Hifab has been commissioned to develop a training package that meets the requirements of the new regulations and will train personnel from, for example, Göteborg Energi.

Illustration: Swedavia and the architects BAU/Tomorrow

Project management of new pier at Arlanda

More and more people choose to travel to and from Arlanda. In 2016, almost 25 million travellers used the airport. The forecast indicates that by 2040, close to 40 million people will travel through Arlanda. In order to be able to manage with the growth, Terminal 5 is being expanded with an additional pier. In this way, both higher capacity and increased flexibility for baggage handling, check-in and security control are achieved.

Hifab has been hired to manage part of the major project, which is an important part of Swedavia's commitment to Arlanda becoming Scandinavia's leading airport.

Östra kyrkogården Gothenburg

The eastern cemetery is Gothenburg's third largest cemetery in terms of size. It is characterised by two circular facilities, and originally was designed as a park cemetery that undualtes out according to the prevailing situation of the nature of the area.

The existing ancillary structure of the cemetery is to be demolished and a new building is to be built. Hifab's assignment is extensive and includes everything from project management to building management and environmental inventory of both demolition and new construction. The new ancillary structure will blend nicely into the surrounding area with a lush sedum roof and a faded wood panelling.

Kåre Sundin
Market Area Manager International

Extensive international experience leads to flexible solutions

At Hifab there is a solid history of international work. Since the early 1970s, hundreds of commissions have been carried out, primarily funded by various international financial institutions and international donors. We are engaged in projects in about ten developing countries, in sectors such as infrastructure, climate and environment, electricity supply and organisational development.

All around the world, change and development is taking place at a furious pace, which greatly affects countries especially in Asia and Africa. Presently, we are working strategically to further develop our presence in these regions and our experience and knowledge is much in demand. One example is the technological developments that makes it possible for large parts of Africa to be electrified. As an independent project manager, with broad technical skills and experience, Hifab is at the forefront of the powerful expansion of Africa's supply for electrical energy. Our presence makes a difference when new ways of producing electrical energy are introduced, when small local electrical power grids are connected to national backbone networks, and when alternative financing solutions are being developed.

Being an attractive supplier and collaborative partner in the international market, requires flexibility and the ability to quickly adapt. Our commitment in Bangladesh is a good example where we have shown responsiveness. We have looked at the needs of our clients and have gained renewed confidence even when the client's responsibilities and assignments have been modified or redesigned. Among other things, we have followed them from rural areas into the big cities in the continued struggle for improved living conditions.

For over 40 years, Hifab has contributed to change and development in the international market. The portfolio contains many fine reference projects, and Hifab's brand is strong with clients and collaborative partners returning to us many times. With a combination of general project management skills, specific technical skills and significant cultural experience, we are well prepared for the challenges of the future. We continue to improve and develop the world bit by bit, where it's best and most needed.

International projects

Sustainable urban development in Bangladesh

Bangladesh has had very strong population growth in recent decades and today it is one of the world's most densely populated countries. Poverty is widespread, however the government has established a powerful growth target of being a higher middle-income country by 2021. Hifab is involved here to a high degree, and is currently engaged in five major assignments in the country. One of the projects entails improving and updating 600 km of the national road network for higher transport capacity and for safer transportation.

Modernisation of the national road networks

Hifab also works in urban environments in Bangladesh and assists the Local Government Engineering Department to develop infrastructure in the country's largest cities. In addition to the improvement of streets and wastewater systems, we are involved in projects with social and environmental sustainability in focus. Examples of such are the installation of solar powered street lights, especially in order to provide security for women after dark, as well as waste disposal with a focus on closed systems.

Electricity to tourist areas in Mozambique

In the central parts of Mozambique's coastal areas, Hifab works with rural electrification. Minor existing power grids are connected to the national power grid, which means increased and more reliable power supply for the residents in the region. The local industry and tourism industry are also impacted with positive effects. Thus, we contribute to better conditions for economic development and higher living standards.

Power supply in Uganda

Uganda has invested heavily in its own energy production in recent years. As new power stations begin to be completed, the national power grid network for the supply of electricity will be further developed and improved, a project that Hifab is involved in. Two major power lines and a number of transformer and coupling stations are being constructed in the project. The lines will extend over 400 km.

The Hifab Group Share

The Hifab Share

Hifab´s shares are traded on the First North exchange. The share capital amounts to SEK 6,083,892 divided among 60,838,912 shares. The quota value of each share is 0.10 SEK.

One Class A share entitles the holder to ten votes and one Class B share entitles the holder to one vote. After an application to the Company's Board of Directors, Class A shares may be converted into Class B shares. The distribution between Class A shares and Class B shares is shown below:

Class of shares	No. of shares	% of capital	% of voting rights
Class A	1,562,666	2.6	20.9
Share premium account	59,276,246	97.4	79.1

Ownership

The five largest shareholders collectively accounted for 74.3 percent (75.11) of the capital and 79.12 percent (79.78) of the voting rights, as at 29 December 2017.

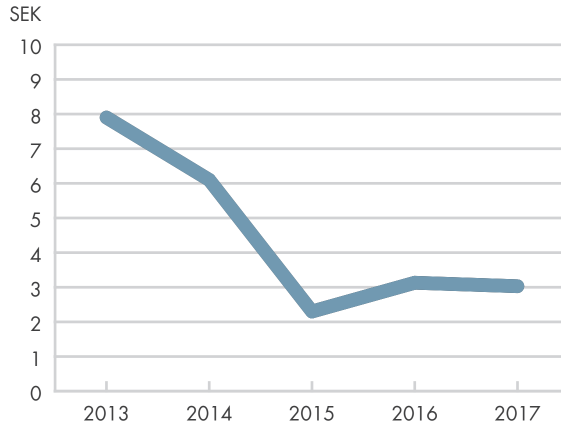
Foreign ownership amounted to 0.43 percent (1.86) of the number of shares and 0.35 percent (0.32) of the voting rights.

The ownership structure and the ten largest owners at the end of December 2017 are shown in the table on page 21.

Distribution of dividends

The Board of Directors has proposed to the Annual General Meeting that a dividend of 12 öre be distributed for the 2017 financial year.

Share price performance



Growth in the share capital

The Hifab Group's share capital has seen the following developments since 1998:

Year	Transaction	Share capital	No. of shares
1998	Directed issue	704,000	7,040,000
1999	Directed issue	719,000	7,190,000
1999	Exercise of warrants	779,000	7,790,000
2000	Directed issue	799,146	7,991,456
2000	Directed issue	927,146	9,271,456
2007	Directed issue	1,011,946	10,119,456
2008	Directed issue related to reverse acquisition	3,034,259	30,342,596
2009	Directed issue related to reverse acquisition	3,041,946	30,419,456
2015	Registered number of shares per 31 December 2015	3,041,946	30,419,456
2016	Preferential issue 3	3,041,946	30,419,456
2016	Registered number of shares per 31 December 2016	6,083,892	60,838,912

Per share information, before and after dilution

	2017	2016	2015	2014	2013	2012	2011	2010
Average number of shares	60,838,912	58,303,957	30,419,456	30,419,456	30,419,456	30,419,456	30,419,456	30,419,456
Number of shares at year-end	60,838,912	60,838,912	30,419,456	30,419,456	30,419,456	30,419,456	30,419,456	30,419,456
Earnings per share, attributable to the parent company's owner, SEK	0.21	0.09	-2.15	0.34	0.34	0.55	0.51	0.19
Net cash flow per share, SEK	0.05	-0.64	0.67	0.17	0.46	0.82	0.48	0.31
Equity per share, SEK	1.25	1.03	1.89	2.68	2.55	2.70	2.55	2.25
Dividend per share according to the Board of Directors' proposal, SEK	0.12	0.00	0.00	0.40	0.20	0.50	0.40	0.20
Market price of the share at the close of the financial year, SEK	3.03	3.13	2.30	6.10	7.90	6.70	4.20	4.34

Major shareholders

Shareholders according to Euroclear Sweden AB 29/12/2017	Number of Class A shares	Number of Class B shares	Holdings (%)	Voting rights (%)
AB Traction	924,000	31,820,000	53.82	54.82
Niras AB	0	5,748,339	9.45	7.67
Niveau Holding AB	638,666	3,340,000	6.54	12.99
Nordnet Pensionsförsäkring AB	0	1,597,425	2.63	2.13
Zirkona AB	0	1,132,319	1.86	1.51
Avanza Pension försäkringsaktiebolaget	0	1,015,895	1.67	1.36
Esilentio AB	0	815,788	1.34	1.09
Langermo, Astrid	0	729,140	1.20	0.97
Nordqvist Anders	0	676,133	1.11	0.90
Carlsson, Bo Erik	0	665,000	1.09	0.89
Total of the 10 largest owners – in terms of holdings	**1,562,666**	**47,540,039**	**80.71**	**84.33**
Total other owners		11,736,207	19.29	15.67
Total 31/12/2017	**1,562,666**	**59,276,246**	**100.00**	**100.00**

Ownership

Shareholders according to Euroclear Sweden AB 29/12/2017	Number of shareholders	Number of Class A shares	Number of Class B shares	Holdings (%)	Voting rights (%)
1 - 500	718	0	152,449	0.25	0.20
501 - 1,000	231	0	203,514	0.33	0.27
1,001 - 2 000	180	0	306,029	0.50	0.41
2,001 - 5,000	196	0	710,245	1.17	0.95
5,001 - 10,000	98	0	763,320	1.25	1.02
10,001 - 20,000	60	0	899,864	1.48	1.20
20,001 - 50,000	51	0	1,685,781	2.77	2.25
50,001 - 100,000	21	0	1,464,813	2.41	1.96
100,001 - 500,000	22	0	4,427,314	7.28	5.91
500,001 - 1,000,000	6	0	4,008,939	6.59	5.35
1,000,001 - 5,000,000	4	638,666	7,085,639	12.70	17.99
5,000,001 - 10,000,000	1	0	5,748,339	9.45	7.67
10,000,001	1	924,000	31,820,000	53.82	54.82
Total	**1,589**	**1,562,666**	**59,276,246**	**100.00**	**100.00**

Administration report

The Board of Directors and Chief Executive Officer of Hifab Group AB (publ), 556394-1987, with its headquarters offices in Stockholm, hereby submit the Annual Report along with the parent company's financial statements and consolidated financial statements for the 01/01/2017 – 31/12/2017 financial year.

Ownership

Hifab Group AB is listed on Nasdaq OMX First North. At year-end 2017, Hifab Group AB had 1,589 (1,718) shareholders, according to the official register of shareholders maintained by Euroclear Sweden AB. For a more detailed description of the Hifab Group AB's ownership, refer to the section "The Hifab Group Share," on pages 20-21.

The Company's business activities

Bror Hultström, saw that the construction industry lacked independent advisers, so in 1947 he established Hifab, which became the country's first independent construction project manager and developer's representative. Bror's successes and concepts remain an important pillar of Hifab's operating activities.

Hifab manages projects and processes against established goals and actively contributes to our clients' success. We provide services for project management and strategic consulting in the construction, construction engineering, and infrastructure branches. Hifab is also a leading party in Sweden, both in terms of consultancy services and management of environmental projects.

Internationally, we offer project management to public sector and commercial clients, with projects in more than ten countries, located all around the world.

Our employees have the skills and expertise required to be able to plan and manage all types of infrastructure and facilities projects. All employees have access to our combined expertise via internal networks and IT support. Our clients are located all over the country and retain us as specialists or for entire project management organisations. Our core values are based on the three values: professionalism, collaboration, and commitment. Responsibility goes hand in hand with our entire company and all of our operating activities. We have therefore chosen to join the UN Global Compact initiative.

Our Organisation – 2017

Hifab's operating activities are conducted in one segment, since all operating activities are project management and only have geographic spread. The parent company in the Group is Hifab Group AB. Group-wide functions such as finance, Human Resources, administration, information and marketing communications, etc. are managed by the HifabGruppen AB subsidiary.

Hifab Group AB has one operational subsidiary group. The construction and infrastructure sector accounts for the bulk of the Group's revenues. International development projects worldwide have been an important part of Hifab's operating activities for more than 40 years.

The operating subsidiaries in the Group are:

- HifabGruppen, which manages group-wide support functions.
- Hifab AB, which conducts project management in construction, infrastructure, and environmental engineering projects in Sweden.
- Hifab DU Teknik AB, which is active in process technology.
- Hifab International AB, together with the Finnish company Hifab Oy, handles the foreign-based projects.

Vision

Hifab is the market's leading project management company, and our clients' and employees' first choice.

Overall goals

The Group's overall financial objective is to achieve a profit margin of 7% of revenues over a business cycle. In 2017, we have continued our structured improvement work, based on Hifab's long-term strategic plan. Hifab strives to secure our position as the market's leading project management company, our clients and employees' first choice. The margin was 4% (2%) in 2017. Each company and department have their own individual performance goals combined with clear goals in the market, environment, quality and personnel development.

The Statement of Financial Position shows the Group's consolidated liabilities and shareholders' equity, which is distributed between current liabilities of SEK 97.7 million and long-term liabilities of SEK 6.4 million, and shareholders' equity amounting to SEK 76.1 million. The Statement of Changes in Shareholders' Equity contains as itemisation of the various components included, (see page 31).

The Market

Hifab is one of the leading suppliers of project management and construction management services in the Swedish market. From 12 offices, we deliver services to clients throughout the country. The distribution between public sector and private clients is relatively even, with a weak overweight towards the private sector. Our focus is on maintaining a balanced client mix and increasing the number of assignments where we can offer entire project management organisations.

The market for Hifab's services overall is regarded as good. The Swedish market remains strong in most segments, with the exception of the private housing sector. Other markets where Hifab operates, mainly in parts of Asia and Africa, we still consider to be strong.

Significant events during the financial year

The World Bank, together with Hifab, is carrying out an audit of a World Bank-financed mission in Laos. The assignment relates to project management of a road project at a value of approximately SEK 3 million which Hifab International AB has been involved with in conjunction with local partners during the period 2013-2014. The investigation indicates that employees at Hifab International AB have been involved in violations of ethical business behaviour. In anticipation of what the investigation ultimately will show, Hifab will fully assist the World Bank in the ongoing review. In addition, Hifab has established its own internal investigation. Pending further investigation, the World Bank has issued a temporary sanction entailing that Hifab International AB and Hifab OY are not able to participate in tender work where the World Bank is participating in the financing. This temporary sanction is not at present any hindrance to these companies fulfilling their contractual obligations in the three World Bank-funded projects in which the companies are currently involved. No reservations or notes concerning contingent liability has been made as claims for penalty payments or compensation for damages have been directed against Hifab.

Consolidated revenues and earnings

The consolidated revenues from the Group's activities amounted to SEK 444 million (475). Operating profit from the operating activities amounted to SEK 17.8 million (8.8). Profit after financial items amounted to SEK 17.2 million (7.6). Earnings per share amounted to SEK 0.21 (0.09). See Note 18.

Cash flow and financial position

Cash and cash equivalents, including unused credit facilities, amounted to SEK 53.6 million (50.5) as at 31 December 2017. Interest-bearing liabilities amounted to SEK 10.0 million (14.0) and at year-end, interest-bearing net assets in the Group amounted to SEK 23.6 million (16.5).

The equity ratio was 42% (33%). Consolidated shareholders' equity including minority interests amounted to SEK 76.1 (63.0) million. Cash flow from operating activities before changes in working capital amounted to SEK 17.2 million (7.7). Changes in working capital amounted to SEK -10.3 million (-10.8). Cash flow from investing activities amounted to SEK 0.2 million (-2.4) during the period. Cash flow from financial activities amounted to SEK -4.0 million (-33.1), with ongoing amortisation of SEK 4 million.

The parent company's cash flow from operating activities amounted to SEK -2.1 million (-0.8) and changes in working capital to SEK 0.0 million (-1.2). Investment activities amounted to 0.0 (0.0) million. Cash flow from financial activities amounted to SEK 1.2 million (2.1), with dividends from subsidiaries being SEK 0.8 million, and amortisation of SEK 4.0 million.

The Group's operating expenses decreased by SEK 43 million compared to the previous year. This decrease is entirely attributable to reduced volume in our foreign operating activities, both with sub-consultants and outlays for costs. The reason for this is delayed project commencement. The costs for personnel has increased by SEK 4 million. The shortage of resources in the industry generates high mobility with increased payroll costs for personnel as a consequence.

The Group's revenues declined slightly during the year as a direct consequence of the global slowdown, while the revenues in the Swedish operating activities increased slightly. All in all, this shows robustness and ability to handle changes, plus the operating activities' potential when it will be up to full speed again.

Consultancy activities

Hifab AB offers professional project management services in the building, construction, environment, energy and real estate and process technology sectors, with the objective of optimising profitability in its client's business operations. Hifab AB, together with its wholly owned subsidiary Hifab DU Teknik, is represented in Sweden through 12 offices. Operating activities saw revenues amounting to SEK 350 million (342), with earnings after a distribution of the common costs the Group incurred, along with gains/losses from financial items of SEK 14.3 million (5.0). The number employees was 230 (239) (annualised average).

Together with Hifab Oy, Finland, Hifab International AB, offers professional project management services in international development projects funded primarily via international development banks and international development agencies. Operating activities saw revenues of SEK 98 million (135) and the reported financial performance after allocation of common Group expenses and gains/losses from financial items in the amount of SEK -6.6 million (1.7). There were 80 (81) employees in Sweden and abroad (annualised average). There were 310 (320) employees in the Group at year-end in 2017. The employee turnover rate and long-term wage trends are high in the industry. With skilled and competitive personnel as the most important resource in the Group, the goal is to grow the operating activities via increasing our recruitment of new staff and to continuously further developing skills and expertise.

Parent Company

The parent company has 100% ownership in a number of companies within the Group. The Company has not had any employees in 2017, however there are employees in the various subsidiary companies.

Environment and quality control

Hifab works daily with issues that can be linked to sustainability, both internally and externally. Hifab is certified according to ISO 9001 quality standards and is certified according to ISO 14001 standards on environmental management. Our web-based, integrated operations system also includes the requirements as set out in the Swedish Work Environment Authority's regulations concerning systematic working environment efforts (SAM). Our quality and environmental goals are always focused from a sustainability perspective, where we place emphasis on efficiency, management of resources and benefit to our client.

Since 2016, Hifab has been a member of the UN Global Compact initiative. Via this decision, we have also invested in renewing our own Code of Conduct in order to clarify to all employees how to behave vis-à-vis each other and to those outside of Hifab. Information concerning these efforts will be attached to our contracts with partners. The Global Compact is reported annually and synchronised with our GRI work. Here too, we have completed renewal work in 2017. The sustainability report has been prepared in order to fulfil the sustainability report requirements in accordance with Chapter 6 of the Swedish Annual Accounts Act. See the separate attachment for Sustainability Reporting 2017 www.hifab.se.

The work of the Board of Directors in 2017

The members of the Board of Directors of Hifab Group AB were elected in May 2017. The Board is composed of four members. Rikard Appelgren was elected as the new Chairman of the Board, since Bengt Stillström declined re-election. Tomas Hermansson and David Tunberger were elected to be new members of the Board of Directors. The other member of the Board of Directors is Carina Edblad. Lars Johansson resigned at the Annual General Meeting. No alternates for Board members have been elected. The employees have been represented by Henrik Hederfors for Unionen and Göran Ingelhammar for the Swedish Association of Graduate Engineers/ Swedish Confederation of Professional Associations. In 2017, the Board of Directors held seven meetings, documented by minutes, including the statutory meeting, and has performed its tasks and responsibilities in accordance with the established annual plan. The Company's auditor participated in the meeting at which the year-end financial statements were presented.

Remuneration to senior management

According to decisions at the most recent Annual General Meeting, as well as the Board of Directors' proposal for the forthcoming Annual General Meeting, the guidelines for remuneration (basic salary, variable salary/bonus, retirement pension and other job benefits) are to be at prevailing market terms and amounts, and be designed to enable qualified individuals for senior management to be recruited and retained. No job benefits in kind over and above what is customary are offered and no individuals in senior management have share options or convertible securities from the Company. Bonuses are always related to quantitative goals. For individuals in senior management, their pension plans are via ITP. The period of notice for the CEO is nine months and for others in senior management, the period of notice varies between three to twelve months. The Company's elected Board Members are remunerated in accordance with the resolution adopted by the AGM.

Risks

Risks and uncertainties

There is a certain amount of risk taking in all business activities. Hifab's operating activities are exposed to and influenced by a variety of factors, some of which are within the control of the Company, while others are beyond the company's control. Hifab regularly conducts a risk assessment of the Group's risks, with the objective of continuously developing and strengthening the procedures for ongoing risk monitoring. The significant risk and uncertainty factors the Hifab Group faces include business risks linked to general economic conditions and cycles, and the willingness to invest prevailing in various markets, the ability to recruit new personnel, retain qualified employees and the effect of political decisions. The

Group is also exposed to various types of financial risks, such as currency risks, interest rate risks, and credit risks. The Group's Board of Directors and senior management are responsible for the management of risk. The risks and uncertainties faced by the parent company and the Group are primarily related to changes in personnel workload, average amounts of invoices, employee turnover and payroll costs for personnel, all of which have a decisive impact on profitability. For risks and risk management, refer to Note 29.

The Company's future outlook

The assessment for 2018 is a continued strong Swedish market, with some decline in growth primarily in the residential housing segment. The ongoing urbanisation in and around our major cities, as well as extensive infrastructure initiatives underway throughout the country, will dominate investments in Sweden for a long time to come.

After our adaptation to being in the areas where our clients exist, we now find ourselves in a stable situation to be able to continue our work to grow within these areas. Our international operating activities, where Hifab operates in Asia, Africa and Eastern Europe, are also considered to be strong and stable. One success factor is the ability to retain personnel and attract new employees. Organic growth is included in business planning within all areas of expertise. We also seek active acquisition of companies and business operations as a complement.

Dividends and distribution of profits

The following profits are available to the AGM, SEK:	2017
Amount carried forward	93,169,340
Share premium account	50,192,102
Profit/loss for the year	13,973,243
Profit/loss to be allocated	157,334,685

Dividends for the 2017 financial year are proposed to be 12 öre/share (0)	7,300,669
Transferred to the following accounting period	150,034,016

Significant events after the close of the reporting period

No significant events have occurred after the close of the reporting period.

The Group's financial performance and financial position for the years 2013-2017 are summarised in the table below

	2013	2014	2015	2015[1]	2016	2017
Revenues TSEK	460,253	479,367	444,310	444,310	474,940	444,095
Operating profit in the consultancy activities TSEK	14,084	12,831	39,904	4,415	8,832	17,829
Profit after financial items TSEK	13,712	13,119	75,532	4,443	7,566	17,249
Profit for the year attributable to the parent company's shareholders TSEK	10,432	10,258	65,455	3,466	5,560	13,041
Total assets TSEK	179,220	202,916	246,952	185,242	190,009	180,178
Shareholders' equity, attributable to the parent company's shareholders TSEK	77,563	81,630	57,315	66,070	62,965	76,111
Cash Flow, (%)	153	148	109	135	133	153
Equity ratio, (%)	43	40	23	35	33	42
Return on capital employed, (%)	17	16	-32	-7	13	21
Return on shareholders'' equity after tax, (%)	13	13	-114	-5	9	17
Debt/equity ratio (times)	1.3	1.5	3.5	1.8	2.0	1.3
Number of employees (annualised average)	413	425	390	390	320	310

[1]) Excluding non-recurring effect of the Judgment from the Court of Appeals.

Definitions of Key Figures

Revenues – Invoiced fees, reimbursement of outlays/expenses and payments to subconsultants

Acid-test ratio – Current assets as a percentage of current liabilities

Equity ratio – Equity as a percentage of the total assets

Return on capital employed – Profit after financial items plus financial expenses, as a percentage of total assets decreased by non-interest-bearing liabilities

Return on equity after tax – Profit after tax, as a percentage of shareholders' equity

Debt/equity ratio – Current liabilities (excluding client funds) plus long-term liabilities, in relation to equity

Number of employees (annualised average) – Number of employees expressed as average number of full-time positions during the year (FTEs)

Equity per share – Shareholders' equity in relation to the number of shares at the end of the period

Net cash flow per share – Cash Flow from operating activities (before investments) and before taxes paid, relative to average number of shares

Profit per share – Profit for the year in relation to the average number of shares

Interest-bearing net assets – Cash and cash equivalents including granted credit less interest-bearing liabilities and unutilised short-term lines of credit

Profit & Loss Statement – Consolidated

TSEK	Note	Consolidated 2017	2016
Operating income			
Revenues		444 095	474 940
Other operating income	1	1 631	946
Total		**445 726**	475 886
Operating expenses			
Other external expenses	2, 27,28	-208 255	-251 060
Salaries and other personnel expenses	3	-219 319	-215 345
Depreciation	11, 12	-323	-649
Total		**-427 897**	-467 054
Operating profit/loss		**17 829**	8 832
Gains/losses from financial investments			
Gains/losses from shares/ownership interests	4	-	-
Interest income and similar income items	5	7	871
Interest expense and similar expense items	6	-587	-2 137
Total financial income and expenses		**-580**	-1 266
Profit after gains/losses from financial items		**17 249**	7 566
Income tax for the year	7	-4 208	-2 006
Profit/loss for the year		**13 041**	5 560
Profit for the year attributable to the parent company's shareholders	18	13 041	5 560
Minority shareholders		-	-
		13 041	5 560

Statement of Comprehensive Profit/Loss – Consolidated

Net profit/loss for the year		**13 041**	5 560
Components that may be reclassified to the profit for the year:			
Currency differences with the translation of foreign operating activities		134	116
Tax attributable to components relating to Other comprehensive profit/loss		-29	-26
Total other comprehensive profit/loss for the year, net after taxes		**105**	90
Total comprehensive profit/loss for the year		**13 146**	5 650
Total comprehensive profit/loss attributable to:			
The Parent Company's shareholders		13 146	5 650
Earnings per share before and after dilution based on profit attributable to the parent company's shareholders during the year (expressed in SEK per share)	18	**0.21**	0.09

Statement of Consolidated Financial Position

TSEK	Note	**31/12/2017**	31/12/2016
Assets			
Intangible assets			
Goodwill	10	15 954	15 954
Total intangible fixed assets		**15 954**	15 954
Tangible fixed assets			
equipment	11, 12	268	592
Total tangible fixed assets		**268**	592
Financial fixed assets			
Other long-term feeds	8	2 926	3 152
Total financial assets		**2 926**	3 152
Deferred tax asset	7	11 175	15 144
Total fixed assets		**30 323**	34 842
Current assets			
Assignments in progress	15	15 107	13 284
Advance payments to supplier		249	3 650
Accounts receivable	8, 9	85 664	92 114
Tax assets		7 305	7 357
Other receivables	8	810	435
Prepaid expenses and accrued income	8, 16	7 085	7 774
Cash and cash equivalents	8, 20	33 635	30 553
Total current assets		**149 855**	155 167
Total assets		**180 178**	190 009

Report on financial position, – Consolidated cont'd

TSEK	Note	Consolidated 31/12/2017	Consolidated 31/12/2016
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	19	6 084	6 084
Other contributed capital		51 301	51 301
Foreign currency translation reserve		1 229	1 124
Retained earnings including profit for the year		17 497	4 456
Total shareholders' equity attributable to the parent company's shareholders		**76 111**	62 965
Minority's share of shareholders' equity		44	44
Total shareholders' equity		**76 155**	63 009
Long-term liabilities			
Liabilities to financial institutions	8, 21	6 000	10 000
Deferred tax liability	7	3	6
Other long-term liabilities	8, 21	370	651
Total long-term liabilities		**6 373**	10 657
Current liabilities			
Liabilities to financial institutions	8, 21	4 000	4 000
Advance payments from clients		8 081	22 497
Accounts payable	8, 21	41 424	40 079
Other current liabilities		16 415	20 169
Accrued expenses and deferred income	22	27 730	29 598
Total short-term liabilities		**97 650**	116 343
Total shareholders' equity and liabilities		**180 178**	190 009

Key figures per share

	Note	Consolidated 31/12/2017	Consolidated 31/12/2016
Number of shares at the end of the period	18	60,838,912	60,838,912
Shareholders' equity, SEK		1.25	1.53
Distribution of dividends as proposed by the Board of Directors, SEK		0.12	0.00

Definitions of Key Figures, see page 27

Statement of Changes in Shareholders’ Equity – Consolidated

TSEK	Share capital	Other contributed capital	Translation reserve	Retained earnings including profit for the year	Total shareholders’ equity attributable to the parent company’s	Minority’s share of shareholders’ equity	Total shareholders’ equity
Opening balance as at 1 January 2016	**3 042**	**54 343**	**1 034**	**-1 104**	**57 315**	**44**	**57 359**
Changes in shareholders’ equity 2016							
Profit/loss for the year				5 560	**5 560**		**5 560**
Exchange rate differences in translation of foreign operating activities			116		**116**		**116**
Tax attributable to components relating to Other comprehensive profit/loss			-26		**-26**		**-26**
Total comprehensive profit/loss for the year			**90**	**5 560**	**5 650**		**5 650**
Implemented new share issue	3 042	-3 042					-
Closing balance as at 31 December 2016	**6 084**	**51 301**	**1 124**	**4 456**	**62 965**	**44**	**63 009**
Opening balance as at 1 January 2017	**6 084**	**51 301**	**1 124**	**4 456**	**62 965**	**44**	**63 009**
Changes in shareholders’ equity 2017							
Profit/loss for the year				13 041	**13 041**		**13 041**
Exchange rate differences in translation of foreign operating activities			134		**134**		**134**
Tax attributable to components relating to Other comprehensive profit/loss			-29		**-29**		**-29**
Total comprehensive profit/loss for the year			**105**	**13 041**	**13 146**		**13 146**
Closing balance as at 31 December 2017	**6 084**	**51 301**	**1 229**	**17 497**	**76 111**	**44**	**76 155**

Statement of Shareholders' Equity – Parent Company

TSEK	Share capital	Statutory reserve	Share premium account	Amount carried forward	Profit/loss for the year	Total shareholders’ equity
Opening balance as at 1 January 2016	**3 042**	**200**	**53 234**	**150 294**	**-68 123**	**138 647**
Appropriation of profits as decided at the Annual General Meeting				-68 123	68 123	-
Implemented new share issue	3 042		-3 042			-
Profit/loss for the year					10 998	**10 998**
Closing balance as at 31 December 2016	**6 084**	**200**	**50 192**	**82 171**	**10 998**	**149 645**
Opening balance as at 1 January 2017	**6 084**	**200**	**50 192**	**82 171**	**10 998**	**149 645**
Appropriation of profits as decided at the Annual General Meeting				10 998	-10 998	-
Profit/loss for the year					13 973	13 973
Closing balance as at 31 December 2017	**6 084**	**200**	**50 192**	**93 169**	**13 973**	**163 618**

Cash Flow Statement – Consolidated

TSEK	Note	Consolidated 2017	2016
Ongoing operations			
Operating profit/loss		17 829	8 832
Non-cash items	26	175	1 268
Interest received	5	7	99
Interest paid	6	-587	-2 137
Income taxes paid		-218	-613
Total cash flow from current operations before changes in working capital		**17 206**	7 449
Cash flow from change in working capital			
Change of work in progress		1 578	12 224
Change in operating receivables		6 764	-14 850
Change in operating liabilities		-18 693	-8 146
Total change in working capital		**-10 351**	-10 772
Cash flow from current operations		**6 855**	-3 323
Investment activities			
Acquisition of tangible fixed assets	11, 12	-	15
Change in other financial assets		226	-2 432
Cash flow from investments		**226**	-2 417
Financial activities			
Issuance of new shares		-	21 090
Amortisation of bank loans		-4 000	-54 200
Distribution of dividends		-	-
Cash flow from financial activities		**-4 000**	-33 110
Cash flow for the year		**3 081**	-38 850
Cash and cash equivalents at the beginning of the year		30 553	69 407
Exchange rate differences in cash and cash equivalents		1	-4
Cash and cash equivalents at year-end		**33 635**	30 553

Profit & Loss Statement – Parent Company

TSEK	Note	Parent Company 2017	2016
Operating income			
Other operating income	1	-	4
Total		**-**	**4**
Operating expenses			
Other external expenses	2, 28	-	-
Salaries and other personnel expenses	3	-	-
Total		**-**	**-**
Operating profit/loss		**-**	**4**
Gains/losses from financial investments			
Gains/losses from ownership interests in Group companies	4	0	6 146
Interest income and similar income items	5	-	1 219
Interest expense and similar expense items	6	-1 214	-2 049
Total financial income and expenses		**-1 214**	5 316
Profit after gains/losses from financial items		**-1 214**	5 320
Balance sheet allocations			
Group contributions received		19 128	7 047
Group contributions provided		-	-
Total balance-sheet allocations		**19 128**	7 047
Profit before taxes		**17 914**	12 367
Income tax for the year	7	-3 941	-1 369
Profit/loss for the year		**13 973**	10 998

Comprehensive profit/loss – Parent Company

TSEK	Parent Company 2017	2016
Profit/loss for the year	13 973	10 998
Comprehensive profit/loss for the year	**13 973**	10 998

Balance Sheet – Parent Company

TSEK	Note	Parent Company 31/12/2017	31/12/2016
Assets			
Fixed assets			
Financial fixed assets			
Ownership interests in Group companies	13	157 935	158 773
Other long-term receivables, from Group companies	17	20 816	14 667
Total financial assets		**178 751**	173 440
Deferred tax asset	**7**	10 295	14 237
Total fixed assets		**189 046**	187 677
Current assets			
Current receivables, consolidated		16 156	7 387
Cash and cash equivalents		-	-
Total current assets		**16 156**	7 387
Total comprehensive assets		**205 202**	195 064

Balance Sheet – Parent Company cont'd

TSEK	Note	Parent Company 31/12/2017	31/12/2016
Shareholders' equity and liabilities			
Restricted capital and reserves			
Share capital	19	6 084	6 084
Statutory reserve		200	200
Total restricted equity		**6 284**	6 284
Unrestricted equity			
Unrestricted reserves/ earnings carried forward		143 361	132 363
Profit/loss for the year		13 973	10 998
Total unrestricted equity		**157 334**	143 361
Total shareholders' equity		**163 618**	149 645
Long-term liabilities			
Long-term debt to financial institutions	21	6 000	10 000
Liabilities to Group companies		18 312	17 870
Total long-term liabilities		**24 312**	27 870
Current liabilities			
Short-term debt to financial institutions	21	4 000	4 000
Accounts payable		-	-
Liabilities to Group companies		13 272	13 549
Accrued expenses and deferred income	22	-	-
Total short-term liabilities		**17 272**	17 549
Total shareholders' equity and liabilities		**205 202**	195 064

Cash Flow Statement – Parent Company

TSEK	Note	Parent Company 2017	2016
Ongoing operations			
Operating profit/loss		-	4
Non-cash items (items not affecting cash flow)		-	-
Interest received		-	1 219
Interest paid		-1 214	-2 049
Total cash flow from current operations before changes in working capital		**-1 214**	-826
Cash flow from change in working capital			
Change in operating receivables		-	162
Change in operating liabilities		-	-1 409
Total change in working capital		-	-1 247
Cash flow from current operations		**-1 214**	-2 073
Investment activities			
Write-downs of fixed assets		-	-
Cash flow from investments		**-**	-
Financial activities			
Financial transfers with Group companies		4 376	34 983
Repayment of loan debt		-4 000	-54 000
New share issue		-	21 090
Distribution of dividends		838	-
Cash flow from financial activities		**1 214**	2 073
Cash flow for the year		**0**	0
Cash and cash equivalents at the beginning of the year		-	-
Exchange rate differences in cash and cash equivalents		-	-
Cash and cash equivalents at year-end		-	-

Accounting policies and valuation principles

1. Nature of the operating activities

The primary business activity of the Hifab Group AB (publ) and its subsidiaries (hereinafter collectively referred to as the "Group") is the offering of project management and consulting for sustainable development.

2. General information

Hifab Group AB (publ) with company reg. no. 556394-1987 is a Swedish limited company with its registered office in Stockholm.

The postal address for the Hifab Group AB's headquarters offices is:

Box 19090, SE- 104 32 Stockholm and the street address is Sveavägen 167, 113 46 Stockholm.

Shares in the Hifab Group are traded on OMX First North, as of 7 October 2008. Information about the share and owners can be found on pages 20-21.

The Annual Report for the year closing 31 December 2017 (including comparative figures up to 31 December 2016) was approved by the Board of Directors for issue on 11 April 2018.

3. Accounting policies

3.1 Compliance with issued standards and laws

The consolidated financial statements of Hifab Group have been prepared in accordance with the International Financial Reporting Standards (IFRS) approved by the EU and interpretations issued by the IFRS Interpretation Committee, approved by the EC Commission for application in the EU. In addition, the Group also applies the Financial Reporting Recommendation RFR 1 Supplementary Accounting Rules for the Group, which specifies the additions to IFRS disclosures required by the provisions of the Annual Accounts Act.

3.2 New and amended standards and interpretations 2017

New or amended standards and new interpretations have not had a material impact on the Group's consolidated financial statements for 2017.

3.3 New and amended standards and interpretations that have not yet taken effect

The new and amended standards and new interpretations have been issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRIC), however for those do taking effect for financial years beginning after 1 January 2018 or later, the Group have not yet begun to apply them.

Standards	To be applied for the financial year beginning
IFRS 9 Financial Instruments	1 January 2018
IFRS 15 Revenue from Contracts with Customers	1 January 2018
IFRS 16 Leases	1 January 2019

The IASB has issued the following new standards: IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement, and contains rules for recognition, classification and valuation/measurement rules, impairments/write-downs, cancellation and general rules for hedge accounting. Hifab does not apply hedge accounting.

Classification and measurement: In the initial recognition, financial assets are to be classified as fair value via the Profit & Loss Statement, amortised cost, or as fair value via Other comprehensive profit/loss.

- The assessment for the classification for debt instruments is based on two criteria: (a) the Company's business model for managing the financial asset, (b) the contractual cash flow of the instrument.
- The classification of equity instruments is fair value the Profit & Loss Statement, except when the entity has chosen to present such instruments at fair value via Other comprehensive profit/loss.
- The rules for classifying and valuing financial liabilities are largely unchanged compared with IAS 39.

Impairments: The new rules remove the requirements to identify an eventual loss event and introduce a model for expected loan losses. The model determines a three-level classification based on whether there has been a significant increase in credit risk. For financial assets where no significant increase in credit risk has occurred, a credit loss is reserved related to the loss is expected to occur within 12 months. For financial assets where a significant increase in credit risk has occurred and for those that are uncertain or doubtful, a credit loss is reported relating to the loss that is anticipated to occur throughout the remaining during of the asset.

Hifab has conducted an analysis of the effects of IFRS 9. The assessment of the company's management is that the implementation of IFRS 9, other than the expanded disclosures, will not have any significant or no effects on classification and measurement, nor impairment requirements.

IFRS 15 will replace IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. The new standard implies a new model of recognition of revenue (five-step model) which is based on when the control of a product or service is transferred to the client. The basic principle is that a company recognises revenue in order to depict the transfer of promised goods and services to clients in an amount reflecting the payment that the Company is expected receive in return for these goods or services. IFRS 15 introduces a five-step model:

- Step 1. Identify the agreement
- Step 2. Identify performance commitments
- Step 3. Determination of the transaction price
- Step 4. Allocation of the transaction price to the performance commitments
- Step 5. Recognise revenue when (or as) the Company fulfils the performance commitments

IFRS 15 contains additional guidance more and comprehensive disclosure requirements.

An analysis has been made of the different types of agreements the Group has entered into with clients in order to determine if they qualify to be an "agreement" in accordance with IFRS 15. Most of the agreements are on an invoicing as service performed basis, where the client receives and consumes the benefit of the service at the time of execution and thus the revenue is recognised over time. A smaller part of the agreements are at a fixed price, where each agreement is reviewed individually and analysed in regards to how the revenues are to be recognised. All existing agreements are recognised according to the output method. The Company's management's overall assessment is that IFRS 15 will not have a significant effect on how the Group reports its revenues.

IFRS 16 Leases will replace IAS 17 Leases. The standard has a leasing model for leasers, which means that virtually all leases are to be reported in the Statement of Financial Position. The right of use (lease asset) and the liability are measured at the present value of future lease payments. The right of use also includes direct costs attributable to the signing of the lease. Depreciation on the right of use and interest expenses are reported via the Profit & Loss Statement.

The right of use is reported separately from other assets in the Statement of Financial Position or includes the item in which the corresponding assets would be reported if they were held. If included in other assets, the Company shall state this and which items include use rights. In subsequent periods, the right of use is recognised at acquisition cost less depreciation and, if any, write-downs and adjusted for any revaluation of the lease liabilities.

Leasing debt is reported separately from other liabilities. Unless the lease liability is reported separately, the Company must indicate which items cover these liabilities. In subsequent periods, the liability is reported at accrued acquisition cost and reduced by leasing payments made. Leasing debt is revalued by changes in lease period, residual value guarantees and changes in lease payments.

Short-term lease contracts (12 months or less) and leases where underlying assets are at low value need not be reported in the Statement of Financial Position. These will be reported in Operating income in the same manner as Current operating leases.

For leaseholders, IFRS 16 essentially does not imply any changed rules.

The new standard contains more information than the current standard.

Hifab is a lessee where the lease agreements primarily concern premises and cars. Management has begun an analysis but has not yet implemented it at a detailed level. This will be completed in 2018.

The Company's senior management believes that, other new or amended standards and new interpretations, which have not entered into force, will not have a material impact on the Group's financial statements when applied for the first time.

4. Summary of the most significant accounting policies

4.1 General

The most significant accounting policies used in the preparation of this consolidated financial statement are summarised below.

In the consolidated financial statements, valuation has taken place at cost, except for certain financial instruments that are valued at fair value and at accrued acquisition cost.

Establishing the financial statements in accordance with IFRS requires that management conduct assessments and estimates and make assumptions that affect the application of the accounting policies and the reported amounts in the Profit & Loss Statement and Balance Sheet. The assessments are based on the information available at each close of the reporting period. Although these assessments are based on the best information available to the management, the actual result may ultimately differ from the estimates.

4.2 Consolidated financial statements

The consolidated financial statements encompass the parent company Hifab Group AB and the companies over which the parent company has controlling influence (subsidiaries). Controlling influence exists when the parent company has an influence over the object of the investment, is exposed to or has rights to variable returns from its involvement in the object of the investment and may use its influence over the object of the investment in order to be able to influence its return.

The parent company makes a reassessment of whether controlling influence exists if facts and circumstances indicate that one or more of the factors listed above have been changed.

Consolidation of a subsidiary takes place as of the day the parent company exercises control and remains until it ceases to have controlling influence over the subsidiary. This means that revenues and expenses of a subsidiary acquired or disposed of in the current financial year are included in the consolidated Profit & Loss Statement and Other comprehensive profit/loss from the day the parent company gains the controlling influence until the date the parent company ceases to have the controlling influence.

The Group's profit/loss and components in Other Comprehensive profit/loss are attributable to the parent company's owner and to non-controlling interests, even if this results in a negative value for non-controlling interest.

The accounting policies for subsidiaries have been adjusted, if necessary, to comply with the Group's accounting policies. All intra-group transactions, balances and unrealised gains and losses attributable to intra-group transactions have been eliminated when preparing the consolidated financial statements.

4.3 Business acquisitions

Acquisitions of companies are recognised according to the acquisition method. The acquisition method means that the fair value of acquired assets and liabilities is determined as per the date that control is gained over the acquired company, which also constitutes the basis for subsequent measurement in accordance with the Group's accounting policies. Transaction costs attributable to the acquisition are not included in the acquisition cost of the subsidiary.

The difference between the acquisition cost, the value of the minority interest and the fair value of previous holdings and the fair value of acquired identifiable assets, liabilities and contingent liabilities are reported as goodwill. If a negative difference occurs, the difference is recognised directly in the Profit & Loss Statement.

Minority interest is reported either as a proportional share of the acquired net assets or at fair value, which is assessed per each individual acquisition. Any additional purchase consideration is recognised at estimated fair value with subsequent changes reported in the Profit & Loss Statement.

With incremental acquisitions, fair value is measured at the date control is obtained. Revaluation effects on previously owned shares prior to obtaining control are recognised in the Profit & Loss Statement. Increased or decreased ownership interest when the subsidiary is under continuing control is recognised as Changes in shareholders' equity.

Minority interests are reported in the consolidated statement of shareholders' equity, separated from the parent company's shareholders' equity. Minority interests are included in the Group's financial results and comprehensive profot/loss, and are reported separately from the parent company's share as a breakdown of the profit/loss and the Comprehensive profit/loss for the period.

4.4 Collaborative arrangements

A collaborative arrangement (or joint arrangement) is an arrangement in which two or more parties share a controlling interest. Collaborative arrangements are classified either as a joint venture or as a joint business activity. Hifab Group AB has assessed its collaborative arrangements and determined that they are joint ventures.

Holdings in joint ventures are reported using the equity method. According to the equity method, ownership interests in joint ventures in the Balance Sheet are reported at acquisition cost adjusted for changes in the Group's ownership share in joint venture's net assets, less any impairment losses or decrease in the fair value of individual ownership interests. When the Group's share of the losses in a joint venture corresponds to or exceeds its holdings in a joint venture (including any long-term holdings which, in its sense, form part of the Group's interests in a joint venture), the Group does not report any further losses unless the Group has undertaken obligations upon itself or made payments on behalf of the joint venture.

In transactions between Group companies and joint ventures, the part of unrealised gains and losses corresponding to the Group's share of the joint venture is eliminated. Dividends received from joint ventures reduce the book value of the investment.

4.5 Translation of foreign currencies

Hifab Group's consolidated financial statements are presented in Swedish kronor (SEK), which is also the functional currency of parent company.

Transactions in foreign currency are translated by applying the exchange rates applicable on the respective transaction date (spot exchange rate). Receivables and liabilities, and other monetary items, denominated in foreign currency are translated at the rate at the close of the financial period.

Gains and losses on foreign currency due to translation from such transactions and due to the restatement monetary balance sheet items at the exchange rate at the close of the financial period are recognised in the Profit & Loss Statement under "Other income" or "Other expenses."

The subsidiaries' assets and liabilities have been translated into Swedish kronor at the prevailing exchange rate at the close of the reporting period. Revenues and expenses have been translated in a recalculation to the Group's reporting currency using the average rates of exchange during the reporting period. The differences arising from this method are reported in Other comprehensive profit/loss and accumulated in the Foreign currency translation reserve in shareholders' equity.

4.6 Reporting of revenues and expenses.

The Group has assignments on both current and fixed prices. Assignments on a current account are recognised as revenue as invoiced. Revenue from assignments performed at a fixed-cost is recognised as revenues using the percentage of completion method. The degree of completion of an assignment is determined via the expenses incurred as per the close of the reporting period is compared with the estimated total expenses. The degree of completion is determined on the basis of project managers' written assessments of work performed and estimated work remaining to completion.

In the Balance Sheet, service assignments in progress are valued at the profit-adjusted recalculation after reduction for recorded losses and risked risks.

Service assignments where work completed/accumulated revenue exceeds the partly invoiced amounts are recognised as receivables for service assignments in progress.

Service assignments where sub-invoiced amounts exceed earned income are reported as liabilities for service assignments in progress.

In cases where the outcome of a service assignment can not be reliably calculated, revenues for discontinued work and the same amount as assignment expenses, if they are likely to be replaced by the client.

A expected loss- in an assignment is immediately recognised as an expense.

Operating expenses are recognised in the Profit & Loss Statement when the goods have been delivered or when the service is utilised.

Costs relating to operating leases are recognised in the Profit & Loss Statement on a straight-line basis over the term of the lease. Variable charges are recognised as an expense when incurred.

Interest income is recognised over the during of the term of the instrument using the effective interest rate method.

Borrowing costs (interest expenses) are charged to the profits for the period which they relate to.

4.7 Goodwill

Goodwill consists the difference between the acquisition cost, the value of the minority interest and the fair value of previous holdings, and the fair value of acquired identifiable assets, liabilities and contingent liabilities, which is recognised as goodwill. If this calculation results in a negative value, the difference is recognised directly in the Profit & Loss Statement.

Goodwill is measured at acquisition cost less accumulated impairment. Goodwill is allocated to cash-generating units and is tested annually for impairment, or more often with indications of impairment.

Goodwill arising from acquisitions of an associated company is included in the carrying amount of ownership interests in associated companies.

4.8 Tangible fixed assets

Tangible fixed assets (property, plant and equipment) are recognised at cost, less accumulated depreciation and any write-downs. The acquisition cost includes expenses directly attributable to the acquisition of the asset.

Depreciation of tangible fixed assets is expensed so that the asset's acquisition cost is decreased by the estimated residual value at the end of the useful life, and then is depreciated on a straight-line basis over its estimated useful life.

Other equipment (office machines and vehicles) have been assigned a 5-year period while computers and computer peripherals have a useful life of 3 years.

4.9 Impairments/write-downs

The carrying amounts of the Group's assets, with the exception of deferred tax assets, which are measured in accordance with IAS 12 Income Taxes, are tested at the close of each reporting period to assess whether there is an indication of impairment.

If any such indication exists, an estimate of the recoverable amount of the asset or cash-generating unit is made.

Impairments are recognised via the Profit & Loss Statement.

4.10 Reporting of financial assets

A financial asset or financial liability is recognised in the Balance Sheet when the Company becomes a party to the contractual terms of the instrument. A financial asset, or part of a financial asset, is derecognised from the Balance Sheet when the rights in the agreement are realised, become due, or when the Company loses control over the asset. A financial liability, or part of a financial liability, is derecognised from the Balance Sheet when the obligation in the agreement is fulfilled or the obligation otherwise is extinguished.

At the close of each reporting period, the Company evaluates if there are objective indications that a financial asset or group of financial assets is in need of impairment due to events occurring. Examples of such events are materially impaired financial position of the counterparty or non-payment of overdue amounts.

Financial assets and financial liabilities, which are not recognised at fair value via the Profit & Loss Statement the subsequent financial statements, are recognised at the initial recognition at fair value plus or deduction for transaction costs. Financial assets and financial liabilities that are recognised in the Profit & Loss Statement at fair value via the Profit & Loss Statement are reported at the initial recognition at fair value. In the subsequent financial reports, financial instruments are valued at amortised cost or at fair value based on the initial categorisation in accordance with IAS 39.

In the initial recognition, a financial asset or financial liability is categorised into one of the following categories:

Financial assets
- Fair value via the Profit & Loss Statement
- Loan receivables and accounts receivable
- Investments held to maturity
- financial assets that are readably saleable

Financial liabilities
- Fair value via the Profit & Loss Statement
- Other financial liabilities are measured at accrued acquisition cost

The Group has no financial "Instruments in the categories 'Investments held to maturity," "Financial assets and financial liabilities recognised at fair value via the Profit & Loss Statement."

Acquisitions and divestments of financial assets are recognised as per the transaction day. In cases where the Company acquires or sells listed securities, the settlement day recognition Sheet is applied.

Fair value of financial instruments
The fair value of financial assets and liabilities with standard terms that are traded on an active market is determined by reference to the quoted market price.

The fair value of other financial assets and liabilities is determined according to generally accepted valuation models based which are on information obtained from observable current market transactions.

For all financial assets and liabilities, the carrying amount is assessed to be a good approximation of its fair value, unless otherwise specified in subsequent notes.

Accumulated acquisition cost
Amortised acquisition cost refers to the amount to which the asset or liability was initially recognised less the amortisation, addition or deduction of accumulated accrual according to the effective interest method of the initial difference between the received/paid amount and the amount to be paid/received on the due date, less impairment.

The effective interest rate is the interest rate that results in the initially reported value of the financial asset or financial liability upon discounting of all future expected cash flows over the expected maturity.

Offsetting of financial assets and liabilities
Financial assets and liabilities are offset and reported with a net amount in the Balance Sheet when there is a legal right to offset and when the intention is to dissolve the items with a net amount or to simultaneously realise the asset and pay off the liability.

Cash and cash equivalents
Cash and cash equivalents include cash, bank balances and other short-term maturities within three months from the date of acquisition, which can easily be converted into cash and are subject to an insignificant risk of changes in value.

Accounts receivable
Accounts receivable are categorised as "Loans and accounts receivable," which means valuation at acquisition cost However, the expected maturity of accounts receivable is short, so accounting is done at nominal amount without discounting. Deductions are made for receivables assessed to be doubtful. Impairment of accounts receivable is recognised in Operating expenses.

Financial assets that are readably saleable
This category refers to non-derivative assets that are either identified as being readably saleable or not classified in any of the above categories. These assets are valued at fair value. Changes in fair value are recognised in Other comprehensive profit/loss.

Accounts payable
Accounts receivable are categorised as "Other financial liabilities," which means a valuation at accrued acquisition cost. However, the expected maturity of the supplier liabilities is short, so the debt is reported at nominal amount without discounting.

Other loan liabilities
Overdraft facilities/short-term lines of credit and other loans are categorised as "Other financial liabilities" and are valued at accrued acquisition cost using the effective interest rate method. Any differences between the loan amount received (net after transaction costs) and repayment or amortisation of loans are recognised over the term of the loan according to the Group's accounting policy for borrowing costs (see above).

4.11 Income tax
Income tax consists of current tax and deferred tax.

Current tax is tax payable or received in respect of the current year, applying the tax rates that are decided or actually determined by the close of the reporting period. This includes changes or adjustments in current tax attributable to previous periods.

Deferred tax is calculated using the balance sheet method. Deferred tax is generally determined based on the difference between the carrying amount of assets and liabilities and their respective values for tax purposes. Deferred tax is however not determined either at the initial recognition of goodwill nor in the initial recognition of an asset or liability, unless the related transaction is a business combination/ merger or it affects the tax or profit for accounting purposes.

Deferred tax on temporary differences related to holdings in subsidiaries and associated companies as well as ownership interests in collaborative arrangements are not recognised if a reversal of these temporary differences can be controlled by the Group and it is not likely that a reversal will take place in the foreseeable future.

Deferred tax liabilities are recognised in their entirety, while deferred tax assets are recognised only to the extent that it is probable that they will able to be utilised to offset future taxable income. The Hifab Group's management bases its assessment of the prospects of future taxable income on the Group's most recently approved budget, adjusted for significant non-taxable income and expenses.

Changes in deferred tax assets or liabilities are recognised as part of the tax expense in the Profit & Loss Statement, except when they are attributable to items recognised in shareholders' equity, with the associated deferred tax also being reported in shareholders' equity.

Tax receivables and tax liabilities are reported net in the Balance Sheet in cases where there is a legal right to recognise these amounts as net amounts, or where the intention is to pay the net amounts, or receivable and the liability will be paid at simultaneously.

4.12 Shareholders' Equity and payment of dividends

"Share capital" refers to the registered share capital and consists of the quota value of issued shares.

The share premium paid encompasses any additional contributions received over and above the share capital received with the issuance of new shares. Transaction costs attributable to the issuance of shares are deducted from the share premium paid after deduction of income tax.

The translation of foreign currencies of foreign operating activities is included in the Foreign currency translation reserve.

Retained earnings consist of all profits from the current and past periods according to what is stated in the Profit & Loss Statement.

Dividends to shareholders is reported as a liability after the Annual General Meeting approved the dividend.

4.13 Post-employment benefits

Hifab Group's pension commitments are classified as defined contribution plans. A defined contribution plan is a pension plan according to which the Group pays fixed contributions to an independent body. The Group does not have any legal or informal obligation to make any further contributions upon completion of the fixed payment commitment. Payment commitments relating to contributions to defined contribution plans are reported as an expense in the Profit & Loss Statement when they arise.

Retirement pensions Obligations for salaried employees in Sweden are secured via insurance in Alecta. According to the statement from the Financial Reporting Council, UFR 10, this is a defined benefit plan, which includes several employers.

4.14 Leasing

A finance lease is a contract whereby the financial risks and benefits associated with the ownership of an item are transferred in all material respects from the lessor to the lessee. Other leases are classified as operating leases.

All leases in the Group have been classified as operating leases. Lease charges for operating leases are expensed on a straight-line basis over the term of the lease.

4.15 The parent company's accounting policies

The parent company complies with the Swedish Annual Accounts Act and the Swedish Financial Reporting Recommendation RFR 2 - Accounting for Legal Entities.

The application of RFR 2 means that the parent company applies, to the extent possible, all EU-approved IFRSs within the framework of the Annual Accounts Act and the Pension Obligations Vesting Act, and takes the relationship between reporting and taxation into account.

Changes in accounting policies

The amendments to RFR 2 Accounting for Legal Entities that have taken effect and apply for the financial year 2017 have not had any material impact on the parent company's financial reports.

Amendments to RFR 2 that have not yet taken effect

The parent company has not yet begun to apply the amendments to RFR 2 Accounting for Legal Entities, which will take effect 1 January 2018 or later.

IFRS 9 Financial Instruments

RFR 2 contains exceptions to applying IFRS 9 to a legal entity, and instead sets out the provisions for reporting financial instruments in RFR 2 that will be applied by companies that choose to apply the exception. The amendments to RFR 2 regarding IFRS 9 will be applied to the financial year beginning 1 January 2018. Hifab has chosen to apply the exemption and the amendments to RFR 2 are not expected to have any material impact on the parent company's financial reports.

IFRS 15 Revenue from Contracts with Customers
Due to the relationship between recognition and taxation, the rules in IFRS 15 regarding recognition of revenue of performance commitments that are fulfilled over time when performing fixed-cost assignments are not applicable to legal entities. The assignments may be recognised as revenue when the work is substantially completed (the completion method). The amendments to RFR 2 relating to IFRS 15 will be applied to the financial year beginning 1 January 2018. The parent company's revenues are limited and the amendments to RFR 2 will not have any material impact on the parent company's financial reports.

IFRS 16 Leases
Due to the relationship between recognition and taxation, the rules in IFRS 16 do need not need to be applied in legal entities. Accounting for leases occurs instead in accordance with the rules in RFR 2. The amendments to RFR 2 regarding IFRS 16 will be applied to financial years beginning 1 January 2019. The parent company has no significant leases and will not be affected by the amendments to RFR 2.

Financial instruments
The parent company does not apply IAS 39 Financial Instruments: Recognition and Measurement. The parent company applies a method based on acquisition cost in accordance with the Annual Accounts Act.

Ownership interests in subsidiaries. Ownership interests in subsidiaries are reported in accordance with the acquisition cost method. Acquisition-related costs for subsidiaries, which are expensed in the consolidated financial statements, are included as part of the acquisition cost of the ownership interests in subsidiaries. The book value of ownership interests in subsidiaries is tested for any impairment requirements when there is an indication of impairment.

Associated companies and Joint Ventures. Ownership interests in associated companies and joint ventures are reported in accordance with the acquisition cost method. Performance of service assignments. In the parent company, service assignments are reported in accordance with ÅRL Chap. 2, Section 4 when the service is completed. Up to now, service assignments in progress are reported at the lower of cost and net realisable value at the close of the reporting period.

Group contributions and shareholder contributions.
Group contributions received and provided are reported as balance sheet appropriations.

Shareholders contributions are reported directly to shareholders' equity at the recipient and are capitalised in ownership interests in subsidiaries of the provider.

4.16 IFRS 8 Operating Segments
The Group has identified the management team as the highest executive decision-maker and the operating segments based on how the management monitors and manages the operating activities. Operating segments are identified based on the internal reporting to the management team.

The Company's senior management has made the assessment that operating activities in the operating segments are similar to the criteria in IFRS 8, which is why the Group reports a segment, project management.

The project management segment, has a geographical spread, where 78%, or SEK 350thousand, of the revenues is derived from Swedish operating activities and 22% from other countries.

In Swedish operating activities, revenue is distributed between private clients (59%) and public sector clients (41%). The five largest clients account for 25% of the revenues and the 20 largest clients for 45%. 75 clients have purchased services for more than SEK 1 million. Turnover in foreign operating activities comes mainly from public sector clients (99%) and the three largest clients account for 66%. Fixed assets are distributed as follows: SEK 27.4 million from Sweden and SEK 2.9 million from foreign-based operating activities.

4.17 Important estimates and assumptions for accounting purposes
Estimates and assessments are continuously evaluated and based on historical experience and other factors, including expectations of future events that are considered reasonable under prevailing conditions. As part of the work on preparing Annual Reports, estimates and assumptions about the future are made. The valuation of deferred tax is based on the fact that, historically, in addition to one year, profits have been used against deficit. No market forecast shows that reason for reassessment is why the likelihood that these will to be able to be utilised within a reasonable period of time. The estimates for accounting purposes that result from these will, by definition, not always correspond to the actual result.

Taxes. Deferred tax, amounting to SEK 1,175 thousand, is calculated on temporary differences between the reported and taxable values of assets and liabilities as well as for tax loss carryforwards. There are mainly two types of assumptions and assessments that affect the reported deferred tax. These assumptions and assessments are made in order to determine the carrying amount of various assets and liabilities as well as future taxable profits, in the event of future utilisation of deferred tax assets is dependent upon this.

Impairment testing for goodwill. In case of impairment testing of the Group's goodwill, assumptions and estimates have been made regarding margins, growth, discount rate, etc. For a more detailed description of the impairment tests, see Note 10. Carrying amount of goodwill at 31 December 2017 amounted to 15,954 thousand, Goodwill valuation, see Note 10.

Note 1 Other operating income

TSEK	Consolidated 2017	2016	Parent Company 2017	2016
Rental income	139	871	-	-
Outstanding insurance claims	961		-	-
Other	531	75	-	4
Total	**1 631**	946	**-**	4

Note 2 Other expenses

TSEK	Consolidated 2017	2016	Parent Company 2017	2016
Cost of purchased services	133 126	155 403	-	-
Expenses for outlays	40 235	55 454	-	-
Exchange rate gains/losses	236	-462	-	-
Other expenses (Group)	34 658	40 665	-	-
Other external costs (parent company)	-	-	-	75
Total	**208 255**	251 060	-	75

Auditing assignment

TSEK	Consolidated 2017	2016	Parent Company 2017	2016
Deloitte	490	510	-	-
Other auditors	30	57	-	-
Total	**520**	567	-	-

Additional auditing activities beyond the auditing assignment

TSEK	Consolidated 2017	2016	Parent Company 2017	2016
Deloitte	-	-	-	-
Other auditors	47	109	-	-
Total	**47**	109	-	-

Other Services

TSEK	Consolidated 2017	2016	Parent Company 2017	2016
Deloitte	26	101	-	-
Other auditors	-	74	-	-
Total	**26**	175	-	-

Note 3 Salaries and personnel TSEK

	Consolidated		Parent Company	
Directors fees/Salaries to Board Members and CEO	**2017**	2016	**2017**	2016
Bengt Stillström, Chairman of the Board	57	170	-	-
Rikard Appelgren, Board Member/Chairman of the Board	148	57	-	-
Lars Johansson, Board Member	28	85	-	-
Carina Edblad, Board Member	88	85	-	-
Agneta Jacobsson, Board Member	-	28	-	-
Tomas Hermansson, Board Member	60	-	-	-
David Tunberger, Board Member	60	-	-	-
Total	**441**	425	**-**	-
CEOs	2 946	2 749	-	-
Others in senior management (7)	6 879	6 455	-	-
Salaries to others	139 275	137 930	-	-
	149 100	147 559	**-**	-
Social insurance contributions expenses				
Social insurance contributions expenses - Board Members and CEO	1 075	954	-	-
Others in senior management	2 598	2 466	-	-
Other employees	41 466	40 352	-	-
Total social insurance contributions expenses	**45 139**	43 772	-	-
Pension costs				
Members of the Board of Directors	-	-	-	-
CEO	1 134	912	-	-
Others in senior management	1 920	1 922	-	-
Other employees	16 767	17 000	-	-
Total pension costs	**19 821**	19 834	-	-
Total	**214 501**	211 590	**-**	-

Remuneration to senior management

Remuneration to the Chairman and members of the Board of Directors has been paid in accordance with the decision of the 2017 AGM. The annual directors fee to the members of the Board, established according to the decision of the 2017 Annual General Meeting, amounts to SEK 90,000 per ordinary Board Member and SEK 180,000 for the Chairman of the Board. In the subsidiaries' Board of Directors, no directors fees are paid. In the event of a change in the Board of Directors at the Annual General Meeting, a

During the year, salary and other remuneration amounting to SEK 2,152 thousand (1,736) and pension costs of SEK 1,000 thousand (682) were paid to the CEOs, including Group CEO Patrik Schelin. For Patrik Schelin, pension benefits are paid according to ITP plan 2, where the retirement age follows the ITP plan. No performance-based variable remuneration has been paid. The period of notice for termination of employment given by the Group is nine months, and a six month notice in advance for resignation by the CEO. The period of notice for termination of employment given by the Group for one of the Group's senior managers is twelve months Group and a three month notice in advance for resignation by the senior manager, pursuant to applicable collective bargaining agreements. Others in senior management have three months mutual notice for termination/resignation period. Remuneration to one other CEO in the Group (1) has been paid, in the amount of SEK 1,044 thousand (744). No performance-based variable remuneration has been paid. Pension benefits to other CEOs and individuals in senior management are paid according to the ITP plan or ITP-like plan. Certain individuals in senior management have chosen a defined-contribution pension within the pension plan's cost framework. Pension costs amount to SEK 134 thousand (125). No warrants or other financial instruments are issued to Board Members, CEO or others in senior management.

Pensions

Alecta

For salaried employees in Sweden, the ITP 2 plan's defined benefit pension obligations for retirement and family pensions are secured via an insurance policy with Alecta. According to a statement from the Financial Reporting Board, UFR 10 Reporting of the ITP2 Pension Plan Financed via Insurance from Alecta, this is a defined benefit plan that includes multiple employers.

For the financial year 2017, the Company has not had access to information in order to be able to report its proportional share of the plan's liabilities, assets under management and expenses, which has resulted in that it was not possible to report the plan as a defined benefit plan. Therefore the ITP 2 pension plan which is secured via insurance from Alecta is reported as a defined contribution plan.

The company's share of total savings premiums for ITP 2 in Alecta for 2017 is 0.07276%.

The company's share of the total number of active insureds in ITP2 is 0.02341% (during December 2017).

The expected charges in the next reporting period for the ITP 2 insurance subscribed in Alecta amount to SEK 12,216 thousand. The collective consolidation level consists of the market value of Alecta's assets as a percentage of the insurance obligations calculated according to Alecta's actuarial methodologies and assumptions (which does not comply with the requirements in IAS 19). At the end of 2017, Alecta's surplus in the form of the collective consolidation level amounted to 154% (2016: 149%)

For previous employees, there is a plan that is reported separately outside of the Balance Sheet

Note 3 Distribution of employees (annualised average) per country of employment

The Group	2017 Men	2016 Men	2017 Women	2016 Women
Sweden	152	152	84	93
Bangladesh	53	37	3	3
Belgium	-	1	-	1
Finland	8	8	3	3
Laos	-	-	-	2
Liberia	-	5	-	1
Nepal	1	1	-	-
Serbia	-	-	-	-
Tanzania	1	-	-	-
Turkey	0	-	1	5
Uzbekistan	2	3	1	1
Other countries	-	3	-	1
Total	**217**	210	**93**	110

Proportion of women in the Board of Directors and in senior management (%)

	The Group	
	31/12/2017	31/12/2016
Board of Directors	14	50
Senior Management	25	12

Note 3 Number of employees (annualised average)

	Men		Women	
The Group	**2017**	2016	**2017**	2016
Sweden	152	152	84	93
Abroad	65	58	9	17
Total	**217**	210	**93**	110

Note 4 Gains/losses from ownership interests in Group companies

	Consolidated		Parent Company	
TSEK	**2017**	2016	**2017**	2016
Dividends from subsidiaries	-	-	838	6 150
Impairment of ownership interests in subsidiaries	-	-	-838	-4
Total	**-**	-	**0**	6 146

Note 5 Interest income and similar income items

	Consolidated		Parent Company	
TSEK	**2017**	2016	**2017**	2016
External interest income	7	99	-	-
Interest, consolidated amount	-	-	-	1 219
Exchange differences	-	772	-	-
Other	-	-	-	-
Total	**7**	871	**-**	1 219

Note 6 Interest expenses and similar expense items

TSEK	Consolidated 2017	2016	Parent Company 2017	2016
External interest payments	-551	-2 137	-382	-1 251
Interest, consolidated amount	-	-	-832	-798
Exchange differences	-29	-	-	-
Other items	-7	-	-	-
Total	**-587**	-2 137	**-1 214**	-2 049

Note 7 Income tax for the year

TSEK	Consolidated 2017	2016	Parent Company 2017	2016
Tax on profit for the year				
Current tax for the year	-98	-305	-	-
Current tax attributable to previous years	-172	-	-	-
Deferred tax	-3 938	-1 701	-3 941	-1 369
Total	**-4 208**	-2 006	**-3 941**	-1 369

Difference between recognised tax expense and current tax rate

	2017	2016	2017	2016
Profit before tax and allocations	17 249	7 566	-1 214	5 320
Estimated tax 22% (22%)	**-3 795**	-1 665	**267**	-1 170
Difference in foreign tax rate	29	43	-	-
Tax effect of non-deductible expenses	-313	-454	-	-
Tax effect of non-taxable income	136	156	-	-
Tax effect of intra-group transactions	-	-	-4 208	-199
Current tax attributable to previous years	-172	-	-	-
Tax effect of temporary differences	-93	-86	-	-
Income tax for the year	**-4 208**	-2 006	**-3 941**	-1 369

The current tax rate is the tax rate for income tax in the Group, 22% (22%).

Deferred tax assets have been reported as estimated in order to be able to be offset against future tax surpluses. As per 31 December 2017, the Group had loss carryforwards of SEK 27.3 million (27.3), which were not measured in the Balance Sheet. There are no maturity dates for these. Total estimated tax deficit amounts to SEK 75.2 million (93.2). No deficits have been capitalised for loss-making units.

Deferred tax assets and liabilities are offset when a legal right to offset current tax assets and tax liabilities exists and when deferred taxes concern the same tax authority. After such offsetting, the following amounts have been established and reported in the Balance Sheet:

TSEK	2017	2016	2017	2016
Deferred tax assets, loss carryforwards	10 547	14 487	10 295	14 237
Deferred tax liabilities, untaxed reserves	-3	-6	-	-
Other deferred taxes	628	657	-	-
Deferred taxes reported in the Balance Sheet	**11 172**	15 138	**10 295**	14 237

Note 8 Financial instruments

The Hifab Group has the following financial assets and liabilities

Consolidated 31/12/2017

TSEK	Receivables from clients and loan receivables	Financial assets that are readably saleable	Other financial liabilities	Total carrying amount	Fair value	Non-financial assets and liabilities	Balance Sheet Total
Other long-term receivables	2 926	-	-	2 926	2 926	-	2 926
Accounts receivable	85 664	-	-	85 664	85 664	-	85 664
Other receivables	810	-	-	810	810	-	810
Prepaid expenses and accrued income	7 085	-	-	7 085	7 085	-	7 085
Cash and bank balances	33 635	-	-	33 635	33 635	-	33 635
Total financial assets	**130 120**	**-**	**-**	**130 120**	**130 120**	**-**	**130 120**
Interest-bearing long-term liabilities	-	-	6 000	6 000	6 000	-	6 000
Other long-term liabilities	-	-	370	370	370	-	370
Accounts payable	-	-	41 424	41 424	41 424	-	41 424
Interest-bearing current liabilities	-	-	4 000	4 000	4 000	-	4 000
Total financial liabilities	**-**	**-**	**51 794**	**51 794**	**51 794**	**-**	**51 794**

Of the Group's total accounts receivable amounting to SEK 85,664 thousand, reservations have been made in the amount of SEK 467 thousand for doubtful receivables.
Past due accounts receivables over 90 days amount to SEK 7,751 (thousand).

For other financial assets and financial liabilities, the reported amounts are assessed to be a good approximation of fair values as a result of the maturity date and/or fixed interest rate period is less than three months, which means that a prospective discounting for present value based on current market conditions is assessed as not leading to any material effect.

Group 31/12/2016

TSEK	Receivables from clients and loan receivables	Financial assets that are readably saleable	Other financial liabilities	Total carrying amount	Fair value	Non-financial assets and liabilities	Balance Sheet Total
Other long-term receivables	3 152	-	-	3 152	3 152	-	3 152
Accounts receivable	92 114	-	-	92 114	92 114	-	92 114
Other receivables	435	-	-	435	435	-	435
Prepaid expenses and accrued income	7 774	-	-	7 774	7 774	-	7 774
Cash and bank balances	30 553	-	-	30 553	30 553	-	30 553
Total financial assets	**134 028**	**-**	**-**	**134 028**	**134 028**	**-**	**134 028**
Interest-bearing long-term liabilities	-	-	10 000	10 000	10 000	-	10 000
Other long-term liabilities	-	-	651	651	651	-	651
Accounts payable	-	-	40 079	40 079	40 079	-	40 079
Interest-bearing current liabilities	-	-	4 000	4 000	4 000	-	4 000
Total financial liabilities	**-**	**-**	**54 730**	**54 730**	**54 730**	**-**	**54 730**

Of the Group's total accounts receivable amounting to SEK 92,114 thousand, reservations have been made in the amount of SEK 632 thousand for doubtful receivables
Past due accounts receivable over 90 days totals to SEK 3,639 thousand.

For other financial assets and financial liabilities, the reported amounts are assessed to be a good approximation of fair values as a result of the maturity date and/or fixed interest rate period is less than three months, which means that a prospective discounting for present value based on current market conditions is assessed as not leading to any material effect.

Note 9 Accounts receivable

	IFRS Consolidated		ÅRL -Swedish Annual Accounts Act Parent company	
TSEK	**31/12/2017**	31/12/2016	**31/12/2017**	31/12/2016
Accounts receivable, gross	86 131	92 746	-	-
Provision for doubtful receivables	-467	-632	-	-
Total accounts receivable, net after provision for doubtful receivables	**85 664**	92 114	**-**	-

The management has made the assessment that the carrying amount of accounts receivable, net after reserve for doubtful receivables, corresponds to the fair value.

	Consolidated		Parent Company	
TSEK	**31/12/2017**	31/12/2016	**31/12/2017**	31/12/2016
Provision for doubtful receivables at the beginning of the year	-632	-651	-	-
Net change of the reserve	166	19	-	-
Divested operating activities	-	-	-	-
Translation gains/losses on consolidation	-1	-	-	-
Recoveries of amounts previously written-down	-	-	-	-
Total provision for doubtful receivables	**-467**	-632	**-**	-

Consolidated	**31/12/2017**		31/12/2016	
Age analysis of accounts receivable TSEK	Gross	doubtful accounts receivable	Gross	Provision for doubtful accounts receivable
Not considered past due	69 660	-	71 006	-
Past due 30 days	6 392	-	2 962	-
Past due 31-60 days[1)]	2 299	-	14 805	-
Past due 61-90 days	29	-	334	-
Past due > 90 days	7 751	-467	3 639	-632
Total	**86 131**	**-467**	92 746	-632

The Company's senior management has made the assessment that a maturity analysis of future payments does not deviate significantly from the above age analysis.

Note 10 Goodwill

LBK Project Management AB	Consolidated		Parent Company	
TSEK	**2017**	2016	**2017**	2016
Opening acquisition cost 01/01/2017	6 148	6 148	-	-
Acquisitions for the via company acquisitions	-	-	-	-
Total accumulated acquisition cost 31/12/2017	6 148	6 148	-	-
Closing carrying amount	**6 148**	6 148	**-**	-

Hifab DU Teknik AB	Consolidated		Parent Company	
TSEK	**2017**	2016	**2017**	2016
Opening acquisition cost 01/01/2017	9 806	9 806	-	-
Acquisitions for the via company acquisitions	-	-	-	-
Total accumulated acquisition cost 31/12/2017	9 806	9 806	-	-
Closing carrying amount	**9 806**	9 806	**-**	-

The valuation of the Group's goodwill item has been assessed on the basis of the two cash-generating units value in use. An impairment test is performed annually. The value in use is based on the cash flow expected to be generated by the unit in the Group in the future. The future cash flows used to calculate unit's value in use is based on the budgeting and business plan for 2018. Thereafter, the cash flows are based on forecasts extending to 2022. Estimated revenue growth for 2018-2022 is technology 2% for DU (2%) and 2-5% for LBK (2-5%). After that, no growth is expected. Our experience shows that there is limited sensitivity for the possibility to substantially increase the revenues, which is why future calculations are cautious. The assessment of values in use are based on a discount
interest rate of 10% (10%) before tax has been applied. The possibility to attract new and retain existing personnel is a sensibility factor. Based on the assumptions presented above, the value in use exceeds the recognised goodwill value of all cash-generating units. Reasonable deviations to the above assumptions would not lead to result in any need for write-downs concerning goodwill.

Note 11 Inventories

	Consolidated		Parent Company	
TSEK	**31/12/2017**	31/12/2016	**31/12/2017**	31/12/2016
Opening acquisition cost	15 891	16 213	-	-
Purchases during the year	-	16	-	-
Sales/scrapping	-6 374	-339	-	-
Translation difference for the year	3	1	-	-
Total accumulated cost	**9 520**	15 891	-	-
Opening depreciation	-15 299	-14 987	-	-
Sales/scrapping	6 374	339	-	-
Depreciation taken this year	-323	-650	-	-
Translation difference for the year	-4	-1	-	-
Total accumulated depreciation	**-9 252**	-15 299	-	-
Closing carrying amount	**268**	592	-	-

Depreciation according to plan on inventories is based on the following useful lives:

Office equipment	5 years
Computer equipment and periphericals	3 years
Other tools and equipment	5 years

Note 12 Capitalised refurbishment costs

	Consolidated		Parent Company	
TSEK	**31/12/2017**	31/12/2016	**31/12/2017**	31/12/2016
Opening acquisition cost	1 146	1 146	-	-
Purchases during the year	-	-	-	-
Sales/scrapping	-	-	-	-
Total accumulated cost	**1 146**	1 146	-	-
Opening depreciation	-1 146	-1 146	-	-
Sales/scrapping	-	-	-	-
Depreciation taken this year	-	-	-	-
Total accumulated depreciation	**-1 146**	-1 146	-	-
Closing carrying amount	-	-	-	-

Note 13 Ownership interests in Group companies

					Book value TSEK	
Hifab Group AB	Company registration nc	eadquarters Offi	Number of shares	Capital and voting rights, %	**31/12/2017**	31/12/2016
Hifab Finans AB	556544-8098	Stockholm	205	100	316	316
Hifabgruppen AB	556537-8261	Stockholm	2 900 000	100	152 300	152 300
Hifab AB	556125-7881	Stockholm		100		
Envipro Miljöteknik AB	556326-9314	Stockholm		100		
Pontem Access AB	556519-9220	Stockholm		75,5		
Hifab AS Norge	954 985 601	Oslo		100		
CMn Byggprojektledaren i Norr AB	556377-2739	Stockholm		100		
Hifab LSPI	81 01-83	Vilnius		100		
Hifab DU Teknik AB	556573-1550	Stockholm		100		
Hifab KanEnergi AB	556541-8927	Stockholm		100		
Hifab Netcom AB	556599-8787	Stockholm		100		
Hifab International AB	556100-3962	Stockholm		100		
Hifab Kazakhstan Sweden Ltd	26879-1901-TOO	Astana		50		
Hifab Oy	1775079-9	Esbo		100		
Hifab Development AB	556426-9297	Stockholm		100		
Hifab Middle East Ltd	1010183035	Riyadh		50		
Hifab SIA	33699	Riga		100		
ICS Interconsult Sweden AB	556460-7884	Stockholm		100		
Hifab Netcom Nigeria Ltd	603173	Lagos		72,5		
Fiberdata Operations AB	556589-6742	Stockholm	1 000	100	79	79
WJEK AB	556088-7142	Stockholm	1 000	100	109	109
Hifab Activity AB	556318-5833	Stockholm	4 000	100	517	517
Hifab Invest AB	556510-0798	Stockholm	1 000	100	-	-
Danovia Data AB	556435-0584	Stockholm	50304	100	503	1 341
LBK Project Management AB	556657-7473	Stockholm	1000	100	4 111	4 111
Total					**157 935**	158 773

Note 13 Shares in Group companies cont'd

Ownership interests in Group companies	Parent Company	
TSEK	**31/12/2017**	31/12/2016
Opening acquisition cost	199 618	199 618
Investments made this year	-	-
Disposals of the year	-	-
Closing accumulated cost	199 618	199 618
Opening write-downs	-40 845	-40 840
Disposals of the year	-	-
Revaluation/impairment for the year	-838	-5
Closing accumulated write-downs	-41 683	-40 845
Outgoing book value	**157 935**	158 773

Note 14 Ownership interests in associated companies and joint ventures

Ownership interests in associated companies and joint ventures	Share of capital (%)	Voting rights (%)	Book value, Consolidated TSEK	Company registration no.	Headquarters Office
Hifab Middle East Co. Ltd	50	50	-	1 010 183 035	Riyadh
Hifab Kazakstan	50	50	-	26879-1901-TOO	Astana

Joint ventures are valued at 0 in the parent company's Balance Sheet. In addition to the parent company's book value, the Group's Profit & Loss Statement and Balance Sheet includes the following value added from Hifab Middle East Co. Ltd and Hifab Kazakstan, which corresponds to 50% of the company's Profit & Loss Statement and Balance Sheet.

Profit & Loss Statement	**2017**
Net revenues	-
Operating expenses	-
Profit/loss for the year	**-**

Balance Sheet	**31/12/2017**
Fixed assets	-
Current assets	245
Total assets	**245**

Note 15 On Assignments on behalf of another party, in progress

	Consolidated		Parent Company	
Fixed price TSEK	**31/12/2017**	31/12/2016	**31/12/2017**	31/12/2016
Fixed price	3 725	3 327	-	-
Running account, processed	11 382	9 957	-	-
Total	**15 107**	13 284	**-**	-

Note 16 Prepaid expenses and accrued income

	Consolidated		Parent Company	
TSEK	**31/12/2017**	31/12/2016	**31/12/2017**	31/12/2016
Prepaid rental expenses	2 634	2 530	-	-
Prepaid pension costs	157	174	-	-
Prepaid insurance	634	969	-	-
Other items	2 847	2 590	-	-
Accrued income	813	1 511	-	-
Total	**7 085**	7 774	-	-

Note 17 Other long-term receivables Group companies

TSEK	Parent Company 2017	2016
Opening acquisition cost	14 667	13 448
Group receivables	6 149	0
Adjustments	-	1 219
Closing accumulated cost	**20 816**	**14 667**
Opening write-downs	-	-
Closing accumulated write-downs	0	0
Closing carrying amount	**20 816**	14 667

All receivables are Group receivables which are companies for companies, long-term receivables against long-term liabilities.
Group contributions, dividends etc. constitute the net difference.

Note 18 Earnings per share

TSEK	Consolidated 2017	2016
Profit for the year attributable to the parent company's shareholders	13 041	5 560
Average number of shares	60 838 912	58 303 957
Earnings per share	0.21	0.09

No potential common shares exist, which is why the above summary relates to earnings per share before and after dilution

Note 19 Share capital

The parent company's share capital consists of 60,838,912 shares with a quota value of SEK 0.10. For an itemisation of changes in shareholders' equity, see the summaries of Changes in Shareholders' Equity, page 31.

Number of shares

The share capital of the parent company is divided into 1,562,666 Class A shares and 59,276,246 Class B shares.
Class A shares carry 10 votes and Class B shares 1 vote.

Proposed distribution of dividends

According to the Management Report to the Shareholders, the Board of Directors proposes a distribution of dividends in the amount of SEK 0.12 per share (0.00).

Quantity	Class A shares	Class B shares	Total number of shares
IB 01/01/2017	781 333	29 638 123	30 419 456
Implemented new share issue (completed 28/01/2016)	781 333	29 638 123	30 419 456
UB 31/12/2017	**1 562 666**	**59 276 246**	**60 838 912**

Note 20 Bank overdraft facility

The Group has an unused short-term line of credit in the amount of 20,000 (20,000) TSEK.

Note 21 Financial liabilities

	Consolidated		Parent Company	
TSEK	**31/12/2017**	31/12/2016	**31/12/2017**	31/12/2016
Becomes due within 1 year	45 617	44 333	4 000	4 000
Becomes due within 1-3 years	6 301	10 301	6 000	10 000
Becomes due within 5 years	96	96	-	-
Total	**52 014**	54 730	**10 000**	14 000

Note 22 Accrued expenses and prepaid income

	Consolidated		Parent Company	
TSEK	**31/12/2017**	31/12/2016	**31/12/2017**	31/12/2016
Personnel-related costs	14 999	16 295	-	-
Accrued expenses, subconsultants	5 183	5 138	-	-
Other items	7 548	8 165	-	-
Total	**27 730**	29 598	**-**	-

Note 23 Contingent liabilities

Panthers and comparable collateral for own liabilities and provisions.

	Consolidated		Parent Company	
TSEK	**31/12/2017**	31/12/2016	**31/12/2017**	31/12/2016
Floating charges for debt to financial institutions	26 500	35 500	-	-
Pledged assets for ownership interests in Group companies	12 969	12 969	-	-
Contingent liability	-	-	-	-
Guarantees	5 159	2 204	-	-
Total	**44 628**	50 673	**-**	-

Note 24 Intra-group purchases and sales

During the year, the parent company's purchases and sales from and to Group companies amounted to 0% (0%).

Note 25 Items affecting comparability

The Group's profit for the year has not been charged with items affecting comparability.

Note 26 Non-cash items

TSEK	Consolidated 2017	Consolidated 2016	Parent Company 2017	Parent Company 2016
Depreciation according to plan	323	649	-	-
Impairment of shares in subsidiaries	-	-	-	-
Fluctuations in exchange rates	133	862	-	-
Provisions for endowment insurance	-281	-244	-	-
Other	-1	1	-	-
Total	**174**	1 268	**-**	-

Note 27 Operational leasing

Information about leasing costs, operational leasing

TSEK	Consolidated 2017	Consolidated 2016	Parent Company 2017	Parent Company 2016
Vehicles	1 862	1 683	-	-
Office rent	9 884	11 836	-	-
Other	858	1 093	-	-
Total	**12 604**	14 612	**-**	-

The entire amount is expensed during the year.

Future leasing fees for non-cancellable leases payable due

TSEK	Consolidated 2017	Consolidated 2016	Parent Company 2017	Parent Company 2016
Within one year	9 698	9 446	-	-
Later than one year, but within five years	11 868	15 332	-	-
Total	**21 566**	24 778	**-**	-

Of the future leasing fees, premises rents amounts to SEK 20.7 million (23.3) for the Group and SEK 0 million (0) for the parent company.

Note 28 Transactions with related parties

No transactions with related parties have occurred in in 2017.

Note 29 Financial risks

Market risks
The Group's operating activities are affected by developments in the general economic cycles, which has a strong impact on the private companies' willingness and possibilities to make investments. A large part of the sales are made to public sector clients where political and policy decisions can affect the Group's possibilities to obtain contracts The industry's lack of personnel with high mobility in the market, can as a consequence can have adverse impacts on the possibilities, if the trend continues.

Insurable risk
Hifab Group AB has customary and usual insurance coverage for the Group concerning property and liability risks.

Financial risks
The parent company coordinates the liquidity planning and adheres to a financial policy that has been adopted by the Board. The financial risks in the operating activities are minimal. Controls and checks are performed internally in a variety of different ways. The primary financial risk is credit risk. Financial instruments such as derivatives and similar instruments are not utilised, and therefore there is no risk in this regard.

Financial risk factors
The Group is exposed to various financial risks in its business operation, such as market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The financial risks in the parent company are in line with the Group's risks. The Group's total debt financing with loans amounted to SEK 10 million as of 31 December 2017, of which the long-term part was SEK 6 million. The Group's borrowings have occurred at Danske Bank and have the usual terms and conditions with mortgages/colateral as specified in note 23.

Interest rate risk
Interest rate risk is the risk that the value of financial instruments varies due to changes in market interest rates. The Group has financial interest-bearing net assets of SEK 23.6 million, as at the close of the reporting period.

Credit risk
Credit risk is the risk that a party in a transaction with a financial instrument can not fulfil its commitments. The vast majority of the Hifab Group's most significant clients, concerning remaining operating activities, are large and financially solid. The credit risk that exists primarily consists of these accounts receivable. Of the Group's total accounts receivable, amounting to SEK 86,131 thousand, the share of past due receivables totalled SEK 7,751 thousand, which in its entirety stems from foreign operating activities. Information concerning creditworthiness is obtained for new clients. The maximum credit risk corresponds to the book value of the financial assets. The assessment is that there is no significant concentration of credit risks, neither geographically nor within a particular client segment. A review for assessing commercial risks in these relationships occurs on a continuous basis, and impairment of receivables occurs when there is objective evidence that amounts past due will not be paid. See Note 9.

Liquidity risk
Caution in managing liquidity risk means having sufficient liquid assets(cash and cash equivalents), or alternatively, agreed credit facilities in order to be able to close market positions. The liquidity risk is currently estimated to be reasonably low.

Fair values
The carrying amount coincides with the fair value for all of the Group's financial assets and liabilities. The Group's financial assets belong to all categories of accounts receivable and loan receivables, and the financial liabilities belong to the category financial liabilities measured at accrued acquisition cost. The Group's capital structure objective is to ensure the Group's ability to continue its business in order to be able to generate returns to shareholders, benefit other stakeholders, and maintain an optimal capital structure to keep capital costs down. Dividends to shareholders, redemption of shares, issue of new shares or sale of assets are examples of measures that the Group can use to adjust the capital structure.

Currency risks
The currency risk the Company is exposed to consists of is that fluctuations in exchange rates may result in a negative impact on the Group's profits and shareholders' equity. Currency exposure occurs in connection with payment flows in foreign currency when international client contracts are established mainly in EUR, USD or BDT. The policy is to meet, to the greatest extent possible, the costs with the same currency as the revenue. Anticipated currency surpluses are continuously assessed, and decisions are made whether hedging or an exchange of currencies should occur. This is all done within the framework of the finance policy, which means that the Group does not engage in currency speculation.

Note 30 The Group's capital

Hifab Group manages its capital in a such a manner in order to ensure the Group's survival and freedom of action, plus to ensure that the return to shareholders is maximised via a good balance between liabilities and shareholders' equity. The distribution between its own capital and borrowed capital should be such that a good balance between risk and returns is obtained. The Group's capital consists of shareholders' equity plus short-term and long-term borrowings. The shareholders' equity part and changes during the year are described in the Group's change in shareholders' equity on page 31. The Group follows an amortisation plan prepared by the bank, with the maturity date of March 2021. As a guarantee for this, in addition to a short-term line of credit in the amount of SEK 20 million, collateral and floating charges have been provided at a total value of SEK 39,469 million. The capital structure is adjusted if necessary to changing economic conditions and other external factors. In order to maintain and adjust the capital structure, the Group can distribute funds, increase the shareholders' equity by issuing new shares or obtaining capital injections, and reduce or increase liabilities.

The Group has a small percentage of interest-bearing liabilities as at 31 December 2017, good liquidity, and a good cash flow. The risk is very minor that a borrowing need for current activities will arise. The objective of the Group is not to take out any loans, and not to use our overdraft facilities/short-term lines of credit more than for operational fluctuations in the form of calendar effects in current operations. Have a stable equity ratio and liquidity, so that the operational companies have a good credit rating equivalent to AA or better.

Note 31 Events after the close of the reporting period

No significant events have occurred after the close of the reporting period.

Stockholm, 28 March 2018

Rikard Appelgren
Chairman of the Board

Carina Edblad

Tomas Hermansson

David Tunberger

Göran Ingelhammar
Employee Representative,
Sveriges Ingenjörer/SACO-förbunden

Henrik Hederfors
Employee Representative, Unionen

Patrik Schelin
CEO

Our audit report was submitted on 28 March 2018.

Deloitte AB
Johan Telander, Certified Public Accountant

Auditor's Report

To the Annual General Meeting of Hifab Group AB | company reg. number 556394-1987

Report on the Annual Report and accompanying financial statements and consolidated financial statements

Auditor's Report

We have audited the accompanying financial statements and consolidated financial statements for Hifab Group AB for the financial year 01/01/2017 – 31/12/2017. The Company's annual financial statements and consolidated financial statements are included on pages 23-57 of this document.

In our opinion, the annual financial statements and consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act and give a true and fair view of the parent company's financial position in all material respects as of 31 December 2017 and of its financial performance and cash flow for the year in compliance with the Annual Accounts Act. The consolidated financial statements have been prepared in compliance with the Annual Accounts Act and give a true and fair view of the Group's financial position as of 31 December 2017 and its financial performance and cash flow for the year in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and in compliance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual financial statements and consolidated financial statements.

We therefore recommend that the Annual General Meeting approve and adopt the Profit & Loss Statement and Balance Sheet for the parent company and the Group.

Basis for the Opinions

We have conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under these standards are described in more detail in the Auditor's Responsibilities section. We are independent in relation to the parent company and the Group, in accordance with generally accepted professional ethics for accountants in Sweden, and have in general fulfilled our professional 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.

Information other than the annual financial statements and consolidated financial statements

The Board of Directors and the CEO are responsible for the other information. The other information is found on pages 1-22 and 60-64, but does not include the annual financial statements, the consolidated financial statements and our auditor's report concerning these.

Our opinion regarding the annual financial statements and consolidated financial statements does not encompass this information and we do not make express any form of assurance or conclusions regarding this other information.

In connection with our audit of the annual financial statements and consolidated financial statements, it is our responsibility to read the information identified above and consider whether the information is materially inconsistent with the annual financial statements and consolidated financial statements. In this review, we also take into account the knowledge we have acquired during the audit, and assessing whether the information in general appears to contain any material misstatements.

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

Responsibilities of the Board of Directors and the Chief Operating Officer

The Board of Directors and the CEO are responsible for the preparation of the annual financial statements and consolidated financial statements and giving a true and fair view in accordance with the Annual Accounts Act and, as regards to the consolidated financial statements, in accordance with IFRS as adopted by the EU. The Board of Directors and the CEO are also responsible for such internal control they deem necessary to enable the preparation of an Annual Report with financial statements and consolidated financial statements that are free from material misstatement, whether due to fraud or errors.

With the preparation of the annual financial statements and consolidated financial statements, the Board of Directors and the CEO are responsible for the assessment of the company's and the Group's ability to continue as a going concern. They disclose, where applicable, matters and circumstances that may affect the ability to continue the business operations (going concern) and that the assumptions made about continued operations. However, the assumption of continued operations is not applicable if the Board of Directors and the CEO intend to liquidate the company, cease business operations or the company has no realistic alternative than doing this.

The Auditor's responsibility

Our objectives are to obtain reasonable assurance as to whether the annual financial statements and consolidated financial statements as a whole are free from material misstatement, no material errors, whether due to fraud or error, and to submit an audit report containing our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA and generally accepted auditing standards in Sweden will always detect a material misstatement if it exists. Errors may arise due to fraud or error and are considered to be material if individually or together can reasonably be expected to affect the financial decisions that users make in the annual financial statements and consolidated financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assesses the risks of material misstatements in the annual financial statements and consolidated financial statements, whether due to fraud or error, design and perform audit measures based procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis constitute a reason for our opinions. The risk of not detecting a material misstatement due to fraud is higher than a material misstatement resulting from error, as fraud may include acts of collusion, forgery, intentional omissions, misrepresentations, or the overriding of internal controls.
- Obtain an understanding of the part of the company's internal control that is relevant to our audit in order to design audit procedures appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- We valuate the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Board of Directors and the CEO in the financial statements and related information including the Notes.
- Draw a conclusion on the appropriateness of the Board of Directors and the CEO to use the going concern basis of accounting in preparing the annual financial statements and consolidated

financial statements. We also draw a conclusion, based on the obtained audit evidence obtained, as to whether any material uncertainty exists related to such events or circumstances that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements and consolidated financial statements of the material uncertainty factor or, if such disclosures are inadequate, to modify our opinion about the annual financial statements and consolidated financial statements. Our conclusions are based on the audit evidence obtained up until the date of our auditor's report. Future events or circumstances may however result in that a company or a Group to ceases to continue as a going concern.

- We evaluate the overall presentation, structure and contents of the Annual Report and the accompanying financial statements and consolidated financial statements, including the disclosures, and whether the annual financial statements and consolidated financial statements reflect the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the units or business activities within the Group in order to express an opinion regarding the consolidated financial statements. We are responsible for the management, supervision and performance of the audit for the Group. We are solely responsible for our statements of opinion.

We must inform the Board of Directors i.a. of the planned scope and focus of the audit as well as the timing of it. We must also inform the Board significant audit findings during our audit, including any significant deficiencies in the internal control we have identified.

Report on other requirements pursuant to legislation, regulations and administrative provisions

Auditor's Report

In addition to our audit of the annual financial statements and consolidated financial statements, we have also reviewed Board of Director's and the CEO's management of Hifab Group AB for the financial year 01/01/2017 – 31/12/2017 by the Board of Directors and the CEO and the proposal for the allocation of the company's profit or loss.

We recommend to the Annual General Meeting that it allocate the profits in accordance with the proposal in the Management Report to the Shareholders and grant a discharge of liability to the Board Members and the CEO for the financial year.

Basis for the Opinions

We have conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities in accordance with these standards are described in more detail in the Auditor's Responsibilities section. We are independent in relation to the parent company and the Group, in accordance with generally accepted professional ethics for accountants in Sweden, and have in general fulfilled our professional 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 Chief Operating Officer

The Board of Directors is responsible for the proposal for allocation of the company's profit or loss. A proposed distribution of dividends is to include an assessment of whether the dividend is justifiable considering the requirements which the company and the Group's type of scope of its business activities, the extent and risks imposed the size of the parent company and the Group's shareholders' equity, consolidation requirements,, liquidity and financial position in general.

The Board of Directors is responsible for the company's organisation and management of the company's affairs. This includes, inter alia, continually assessing the company's and the Group's financial situation and ensuring that the company's organisation is designed so that the accounting, management of assets and the company's financial affairs are generally controlled in a satisfactory and reassuring manner. The CEO has the responsibility to conduct the ongoing management of the company in accordance with the Board of Directors' guidelines and instructions and, inter alia, take the requisite steps I order to ensure that the Company's bookkeeping and financial statements are maintained and presented in accordance with the law, and in order to ensure the proper management of funds in a reassuring manner.

The Auditor's responsibility

Our objective concerning the audit of the management, and thus our opinion about the discharge of liability, is to obtain audit evidence in order to be able to assess with a reasonable degree of assurance whether any Board member or the chief executive officer has in any material respect:

- undertaken any action or is guilty of any negligence that may lead to the company being liable for compensation for damages, or
- acted in any other manner contrary to the Swedish Companies Act, Swedish Annual Accounts Act, or the company's Articles of Association.

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

A reasonable degree of 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 may give rise to a liability on the company imposing an obligation to provide compensation for damages, or that a proposal for an allocation of the company's profit or loss is not compliant with the Swedish Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we expertise professional judgment and maintain professional scepticism throughout the audit. The examination of the management of the company and the proposed allocation its profit or loss is based primarily on the audit of the financial statements. Which additional audit measures are performed is based on our professional assessment and judgment based on risk and materiality. This means that we focus the examination on f such actions, areas and relationships that are material to the business activities and where departures and violations would have particular significance for the company's financial situation. We examine and test decisions made, the documentary and other basis for the decisions, actions taken and other matters and circumstances that are relevant to our opinion concerning discharge of liability. As a basis for our opinion on the Board of Directors' proposal for allocations regarding the company's profit or loss, we have reviewed the Board of Directors' reasoned statement and a selection of the supporting documents in order to be able to assess whether the proposal is in accordance with the Swedish Companies Act.

Stockholm, Deloitte AB,
Johan Telander, Certified Public Accountant

Board of Directors of Hifab Group AB

Rikard Appelgren

Chairman, 1965

Elected to the Board of Directors: 2016

Other significant activities: Presently, he is operating in his own company, and is the owner of and active in a number of some small business enterprises.

Principle professional work experience: WSP 1996-2014, i.a. as CEO of Sweden 2002-2014 and Europe 2006-2014. Board Member of WSP Group Plc 2010-2012.

Owns via a company:
Class A shares: -
Class B shares: 611,702

Carina Edblad

Board Member, 1963

Elected to the Board of Directors: 2012

Other significant activities: Board Member of NCC and Svensk Betong.

Principle professional work experience: CEO of Thomas Betong AB. 25 years of experience from Skanska in all phases of the construction process. Line manager and staff manager several levels responsible for both large cities as well as small towns.

Owns via a company:
Class A shares: -
Class B shares: –

Tomas Hermansson

Board Member, 1968

Elected to the Board of Directors: 2017

Other significant activities: Board Member of Fastighets Nytt.

Principle professional work experience: CEO and Group Chairman of Bonnier Fastigheter AB since 2007, and prior to that was business unit manager at Klövern AB, Chief Operating Officer at Fabege AB, plus has more than 10 years of experience from various line positions within the Skanska Group.

Owns via a company:
Class A shares: -
Class B shares: 10,000

David Tunberger

Board Member, 1972

Elected to the Board of Directors: 2017

Other significant activities: Venture Manager at Traction. Chairman of the Board of Ankarsrum Motors, Ankarsrum Kitchen, Ankarsrum Die Casting. Member of the Board of Sigicom and Drillcon.

Principle professional work experience: Management consultant and various senior positions within Hilti and B&B TOOLS.

Owns via a company:
Class A shares: -
Class B shares: 40,000

Göran Ingelhammar

Employee Representative for Sveriges Ingenjörer/SACO-förbunden, 1956

Elected to the Board of Directors: 2017

Henrik Hederfors

Employee Representative for Unionen, 1971

Elected to the Board of Directors: 2017

Jonas Santesson

Alternate Employee Representative for Sveriges Ingenjörer/SACO-förbunden, 1979

Elected to the Board of Directors: 2017

Susanne Wehinger-Kling

Alternate Employee Representative for Unionen, 1955

Elected to the Board of Directors: 2016

Company management in Hifab Group AB

Patrik Schelin

CEO
Class A shares: -
Class B shares: 200,000

Elisabeth Brattlund

CFO
Class A shares: -
Class B shares: 131,200

Malin Sandkulla

Human Resources Director
Class A shares: -
Class B shares: -

Kåre Sundin

Market Area Manager International
Class A shares: -
Class B shares: 1,000

Kristian Henninge

Market Area Manager, South
Class A shares: -
Class B shares: 40,000

Per Ångquist

Market Area Manager, Central-Sweden/Marketing Director
Class A shares: -
Class B shares: 91,179

Markus Olofsson

Market Area Manager, North
Class A shares: -
Class B shares: -

Annual General Meeting

Date and location

The Annual General Meeting of Shareholders will be held on Tuesday, 15 May 2018 at 17:00, in Hifab's headquarters office: Norrtullspalatset, Sveavägen 167, 3rd floor, Stockholm.

Right to participate

In order to participate in the Annual General Meeting, shareholders must be entered in the share register maintained by Euroclear Sweden AB on the record date, which is 8 May 2018, and have notified the Company of their intended participation, at the latest by noon Monday, 14 May 2018.

Registration of participation

Shareholders who have arranged for their shares to be registered in the name of a trustee must have temporarily registered their shares in their own name at Euroclear Sweden AB by 8 May 2018 in order to be entitled to participate at the shareholders' meeting.

The notification of intention to participate at the Annual General Meeting can be made to the Company as follows:
e-mail: hifabgroup@hifab.se
Telephone: +46 (0)10-476 60 00
Postal mail: Hifab Group AB, Attn: Emma-Lisa Runius, Box 19090, SE-104 32 Stockholm

The notification from the shareholder is to include their name, civic registration number/company reg. number, address, telephone number, number of shares represented and, where applicable, the name of any assistant(s).

Proxies and assistants

The rights of a shareholder may be exercised at the Annual General Meeting via a proxy holding a power of attorney. The proxy form/power of attorney must be in writing and may not be dated more than twelve months prior. Please note that the proxy form/power of attorney must be presented in its original and be submitted in advance or brought to the shareholders meeting. Shareholders wishing to exercise their right to bring assistants to the Annual General Meeting (not more than two) must notify the Company of their intention with their notification of intention to attend the Annual General Meeting, stating the name(s) and number of assistants who will be accompanying them.

Distribution of dividends

The Board of Directors proposes to the Annual General Meeting that for the 2017 financial year dividends be issued in the amount of 12 öre per share. The proposed record date for the distribution of dividends is 21 May 2018. If the Annual General Meeting decides to adopt this proposal, it is estimated that the distribution of dividends by Euroclear Sweden AB will take place on 24 May 2018.

Distribution of the Annual Report

The Annual Report is available at the Company and on its website www.hifab.se (from 11 April 2018). In addition, the Annual Report is sent by post to those shareholders who register such a request with the Company (refer to below).

Financial Information 2018

Interim Financial Reports
January – March 2018: 9 May 2018
January – June 2018: 23 August 2018
January – September 2018: 6 November 2018

Year-end Report
January – December 2018: February 2019

Information channels
Interim financial reports, Annual Reports, share price charts and press releases are available from Hifab's website (www.hifab.se). Hardcopy printed documents can be obtained via the Company: order either by telephone +46 (0) 10 476 60 00 or by sending an e-mail to info@hifab.se.

Our vision is to be the market's leading project management company – our clients and employees first choice

Hifab Group AB

www.hifab.se phone 010-476 60 00 fax 010-476 67 80

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Brigadgatan 16, SE-587 58 **Linköping**
Carlsgatan 12A, SE-211 20 **Malmö**
Svärmaregatan 3, SE-603 61 **Norrköping**
Expolaris Center, SE-931 78 **Skellefteå**
Universitetsallén 32, SE-852 71 **Sundsvall**
Morabergsvägen 33B, SE-152 42 **Södertälje**
Brogatan 1, SE-903 25 **Umeå**
Björkgatan 73, SE-753 23 **Uppsala**
Lysgränd 3, SE-721 30 **Västerås**

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